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Together makes progress

Navigate shifting trade waters with confidence

Meet tariff policy with agility and efficiency

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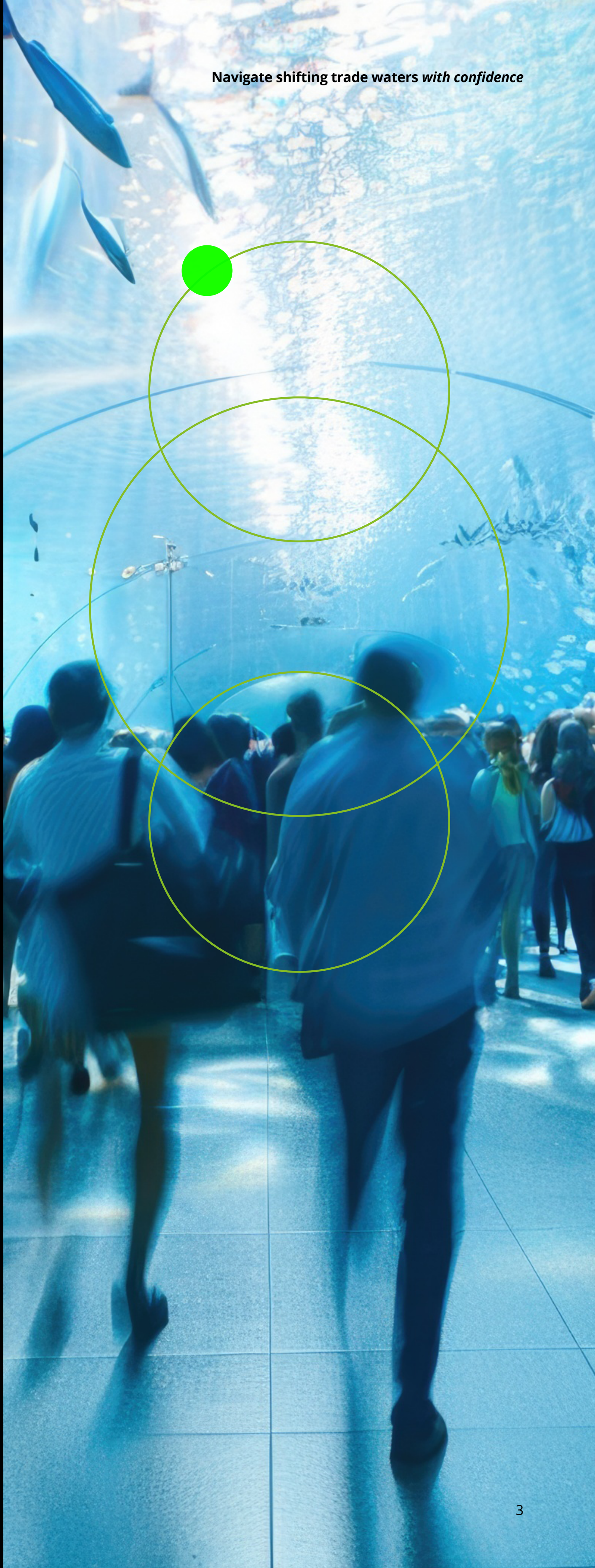
Introduction

A shift in US tariff policy is reshaping global trade and amplifying worldwide supply chain transformations. This marks an opportunity to reshape business models and act swiftly, *with greater insight.*

Charting the appropriate course and acting decisively may seem challenging as conditions fluctuate. Beyond tariff uncertainty, factors such as geopolitical pressures, shifting domestic policies, and rapidly advancing technologies—especially artificial intelligence (AI)—are contributing to an evolution of the global business landscape. These powerful forces may introduce new potential risks but also may surface new opportunities for growth.

Dynamic tensions are redrawing trade flows and alliances and influencing many organizations to rethink supply chains and market strategies. The shifting tides of tariffs and trade can make planning, investing, and competing more complex. Meanwhile, technology isn't just changing how organizations run—it's redefining what's possible.

Amid this sea of change, there are waves of possibility: Some businesses have the option to pull levers that increase competitiveness and resiliency. The choices made today may determine how well organizations respond to tomorrow's challenges—and opportunities—*with agility and efficiency.* This report explores practical considerations to help navigate evolving tariff policies, apply technology, and build enterprise-wide adaptability in a rapidly changing environment.



