Market Trends 2019/20: U.S. Tariff Policies

A Lexis Practice Advisor® Practice Note by
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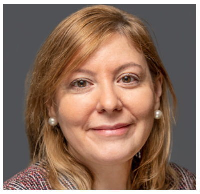

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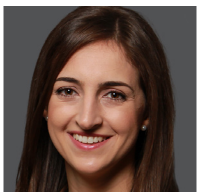

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This market trends article identifies disclosures related to U.S. Tariff Policies that offer detailed discussions on the actual and potential effects for the particular registrants and concludes with recommendations on how to enhance disclosures relating to the effects of U.S. Tariff Policies. The company name, its industry, and the type of filing are also provided in each sample disclosure for reference.

For a discussion of the effects of certain policies of the current U.S. administration in other contexts, see Market Trends 2018/19: High Yield Debt Offerings — Market Outlook and Clean and Renewable Energy Industry Guide for Capital Markets. For other market trends articles covering various capital markets and corporate governance topics, see Market Trends.

Since January 2018, the U.S. administration has imposed a series of tariff policies (U.S. Tariff Policies) that potentially have a wide range of consequences to domestic and international trade and the capital markets. In a period marked by increased globalization and international trade, the uncertainties brought about by aggressive tariff policies are leaving companies and investors wary of the direct and indirect consequences of such measures. As U.S. Tariff Policies continue to evolve, and as uncertainty looms, companies must disclose the effects of these policies on their businesses.

In January 2018, the U.S. administration imposed tariffs on solar panels produced outside of the United States, adversely affecting renewable energy companies. Shortly thereafter, the Office of the U.S. Trade Representative (USTR) announced tariffs on foreign washing machines. In March 2018, President Trump signed an order imposing a 25% tariff on steel and a 10% tariff on aluminum imports. As a consequence of the steel and aluminum tariffs, some economists and business leaders have warned of job losses, impacts on industrial competitiveness, and higher costs for businesses and consumers. For example, Coca-Cola and Pepsi have reported U.S. tariffs as a factor leading to increased costs of the product for consumers. President Trump has hiked tariffs on goods and services primarily from China, Canada, Mexico, and the European Union (EU), prompting a wave of retaliation that has the potential to negatively impact American exports of everything from pork and soybeans to Levi's jeans. Some U.S. Tariff Policies have and may continue to incite "tariff wars" between the United States and various countries throughout the world, which may negatively impact shipping and trading products within and outside of the United States. In August 2018, President Trump authorized double tariffs on aluminum and steel against Turkey. By year-end 2018, the U.S. administration imposed tariffs that affect approximately 12% of total U.S. imports.

In April 2019, the U.S. administration had imposed three rounds of tariffs on Chinese goods, totaling over $250 billion with duties ranging from 10%–25%. The U.S. administration threatened to levy an additional $267 billion worth of Chinese goods that would cover virtually all Chinese imports. The U.S. administration delayed the March 1, 2019, deadline that would raise tariffs from 10%–25% on $200 billion worth of Chinese goods. In April 2019, President Trump threatened to tariff all cars made in Mexico and sold in the United States at 25%. Similarly, in April 2019, President Trump continued to threaten to enact tariffs up to 25% against EU cars and auto parts.

In April 2019, China had imposed retaliatory tariffs on approximately $110 billion in U.S. goods targeting important industries such as agriculture. In June 2018, the European Commission imposed tariffs on approximately $3.5 billion worth of U.S. goods and reported in January 2019 that they are prepared to tariff over $23 billion worth of U.S. goods should the U.S. follow through with its threatened tariffs against EU cars and auto parts. In July 2018, Mexico and Canada imposed over $3 billion and $13 billion, respectively, in levies on U.S. exports. In April 2019, Mexico and Canada threatened not to ratify the United States-Mexico-Canada Agreement (USMCA) until Mexican and Canadian steel and aluminum tariffs are lifted. Although the present U.S. administration reasons that U.S. Tariff Policies are necessary to protect manufacturers in the United States, these policies can exacerbate trade tensions with other nations and prompt retaliatory trade measures. On October 18, 2019, the United States imposed 10% and 25% tariffs on $7.5 billion goods from the European Union. It further threatened a tariff on $2.4 billion in French products in December 2019.

