US & Multilateral Trade and Policy Developments

Japan External Trade Organization

April 2026

Contents

Trade Policy Developments

US Customs and Border Protection to Launch IEEPA Tariff Refund System

On April 20, 2026, at 8:00 am Eastern Time, US Customs and Border Protection (CBP) is scheduled to begin the first phase of processing refunds, including interest, of duties imposed under the International Emergency Economic Powers Act (IEEPA).[1] The new filing system, called the "Consolidated Administration and Processing of Entries" (CAPE), will be accessible through the Automated Commercial Environment (ACE) for Importers of Record (IORs) and their brokers. To prepare for seeking refunds, CBP is advising IORs and brokers to confirm that they have an ACE Portal account and a bank account linked in ACE to facilitate electronic payments. Importers may also want to begin compiling lists of entries on which IEEPA duties were paid.

CBP is developing and deploying CAPE in phases over the coming months. In Phase 1, launching on April 20, CAPE will process refunds for certain unliquidated entries and certain liquidated entries up to 80 days past their liquidation date.

Litigation and tariffs affected

The Supreme Court ruled on February 20, 2026 in *Learning Resources, Inc. v. Trump*, that IEEPA does not grant the president authority to impose tariffs. As a result, tariffs previously imposed by President Trump under IEEPA were deemed unlawful. Following the Supreme Court's decision, President Trump terminated the continued application of IEEPA tariffs on February 24, 2026. The question of how to handle refunds for tariffs already collected was remanded to the Court of Appeals for the Federal Circuit (CAFC), which then remanded the matter to the Court of International Trade (CIT) for further proceedings on the appropriate refund mechanism.

Tariff orders affected

The Supreme Court's decision applies to the following tariff orders, which the government must now refund to affected importers:

- **Global reciprocal tariffs:** The reciprocal tariffs, with a minimum rate of 10% and as high as 41%, applied to nearly all countries and most products not covered by Section 232 tariffs or are otherwise exempt, imposed by Executive Order 14257 of April 2, 2025, as amended.

- **China fentanyl trafficking tariff:** The 10% (previously 20%) trafficking tariff on all imports from China, imposed by Executive Order 14195 of February 1, 2025, as amended.

- **Canada fentanyl trafficking tariff:** The 35% (or 10% on certain energy, mineral, and fertilizer products) trafficking tariff on all imports from Canada that do not qualify for preferential treatment under the United States - Canada - Mexico Agreement (USMCA), imposed by Executive Order 14193 of February 1, 2025, as amended.

- **Mexico fentanyl trafficking tariff:** The 25% (or 10% on certain fertilizer products) trafficking tariff on all imports from Mexico that do not qualify for preferential treatment under the USMCA, imposed by Executive Order 14194 of February 1, 2025, as amended.

- **Brazil additional tariff:** The 40% additional IEEPA tariff on most imports from Brazil, imposed by Executive Order 14323 of July 30, 2025.

- **India/Russia Oil tariff:** The 25% additional IEEPA tariff on most imports from India, imposed in addition to the reciprocal tariff, in effect from August 27, 2025 to February 7, 2026, under Executive Order 14329 of August 6, 2025, as amended (i.e., the Russia "Secondary Tariff" Order).

---

[1] CBP has created a new webpage to host information relevant to the refund process, accessible here: https://www.cbp.gov/trade/programs-administration/trade-remedies/ieepa-duty-refunds.

Refund litigation at the CIT

In the months before the Supreme Court decision, hundreds of importers had filed cases at the CIT seeking refunds, which the CIT stayed pending the Supreme Court's decision. After the Supreme Court decision and the CAFC's prompt order to remand the litigation to the CIT to determine the refund process, the CIT lifted the stay on one of the refund cases – *Atmus Filtration, Inc. v. United States* – to serve as the venue for deciding on the refund process. On March 4, 2026, the CIT issued an order in *Atmus* directing CBP to refund duties collected under the IEEPA tariff actions. A few days later, the CIT temporarily suspended the order to give CBP time to develop a new automated refund tool that could better handle the massive volume of required refunds. CIT ordered CBP to proceed with developing the system and to be prepared to launch it by April 20, 2026.

On April 7, 2026, the CIT transferred the refund litigation from *Atmus* to another refund case, *Euro-Notions Florida, Inc. v. United States*, after the plaintiffs in *Atmus* withdrew their case.[2] Work has continued under *Euro-Notions Florida* with no apparent disruption.

