

Tariffs: The Horse Industry's Journey into the Great Unknown

Tariffs have many in the industry wondering how the upcoming racing and competition season will work with the thousands of horses that cross international borders every year to compete. For many years, horses entering and leaving the United States have done so without tariffs. Now, with pending regulatory changes and rumors of retaliatory tariffs, we hope to help the industry understand the facts about how tariffs impact the movement of horses.

A “horse product” is anything “consumable” (i.e., usable) derived from a horse. This includes semen, embryos, and other breeding products, art made from horsehair (such as bracelets or jewelry made from manes and tails), and more. It can also sometimes include carriages, sulkies, and other types of horse-drawn “transportation.”

Despite AHC's best efforts to inform members and stakeholders, it is crucial to acknowledge the rapid, sometimes hourly, changes in tariff information.

Of further importance, when calculating possible tariffs and import fees, they are based on the *value* of the horse or item you're importing, not necessarily the most recent purchase price. You must often be able to provide documentation concerning the value of the horse at the border. If you buy a horse for \$1 from a friend, but the horse was most recently valued at \$10,000, you would pay a tariff of \$10,000, *not* \$1. Some tariffs require a minimum valuation for specific items.

If your horse is entering or leaving the United States, your requirements will be different depending on whether it's for temporary purposes (like racing, competition, or breeding) or a permanent relocation.

It's important to remember that when importing and exporting horses, *tariffs* are a separate issue from necessary health documents. You must always ensure that you have the appropriate permits and health certificates and follow necessary quarantine procedures when importing and exporting horses.

Introducing Tariff Codes and Rules of Origin

All tariff types are coded and given an identification number. The majority of countries rely on a semi-standardized code list known as a **Harmonized Tariff Schedule (HS)**. Knowing the HS code will often allow you to efficiently search for a country's trade requirements to understand what documentation you need to provide or what duty you potentially pay.

The United States Harmonized Tariff Schedule can be found at: <https://hts.usitc.gov/>

Once you know the tariff HS code, you can enter it into the FTA Tariff Tool to find the tariff rate and rule of origin for your product (in this case, your horse). FTA Tariff Tool: <https://www.trade.gov/fta-tariff-tool-search>

Rules of Origin (ROO) are used to determine if products are eligible for duty-free or reduced duties. ROOs for horses can be different depending on the destination country. Some countries say where a horse is *born* is the country of origin, whereas other countries say where a horse permanently *lives* is the country of origin. You must check the ROOs of the country you're importing to for the correct determination. You'll have to prove the origin of your horse; this could count as an FEI passport or breed registration paper.

If a horse is visiting a country for competition while a new tariff is imposed, it will not have to pay a tariff upon return to its country of origin.

Example 1: The United States HS code for Purebred Live Horses Imported for Breeding is 0101.21.00. If you are *importing* a horse from Canada into the United States for breeding purposes, you select that you are importing goods from an FTA partner into the United States. Select the country "Partner" and enter the HS code. You'll see a result like this, which states that there is currently a 0% tariff rate and lists where in the HS you can find the appropriate Rule of Origin:

U.S. Imports from Canada USMCA - 1 result

01012100 HORSES, LIVE, PUREBRED BREEDING Live purebred breeding horses													
HS Code	01012100												
Tariff Line Description	Live purebred breeding horses												
Description	HORSES, LIVE, PUREBRED BREEDING												
Staging Basket	Immediate												
Zero Duty As of	2020												
Annual Rates	<table border="1"><thead><tr><th>Year</th><th>Tariff Rate</th></tr></thead><tbody><tr><td>2020</td><td>0</td></tr><tr><td>2021</td><td>0</td></tr><tr><td>2022</td><td>0</td></tr><tr><td>2023</td><td>0</td></tr><tr><td>2024</td><td>0</td></tr></tbody></table>	Year	Tariff Rate	2020	0	2021	0	2022	0	2023	0	2024	0
Year	Tariff Rate												
2020	0												
2021	0												
2022	0												
2023	0												
2024	0												
Rule of Origin	A change to heading 01.01 through 01.06 from any other chapter.												

Example 2: If a Canadian horse is competing in the United States while a new tariff is imposed on horses entering Canada, that horse would not be subject to paying a tariff when returning to Canada after the competition season.

The only time you may pay a tariff upon returning to your home country is if you are bringing a *new* horse home with you that did not previously reside in your home country or bringing equine products such as semen or embryos with you that did not originate in your home country.

Importing/Exporting for Temporary Purposes

Requirements for the designation of temporary vs. permanent movement of goods in regard to tariffs vary greatly by country. You must check the requirements of the destination country to ensure that you will be in good standing once you cross the border.

Reasons to be considered a temporary import/export include but aren't limited to traveling for competition, racing, vacation/recreation, medical/veterinary care, or temporary breeding purposes.

Temporary imports to a country typically do not pay tariffs; however, **you may be required to pay a deposit** that is returned to you once you come home. If you sell the horse during the time of the temporary import, you will be required to pay the full tariff if it is greater than your deposit.

Specific to importing a horse temporarily into the United States*, you have two main options to identify your horse as a temporary “good” (*these methods will be similar but not exactly the same for other countries; it's always best to check with the importing country's authorities or a shipping agent for exact requirements)

Temporary Import Bond

Temporary Importation under Bond (TIB) is a temporary importation of goods by paying a deposit (aka bond), not imported for sale, without payment of duty with your agreement to export or destroy the goods within a certain period of time not to exceed three years from the date of importation.

For horses, this means that you can temporarily import a horse for any of the previously listed reasons, but you must pay a certain percentage of the tariff up front that you will receive back once you return home.