On August 23, 2019, the United States announced a 15% tariff on $300 billion Chinese goods, with some to begin on September 1, 2019, and others on December 15, 2019. China announced an additional 5%–10% retaliatory tariff on $75 billion of U.S. imports that began on September 1, 2019, and ended on December 15, 2019, with an additional tariff on U.S. cars and car parts. On September 12, 2019, the United States announced a 30% tariff on $250 billion of Chinese goods would become effective from October 1, 2019, until October 15, 2019. In December 2019, the U.S. administration postponed indefinitely the 15% tariff on $160 billion of goods from China, with plans to decrease the tariff to 7.5% on $120 billion worth of goods as part of the "phase one" deal between the two countries. China simultaneously canceled its scheduled tariff increase on approximately $75 billion of U.S. goods. These changes took effect on February 14, 2020.

As of April 2020, the U.S. administration announced its intention to impose tariffs on crude imports to protect the U.S. energy industry, following the crash of the price of oil. The United States has lifted steel and aluminum tariffs on Canada and Mexico. The USMCA was signed into law by President Trump on January 29, 2020, and is expected to go into effect by July 1, 2020, at the earliest. The USTR office has granted Section 301 tariff exclusions for certain medical products from China, including medical masks, examination gloves, and antiseptic wipes, in response to the coronavirus pandemic, but the U.S. administration does not plan to lift additional import tariffs on Chinese goods. The U.S. administration signed a plan to defer U.S. tariffs on goods from countries with most-favored-nation status for 90 days in response to the coronavirus pandemic.

Disclosures on U.S. Tariff Policies Contained in the Risk Factors Section

Item 503(c) (17 C.F.R. § 229.503) of Regulation S-K requires that a registrant provide a description of the material risks that impact a business and how these risks affect the registrant or an investment in the securities being offered by the registrant. The disclosure should be written in plain English and not a sweeping general statement applicable to any issuer or offering. For further information, see Top 10 Practice Tips: Risk Factors. Below are some examples of U.S. Tariff Policies disclosures contained in the Risk Factor section of offering documents and periodic filings:

- **"Tariffs and other trade measures could adversely affect the combined company's results of operations, financial position and cash flows.**

  In 2019, the U.S. government continued to impose tariffs on steel and aluminum and a broad range of other products imported into the United States. In response to the tariffs imposed by the U.S. government, the European Union, Canada, Mexico, India and China have announced tariffs on U.S. goods and services. The new tariffs have increased Apergy's material input costs, and any further trade restrictions, retaliatory trade measures and additional tariffs could result in higher input costs to the combined company's products. The combined company may not be able to fully mitigate the impact of these increased costs or pass price increases on to its customers. While tariffs and other retaliatory trade measures imposed by other countries on U.S. goods have not yet had a significant impact on Apergy's business or results of operations, it cannot predict further developments, and such existing or future tariffs could have a material adverse effect on the combined company's results of operations, financial position and cash flows." Apergy Corporation, Form S-4/A filed April 17, 2020 (SIC 3530—Construction, Mining & Materials Handling Machinery & Equipment)

- **"We are vulnerable to a growing trade dispute between the United States and China.**

  These tariffs may escalate a nascent trade war between China and the United States. This trade conflict could affect our business because we intend to mass produce the SOLO in China and our intended principal market is the West Coast of North America . . . . Recently, U.S. Customs and Border Protection ruled that the SOLO has a classification under the Harmonized Tariff Schedule of the United States that applies to passenger vehicles for less than 10 people with only electric motors. The total applicable duty for this classification was recently raised to 27.5% (2.5% is a "most-favored-nation" tariff for this classification and 25% derives from this classification being on the China 301 List 1). We envision that the suggested retail purchase price for our SOLO will be USD$18,500. As the landscape for tariffs involving imports to the United States from the People's Republic of China has been changing over the past year and may change again, we have not determined how to adjust the purchase price in the United States in response to the recent tariff increase." Electrameccanica Vehicles Corp., Form F-1 filed April 17, 2020 (SIC 3711—Motor Vehicles & Passenger Car Bodies)

- **"Tariffs significantly harm our cash flow and profitability, and they may continue to do that in the future.**