Managing tariffs while identifying disruption and new opportunities

Tariffs can be more than policy changes; they can be catalysts for widespread transformation. They can make waves throughout an organization, including areas once considered too complex or off-limits for change, such as supply chain design and tax transfer pricing. Their ripple effects can reshape cost structures and operations and expose businesses to potential regulatory and competitive risks. As the evolving landscape shifts the economics of sourcing, manufacturing, and distribution, failing to adapt can send companies into unpredictable currents, impacting costs, delaying operations, or limiting market access.

History has shown that change can also create opportunity. By staying attuned to tariff developments and anticipating their impacts, organizations can proactively adjust their strategies. This is especially important for industries that were not historically subject to substantial tariffs.

In addition, many companies are reevaluating the location of production and exploring reshoring or nearshoring opportunities in response to economic policy and domestic tax incentives. Strategic considerations may include boosting domestic manufacturing to strengthen domestic supply chain resiliency.

Proactive steps—such as diversifying suppliers, scenario planning, reconfiguring logistics, or investing in technology—can help businesses weather disruption and unlock new efficiencies. Planning and executing with agility can help companies thrive in shifting trade waters.

A significant development in this landscape is the enactment of new legislation, unofficially known as the One Big Beautiful Bill Act (OBBBA), which brings new certainty to US tax rules by permanently extending expired or expiring provisions in the 2017 Tax Cuts and Jobs Act (TCJA). With OBBBA signed into law, businesses can get greater certainty around the outlook for US tax, which may provide some clarity when addressing tariffs and tax planning. This can help organizations make more informed decisions at the intersection of tariffs, tax, and supply chain considerations.

To help drive success, it's important to break down traditional silos and plan a broad-based approach. This can involve reassessing supply chain vulnerabilities, customs compliance, sourcing strategies, who is served and the value proposition, and tax and transfer pricing structures to stay compliant and efficient. Addressing these interconnected areas together can enable organizations to adapt more effectively and drive long-term growth.

Ultimately, this moment calls for more than incremental change. It's a chance to gain understanding of the current landscape, plan for the future, and reimagine operating models. By redesigning how functions interact, leveraging technology including AI, and embedding agility into core processes, organizations can turn uncertainty into a catalyst for lasting competitive advantage.

Considerations for weathering shifting trade waters

As organizations navigate this evolving landscape, change and transformation can come on a wide spectrum. Planning offers a starting point—allowing companies to address potential tariff impacts through targeted tax and customs planning that can be implemented quickly. These approaches can provide tangible benefits without major disruption to supply chains or business models.

The OBBBA can help enable this approach with tax law changes, some effective in 2025 and others in 2026. As a result, any additional planning undertaken in response to tariffs—such as supply chain or transfer pricing adjustments—should carefully model the potential implications of OBBBA. This integrated approach can help align tariff efforts with the evolving tax environment and avoid unintended consequences.

Examples of actions, where permissible, include:

Customs valuation and reverse cost planning: Assessing import values and tracing costs back through the supply chain for potentially lower customs value.

Unbundling prices: Structuring transactions to exclude certain costs from the customs value.

First Sale for Export programs: Leveraging multi-tiered transactions to use an earlier sale price for customs valuation, potentially reducing duty exposure.

Bonded warehouses and foreign trade zones: Deferring or reducing tariff payments and stimulating cash flow.

Robust cost and savings analysis: Documenting adopted strategies to support both internal review and external audits.

These steps can not only help identify near-term tariff impacts but may also lay the groundwork for long-term planning.

Anchoring strategy amid supply chain restructuring

For some organizations, deeper structural changes may be warranted as the global trade landscape continues to evolve. They may need to rethink who they serve and their value proposition. More involved scenario planning, strategy and business model changes, and supply chain planning, including relocation strategies and tax planning, can help companies reduce disruption and improve long-term resilience, although these initiatives may take longer to implement.