Over the past few weeks, CBP has filed regular updates with the CIT in *Atmus* and then *Euro-Notions Florida* describing its progress with developing the refund system, which CBP dubbed CAPE. The next update is due to the CIT on April 28, in which CBP will discuss the progress it has made in Phase 1 of the CAPE deployment.

While CBP continued its work, the CIT continued to refine the refund order, clarifying that it would apply to all tariffs imposed under IEEPA authorities and that CBP should be prepared to:

- For any unliquidated entries that were entered subject to IEEPA duties, liquidate those entries without regard to the IEEPA duties.
- For any liquidated entries for which liquidation is not final, reliquidate those entries without regard to the IEEPA duties.
- For any liquidated entries for which liquidation is final, reliquidate those entries without regard to the IEEPA duties.

The CIT order is currently suspended to the extent that it requires immediate compliance, giving CBP time to develop CAPE.

Overview of the CAPE process

Starting April 20, 2026, IORs or the brokers who filed the IORs' original entries can file a CAPE Declaration to seek refunds. The filing system will be accessible in a new tab in the importer and broker ACE Portal accounts. Filing for the refunds only requires importers to upload a list of entry numbers for the entries on which they paid IEEPA tariffs. The CAPE tab will include instructions for uploading the entry numbers and will validate the numbers once they are submitted. Once accepted, CAPE will provide a claim number. If any entry numbers fail to validate, the importer will be able to correct them and refile them in additional CAPE Declarations.

There is no deadline for when importers must file for the refunds.

After the IEEPA tariffs are removed from an entry, CBP will recalculate the tariffs for the entry as if the IEEPA duties were never owed. Unliquidated entry summaries will then be set to liquidate 45 days from the CAPE Declaration acceptance date. Liquidated entry summaries will reliquidate the next business day. Entry summaries with extended, suspended, or under review liquidation status will retain their current status, and any IEEPA tariff refunds will be issued only upon liquidation.

[2] *Euro-Notions Florida, Inc. v. United States*, CIT, documents are accessible here: https://www.courtlistener.com/docket/72034984/euro-notions-florida-inc-v-united-states/.

CBP expects to issue the refunds 60 - 90 days following acceptance of the CAPE Declaration, unless (i) there is a compliance concern that requires further review, or (ii) the entries are warehouse entries or entries with extended, suspended, or under review liquidation status. The refunds will be consolidated by IOR or Notify Party (as designated through CBP Form 4811 or on the ACE Portal account) and liquidation date, then distributed in one lump sum. Only IORs and Notify Parties may receive the refund payments.

Entries qualifying for refunds in CAPE Phase 1

In Phase 1, CAPE will accept and refund the IEEPA tariffs for most entries that are either unliquidated or that are up to 80 days past their liquidation date.

CAPE Phase 1 will also accept refund requests for entries with liquidation status of suspended, extended, or under review, as well as warehouse and warehouse withdrawal entries, but these will maintain their liquidation status. After their status is resolved, CBP will issue the refunds at liquidation.

Entry numbers on CAPE Declarations will be rejected if they are flagged for Reconciliation; are type 09 Reconciliation entries; are associated with a Drawback entry; are a type 47 Drawback entry; are a type 08 USMCA Duty Deferral entry; have an Open or Suspended Protest; have an “open” or “closed” liquidation status (*i.e.*, a Temporary Importation under Bond entry); are an antidumping duty (ADD) or countervailing duty (CVD) entry summary in pending liquidation status; or are over 80 days past the liquidation date. Importers should wait for additional functionality in future CAPE phases to process refunds for these types of entries.

Next steps for CAPE development

CBP is developing CAPE in phases and will issue further updates when new functionalities are developed. CBP staff have stated in calls with importers that they do not currently have a timeline for when the additional phases will deploy or what functions they will include. CBP anticipates shifting focus to developing these future phases after Phase 1 is fully deployed and stable.

CBP is evaluating adding functionality for the following types of entries:

- Entries for which liquidation is final.
- Entries that have been flagged for reconciliation, as well as Entry Type 09 - Reconciliation Summary.
- Entries designated on a drawback claim.
- Entries covered by an open protest.
- Entries not filed in ACE, and entries without a liquidation status in ACE.
- Entries subject to ADD and CVD orders, for which the Department of Commerce has issued liquidation instructions, that are pending liquidation in accordance with 19 U.S.C. § 1504(d).

