

# Temporary Reduction of Reciprocal Tariffs on Chinese Goods Following US-China Trade Truce

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On May 12, President Trump issued an [executive order](#), “Modifying Reciprocal Tariff Rates to Reflect Discussions with the People’s Republic of China” (the Order), temporarily lowering reciprocal tariffs on Chinese imports that had been imposed pursuant to [Executive Order 14257](#), as amended by [Executive Order 14259](#) and further amended by [Executive Order 14266](#) (collectively, Reciprocal Tariffs) for a period of 90 days starting May 14. This move follows [discussions](#) between U.S. and Chinese officials in Switzerland aimed at addressing trade imbalances and fostering economic cooperation. The Order provides limited, short-term relief to importers while trade negotiations between the two countries continue.

## **Background**

The Order comes after a series of escalating tariff actions taken by China and the U.S. On April 2, President Trump issued Executive Order 14257, imposing a 34% reciprocal tariff on Chinese-origin goods. It was amended by Executive Order 14259 on April 8, which raised the reciprocal tariff on Chinese-origin goods to 84% and restricted duty-free treatment on small value (de minimis) packages. Then, on April 9, President Trump issued Executive Order 14266, which further amended this framework by raising the reciprocal tariff on most Chinese imports to 125%, citing China’s continued retaliatory measures and national security concerns. The May 12 Order comes after U.S.-China trade negotiations on May 10, in Geneva, resulting in initial steps toward de-escalating the trade war.

## **Summary of Changes**

**Suspension of High Reciprocal Tariff Rates:** The Order temporarily lowers the Reciprocal Tariff rate from 125% to 10% until August 12 with respect to Chinese-origin goods “entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time (EDT) on May 14, 2025.” U.S. Customs and Border Protection (CBP) has released [guidance](#) in connection with the modified Reciprocal Tariff rate for China made pursuant to the Order.

**De Minimis Tariff Decrease:** The Order reduces the duty rate for imports valued at or under \$800 arriving through international mail from China and Hong Kong, previously imposed under Executive Order 14256, from 120% to 54% effective 12:01 a.m. EDT on May 14. Additionally, the alternative \$100 per postal item duty remains in effect, and a planned increase to \$200 per item on June 1 is deferred unless further action is taken. Accordingly, carriers with postal items of such de minimis value from China or Hong Kong have the option of either paying the

ad valorem duty rate of 54% or a flat specific duty rate of \$100 per package. In responses to these changes, CBP has released updated [guidance](#) for carriers transporting international mail from China and Hong Kong.

**China's Response:** China has agreed to suspend all retaliatory tariffs announced since April 4 and to remove or suspend all non-tariff measures imposed against U.S. goods or companies since April 2. This includes both tariffs and other regulatory or administrative actions taken in response to U.S. Reciprocal Tariffs, reportedly including certain recently imposed Chinese export controls. China also committed to engage in continued negotiations aimed at addressing structural trade imbalances and improving bilateral economic relations, with designated representatives from both sides set to meet regularly over the coming 90 days.

### ***What Remains Unchanged***

The Order explicitly outlines exemptions and areas unaffected by the tariff modifications:

- The 20% across-the-board tariff imposed on all Chinese imports under Executive Order 14195, as amended by Executive Order 14228, as well as other additional tariffs imposed against China, such as antidumping and/or countervailing duties, and tariffs imposed pursuant to Section 301 of the Trade Act of 1974 or Section 201 of the Trade Act of 1974, remain unchanged.
- The [temporary 10% Reciprocal Tariff](#) imposed on goods imported into the U.S. from all other countries, except Canada, Mexico, China, Cuba, Belarus, Russia, and North Korea, pursuant to Executive Order 14266, remain unchanged.
- Goods covered by exceptions in Executive Order 14257 and the Presidential Memorandum of April 11, 2025, continue to be excluded from Reciprocal Tariffs. These include articles subject to [50 U.S.C. § 1702\(b\)](#), such as donations for humanitarian relief; [steel and aluminum articles](#) subject to duties imposed pursuant to Section 232 of the Trade Expansion Act of 1962 (Section 232) and Proclamations 9704, 9705, 9980, 10895, and 10896; [automobiles and automobile parts](#) subject to duties under Section 232 and Proclamation 10908; bullion; copper, pharmaceuticals, semiconductors, and lumber; certain energy products; certain minerals not available in the U.S.; all articles potentially subject to future tariffs imposed pursuant to Section 232; goods from Cuba, Belarus, Russia, and North Korea; and any other articles identified in [Annex II](#) of Executive Order 14257.
- The duty drawback remains available for Reciprocal Tariffs, allowing importers to recover duties paid on certain imported goods.

### ***Conclusion***

The Order represents a calculated move to ease trade tensions with China while maintaining leverage in ongoing negotiations. Companies should use this 90-day period to strategically reassess sourcing decisions, accelerate import activity where possible, and explore opportunities for tariff engineering and duty savings. Businesses should also monitor negotiations closely, as the temporary relief may expire if talks break down. Preparing now can help mitigate potential cost and/or operational impacts that could result from further policy changes in the future.

This alert is intended as a guide only and is not a substitute for specific legal or tax advice. Things are rapidly changing by the day and hour, and our Tariff Task Force will do its best to provide timely and relevant updates as things progress. Please don't hesitate to reach out to us with questions.

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