Some key considerations include:

- **Technology and supply chain enhancement:** Evaluating how emerging technologies—including those that leverage AI—can drive a more agile, adaptive supply chain.
- **Network enhancement:** Reassessing country-of-origin decisions, transaction flows, and onshoring opportunities. Taking a broad view of where goods are made, how they move, and whether some operations should be brought closer to home can help enhance cost, compliance, and risk management.
    - OBBBA provisions have the potential to now offer 100% bonus depreciation for qualifying US assets and make research and experimental (R&E) expenditures fully deductible in the year paid or incurred—offering potential attractive incentives for domestic investment and supply chain realignment.
- **Supplier and origin reassessment:** Reevaluating supplier relationships and country-of-origin rules to uncover potential risks or efficiencies.
- **Scenario planning:** Building an understanding of potential futures relevant to their specific business and industry environments to inform strategic choices for long-term strategy and success.
- **Margin protection initiatives:** Reduce margin impact by deploying broader commercial and operational processes to offset cost pressures (e.g., design tariff-informed sourcing and negotiation strategy, design and execute pricing adjustments).
- **Foreign and special government programs** (e.g., Industria Manufacturera, Maquiladora y de Servicios de Exportación [IMMEX]): Revisiting the operating model for goods produced in Mexico under IMMEX, especially for non-US parent entities, to align transfer pricing and income tax planning.
- **Cross-border movement:** Considering the full life cycle of goods that pass through multiple jurisdictions before entering the US.
- **Value-added tax (VAT) optimization:** Assessing import VAT deferral programs and other mechanisms to improve cash flow.
- **VAT position and compliance:** Rationalizing compliance costs and improving VAT efficiency—especially when transaction flows or parties change.

By combining near-term planning with thoughtful long-term relocation and supply chain consideration—supported by new domestic investment incentives—organizations can bolster both resilience and competitive advantage.

Guiding a journey through uncharted territory

Tariffs, like other global shifts, may demand a broad-based, multidisciplinary response. We can help organizations navigate today's shifting trade environment and build resilience for the future by focusing on three essential levers:

1. RESPOND to urgent impacts

a. **Mitigate impacts:** Take immediate action to identify opportunities to effectively lower tariff impacts while achieving compliance with customs requirements.

b. **Reduce margin impact:** Deploy broader commercial and operational processes to offset cost pressures.

2. REFRESH

Evaluate commercial and operational adjustments to stay competitive (e.g., new supplier relationships, revenue management strategies, site selection activities).

3. REINVENT

Consider enterprise transformation to improve competitiveness and resiliency (e.g., portfolio and business model choices, value proposition reassessment, holistic operating model transformation, new location strategy, tax strategy, mergers and acquisitions).

Central to our approach is our Command Center—a dynamic hub that helps organizations rapidly navigate volatility, mitigate impacts, reduce pressures, and identify opportunities to unlock advantage. Capabilities and teams focused on financial and supply chain impact analyses use data-driven models to model financial and supplier risk, and cost structure specialists advise on actionable mitigation strategies to reduce exposure and track impact in real time; all pulled together by a centralized project management office team that aligns executives to key risks and opportunities through real-time monitoring and reporting.

Additionally, our Executive Strategy Labs provide a one-day immersive and cross-functional experience designed to help leaders reflect on trade and macro uncertainty, assess relevance and priorities, and co-develop bold strategic moves to address potential tariff impacts. These interactive sessions can help executive teams align direction, explore tailored and industry-relevant scenarios, and chart a clear path forward. Together, these platforms enable clients to tackle immediate challenges while driving long-term success *with confidence.*

Our three-lever approach:

1 RESPOND

Acting on urgent impacts

We advise clients to rapidly assess and adapt to evolving tariff impacts and reducing margin impact. Our assistance extends to implementing customs and transfer pricing changes to facilitating compliance and strategic alignment through scenario planning. Using advanced technology, we enable informed and agile responses to global trade uncertainty. Our proprietary tool, Tariff Vision™, delivers actionable insights to identify potential risks and opportunities—including leveraging free trade agreements. When coupled with our Global Trade Advisory services, Tariff Vision provides scenario modeling and strategic analysis, quantifying exposure through historical and real-time data. In addition, our pricing, supply chain, and strategy practices can work with you to identify immediate opportunities to shift sourcing and negotiation strategy and design and execute revenue management strategies.