Though final decisions have not yet been made, CBP has cautioned that certain types of refunds may require slower and more cumbersome processes. Issuing pre-liquidation refunds for IEEPA tariffs paid on suspended entries subject to ADD and CVD orders, for example, would likely require manual administrative refunds.

Use of electronic payments is required for refunds

On February 6, 2026, CBP began issuing all duty and fee refunds exclusively by electronic Automated Clearing House (ACH) payment.[3] CBP will no longer issue refunds by mailing paper Treasury checks. The change applies to

[3] “Electronic Refunds,” 91 FR 21 (January 2, 2026), accessible here: https://www.federalregister.gov/documents/2026/01/02/2025-24171/electronic-refunds.

all refunds provided to importers, brokers, filers, sureties, service providers, facility operators, foreign-trade zone operators, and carriers, as well as any designated third parties, unless a waiver is granted.

Importers and other parties not currently enrolled for ACH must register for CBP's ACH Refund Program through the Automated Commercial Environment Secure Data Portal (ACE Portal) and enter their banking information in the ACE Portal's ACH Refund Authorization tab to continue receiving refunds after February 6, 2026.[4] A US bank account with a US bank routing number is required, including for Non-Resident Importers of Record. CBP will not issue refunds of IEEPA tariffs until importers complete this enrollment process.

USTR Issues Annual National Trade Estimate Report, Highlighting Trump Administration Priorities

On March 31, 2026, the Office of the United States Trade Representative (USTR) published the 2026 National Trade Estimate Report (NTE), an annual report to Congress that details significant foreign trade and investment barriers faced by US business and USTR's efforts to remedy them.[5] The 2026 NTE is significantly longer than other recent years. USTR has added discussions of commitments made under President Trump's Agreements on Reciprocal Trade (ARTs) and has incorporated new policy concerns into the report, including policies that have not previously been considered trade barriers (such as domestic consumption taxes). These additions shed more light on the details of the Trump administration's "reciprocal" trade agenda, particularly for the ongoing Section 301 investigations of industrial overcapacity and forced labor import prohibitions.

Following publication of the report, Ambassador Jamieson Greer testified to Congress about the Trump administration's trade policy in mid-April. He is scheduled to testify on the President's trade policy agenda before the House Ways and Means Committee on April 22[6] and the Senate Finance Committee on April 23.[7] Ambassador Greer testified before the House Appropriations Committee on April 16 about the Trump administration's 2026 budget request,[8] where he also answered questions about USTR's activities.

Overview of the NTE process

The annual NTE provides a country-by-country review of significant foreign barriers affecting US exporters and investors in 63 major trade partners,[9] and serves as a practical guide to the United States' market access priorities and US industry concerns. USTR submits the NTE to the president and Congress annually by the end of March. In broad terms, the report covers US concerns about barriers to trade and investment caused by import policies, technical barriers to trade, sanitary and phytosanitary measures, government procurement practices, intellectual

---

[4] CBP recently issued a reminder to importers to sign up for ACH payments, including new reference materials, through CSMS # 68179006 - REMINDER: ACE Portal Access and ACH Set-Up Required to Receive CBP Refunds, accessible here: https://content.govdelivery.com/bulletins/gd/USDHSCBP-410543e.

[5] "2026 National Trade Estimate Report on Foreign Trade Barriers of the President of the United States on the Trade Agreements Program," USTR, March 31, 2026, accessible here: https://ustr.gov/sites/default/files/files/Press/Releases/2026/National%20Trade%20Estimate%20Report%202026.pdf; and "USTR Releases 2026 National Trade Estimate Report," USTR, March 31, 2026, accessible here: https://ustr.gov/about/policy-offices/press-office/press-releases/2026/march/ustr-releases-2026-national-trade-estimate-report.

[6] Full Committee Hearing on the Trump Administration's 2026 Trade Policy Agenda with United States Trade Representative Jamieson Greer, House Committee on Ways and Means, April 22, 2026, accessible here: https://waysandmeans.house.gov/event/full-committee-hearing-on-the-trump-administrations-2026-trade-policy-agenda-with-united-states-trade-representative-jamieson-greer/.

[7] Full Committee Hearing on the President's 2026 Trade Policy Agenda, Senate Committee on Finance, April 23, 2026, accessible here: https://www.finance.senate.gov/hearings/the-presidents-2026-trade-policy-agenda.

