



# De Minimis Policy Tracking

## Under Sections 201, 232, and 301 Tariffs

### Executive Summary

The United States' de minimis regime under Section 321 of the Tariff Act of 1930 historically allowed low-value shipments (up to 800 USD) per person per day to enter duty-free with limited data requirements, dramatically simplifying cross-border e-commerce and small-parcel trade. Beginning in the late 2010s and accelerating after 2023, policymakers, Customs and Border Protection (CBP), and Congress increasingly viewed this exemption as a loophole that undermined trade remedies under Sections 201, 232, and 301 and constrained enforcement on issues such as national security, forced labor, and narcotics.

In 2024–2026, CBP and the White House moved from incremental tightening to structural rollback: proposed rules would deny de minimis treatment to goods subject to Sections 201, 232, and 301, and subsequent executive actions suspended and then eliminated duty-free de minimis for many or all imports, starting with China/Hong Kong and then extending globally. These changes transform de minimis from a broad procedural shortcut into a tightly controlled channel, forcing importers, platforms, and logistics providers to build much richer data and control environments.

For organizations involved in compliance, brokerage, and supply-chain automation, the policy trajectory points toward a world where every shipment—regardless of value—must be trackable against trade-remedy exposure and national security restrictions. This white paper summarizes the legal and policy evolution, analyzes emerging CBP expectations, and proposes a practical framework for "De Minimis Policy Tracking" specifically oriented to Sections 201 (safeguards), 232 (national security), and 301 (unfair trade practices).

## Background: Sections 201, 232, 301 and Section 321

### Trade remedy programs

Section 201 of the Trade Act of 1974 authorizes temporary safeguard tariffs or quotas when increased imports cause or threaten serious injury to a U.S. industry, such as the solar products and large residential washing machine measures introduced in 2018. Section 232 of the Trade Expansion Act of 1962 allows tariffs or other actions on imports that threaten national security, most prominently on steel and aluminum, while Section 301 of the Trade Act of 1974 empowers the U.S. Trade Representative to impose tariffs in response to unfair trade practices, notably the additional duties on a wide range of Chinese-origin goods imposed from 2018 onward.

These measures often add significant percentage surcharges on top of normal Most-Favored-Nation (MFN) rates and can apply to very broad product categories, influencing sourcing, pricing, and supply-chain design worldwide. At the same time, they are



politically salient, and the effectiveness of these tariffs—especially Section 301 on China—has become a focal point of congressional and industry scrutiny.

## **De minimis under Section 321**

Section 321(a)(2)(C) of the Tariff Act of 1930 authorizes the Secretary of the Treasury to waive duties and taxes where collection costs would be disproportionate to revenue, creating the de minimis exemption for low-value shipments. Congress repeatedly raised the value threshold over time, most recently increasing it to 800 USD in 2015, enabling one shipment per person per day at or below that value to enter free of duties and most import taxes, with simplified entry procedures and limited data elements.

Historically, de minimis covered a small portion of trade flows and reduced administrative burden for both CBP and importers, but the rise of cross-border e-commerce turned it into a high-volume channel for direct-to-consumer shipments. Critics argued that de minimis shipments increasingly included goods that would otherwise be subject to additional duties under Sections 201, 232, or 301, as well as goods connected to forced labor or narcotics trafficking, while providing CBP minimal data for targeting and enforcement.

## **Policy Shift: From Lenient Exemption to Targeted Restriction**

### **Congressional and policy concerns**

A 2025 Congressional Research Service (CRS) report traces the origins and evolution of Section 321 and documents growing concerns that de minimis is being used to bypass national security and trade-remedy duties, as well as enforcement of customs laws on forced labor and illicit goods. Lawmakers highlighted that vendors can ship merchandise under the 800 USD threshold without reporting basic data such as manufacturer or precise country of origin, making it difficult for CBP to identify shipments that would otherwise attract additional tariffs or be barred for human-rights reasons.