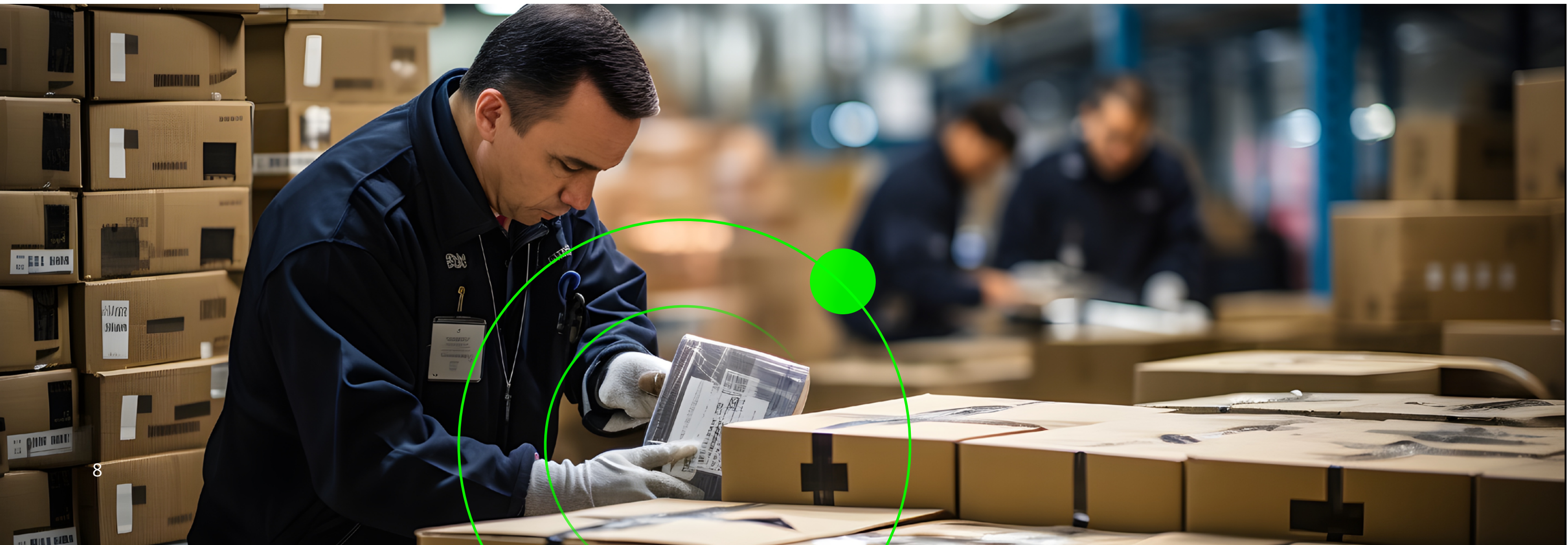
As clients identify near-term exposure for immediate options, executives and organizations can begin to direct their attention to position their organization for long-term advantage through strategic reinvention and resilience efforts. We recommend organizations plan for the future through the lens of scenario planning and chart out potential industry/sector-relevant scenarios. Based on the potential scenarios, specific business and industry impacts, and assessment findings, organizations can define their path forward with plays across the Refresh-to-Reinvent spectrum.

2 REFRESH

Evaluating potential near-term positioning through scenario planning

We provide broad-based tax planning including exploring customs valuation strategies, conducting transfer pricing reviews in conjunction with related-party customs value compliance assessments, and evaluating the tax impact of changes to legal entity structures and transaction flows. These services all work to allow for compliance, efficiency, and enhanced market positioning for the future.

In addition to tax planning, we can advise streamlining production; supply chain operations; and selling, general, and administrative expenses (SG&A). Our professionals can develop tariff-informed sourcing considerations, helping businesses work through supply chain disruptions and enhance sourcing decisions. We also support clients in building new supplier relationships, optimizing site selection and location strategy, and enhancing operational performance through cost improvement and automation. Furthermore, we guide organizations in rethinking revenue management and customer strategies, refining go-to-market models, and aligning enterprise priorities to stay competitive amid tariff pressures.

