Published on *The National Law Review* https://natlawreview.com

'Secondary' Tariffs Target Countries Importing Venezuelan Oil

Article By:

Nicholas A. Galbraith

Linda M. Weinberg

Luis F. Arandia, Jr.

On March 24, President Donald Trump issued a new Executive Order that authorizes tariffs on countries importing Venezuelan oil. More specifically, starting on or after April 2, 2025, the U.S. may impose a 25 percent tariff on all goods imported into the U.S. from any country that imports Venezuelan oil, whether directly from Venezuela or indirectly through third parties. These tariffs would expire one year after the last date on which the country imported Venezuelan oil, or at an earlier date subject to U.S. government discretion.

For these purposes:

- “Venezuelan oil” means crude oil or petroleum products extracted, refined, or exported from Venezuela, regardless of the nationality of the entity involved in the production or sale of such crude oil or petroleum products
- “Indirectly” includes purchases of Venezuelan oil through intermediaries or third countries where the origin of the oil can reasonably be traced to Venezuela, as determined by the U.S. Secretary of Commerce

The Secretary of Commerce, with the U.S. Secretary of State and Attorney General, will determine whether a country has imported Venezuelan oil, directly or indirectly, and issue regulations to implement the order.

It is not yet clear which countries may be subject to tariffs under this Executive Order, but news reports suggest the Chinese government buys the largest amount of Venezuelan crude oil, followed by India and Spain, among others. Indeed, the Executive Order also provides that if the Secretary of State decides to impose tariffs under this order on China, the tariffs will also apply to Hong Kong and Macau to prevent transshipment and evasion.

Companies should prepare by evaluating their supply chain for suppliers located in countries dependent on Venezuelan oil. Companies should also review their import procedures (including tariff classification and country of origin) to prepare for additional potential tariffs.

> If tariffs are imposed on China, they will also apply to Hong Kong and Macau to prevent transshipment and evasion.
>
> www.whitehouse.gov/...

National Law Review, Volume XV, Number 97

Source URL:https://natlawreview.com/article/secondary-tariffs-target-countries-importing-venezuelan-oil