Industry and security stakeholders also noted that the expansion of direct-to-consumer parcels fragmented shipments that would previously arrive as consolidated formal entries, thereby eroding the deterrent effect of trade remedies like Section 301 duties on Chinese imports and limiting CBP's visibility for risk-based targeting. These concerns set the stage for regulatory changes directly linking de minimis eligibility to Sections 201, 232, and 301.

### **CBP proposed rules in 2024–2025**

In late 2024 and early 2025, CBP issued Notices of Proposed Rulemaking (NPRMs) that would significantly narrow de minimis eligibility. One key proposal would make shipments subject to specific trade or national security actions—explicitly including tariffs imposed under Sections 201, 232, and 301—ineligible for Section 321 de minimis treatment, even when their declared value is 800 USD or less.

CBP estimated that roughly 16 percent of imports that would otherwise be subject to Section 201, 232, or 301 tariffs were entering under de minimis, and that approximately half of the value of qualifying de minimis shipments consisted of textiles and apparel that would otherwise incur additional Section 301 duties. The NPRMs also proposed requiring de minimis filers to provide full 10-digit Harmonized Tariff Schedule (HTSUS) classifications



and, for many consumer products, electronic certificates of compliance at the time of entry, transforming de minimis from a low-data channel into a data-rich regime.

## **Trade association perspectives**

Industry groups such as the Metals Service Center Institute (MSCI) summarized the proposed CBP changes by noting that shipments valued at 800 USD or less but covered by Section 201, 232, or 301 tariffs would no longer qualify for the de minimis exemption. Law firms advising importers emphasized that the White House's September 2024 fact sheet foreshadowed NPRMs aimed at eliminating de minimis availability for shipments containing products subject to these trade-remedy programs, specifically citing widespread use of small-parcel imports to circumvent Section 301 China duties.

Logistics providers like C.H. Robinson highlighted that de minimis rule changes were intended to protect U.S. businesses and national security by tightening the exemption criteria and excluding low-value shipments subject to Sections 201, 232, or 301, while simultaneously adding HTSUS and other data requirements for those still eligible. These commentaries collectively underscore the policy direction: convergence between de minimis administration and trade-remedy enforcement, not separation.

## **Timeline: From Targeted Exclusions to Suspension of De Minimis**

### **Early focus on China and higher-risk trade lanes**

Even before formal NPRMs, CBP and policymakers signaled that de minimis treatment would no longer be assumed for shipments from higher-risk trade lanes, particularly China, and that additional data or restrictions might apply based on country of origin, product type, and shipment characteristics. Commentators noted that businesses relying heavily on de minimis for China-origin goods, especially in e-commerce, faced growing compliance and enforcement risks even prior to statutory or regulatory changes.

By early 2025, the U.S. had already suspended de minimis for shipments originating in China and Hong Kong under Section 321, forcing those parcels into ordinary duty-paying channels with regular customs processing and documentation. These targeted actions served as test beds for broader reforms while directly addressing political concerns about Chinese cross-border e-commerce platforms exploiting the de minimis threshold.

### **Elimination of de minimis for Chinese goods**

Executive orders and trade updates in early 2025 announced that the de minimis exemption of 800 USD would be formally eliminated for goods originating in China and Hong Kong, with some proposals to extend coverage to Macau. Practical implementation details included imposing duties calculated at elevated rates (for example, 120 percent of item value in some postal contexts) and adding flat postal fees per package, signalling an intent not merely to collect foregone revenue but to strongly discourage fragmented low-value imports from these origins.

Tax and compliance providers such as Avalara confirmed that the United States ended the de minimis exemption for China and Hong Kong effective May 2, 2025, meaning all such shipments—regardless of low value—became subject to normal duties and import taxes,



including applicable Section 301 and other trade-remedy surcharges. This change effectively closed the most politically salient channel through which Section 301 duties were perceived to be eroded by de minimis.

## **Suspension and global elimination of de minimis**

Following the targeted China/Hong Kong actions, the administration moved to suspend de minimis for all countries. Trade trackers report that as of August 29, 2025, shipments valued at 800 USD or less were no longer eligible for de minimis; instead, all imports became subject to applicable duties, taxes, and fees, and postal shipments under 800 USD had to have duties prepaid.

