

Frequently Asked Questions (FAQ) About Tariffs

Over the past few months, the U.S. Administration has imposed several different tariffs on imports into the United States.

- On March 4, 2025, tariffs on China-origin items that are classified by the U.S. Harmonized Tariff Schedule (HTS) as semiconductor parts (including diodes, transistor, integrated circuits and microcontrollers) increased from 60% to 70% when imported into the United States for consumption in the United States (e.g. use, service, design, R&D, manufacturing, sale, etc.).
- Also on March 4, 2025, 25% tariffs were imposed on imports of all items of Mexican and Canadian with an exception for goods that qualify for the US-Mexico-Canada Agreement (USMCA).
- On March 12, 2025, imports of steel and aluminum raw material and products identified by U.S. Customs and Border Protection (CBP) as “derivative products” became subject to 25% tariffs except steel and aluminum from Russia, which are subject to 200% tariffs.
- On April 2, 2025, the U.S. Administration imposed reciprocal tariffs consisting of two components: (i) a 10% “baseline” tariff on imports from all countries, effective April 5; and (ii) a set of higher, country-specific “reciprocal” tariff on certain trade partners, effective April 9.
- Effective April 10, 2025, the U.S. Administration announced a 90-day suspension of the country-specific reciprocal tariffs, imposed a 10% reciprocal tariff on imports from all countries except China, Canada, and Mexico, and increased China’s reciprocal tariff to 125%.

The information herein is based on the tariff rules in effect on this FAQ’s Date of Publication. Tariff rules are subject to change. Additional tariff rules are expected. This FAQ, which provides an overview of how these tariffs are impacting AE, is for informational purposes only and does not constitute legal advice.

1. Is AE impacted by the tariffs on China?

Response: Yes, but very limited, because AE will close its last manufacturing site in China by the end of June 2025. Some of the parts and components that are required for repair services, design and R&D in the United States are imported from China and subject to the reciprocal China tariffs.

2. Is AE impacted by the tariffs on Mexico and Canada?

Response: Yes. AE has manufacturing operations in Mexico; however, many of the parts manufactured there qualify for the USMCA and can be imported into the United States without triggering Mexico tariffs. AE does not import any products or components from Canada.

3. Is there someone I can contact to find out if a product qualifies for USMCA?

Response: Yes, please contact your AE account manager, distribution representative, or customer service representative.

4. Is it possible to qualify product families for USMCA instead of at the individual product level?

Response: No. AE trade compliance must review each product separately to determine if it qualifies for USMCA.

5. Will AE issue proof of certification or similar for products that qualify for USMCA?

Response: Yes. AE will issue a USMCA certificate for qualifying products. Please contact your AE account manager, distribution representative, or customer service representative.

6. Is it possible to claim USMCA treatment for products manufactured outside the United States, Mexico, or Canada?

Response: No, to qualify for USMCA the products must be manufactured in United States, Mexico, or Canada and meet the applicable regional content rules (e.g. tariff shift, de minimis, etc.). As a result, AE products manufactured in the Philippines or Malaysia do not qualify for USMCA.

7. Are USMCA-qualified products exempt from all tariffs?

Response: No. USMCA-qualified products are exempt from Mexico tariffs only and may be subject to other tariffs or anti-dumping and countervailing duties.

8. If a product manufactured in Mexico does not qualify for USMCA, are there any immediate steps that we can take to make it qualify?

Response: No. In most instances, qualifying a product that currently fails to meet the applicable USCMA rules will require significant engineering and supply chain changes.

9. Are any of AE's final goods or top-level assemblies impacted by the steel and aluminum tariffs?

Response: No. The tariffs do **not** apply to final goods that incorporate derivative steel and aluminum products so long as the final products themselves are not on the list of derivative products. None of AE's top-level assemblies (TLAs) are identified on the list of derivative steel and aluminum products, which means they can be imported into the United States without triggering steel and aluminum tariffs.

10. Are any of AE's parts and components impacted by the steel and aluminum tariffs?

Response: Yes. Many of AE parts and components are identified on the list of derivative steel and aluminum products. As a result, importing these parts and components into the United States (separately and not incorporated into TLAs) will trigger steel and aluminum tariffs.

11. Is AE impacted by the reciprocal tariffs?

Response: Yes. AE has manufacturing operations in Malaysia, Mexico, the Philippines, and the European Union.

12. Does AE have manufacturing operations in China?

Response: Yes, but AE will close its last manufacturing site in China by the end of June. AE will maintain its Shenzhen site for global services and some small builds for specific business requirements.

13. Is AE impacted by China's retaliatory tariffs?

Response: Yes. AE imports into China some parts, components, and final goods from the United States.

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If you have any questions or concerns, please contact your AE account manager, distribution representative, or customer service representative.