If the horse does not return to its home country within the TIB timeline, your deposit will be kept by customs, and you may potentially owe further fines.

Currently, the TIB requirement to enter the United States is often good for up to 1 year of residence from the entry date. US Border Patrol can require deposits ranging from 110% to 200% of the value for the tariff.

However, if you cross an international border multiple times per year, you may need to pay the TIB deposit each time you enter the importing country.

Example: If you are importing a thoroughbred valued at \$100,000 to the United States for racing purposes for 3 months from a country with a 25% tariff rate, you could be required to pay a deposit of up to \$50,000 to enter under a TIB.

A.T.A Carnets

Another option to temporarily import a horse is under an A.T.A. Carnet. The ATA Carnet, also referred to as a "Merchandise Passport," or "Passport for Goods", is an international customs document that allows for the temporary entry of goods on a duty-free and tax-free basis, whether shipped or hand carried. The ATA Carnet system was established by the International ATA Conventions and is governed by the World Customs Organization and the International Chamber of Commerce's World Chambers Federation. The aim is to encourage world trade and reduce trade barriers created by different national customs regulations.

A.T.A. Carnets are accepted by more than 80 countries globally, **do not require a deposit**, and are good for up to 1 year. Horses on A.T.A. Carnets are valued at a minimum of \$10,000 and must complete the questionnaire regarding their plan activities while travelling. (<https://infospot.roanokegroup.com/acton/attachment/5777/f-059c/1/-/-/-/-/USCIB%20ATA%20Carnet%20Horse%20Questionnaire.pdf>).

A.T.A. Carnets in the United States can only be prepared by recognized vendors. These vendors include Boomerang Carnets (<https://www.atacarnet.com/>) and Roanoke (<https://www.roanokegroup.com/contact-us/>).

A.T.A. Carnets are good for multiple trips across borders within the active time frame.

Importing Horses for Permanent Purposes

Depending on the destination country, importing horses or horse products (including semen and embryos) may require payment of a tariff.

Some countries have Free Trade Agreements that exclude horses, donkeys, mules, and hinnies from tariffs. A Free Trade Agreement is a treaty between two or more countries designed to reduce or eliminate trade barriers, like tariffs, quotas, and other restrictions, to facilitate trade and investment between participating nations.

If you are permanently importing a horse (i.e., plan to reside in the destination country for more than 1 year), then you need to determine if a tariff must be paid.

Your best bet is to identify the HS code for horses in your country and use a tariff tool such as the FTA Tariff Tool listed above to understand your requirements.

The tariff you pay will be based on the ROOs of the destination country. Confirm the requirements for ROOs before you arrive.

Moving Forward

The best advice we can give is to check with trade authorities at your destination country regarding the requirements for temporary vs. permanent importation. Information is changing rapidly, and what is true now may not be correct in 2 weeks. It can also be helpful to contract with an international shipping agent or a licensed import broker.

Good planning is essential. Know the requirements *before you get to the border*. Do not wait to gather information and documents.

The AHC is here to help as best we can. Feel free to reach out with further questions, and we're happy to try to connect you with the competent authorities.

Helpful Links About Tariffs

Tariff Resources (US)

US Harmonized Tariff Schedule: <https://hts.usitc.gov/>

FTA Tariff Tool: <https://www.trade.gov/fta-tariff-tool-search>

US Interactive Tariff Training: <https://learning.usitc.gov/hts-guide/index.html#/>

Frequently Used United States HS Codes for Horse Products:

Horse Semen HS: 0511.99.40.40

Live Horses HS: 0101 (Live Horses, asses, mules, and hinnies), 0101.21.00 (purebred breeding), 0101.29.00 (other), 0101.30.00 (asses), 0101.90 (other), 0101.90.30 (imported for immediate slaughter), 0101.90.40 (other, other)

Temporary Import Options

ATA Carnet

ATA Carnet Explanation: <https://www.trade.gov/ata-carnet>

Approved Companies for ATA Carnets

Boomerang: <https://www.atacarnet.com/Live-Horses-on-ATA-Carnets-with-CPDs-Along-for-the-Ride#:~:text=The%20ATA%20Carnet%20is%20an,for%20up%20to%20a%20year.>

Roanoke Group: <https://www.roanokegroup.com/contact-us/>

ATA Carnet Horse

Questionnaire: <https://infospot.roanokegroup.com/acton/attachment/5777/f-059c/1/-/-/-/-/USCIB%20ATA%20Carnet%20Horse%20Questionnaire.pdf>

Temporary Import Under Bond

General Tib Info: <https://www.cbp.gov/trade/programs-administration/entry-summary-and-post-release-processes/temporary-importation-under-bond>

TIB in Harmonized Schedule, CH 98 Section 9813: <https://hts.usitc.gov/current>

Instructions for Businesses, TIB page

27: <https://www.cbp.gov/sites/default/files/assets/documents/2023-Dec/CBP%20Publication%20No.%203499-1223%20-%20ACE%20ESBP%20Document%20External%20Version%2012.0.pdf>

Tariff Resources (CA)

CA Harmonized Tariff

Schedule: https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/CA_Tariff_Schedule.pdf

Canadian Tariff Code Finder: <https://www.tariffinder.ca/en/getStarted>

List of Products from US subject to 25% Tariffs effective March 13, 2025: <https://www.canada.ca/en/department-finance/news/2025/03/list-of-products-from-the-united-states-subject-to-25-per-cent-tariffs-effective-march-13-2025.html>

-

Tariff Resources (MX)

MX Harmonized Tariff

Schedule: https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/MX_Tariff_Schedule.pdf