By February 24, 2026, de minimis duty-free treatment remained suspended for all countries, even as other tariff structures shifted (for example, the end of certain IEEPA-based tariffs and the introduction of a 10 percent Section 122 global surcharge). However, core trade-remedy programs under Section 232 and Section 301 remained in effect, meaning that the interaction problem now runs in the opposite direction: rather than de minimis undermining these tariffs, all low-value shipments must be evaluated for potential 201/232/301 exposure.

## **Current Landscape as of 2026**

### **Legal status and interaction with 201/232/301**

Legally, Section 321 remains on the books, but CBP's regulatory and executive actions have removed or drastically narrowed the practical availability of de minimis duty-free entry, especially where trade-remedy tariffs are involved. The proposed and implemented rules treat goods covered by Sections 201, 232, and 301 as presumptively ineligible for de minimis, and subsequent suspension of de minimis for all countries further reduces the distinction between low-value and higher-value entries from a duty perspective.

Under prior law, shipments eligible for Section 321 were exempt not only from MFN duties but also from additional duties imposed pursuant to Sections 201, 232, and 301, creating a clear incentive to structure shipments to fall under the 800 USD threshold. The emergent regime eliminates that incentive by ensuring that the presence of trade-remedy exposure (201/232/301 HTS lines or origin) either blocks de minimis eligibility or is moot because de minimis relief no longer exists.

### **Enforcement posture and data expectations**

CBP's NPRMs and related guidance make clear that de minimis will no longer function as a low-data entry channel; even where limited relief survives (for example, in certain postal or traveler contexts), enhanced data requirements apply. Proposed changes include mandatory 10-digit HTSUS classification for shipments claiming de minimis, electronic filing of product safety certificates for consumer goods, and more granular party, origin, and value data, enabling CBP to algorithmically detect shipments that should be subject to Sections 201, 232, or 301.

This data-centric enforcement model aligns with broader moves toward data-driven tariff management and duty drawback oversight under these sections, with CBP expecting detailed linkages between imports, exports, and claims. Companies can no longer rely on transactional obscurity at low values; instead, they must assume that CBP can and will reconcile parcels, product identifiers, and tariff classifications across shipments and time.



# Compliance Challenges for Importers and Platforms

## Fragmented shipment strategies

Many e-commerce merchants and platforms built business models around breaking bulk shipments into numerous low-value parcels to leverage the de minimis exemption and avoid trade-remedy duties, particularly Section 301 surcharges on Chinese goods. With the elimination or restriction of de minimis, these fragmentation strategies not only lose their economic rationale but may be retrospectively scrutinized as evidence of duty-avoidance schemes, especially where the orchestrating platform controls fulfillment and routing.

Importers must now shift toward consolidated entries that fully disclose HTS classifications, origin, and parties, while ensuring that any remaining low-value channels are supported by robust data sufficient to prove non-coverage by Sections 201, 232, or 301. This transition can strain legacy systems that treated de minimis as a "black hole" needing minimal master data.

## Data quality and master-data gaps

Historically, many de minimis workflows captured only truncated product descriptions, approximate values, and limited or inferred country-of-origin data, which is inadequate for determining trade-remedy exposure. As CBP moves to require 10-digit HTS and richer data for all entries, importers, platforms, and consolidators must invest in master-data governance (e.g., validated HS codes, structured product attributes, supplier and manufacturer identifiers) that can be propagated to parcel-level declarations.

Inconsistent or incomplete data across systems—order management, warehouse management, transportation management, and broker platforms—creates real risk of misdeclaring whether a shipment is subject to Sections 201, 232, or 301, especially where component content or transformation rules matter. This risk is amplified by high volumes and thin margins typical of cross-border e-commerce.

## Origin, routing, and transshipment risks

CBP and policymakers are especially focused on transshipment and origin-masking structures designed to avoid Section 301 China tariffs, for example shipping Chinese-origin goods through third countries or free-trade zones while keeping parcel values below prior de minimis thresholds. Eliminating de minimis removes one economic pillar of such schemes, but tracking origin remains critical where Section 232 or Section 201 measures apply based on product composition or where third-country processing is insufficient to confer new origin.