[8] Budget Hearing – The Office of the United States Trade Representative, House Appropriations Committee, April 16, 2026, accessible here: https://appropriations.house.gov/schedule/hearings/budget-hearing-office-united-states-trade-representative.

[9] Algeria, Angola, the Arab League, Argentina, Australia, Bangladesh, Bolivia, Bosnia and Herzegovina, Brazil, Brunei Darussalam, Cambodia, Canada, Chile, China, Colombia, Costa Rica, Côte d'Ivoire, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, the European Union, Ghana, Guatemala, the Gulf Cooperation Council, Honduras, Hong Kong, India, Indonesia, Israel, Japan, Jordan, Kenya, Korea, Laos, Malaysia, Mexico, Moldova, Morocco, New Zealand, Nicaragua, Nigeria, North Macedonia, Norway, Pakistan, Panama, Paraguay, Peru, the Philippines, Russia, Serbia, Singapore, South Africa, Switzerland, Taiwan, Thailand, Tunisia, Türkiye, Ukraine, United Kingdom, Uruguay, and Vietnam. Bosnia and Herzegovina, Moldova, North Macedonia, and Serbia were included in the 2026 report for the first time.

property protection, services barriers, barriers to digital trade and electronic commerce, investment barriers, export subsidies, anticompetitive practices, state-owned enterprise practices, labor rights practices, and environmental measures. Reflecting the expanding scope of what the Trump administration views as trade barriers, the 2026 edition adds non-market policies and practices (NMPPs) to this list of thematic areas.

The NTE reports have gained more attention in 2025 and 2026, with the Trump administration citing the foreign trade barriers identified in the reports as justification for the “reciprocal” tariff policy and using the research to inform the ART negotiations. USTR issued its annual request for public comments to inform the 2026 NTE in September 2025. There are 167 submissions posted to the public docket from the call for input, including letters from most major US businesses associations.[10]

The 2025 report – published in the first months of President Trump’s term – maintained the same structure and factual tone of standard reports.[11] It followed the atypical 2024 NTE published by the Biden administration,[12] in which USTR withdrew many longstanding US objections to digital trade barriers and local content requirements, along with some objections to customs barriers, discriminatory applications of antitrust policies, and trade-distorting subsidies.[13] The Trump administration’s 2025 report reversed much of this shift, reinstating many of the previously removed concerns, including objections to foreign limits on cross-border data flows, discriminatory applications of antitrust policies, and local content requirements.

New and expanded topics in the 2026 NTE

The 2026 NTE retains the topics and specific trade concerns reflected in prior years, but USTR also introduces new areas that reflect the Trump administration’s broader view of what constitutes a trade barrier. Notable new and expanded topics are summarized below.

- **Value added taxes**

  The 2026 NTE includes statements on value added taxes (VATs) for 56 economies (including the EU), in comparison to only one reference in the 2025 edition. The Trump administration has repeatedly claimed that VAT border adjustments constitute trade barriers, including asserting that retaliation against foreign VATs formed part of the basis for the April 2, 2025 reciprocal tariff order, but has not articulated a clear rationale for this position. The new VAT-related statements in the NTE focus on border adjustments, asserting that VATs are imposed on imports from the United States but rebated for goods exported to the United States. These border adjustments are standard features of VAT systems, which are designed as domestic consumption taxes.

  Despite their inclusion in the NTE’s list of trade barriers, USTR appears to be undecided on the legal or economic basis for characterizing VATs as discriminatory. In the forward to the 2026 NTE, USTR states that despite including VATs in the report for the first time, “the inclusion of a VAT in this report does not necessarily express any view on whether that VAT is a discriminatory foreign trade barrier.” As noted in the NTE, several countries have made commitments to not apply their VATs in a discriminatory manner in the ARTs, but these commitments are either too vague to be meaningful or focus on specific concerns over discretionary applications, such as a

[10] The public comments are accessible here: https://www.regulations.gov/docket/USTR-2025-0016/comments.

[11] “2025 National Trade Estimate Report on Foreign Trade Barriers,” March 31, 2025, accessible here: https://ustr.gov/sites/default/files/files/Press/Reports/2025NTE.pdf.

[12] “2024 National Trade Estimate Report on Foreign Trade Barriers,” March 29, 2024, accessible here: https://ustr.gov/sites/default/files/2024%20NTE%20Report_1.pdf.