  Since September 24, 2018 through the date of this report, almost 100% of our products have been subject to a tariff because they are produced in China and they are in product categories subject to the tariff on our cost of goods at the time of entry into the US. The tariff started at 10% and increased to 25% in June 2019. This has a significant impact on our cost of inventory and profitability. Because these tariffs may not be reduced and may even be increased, we are actively working on finding production capability outside China. Our largest supplier is actively working on setting up a major production capability in Vietnam, and we are working with other suppliers outside on China. We do plan for most of our inventory to be sourced outside of China by the end of the second quarter of 2020, thereby eliminating the tariff burden. It is not possible to predict the impact of tariffs in the future, but that could have a material adverse impact on our net income and cash position will be reduced and we may continue to experience losses." Zoom Telephonics, Inc., Form 10-K filed April 15, 2020 (SIC 3661—Telephone & Telegraph Apparatus)

- **"Increases in component costs, long lead times, supply shortages, and supply changes could disrupt our supply chain and have an adverse effect on our business, financial condition, and operating results.**

  Several of the components that go into the manufacturing of our products are sourced internationally, including from China, where the United States has imposed tariffs on specified products imported there following the U.S. Trade Representative Section 301 Investigation. These tariffs have an impact on our component costs and have the potential to have an even greater impact depending on the outcome of the current trade negotiations, which have been protracted and recently resulted in increases in U.S. tariff rates on specified products from China. Increases in our component costs could have a material effect on our gross margins. The loss of a significant supplier, an increase in component costs, or delays or disruptions in the delivery of components, could adversely impact our ability to generate future revenue and earnings and have an adverse effect on our business, financial condition, and operating results." Galaxy Next Generation, Inc., Form S-1/A filed April 2, 2020 (SIC 7830—Services—Motion Picture Theaters)

- **"Tariffs may negatively impact our business.**

  A prolonged trade war with China could affect sales to entry level home buyers. Increased building material costs create corresponding increases in the sales price of new homes and could affect some first-time home buyers' ability to participate in the residential marketplace." Harbor Custom Development, Inc., Form S-1 filed March 31, 2020 (SIC 1531—Operative Builders)

- **"If critical components become unavailable or our suppliers delay their production of our key components, our business will be negatively impacted.**

  Currently, the United States' relationship with China has been tense, with ongoing tariff and trade restrictions and issues. Issues related to the coronavirus pandemic are also affecting the relationship between the two countries. Since the sole supplier for the parts for our BDI-747/1 device is located in China any escalation of any of the current issues, or new issues, could adversely impact our ability to get parts for our BDI-747/1 devices, which could negatively impact our business." Blow & Drive Interlock Corp., Form 10-K filed March 30, 2020 (SIC 3714—Motor Vehicle Parts & Accessories)

- **"Tariffs that have been and might be imposed by the United States government or a resulting trade war could have a material adverse effect on our results of operations.**

  It is difficult to accurately estimate the impact on our business from these tariff actions or similar actions or when additional tariffs may become effective. For fiscal 2019, approximately 61% of the products that we sold were manufactured in China. For fiscal 2020, approximately 50% of the products that we sold were manufactured in China . . . . Tariffs on additional products imported by us from China would increase our costs, could require us to increase prices to our customers and would cause us to seek price concessions from our vendors. If we are unable to increase prices to offset an increase in tariffs, this would result in our realizing lower gross margins on the products sold by us and will negatively impact our operating results. We have engaged in a number of efforts to mitigate the effect on our results of operations of increases in tariffs on products imported by us from China, including accelerating the receipt of inventory, diversifying our sourcing network by arranging to move production out of China, negotiating with our vendors in China to receive vendor support to lessen the impact of increased tariffs on our cost of goods sold, and discussing with our customers the implementation of price increases that we believe our products can absorb because of the strength of our portfolio of brands. These efforts may not enable us to offset the adverse effects of any increases in tariffs." G-III Apparel Group, Ltd., Form 10-K filed March 30, 2020 (SIC 2300—Apparel & Other Finished Products of Fabrics & Similar Materials)

- **"We depend upon vendors and other sources of merchandise, goods and services outside the U.S. Our business could be affected by disruptions in, or other legal, regulatory, political, economic or public health issues associated with, our supply network.**