De Minimis Policy Tracking under 201/232/301, therefore, must incorporate robust origin-verification and substantial-transformation logic that goes beyond declared country, including supplier attestations, bills of materials, and documentation of processing steps. Failure to capture and validate this information at scale exposes importers and platforms to both duty underpayment and penalties.



# Conceptual Framework: De Minimis Policy Tracking

## Objectives and scope

The core objective of De Minimis Policy Tracking under Sections 201, 232, and 301 is to ensure that no shipment—regardless of value—enters the U.S. market without a defensible assessment of whether it is covered by these trade-remedy programs. This requires fusing legal/tariff content with shipment-level data, and implementing controls that can operate at both transactional and aggregated levels.

Practically, a tracking framework should:

- Identify which products and HTS codes are covered by 201/232/301 measures, including tariff rates and any exclusions.
- Determine when shipment value or de minimis status affects the application of these measures (currently, the answer is generally "never" for duty relief, but legacy logic still exists in systems).
- Capture and validate data needed to apply origin and coverage rules.
- Provide audit-ready evidence for CBP and internal compliance reviews.

## Key data elements

Based on CBP's NPRMs and industry commentary, De Minimis Policy Tracking requires at least the following core data for every shipment:

- 10-digit HTSUS code at line-item level.
- Detailed product description and attributes sufficient to distinguish coverage under 201/232/301.
- Country of origin (and where relevant, multi-country production data and substantial-transformation logic).
- Manufacturer/supplier identifiers and, where available, factory location.
- Declared customs value and currency, with logic for unit conversion and aggregation.
- Shipper, consignee, and platform identifiers (for marketplace or fulfillment-by-platform models).
- Indicators for known tariff exclusions or special programs.

Additional compliance-oriented fields may include forced-labor risk flags, licensure indicators, and safety certification identifiers (e.g., CPSC certificates), reflecting CBP's interest in using de minimis channels to enforce broader regulatory regimes.

## System architecture concepts

A practical De Minimis Policy Tracking architecture for 201/232/301 should consist of several layers:



1. **Reference content service** – Centralized repository of tariff measures, including HTS coverage lists, duty rates, exclusions, effective dates, and relationships between 201/232/301 actions and specific HTS codes and origins, synchronized from official and commercial data sources.
2. **Classification and master-data layer** – Tools and workflows to assign and maintain 10-digit HTS codes, origin determinations, and product attributes, including governance, change control, and exception handling.
3. **Transaction intake and normalization** – Connectors that ingest orders, shipments, and parcel records from e-commerce platforms, WMS/TMS systems, and carrier APIs, mapping them into a normalized schema containing the key data elements above.
4. **Decision engine** – Rules- and content-driven engine that evaluates each line item for 201/232/301 coverage and computes applicable duties, surcharges, and flags, including logic for handling legacy de minimis references and special cases.
5. **Exception management and review** – Interface for compliance teams to review shipments with missing or conflicting data, high-risk origins, or ambiguous classifications, with workflows for remediation and feedback to upstream systems.
6. **Analytics and reporting** – Dashboards and reports that track volumes and values of shipments involving 201/232/301 measures, historical use of de minimis channels (for back-testing), and performance of classification and origin-determination processes.

These layers can be implemented within an enterprise platform or as services interfacing with multiple stakeholders (importers, brokers, platforms), but the core requirement is that low-value shipments are no longer exempt from this analytical pipeline.

## Use Cases and Stakeholder Impacts

### E-commerce marketplaces and fulfillment platforms

Marketplaces that orchestrate cross-border sales and logistics must adapt their seller-onboarding, catalog, and shipping-label workflows to capture HTS10, origin, and other key data from merchants and validate it before shipping. This contrasts with prior models where platforms might rely on minimal product attributes and let carriers or customs brokers handle downstream classification for bulk imports.

