Today's Agenda

- Introduction

- Tariff Update

- Z2 Deep Dive

  - Critical COO Terms to Know

  - Where COO & COD Data Lives in Z2

  - How Customers Use This Data for Tariff Optimization

- Q&A

UPDATE:

Supreme Court Ruling on IEEPA Tariffs and What it Means

Where to Look for Updates

- *Executive Orders and Media Coverage dominate, but that doesn't translate to on-the-ground realities at ports.*

- Cargo Systems Messaging Service (CBP) & Federal Register are the main official sources for tariff rule changes.

- **Note:** there is often a delay between official announcements, and updates to the Federal Register; Cargo Systems Messaging Service often provides good interim guidance.

Key Details: Section 122 Tariffs

- A new 10% tariff was announced under Section 122 authority

- The new tariff is a flat rate that does not vary by country

- It does not stack on goods that already have Section 232 tariff

- The new Section 122 Tariffs are Duty Drawback Eligible

- Exact details around exemptions and countries with trade agreements will be revealed in the federal register update.

Background & the Z2 COO Solution

What is Country of Origin?

Country of Origin (COO) is the country of manufacture, production, or growth that is declared upon entry to customs

THE DECLARED COO:

is the **basis for tariff rates**, quotas, and other import regulations

can **vary by jurisdiction**—the same good can have multiple COOs

Critical COO Terms to Know

Country of Assembly (COA): The final country where a product was assembled.

Country of Diffusion (COD): The country where the majority of value was derived for semiconductors, the country where the IC's silicon wafer is fabricated.

Value Diffusion: The countries where the value in the finished good comes from.

Substantial Transformation: When a product undergoes processing that results in a new name, character, or use—changing its country of origin.

How does Z2 help:

- **Identify COO for OTS components.** Initiate repeatable processes for existing and new part setup.

- **Calculate tariff impact by varying COOs + classification.** Identify lower cost COOs creating optionality.

- **Complement COO data on Custom or missing OTS parts**. Ensure you have data coverage on ALL of your parts.