  We continue to evaluate the impact of the effective tariffs, including potential future retaliatory tariffs, as well as other recent changes in foreign trade policy on our supply chain, costs, sales and profitability, and are actively working through strategies to mitigate such impact, including reviewing sourcing options and working with our vendors and merchants. At this time, it is unknown how long U.S. tariffs on Chinese goods will remain in effect or whether additional tariffs will be imposed. Depending upon their duration and implementation, as well as our ability to mitigate their impact, these changes in foreign trade policy and any recently enacted, proposed and future tariffs on products imported by us from China could negatively impact our business, results of operations and liquidity if they seriously disrupt the movement of products through our supply chain or increase their cost. In addition, while we may be able to shift our sourcing options, executing such a shift would be time consuming and would be difficult or impracticable for many products and may result in an increase in our manufacturing costs. The adoption and expansion of trade restrictions, retaliatory tariffs, or other governmental action related to tariffs or international trade agreements or policies has the potential to adversely impact demand for our products, our costs, our customers, our suppliers, and/or the U.S. economy, which in turn could adversely impact our results of operations and business." Macy's, Inc., Form 10-K filed March 30, 2020 (SIC 5311 – Retail-Department Stores)

- **"A change in the existing regulatory environment could negatively affect our operations and financial performance.**

  In 2018, the United States imposed tariffs of 25% on primary steel imports and 10% on primary aluminum imports into the United States. As consumers of steel and aluminum in some of our products, our cost base is exposed to the impact of this action, or similar actions, on our margins, and we could potentially lose market share to foreign competitors not subject to similar tariffs increases. Our financial condition, results of operations and cash flows may continue to be affected by these tariffs, or similar actions. Moreover, these new tariffs, or other changes in U.S. trade policy, have resulted in, and may continue to trigger, retaliatory actions by affected countries which could adversely impact demand for our products, as well as impact our costs, customers, suppliers and/or the U.S. economy or certain sectors thereof and, thus, may adversely impact our business." Ampco Pittsburgh Corp., Form 10-K filed March 16, 2020 (SIC 3561—Pumps & Pumping Equipment)

- **"The recently enacted tariff on solar panels may have an adverse effect on the prices of future solar investments.**

The United States began levying tariffs on certain types of imported solar panels in January 2018. The tariffs are applicable over a four-year period beginning at 30% the first year and declining to 25%, 20% and 15% respectively, with each subsequent year. For certain sectors of the industry, particularly large utility scale transactions, these tariffs will likely have some pricing impact. However, for the reasons described below, we do not see this market event significantly affecting our investment thesis or the cost of future investments. (1) A PV solar module today costs about $0.32. Over the six months leading up to the tariff enactment, certain developers stockpiled panels at prices as high as $0.35 to $0.36 per module. Given that the tariff maximum is currently 30% declining to 15% in the fourth year, it puts the most expensive modules at approximately $0.31, effectively below where modules have been selling in recent months. In short, developers had already put these higher prices into the market, significantly muting any pricing impact from the tariff enactment. (2) Furthermore, the first 2.5GW of panels imported for each of the four years are exempt from the tariff, which is likely to mitigate pricing impact. (3) Over half of the company's investments are operating plants, where the panels are already installed (where they are producing electricity) so the tariffs will not have an effect on the cost of those systems. (4) Some developers are moving to thin film modules, which are not likely affected by the tariff. Thin film modules are generally more expensive but if the tariff were to result in higher prices for affected panels, thin film modules would become more cost competitive. Given these and other factors, we expect negligible impact from the tariff as we continue to raise capital, acquire assets and bring the offering towards its eventual close." Greenbacker Renewable Energy Company LLC, Form 10-K filed March 16, 2020 (SIC 4911—Electric Services)

Disclosures on U.S. Tariff Policies Included in the MD&A Section

Item 303(a) (17 C.F.R. § 229.303) of Regulation S-K requires a discussion of a company's financial condition and changes in financial condition and results of operations, as well as a discussion of any known trends or factors that management believes to be important to the company's results of operations. This includes known trends, commitments, events, or uncertainties that will likely have a material impact on the company's business. The MD&A discussion should not include merely generic or boilerplate disclosures. It should reflect how particular facts and circumstances affect the company and its business. For further information, see Management's Discussion and Analysis of Financial Condition and Results of Operations and Management's Discussion and Analysis Section Drafting Checklist.

