

25% Tariff on Indian Imports Targeting Russian Oil Trade

On August 6, 2025, the President issued an [Executive Order](#) titled “Addressing Threats to the United States by the Government of the Russian Federation,” which imposes an additional 25% ad valorem tariff on imports from India, effective August 27, 2025.

Background

The Executive Order builds upon the ongoing national emergency declared under [Executive Order 14024](#) (April 15, 2021) and [Executive Order 14066](#) (March 8, 2022), which targeted Russian activities undermining U.S. national security through election interference, cyber operations, and its continued aggression against Ukraine. Despite these measures, recent intelligence has indicated Russia’s persistent use of global trade channels, particularly crude oil exports, to finance its malign activities.

To counter this, the U.S. has expanded its trade enforcement measures, now targeting countries facilitating Russia’s energy exports. India has been identified under this framework for its ongoing importation of Russian-origin crude oil, leading to the imposition of the new 25% tariff.

Key Highlights of Executive Order (August 6, 2025):

- **Effective Date:** Goods entered or withdrawn for consumption on or after August 27, 2025, at 12:01 a.m. Eastern Daylight Time will be subject to the additional duties.
- **Transitional Window:** There is a grace period until September 14, 2025, for goods that were already in transit before the new rates became effective.
- **Tariff Rate:** An additional 25% ad valorem tariff will be imposed on affected imports from India.
- **Legal Authority:** Imposed under the President’s authority to address national emergencies and economic sanctions related to foreign threats.
- **Products Subject to Tariff:** All Articles of India imported into the customs territory of the United States.

Products Exempted:

- Products already exempted under [Annex II](#) of [Executive Order 14257](#) will remain exempt from this additional 25% tariff.
- The ad valorem duty under Section 2 will apply in addition to existing duties and taxes, except for goods subject to Section 232 measures, where this duty will not apply.

- The ad valorem duty under Section 2 will not apply to articles exempted under 50 U.S.C. 1702(b).
- The ad valorem duty under Executive Order 14257 will apply in addition to the duty imposed under Section 2 of this Order, wherever applicable as per EO 14257.
- Articles subject to the Section 2 duty and admitted into a foreign trade zone after the effective date must enter as “privileged foreign status” under 19 CFR 146.41, unless eligible for “domestic status” per 19 CFR 146.43.

Actions for Businesses:

1. Identify Products Affected by the New Tariff:

Conduct a comprehensive review of imports from India, especially those related to crude oil, petroleum derivatives, or complex supply chains with potential Russian-origin inputs. Cross-reference product classifications with Annex II exemptions.

2. Calculate Total Duty Impact:

Businesses must assess the cumulative duty burden, factoring in existing Section 232 tariffs, Reciprocal Tariffs, and this new 25% tariff. Products falling under Annex II exemptions will be excluded.

3. Re-engineering of Supply Chains and Supply Contracts:

Consider supply chain restructuring to minimize tariff exposure, including evaluating alternative sourcing strategies. Review contractual clauses to ensure clarity on tariff application, especially where transfer pricing and anti-dumping implications arise due to compounded tariff layers.

Important Frequently asked Questions: -

- If a product is subject to a Section 232 tariff, does this new 25% tariff apply?

No, according to the text, the new 25% ad valorem duty shall not apply to articles that are already subject to existing or future actions under Section 232 of the Trade Expansion Act of 1962. The document explicitly states this exemption.

- For products in Annex II of the Reciprocal tariffs, does the new 25% tariff apply?

No, the new 25% ad valorem duty shall not apply to articles that are set forth in Annex II to Executive Order 14257 of April 2, 2025.

- For products with reciprocal tariffs, what is the duty?

The new 25% ad valorem duty will apply in addition to any reciprocal tariffs already imposed under Executive Order 14257 of April 2, 2025, when applicable. The text specifies that the duty from Executive Order 14257 "shall apply in addition to the ad valorem duty imposed in section 2 of this order, when applicable pursuant to the terms of Executive Order 14257."

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