

US CBP proposes new rules to enhance and strengthen enforcement and limit de minimis shipments entering the US

February 19, 2025

In brief

What happened?

US Customs and Border Protection (CBP) on January 13 issued a Notice of Proposed Rulemaking to enhance enforcement of de minimis shipments by requiring advance electronic submission of additional data, which is intended to improve supply chain visibility and target high-risk goods like counterfeits and illicit drugs.

CBP issued a second Notice of Proposed Rulemaking on January 17 that seeks to tighten the de minimis duty exemption, making certain tariffed goods ineligible for duty-free entry to better protect US businesses and strengthen trade enforcement. Under this rule, goods subject to Section 232, 201, and 301 tariffs would no longer qualify for duty-free treatment even if valued under \$800.

Why is it relevant?

By requiring more data elements in advance on de minimis shipments, businesses will face an increase in compliance requirements. Also, the proposed rule to limit duty exemptions for certain tariffed goods likely will raise costs for importers and e-commerce retailers that rely on the \$800 de minimis threshold to avoid duties.

Action to consider

Businesses should determine how the proposed changes could affect their import flows and attendant costs, and whether they might wish to explore alternative import models for their businesses. Impacted companies should consider providing comments via the [Federal e-Rulemaking Portal](#); comments are due within 60 days from the date of each notice.

In detail

Background

CBP's proposed rules follow the release of a fact sheet the Biden administration on September 13, 2024, announcing its intention to take executive action against alleged "significant increased abuse" of the so-called "de minimis" exception by various entities — including several China-founded e-commerce platforms — that ship allegedly illegal or unsafe products into the United States to the detriment of American consumers, workers, and businesses. See our prior [Tax Insight](#).

Rule to enhance enforcement of de minimis shipments

CBP's proposed rule to enhance enforcement for shipments entering the United States under the de minimis rule aims to improve supply chain visibility for de minimis shipments and help CBP better identify and prohibit high-risk shipments, such as those containing counterfeit goods or illicit drugs. The new rule would require electronic submission of additional data elements in advance of the shipment's arrival, which seeks to improve targeting accuracy and resource allocation for CBP officers. The additional data required includes a 10-digit Harmonized Tariff Schedule of the United States (HTSUS classification) and at least one of the following:

- Internet address (URL) to the marketplace's product listing for the merchandise in the entry,
- Product picture,
- Product identifier, or
- Shipment x-ray or other security screening report number that verifies the foreign security scanning of the shipment has been completed.

If applicable, additional data elements that must be provided include:

- Seller name and address
- Purchaser name and address
- Data or documents required by other government agencies
- Exact product description
- Marketplace name and website or phone number

Rule to strengthen enforcement and limit duty exemption for de minimis shipments

CBP on January 17 issued a second Notice of Proposed Rulemaking focused on tightening the de minimis duty exemption for certain low-value shipments coming into the United States. This proposed rule seeks to protect American businesses by making certain products ineligible for duty-free entry. Currently, goods entering the United States that are valued at \$800 or less are not subject to paying duties and certain taxes. Under the proposed rule, goods subject to Section 232, 201, and 301 tariffs would no longer qualify for duty-free treatment under the de minimis exemption. This means that importers subject to these tariffs now must pay both standard and additional duties, regardless of value.

The proposed rule also is intended to address the significant increase in low-value shipments that challenge CBP's ability to enforce trade laws and protect consumers. According to the CBP, de minimis shipments entering the United States have grown from approximately 139 million in fiscal year (FY) 2015 to over 1.36 billion in FY 2024.

Let's talk

For a deeper discussion of how these proposed rules might affect your business, please contact:

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