Here are some examples of U.S. Tariff Policies disclosures in the MD&A section of recent filings:

- **Business Trends**
  - "Tariffs have impacted the majority of products that we import from China and despite the signing of a Phase One trade agreement between the United States and China, the majority of our products remain impacted by increased tariffs. To mitigate the financial impact of these tariffs on our results of operations, we selectively increased prices on certain of our products in July 2019. We have also implemented or are currently evaluating various other tariff mitigation initiatives including, but not limited to, negotiating lower prices with our suppliers in China and exploring potential new suppliers outside of China. In addition, favorable movements in foreign exchange rates and shifting product mix toward margin accretive innovation may also reduce the impact of the tariffs. We cannot provide any assurances that these mitigation initiatives will be successful." E.L.F. Beauty, Inc., Form 10-Q filed February 6, 2020 (SIC 2844—Perfumes, Cosmetics & Other Toilet Preparations)
- **Overview**
  - "During Fiscal 2019, there was a significant amount of uncertainty related to tariffs on products imported into the United States from China, which has resulted in higher tariffs on apparel and related products manufactured in China. Approximately 49% of our apparel and related products were from producers located in China during Fiscal 2019. As a result of our actions to shift production from China, particularly for goods received in the second half of Fiscal 2019 and thereafter, we expect that the proportion of our apparel and related product sourced from China will decrease in Fiscal 2020. In addition to shifting production to mitigate the incremental tariff costs on our operating results, we negotiated price reductions from certain third party manufacturers and increased direct to consumer and wholesale prices on select products." Oxford Industries Inc., Form 10-K filed March 30, 2020 (SIC 2320 – Men's & Boys' Furnishings, Work Clothing & Allied Garments)

- "In the third quarter of 2018, the United States enacted 10% tariffs on certain goods manufactured in China and increased these tariffs to 25% in May 2019. In September 2019, the United States imposed a new 15% tariff covering a broader list of products manufactured in China. As a result of these tariffs, we incurred U.S. tariff and tariff-related costs of $3.2 million in 2018 and $6.2 million in 2019. In order to mitigate the impact of the tariffs enacted by the United States, we undertook a broad plan to realign our global supply chain by moving substantially all of our production outside of China in addition to other supply chain improvements in the first half of 2019. As a result of the tariffs imposed in September 2019 covering a broader list of products, we have expanded the scope of our global supply chain realignment plan, which is expected to take until mid-2020 to complete." Calix, Inc., Form 10-K filed February 21, 2020 (SIC 4899—Communications Services, NEC)
- "Between July 2018 and May 2019, the Trump Administration imposed a series of tariffs, ranging from 5% to 25%, on numerous products imported into the United States from China, including Varian's radiotherapy systems manufactured in China and certain components used in our manufacturing and service activities. In July and August 2018, China retaliated against the U.S. tariffs by imposing its own series of tariffs, ranging from 10% to 25%, on certain products imported into China from the United States, including Varian's radiotherapy systems and certain manufacturing and service components.

  We participated in the Office of the U.S. Trade Representative ("USTR") process to seek product-specific exclusions from the U.S. tariffs on Chinese imports. To date, USTR has granted tariff exclusions for four products: certain radiotherapy systems manufactured in China, as well as three key components of the radiation therapy systems that we manufacture in the United States-multi-leaf collimators, certain printed circuit board assemblies and tungsten shielding. We submitted an additional U.S. exclusion request in September 2019, in relation to a manufacturing component, which is pending. In December 2019, USTR granted a one-year extension to our exclusion for radiotherapy systems.