[13] Former USTR Katherine Tai and other Biden administration officials have published a response to the Trump administration’s NTEs, explaining some of the differences between the Biden administration’s and Trump administration’s approach to deciding what is a foreign trade barrier. *See*, “The National Trade Estimate Report: Non-Tariff Barriers and Regulatory Capture,” Coalition for New Trade, March 2026, accessible here: https://static1.squarespace.com/static/69b1899ac278746c0addf409/t/69cbcd3b17fd284ab3e7d5e1/1774964039517/NTE+03.26.26.FIN_V2.pdf.

recent modification to Malaysia's Sales and Services Tax exemption for food staples that removed certain US-exported food products from the scope of the exemption.

- **Imports of products made with forced labor**

USTR has added new sections to the NTE identifying whether the relevant trade partner has adopted bans "on the importation of goods produced with forced or compulsory labor." USTR alleges that not having a ban in place allows unfairly priced imports to enter the domestic market of these trade partners, possibly displacing US exports. The NTE does not quantify the extent of this alleged unfair competition.

Only Mexico and Canada are identified as having import prohibitions comparable to the United States' Section 307 of the Tariff Act of 1930, but the NTE sections on those countries state (without elaboration) that neither government has effectively enforced its import prohibitions. The report also briefly references the EU's Forced Labor Regulation, a ban on marketing of all products made by forced labor, but it criticizes the EU for deferring implementation until December 2027. The NTE makes no reference to supply chain due diligence laws that prohibit the use of forced labor, which several EU member states and Canada have already enacted.

Shortly before publication of the NTE, USTR initiated Section 301 investigations of the acts, policies, and practices of 60 economies related to the failure to impose and effectively enforce a prohibition on the importation of goods produced with forced labor,[14] which appears to target the same policy objective as the NTE's new language on imports made with forced labor.

- **Non-market policies and practices**

The 2026 NTE significantly expands discussions of NMPPs. Previous NTEs have included certain specific non-market policy and practices concerns regarding China, but the 2026 report expands on the topic significantly and raises these concerns with new trade partners. According to the introduction of the 2026 edition, NMPP concerns include both (i) adopting domestic policies the United States views as distortionary (such as "industrial plans that target specific industries for domination by domestic enterprises; pressuring or otherwise acting to ensure domestic enterprises purchase domestic-made products over U.S. imported products; creating or maintaining non-market excess capacity particularly in key industrial sectors; directing or allowing regulatory authorities to exercise their authority in a discriminatory manner") and (ii) not taking action to address non-market policies and practices of third countries to "insulate" their markets from distortions.

There are new sections in the profiles of at least 55 trade partners describing NMPPs in the 2026 edition.[15] However, unlike the detailed NMPP section on China, which extensively documents US concerns with specific Chinese government practices, the new entries for other countries are largely formulaic and do not make specific allegations about domestic market regulation. Instead, they state that the relevant trade partner "does not impose sufficient measures against non-market policies and practices (NMPPs) in order to insulate the U.S. and [the relevant trade partner's] markets from distortions and ensure a fair and secure trading relationship," then note whether the trade partner has entered into an ART with the Trump administration that includes commitments "to address distortions caused by such NMPPs" and whether the trade partner participates in the Global Forum on Steel Excess Capacity.

Taken together, these three criteria suggest that USTR's primary concern appears to be the level of trade restrictions imposed on imports from China, rather than the trade partners' own domestic market regulatory frameworks. However, USTR's specific policy objectives remain unclear. The NTE sections for Mexico and

[14] "Initiation of Section 301 Investigations of Acts, Policies, and Practices of Various Economies Related to the Failure To Impose and Effectively Enforce a Prohibition on the Importation of Goods Produced With Forced Labor," 91 FR 12884 (March 17, 2026), accessible here: https://www.federalregister.gov/documents/2026/03/17/2026-05151/initiation-of-section-301-investigations-of-acts-policies-and-practices-of-various-economies-related.

[15] In 10 of these new sections, the report calls these practices "other market-distorting practices" instead of "NMPPs."

Canada illustrate this point. Both have increased tariffs on goods from China in the past two years, partly in response to US pressure. The Mexico NMPP section commends “certain limited actions to address NMPPs,” citing those tariff increases, yet still concludes that Mexico’s response is inadequate. The Canada section does not mention the tariff increases at all and simply asserts that Canada fails to impose sufficient measures.