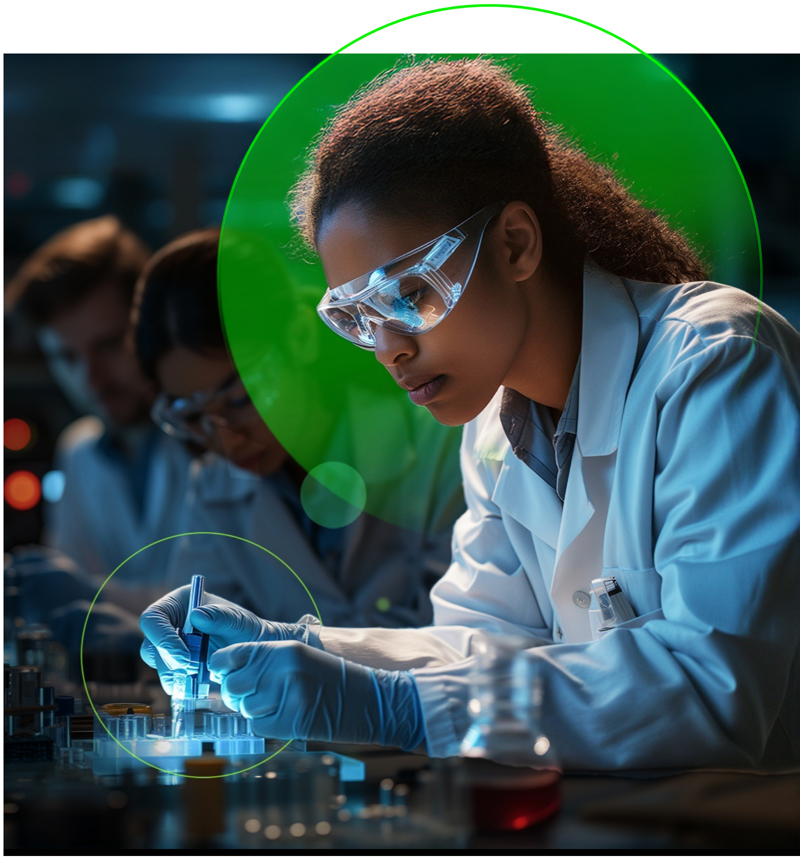


3 REINVENT

Redesigning operating models and positioning for longer-term strategic shifts

In the face of shifting market dynamics, we help clients position for the long-term through strategic reinvention. By aligning broad business strategies with ongoing changes, we facilitate greater agility and competitiveness. We help companies reinvent business models to stay ahead of the curve. We develop models to help companies refine resource use across the entire value chain, enhancing operational resilience. We build strategies to help organizations implement network redesign, reevaluate portfolios, assess global footprints and supply chains, rethink internal cost structures, and pursue opportunities for mergers and acquisitions so they can thrive alongside market shifts.

This structured, three-lever framework allows for each business imperative to be met with a targeted, sequenced approach. Driving results, however, may require more than strategy alone. Effective execution likely depends on the appropriate tools, multidisciplinary collaboration, and leadership alignment across the enterprise.



BUSINESS LEVER	ESSENTIAL IMPERATIVE	FOCUS AREA
RESPOND	Understand the potential impact of tariffs on your organization and quickly mitigate tariff and margin impacts	Immediate tariff considerations (tax, supply chain) and reduced margin impact
REFRESH	Evaluate potential near-term positioning levers through scenario planning	Near-term strategic positioning (pricing, cost, efficiency)
REINVENT	Transform strategy and operating model for future success	Long-term transformation, competitiveness, and resilience