  In June and July 2019, we submitted formal requests to the Chinese government for exclusions from the Chinese retaliatory tariffs for manufacturing inputs, service parts and radiotherapy systems imported into China from the United States. In September 2019, the Chinese government granted a tariff exclusion for medical linear accelerators, including our radiotherapy systems, with retroactive effect. The other exclusion requests are still pending. The U.S. and Chinese government tariff exclusions are for one-year periods, with anticipated renewal processes." Varian Medical Systems Inc., Form 10-Q filed February 11, 2020 (SIC 3845—Electromedical & Electrotherapeutic Apparatus)
- "United States and foreign trade policy actions and tariffs such as the March 2018 imposition of tariffs on steel and aluminum imports could impact client spending and affect the profitability of our fixed-price construction projects and other services." Aecom, Form 10-Q filed February 5, 2020 (SIC 8711—Services—Engineering Services)

- **Industry Factors That May Affect Future Operating Results**
  - "As a result of the current trade war, despite a long term commitment to increased ethanol blending in gasoline, Chinese demand is likely to remain near zero. With protective tariffs still in place and improved availability of sugar cane ethanol, Brazilian imports of U.S. ethanol are forecast to fall by 112 million gallons. In addition, given the current over supply in domestic ethanol inventories, the decrease in Brazilian demand caused by that country's quota system and the attractiveness of U.S. imports from Brazil to meet advanced biofuel mandates and satisfy the California carbon intensity/low carbon fuel standard requirements, we expect foreign trade to continue to exert a negative impact on ethanol prices." Lincolnway Energy, LLC, Form 10-Q filed February 14, 2019 (SIC 2860—Industrial Organic Chemicals)
- **Results of Operations**
  - "In May 2018, China implemented a 25% tariff on U.S. soybeans effectively halting soybean exports from the U.S. to China. China subsequently shifted soybean purchases to other countries such as Brazil and Argentina. Since China does not typically purchase or import soybean meal or oil, soybean meal and oil prices did not decrease at the same rate as soybeans, resulting in unprecedented board crush levels in 2018. By 2019, however, U.S. soybean processing facilities, in effort to capitalize on high crushing margins, increased their production capacity, which returned crush margins to historically average levels." South Dakota Soybean Processors, LLC, Form 10-K filed on March 18, 2020 (SIC 2070—Fats & Oils)

- o "The decrease in our gross profit percentage for the three months ended February 1, 2020 compared to the same period one year ago was due to an increase in tariff related expenses of approximately $0.6 million, or a 0.5% impact to gross profit, as last year at this time tariffs were just being introduced on U.S. imports of aluminum, steel, and components from China." Daktronics, Inc., Form 10-Q filed February 28, 2020 (SIC 3990—Miscellaneous Manufacturing Industries)
- o "During the period ended November 30, 2019, the Company experienced slower than normal sales for the first quarter, which included several major accounts postponing their expected purchases until later in the first quarter and into the second quarter. The delay may be related to the timing of reduced tariffs on many of the Company's products, as the Company received notice during the period that due to one of the Company's suppliers appealing the classification of certain products to the U.S. Customs Service, a number of the Company's metal products imported from China have now been reclassified. As a result, the reclassified metal products are no longer be subject to the 25% tariffs on imported Chinese goods, although some of the Company's imported products remain under tariff. This reclassification will help the Company to remain competitive in both the retail and eCommerce sectors going forward." Jewett-Cameron Trading Company Ltd., Form 10-Q filed January 14, 2020 (SIC 5211—Retail—Lumber & Other Building Materials Dealers)

Market Outlook

U.S. Tariff Policies Disclosure Enhancements

With trade tensions continuing, and the actual and potential effects of U.S. Tariff Policies manifesting in many companies, it is important that companies consider the impact of such policies on their businesses, results of operations, and future prospects. We recommend that as companies are preparing their disclosures, they consider the following:

