



Circular No.: SPI250401

Date: 11 April, 2025

Subject: Summary and Implementation Details of China's Tariff Countermeasures in Response to U.S. Actions

Dear Sirs / Madams,

In light of the recent announcement by the U.S. government to impose so-called "reciprocal tariffs" on Chinese exports, the Chinese side has responded with a series of countermeasures.

We hereby provide a summary of the key developments related to this issue, as well as the latest official announcement from the Chinese authorities, for your ease of reference.

Developments Concerning the Tariff Dispute

On April 02, 2025, the U.S. announced the imposition of a 34% tariff on Chinese exports as part of its so-called "reciprocal tariffs" policy. In response, on April 04, the Tariff Commission under China's State Council issued an official notice stating that, effective from 12:01 p.m. on April 10, 2025, an additional 34% tariff will be levied on all cargoes originating from the U.S., in addition to the current applicable tariff rates.

In addition, six supplementary measures have been jointly introduced by the Ministry of Commerce of China and the General Administration of Customs of China, including: the inclusion of 16 U.S. entities in the export control list; the implementation of export controls on specific medium and heavy rare earth materials; the suspension of import qualifications for six U.S. enterprises; the addition of 11 U.S. companies to the Unreliable Entity List; the launch of a competitiveness investigation into imported medical CT X-ray tubes; and the filing of a case at the World Trade Organization (WTO) regarding the U.S. tariff actions.

On April 8, the U.S. government announced an increase in the tariff rate on Chinese cargoes exported to the United States from 34% to 84%, further escalating the dispute. This escalation has raised serious concerns regarding the stability of the multilateral trading system, which is founded on rules-based principles.

Subsequently, on April 9, the General Administration of Customs of China issued a new



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announcement entitled "Announcement on the Implementation of Tariff Measures on U.S.-Origin Imports."

Translation of the Official Announcement

The following is a full translation of the above-mentioned announcement, for your kind reference:

In accordance with the *Announcement of the Tariff Commission of the State Council on Imposing Additional Tariffs on Imports Originating from the United States (Announcement No. 4[2025])* and the *Announcement on Adjusting the Additional Tariff Measures on Imports Originating from the United States (Announcement No. 5 [2025])*, effective from 12:01 p.m. on April 10, 2025, an additional 84% tariff will be imposed on all imports cargoes originating from the United States, in addition to the current applicable tariff rates. Cargoes that departed from the place of origin before 12:01 p.m. on April 10, 2025, and are imported between 12:01 p.m. on April 10 and 24:00 on May 13, 2025 (hereinafter referred to as "in-transit cargoes"), shall be exempt from this additional tariff. The implementation details are hereby announced as follows:

1. From 12:01 p.m. on April 10, 2025, all cargoes originating from the United States declared for import shall be subject to the additional tariff, calculated on the basis of the current applicable tariff regime (i.e. the sum of the applicable Most Favored Nation (MFN) or provisional tariff rate and any previously imposed additional tariff).
2. For in-transit cargoes, importers may apply for exemption from this additional tariff. Importers must verify the transport status of the cargoes and ensure that the transport vessel carrying the cargoes departed from the place of origin prior to 12:01 p.m. on April 10, 2025, and that the cargoes are declared for import before 24:00 on May 13, 2025.

Applications for exemption must be submitted after the transport vessel carrying the cargoes has been declared for entry into China. For bonded cargoes under special customs supervision zones or inward processing trade, the application for exemption must be submitted before 24:00 on May 13, 2025.

3. For in-transit cargoes applying for exemption, importers must declare as follows:
 - (1) In the customs declaration form, the "Departure Date" field must indicate the date the cargoes left the first overseas port of shipment, which must be before 12:01 p.m. on April 10, 2025. The remarks column should indicate "<加征关税在途货物>" (Tariff-exempt in-transit goods).



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For cargoes imported under trade modes such as domestic sales from customs special supervision zones or bonded supervision premises, as well as domestic sales from processing trade outside such zones, and for other transactions not involving actual cross-border movement of cargoes, importers are required to upload supporting documentation regarding the transportation status of the cargoes in the "Accompany Documents" section while making the declaration. Such documentation must include detailed information on the shipment, such as the port of departure from abroad, the time of departure, and the transportation route. The remarks column must also include "<加征关税在途货物>" (Tariff-exempt in-transit goods).

(2) At the time of customs declaration, importers must submit the following statement:

"Our company hereby certifies that the import cargoes meet the conditions stipulated in Article 3 of the Tariff Commission Announcement No. 4 [2025] and apply for exemption from this additional tariff. Our company shall be held legally liable for the authenticity and accuracy of the declared information and the supporting documentation provided."

4. For cargoes declared for import before 24:00 on May 13, 2025 (in the case of advance declarations, the relevant time refers to the declaration of the transport vessel's entry time), and for which the additional tariff has already been paid, the importer may, upon verifying that the cargoes qualify as in-transit, apply for a refund of the relevant duties and interest. The importer shall make the same declaration as outlined in item 3(2) and submit corresponding supporting materials.
5. For cargoes originating from the United States imported under processing trade regimes, the existing bonded policies remain unchanged, with the following management requirements:

- (1) For cargoes originating from the United States and imported into China under bonded arrangements via customs special supervision zones, their processed finished products shall, as of 12:01 p.m. on April 10, 2025, no longer be allowed to circulate within bonded areas. When such cargoes are sold domestically, customs declarations must be made based on the entire volume of bonded materials used in the processing; For cargoes of U.S. origin imported under bonded arrangements outside customs special supervision zones, their processed finished products (including by-products and defective products) shall also, as of 12:01 p.m. on April 10, 2025, no longer be permitted to circulate within bonded systems. These cargoes must either undergo customs clearance procedures for exportation or be declared for domestic sale. In the case of domestic sales, finished products (including defective products but excluding



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by-products) shall be declared based on the entire volume of bonded materials used in their production.

- (2) From 12:01 p.m. on April 10, 2025, processing trade enterprises are allowed to implement specialized account book management for imported materials of U.S.-origin under processing trade handbooks (B, C, E, H, TH, TG). While establishing or modifying a processing trade handbook, the enterprise must indicate "[M]" at the top of the specialized account book in the remarks section. Under the specialized processing trade account books, all finished products are prohibited from circulating within bonded areas.

In the event that a processing trade enterprise fails to implement specialized account book management, as of 12:01 p.m. on April 10, 2025, when establishing or modifying a processing trade handbook, the enterprise must mark "[M]" at the beginning of the commodity name for bonded materials and related finished products of U.S. origin in the commodity items section. Such products must be registered separately from similar goods originating from other countries/regions.

- (3) From 12:01 p.m. on April 10, 2025, for logistics account books (TW, L) in customs special supervision zones and bonded supervision areas, any cargoes of U.S.-origin involved shall not be subject to simple processing activities that involve changing the commodity code or the country of origin.

This announcement is hereby issued for your reference.

We hope the above will be of some assistance. If you have any further queries, please feel free to contact with us.

Yours faithfully,

General Manager

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