Platforms also need to provide sellers with visibility into how Sections 201, 232, and 301 affect landed costs for different origins and routing options, potentially steering them toward alternative sourcing or fulfillment centers to reduce tariff burdens. Failure to integrate policy tracking into platform UX and pricing can result in surprise duties, shipment delays, and reputational risk with both sellers and regulators.

### Customs brokers and logistics providers

Brokers and third-party logistics providers (3PLs) historically treated de minimis parcels as low-touch workstreams; under the new regime, they must incorporate full classification, origin analysis, and trade-remedy calculations even for small parcels. This will likely increase



brokerage workloads, encourage automation, and drive consolidation among providers unable to meet data and control expectations at scale.

Forwarders and parcel carriers must also upgrade their IT systems to handle 10-digit HTS codes and richer reference data on trade-remedy coverage, both to file accurate entries and to provide real-time landed-cost estimates to shippers. Failure to do so may lead to higher seizure rates, penalties, or exclusion from trusted-trader or simplified-entry programs.

## **Importers and brand owners**

For importers, especially brands that sell direct-to-consumer, the end of de minimis as a broad duty-free channel means that procurement, pricing, and marketing decisions must explicitly incorporate 201/232/301 cost impacts at the SKU and origin level. Many will need to renegotiate supplier contracts, adjust product portfolios, or shift final assembly to jurisdictions not subject to particular tariffs, while ensuring that substantial-transformation rules are legitimately satisfied.

Brand owners also face increased expectations to monitor supply chains for forced-labor risks and safety compliance, areas where CBP and Congress have specifically criticized the opacity of de minimis shipments. De Minimis Policy Tracking frameworks that integrate 201/232/301 exposure with forced-labor and safety controls can support a coherent risk-based compliance program.

# **Recommendations for Policy and Industry**

## **For policymakers and regulators**

Policymakers should clarify the long-term status of de minimis and its interaction with Sections 201, 232, and 301 to reduce compliance uncertainty and enable long-term system investments by industry. If the intended policy is effectively to eliminate duty-free de minimis for goods covered by major trade-remedy programs, this should be codified in a stable manner rather than through serial NPRMs and temporary suspensions.

CBP can further support compliance by publishing machine-readable, regularly updated datasets linking 201/232/301 measures to HTS lines, including exclusions and expiration dates, to feed automated tracking systems. Clear guidance on expectations for data quality, origin documentation, and use of analytics for risk-based enforcement—particularly for high-volume e-commerce channels—would also help align investments across the trade ecosystem.

## **For importers, platforms, and intermediaries**

Importers and platforms should assume that de minimis channels will remain highly restricted for goods covered by Sections 201, 232, and 301 and invest accordingly in master-data quality, classification governance, and automated policy-tracking systems. In particular, they should deprecate business logic that routes shipments based solely on value thresholds and replace it with systems that evaluate HTS coverage, origin risk, and trade-remedy status at the SKU level.



Companies should also prepare for retrospective scrutiny of de minimis use, especially where large volumes of China-origin goods or trade-remedy-sensitive products (such as steel-containing merchandise or textiles) were shipped under de minimis in prior years. Maintaining detailed, query-able records of historical small-parcel flows and classification decisions will be critical for responding to audits or inquiries.

## Conclusion

The evolution of U.S. de minimis policy from a broad administrative convenience to a tightly controlled and increasingly suspended channel reflects deep concerns about the integrity of trade-remedy programs under Sections 201, 232, and 301 and the challenges of enforcing customs laws in an era of high-volume e-commerce. With the effective elimination of duty-free de minimis for China and, by 2026, its suspension for all countries, compliance obligations and data expectations now extend to virtually all shipments, regardless of value.

De Minimis Policy Tracking is no longer optional; it is a core capability for importers, platforms, and intermediaries that wish to operate sustainably in the U.S. market. Building robust, content-driven, and data-rich tracking frameworks oriented around Sections 201, 232, and 301 will be essential to manage duty exposures, avoid enforcement actions, and support broader policy goals related to national security, fair trade, and human rights.