- **Ascertain if the company is or is reasonably likely to be affected by U.S. Tariff Policies.** A company should be sensitive to the possibility that the U.S. Tariff Policies may affect its business. It should consider including a disclosure that it is dealing with the type of goods that have already been or will likely be levied on by virtue of the U.S. Tariff Policies.
- **Identify the effects on the business.** A company should identify the aspects of its business that are affected or are expected to be affected by U.S. Tariff Policies. It should specify whether the impact of such policies is or is expected to be beneficial or detrimental to the company's business, to particular lines of business, to particular products, and in which specific locations. Effects should be described qualitatively and, where possible, quantified. Some questions to consider include the following:
    - o Does the company deal with goods or services that are or will likely be burdened by U.S. Tariff Policies (i.e., steel, aluminum, solar panels, agricultural goods)?
    - o Does the company deal with goods or services that are or will likely be benefitted by U.S. Tariff Policies?
    - o Does the company transact with countries that are or will likely be the subjects of the U.S. Tariff Policies (i.e., China, Mexico, Canada, EU)?
    - o Which segment(s) of the company's businesses, assets, and people will be affected by the U.S. Tariff Policies?
    - o Can the impact be assessed? If so, can the impact be quantified?
- **Provide a plan to manage risks.** If the company will be affected by the U.S. Tariff Policies, it should also disclose how it intends to mitigate or avoid the negative effects or to maintain the benefits arising from the policies. The plan should consider the time frame when President Trump will be up for reelection, and if he chooses to run for reelection and wins, point out how he intends to continue, discontinue, intensify, or soften the U.S. Tariff Policies.

Overall, many of the consequences of U.S. Tariff Policies are difficult to ascertain at this juncture. This has led to increased uncertainty relating to, and potential conflicts arising from, the U.S. administration's global trade policies. Companies need to stay vigilant and keep their stakeholders well informed as to the potential risks that the U.S. Tariff Policies may bring about. For further information on the disclosure obligations of public companies in general, see Duties to Disclose and Update Disclosure, Public Company Periodic Reporting and Disclosure Obligations, and Periodic and Current Reporting Resource Kit.

Anna T. Pinedo, Partner, Mayer Brown LLP

Anna Pinedo is a partner in Mayer Brown's New York office and a member of the Corporate & Securities practice. She concentrates her practice on securities and derivatives. Anna represents issuers, investment banks/financial intermediaries and investors in financing transactions, including public offerings and private placements of equity and debt securities, as well as structured notes and other hybrid and structured products.

She works closely with financial institutions to create and structure innovative financing techniques, including new securities distribution methodologies and financial products. She has particular financing experience in certain industries, including technology, telecommunications, healthcare, financial institutions, REITs and consumer finance. Anna has worked closely with foreign private issuers in their securities offerings in the United States and in the Euro markets. She also works with financial institutions in connection with international offerings of equity and debt securities, equity- and credit-linked notes, and hybrid and structured products, as well as medium term note and other continuous offering programs.

In the derivatives area, Anna counsels a number of major financial institutions acting as dealers and participants in the commodities and derivatives markets. She advises on structuring issues as well as on regulatory issues, including those arising under the Dodd-Frank Act. Her work focuses on foreign exchange, equity and credit derivatives products, and structured derivatives transactions. Anna has experience with a wide range of transactions and structures, including collars, swaps, forward and accelerated repurchases, forward sales, hybrid preferred stock and off-balance sheet structures. She also has advised derivatives dealers regarding their Internet sites and other Internet and electronic signature/delivery issues, as well as on compliance matters.

Gonzalo Go, Associate, Mayer Brown LLP

Gonzalo D.V. Go III is an associate in Mayer Brown's Corporate & Securities practice. He advises issuers, investment banks and sponsors in public and private offerings of equity and debt securities, including initial public offerings; follow-on offerings; investment grade, highyield debt offerings; covered bonds; real estate investment trusts and structured products linked to equities, commodities, interest rates, currencies and other underlying assets.

G earned his LLM from Columbia Law School, where he served as a student senator and graduated as the class speaker, a Harlan Fiske Stone scholar and a recipient of the Parker School Recognition of Achievement in International and Comparative Law. He earned his JD, with honors, from the Ateneo Law School and his BS in Accountancy, with honors, from De La Salle University.

G's prior professional experiences include being (i) a capital markets associate in another global law firm in New York, (ii) the legal director of a multinational fast-food chain headquartered in the Philippines, where he gained extensive experience in managing legal risks in various business activities such as business development and expansion, customer relations, operations, real estate, franchising, marketing, human resources, purchasing, finance, corporate communications, tax and government relations, (iii) a member of the faculty of the Ateneo Law School and (iv) a tax associate in a tier-one law firm in the Philippines. G is also a lawyer and a certified public accountant in the Philippines

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Nicole Cors is an associate in Mayer Brown's Chicago office and a member of the Corporate & Securities practice.