Tariff volatility: Strategic counsel for life sciences companies

Minimizing cost. Protecting supply chains. Staying compliant. Life sciences companies face increasing complexity as tariffs and trade barriers disrupt global supply chains, escalate costs, and trigger regulatory requalification challenges. The 2025 US tariff regime—featuring rates as high as 145% on imports from China—has created acute volatility for pharmaceutical, biotech, and medical device companies deeply reliant on cross-border sourcing and manufacturing. Numerous life sciences companies previously benefited from Section 301 tariff exclusions for pharmaceutical products. With those exemptions now expired, many organizations likely face increased duty exposure—often without a fully developed trade compliance program in place. This shift exposes companies to increased duty costs and potential compliance risks.

DLA Piper can assist in identifying historical errors, optimizing current processes, and establishing a forward-looking trade strategy to ensure accuracy and efficiency. Our goal is to help you reduce risk, recover overpaid duties where possible, and build a program that's resilient to future regulatory shifts. With global reach, technical depth, and regulatory insight, we help life sciences companies mitigate risk, control costs, and ensure supply chain continuity in a rapidly changing trade environment.

Tariffs and the operational equation

Life sciences operational companies have supply chains that span continents. Yet a single tariff or policy shift can ripple across sourcing, production, regulatory compliance, and product timelines.

- **Medical device makers** are directly exposed to tariffs on components imported from China, including polymers, metals, and circuit boards
- **Pharma companies**, while temporarily exempt from certain US tariffs, operate under growing uncertainty with the Section 301 shift and as a Section 232 investigation targets finished drug products, APIs, and key starting materials

Leading Firm
Life Sciences
The Legal 500 US 2025, *Chambers USA*, and *Chambers Global* 2025

Top Ranked
International Tax
The Legal 500 US 2025

Leading Firm
International Trade: CFIUS Experts
Chambers USA 2025

Top Ranked
Multi-jurisdictional firm: Tax
Chambers Global 2024

- **Biotech companies** face heightened risks as they depend on globally distributed clinical trials and specialized manufacturing inputs, making them especially sensitive to tariff-related cost volatility and supply chain constraints
- **Regulatory requalification burdens** are triggered when supply chains shift—delaying approvals, increasing costs, and extending time-to-market for drugs and devices
- **Valuation and origin classifications** are under greater scrutiny, especially for companies with related-party transactions and multi-jurisdictional footprints

In today's climate, even minor sourcing adjustments may require re-engineering of origin claims, requalification with FDA/EMA, and renegotiation of pricing and supplier contracts.

Our strategic counsel enables companies to proactively address these pressures, minimize duty liability, and build operational resilience.

End-to-end privileged solutions for tariff-era operations

We provide a global, multidisciplinary solution to help life sciences companies manage tariff and trade exposure across all business functions. Our team blends technical excellence in customs, international tax, and transfer pricing with insider policy insight from former officials at USTR, CBP, Congress, and the Department of Commerce.

We are uniquely positioned to advise on:

- **Country-of-origin strategy** and re- engineering
- **Harmonized Tariff Schedule (HTS) classification optimization** and valuation methodology
- **Regulatory requalification** planning for clinical and commercial products
- **Policy advocacy and exemption lobbying**, where applicable

As a full-service global law firm, we offer the advantage of legal privilege protections, audit defense, and the ability to litigate trade and tariff disputes—capabilities not available from other advisors.

How we can help

- **Diagnostics**: Identify high-risk tariff exposure across your supply chain and sourcing structures
- **Valuation and origin strategy**: Align product valuations and country-of-origin claims to reduce duty liability
- **Duty minimization**: Optimize HTS classification, re-engineer origin, and leverage related-party pricing strategies
- **Cross-border execution**: Coordinate restructuring across 40+ countries for seamless compliance and duty mitigation
- **Requalification strategies**: Guide FDA and EMA requalification planning when suppliers or manufacturing locations change
- **Policy monitoring and advocacy**: Track and respond to tariff rulemakings, enforcement trends, and policy shifts

Our cross-practice approach provides integrated solutions. Our depth across legal disciplines—including tax, customs, corporate, regulatory, employment, and litigation—ensures we address every dimension of our life sciences clients' challenges.

Impact

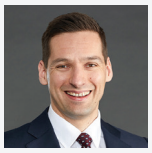
Our solution empowers life sciences companies to control duty exposure, protect supply chain continuity, and remain competitive in the face of policy volatility.

By combining legal privilege with deep industry knowledge and global execution capabilities, we help clients minimize cost, avoid disruption, and maintain compliance across every link in their global operations.

Key contacts

Christine Daya
Partner
Co-Chair, National Security and Global Trade Practice
Washington, DC
Email

Maruti Narayan
Partner
New York
Email



Ryan Harrison
Partner
Global Co-Chair, Commercial Contracts
Birmingham, UK
Email

dlapiper.com

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