Leveraging technology and our multidisciplinary approach

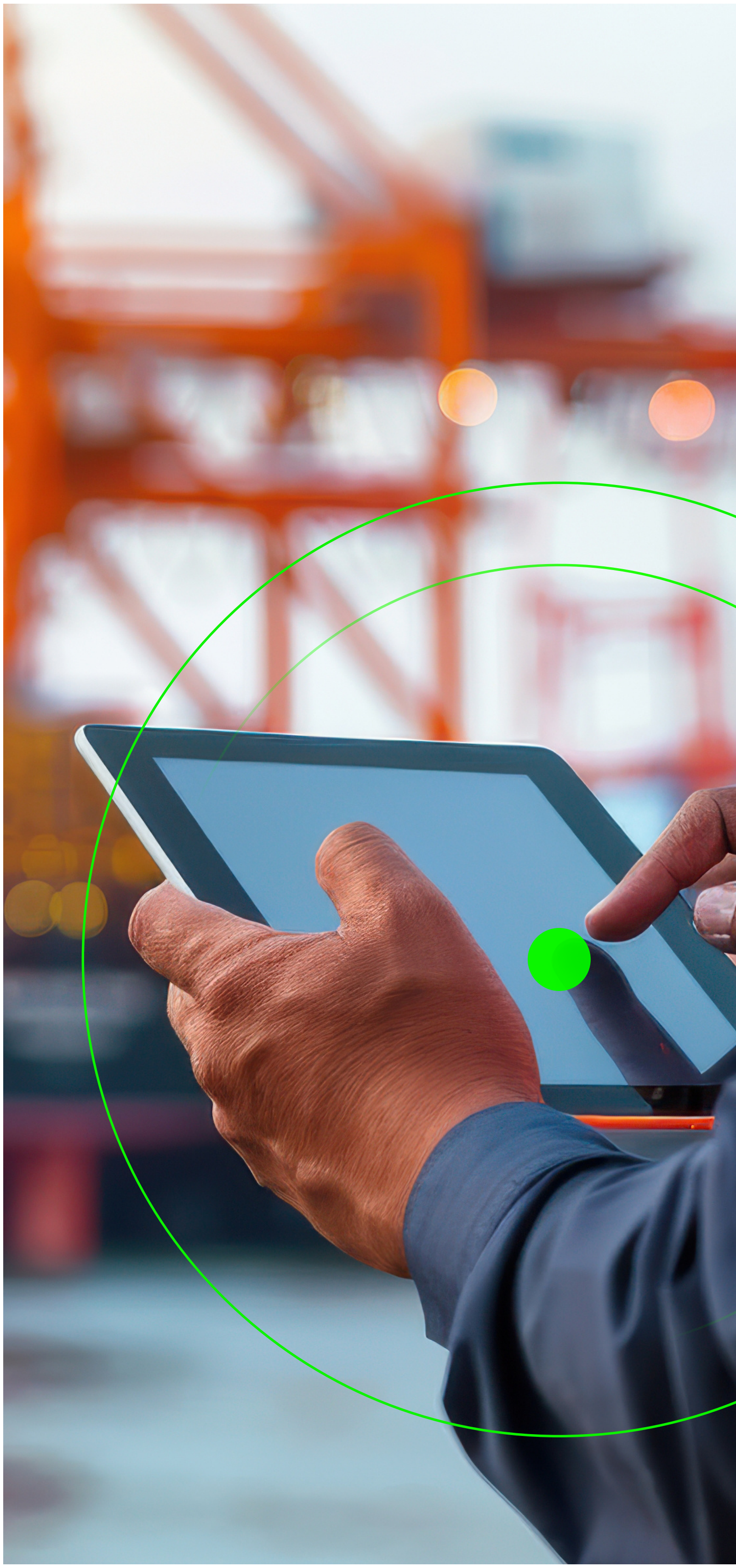
Our technology offerings are integral to our services and can provide advanced analytics, real-time risk sensing, and scenario modeling to help organizations navigate uncertainty and complexity. Paired with our multidisciplinary approach and deep industry knowledge, our technology services and solutions can enable clients to take swift, strategic action. Tools like Tariff Vision—which quantifies exposure and models mitigation scenarios based on real-time data and tariff policy changes—help businesses understand where they stand and what moves they can make.

For companies looking deeper into their supplier networks, SupplyHorizon N-tier utilizes AI/machine learning to rapidly map beyond Tier 1 visibility, helping to illuminate risks and dependencies that traditional survey methods may miss.

Meanwhile, our Command Center can bring structure and speed to cross-functional coordination. It provides real-time insights and centralized program management to help align executive stakeholders, model potential financial and operational impacts, and implement mitigation strategies at scale.

Together, these technologies, when coupled with Deloitte services, can help businesses make informed decisions and act with agility in a fast-developing environment. And when integrated through our multidisciplinary lens—spanning tax, supply chain, customs, finance, strategy, and technology—they form a powerful engine for navigating disruption, mitigating risk, and wayfinding new routes to growth.

Conclusion



The pace of change in global trade and tax policy is accelerating. Organizations that respond with clarity and urgency are most likely best positioned to gain a competitive edge. With a clear point of view on what levers should be pulled to achieve business objectives, we can help organizations identify and prioritize strategies that can turn uncertainty into action.

Immediate actions to consider

1. **IDENTIFY** and prioritize plays across supply networks, tax, customs, finance, risk, customer strategy, and beyond.

2. **UTILIZE** scenario planning to stress-test business strategy.

3. **TRANSLATE** ambiguity into direction by helping leadership teams navigate complexity and accelerate action.

Tariffs and related global shifts are not isolated issues—they can present cross-functional challenges that can benefit from a coordinated, multidisciplinary response. Deloitte brings together deep knowledge across tax, customs, supply chain, finance, strategy, and technology to help clients respond decisively, refresh approaches, and reinvent areas for sustained success.

Whether through targeted interventions or architecting large-scale transformation programs, we can help clients navigate this complexity.

Get in touch

Let's turn today's challenges into tomorrow's opportunities. Connect with us to schedule an Executive Strategy Lab or start a conversation about building resilience in an increasingly complex global trade environment.

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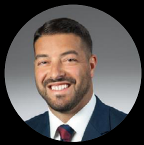

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