Shortly before the NTE’s release, USTR initiated Section 301 investigations into the acts, policies, and practices of 16 economies related to structural excess capacity and production in manufacturing sectors.[16] The NTE’s focus on erecting common trade barriers targeting China suggests that one potential objective of the Section 301 investigations is to pressure key US trading partners to adopt common tariffs or other restrictions on Chinese exports. However, USTR has not set out this strategy explicitly, and any such move toward coordinated tariff escalation would contradict President Trump’s recent efforts to de-escalate tensions in the US-China trade relationship.

- **Pharmaceutical pricing practices**

The 2026 NTE introduces new allegations in several country sections that government healthcare services in certain economies underpay for pharmaceuticals, claiming that these pricing practices “undervalue American innovation.” This new language is directed at Australia, Canada, several EU member states, India, Japan, Korea, and the United Kingdom (UK). While earlier NTEs also raised concerns about pharmaceutical acquisition practices, they focused primarily on fair and transparent purchasing processes and timely reimbursement rather than on the absolute price levels paid for medicines.

USTR’s new position on pricing appears to be part of President Trump’s “Most-Favored-Nation” (MFN) pharmaceutical pricing policy, in which he has directed the US government to use the threat of tariffs to pressure other countries into raising prices paid for pharmaceuticals and to pressure pharmaceutical manufacturers to lower prices charged for US government insurance programs.[17] The UK is the first country to agree to an MFN pricing agreement with the Trump administration, which the NTE highlights stating that “the UK will reverse a trend of declining National Health Service expenditures on innovative medicines[.]”

- **Illegal logging, illegal mining, and wildlife trafficking**

Many developing countries sections include new concerns about environmental protection. Though such concerns have featured in US trade policy in the past, including in trade agreements and the Trump administration’s ARTs, the specific issues raised in the 2026 NTE have not been part of previous reports. These new sections focus on allegations that countries are underenforcing laws against illegal logging, which USTR claims depresses global wood prices and puts US companies at an unfair disadvantage; illegal mining, which USTR claims “undercuts U.S. companies that comply with environmental laws and labor standards;” and illegal wildlife trafficking, which USTR similarly states “undercuts legitimate U.S. businesses, for example, in the pet, fashion, and medical research sectors, that comply with strict regulations and sustainable practices[.]”

---

[16] “Initiation of Section 301 Investigations: Acts, Policies, and Practices of Certain Economies Relating to Structural Excess Capacity and Production in Manufacturing Sectors,” 91 FR 12886 (March 17, 2026), accessible here: https://www.federalregister.gov/documents/2026/03/17/2026-05214/initiation-of-section-301-investigations-acts-policies-and-practices-of-certain-economies-relating.

[17] The policy was first announced in Executive Order 14297 of May 12, 2025: “Delivering Most-Favored-Nation Prescription Drug Pricing to American Patients,” 90 FR 20749, accessible here: https://www.federalregister.gov/documents/2025/05/15/2025-08876/delivering-most-favored-nation-prescription-drug-pricing-to-american-patients; and the trade-related elements were implemented in Proclamation 11020 of April 2, 2026: “Adjusting Imports of Pharmaceuticals and Pharmaceutical Ingredients Into the United States,” 91 FR 18183, accessible here: https://www.federalregister.gov/documents/2026/04/09/2026-06956/adjusting-imports-of-pharmaceuticals-and-pharmaceutical-ingredients-into-the-united-states.

For some developed countries, the 2026 NTE also alleges that the governments are underenforcing laws against imports of illegally harvested timber and wildlife, which USTR asserts undercuts US exporters of legitimately harvested timber and wildlife.

- **Digital platform regulation and competition practices**

  The 2026 edition significantly expands discussion of digital platform regulations, including for online streaming obligations, media payment requirements for digital platforms, competition regimes, social media regulation, network usage fees, data localization requirements, and digital services taxes (DSTs). The Biden administration had scaled back the focus on digital trade concerns in the 2024 NTE, and part of the Trump administration's actions in the new NTE appear to be restoring topics the Biden administration had removed, such as data localization.

  The updates go further, though, especially raising new concerns about domestic market regulations, such as the proliferation of competition regimes modeled after the EU's Digital Markets Act (DMA). Efforts to curtail DMA-style systems have already featured in the Trump administration's trade policy, such as in USTR's efforts to discourage Korea from adopting similar legislation. Similar competition regulation concerns are mentioned in the NTE's sections on Australia, Brazil, Japan, Korea, Türkiye, the UK, and Vietnam, most of which are new additions.

  Interestingly, the digital trade topics raised in the NTE do not completely align with the digital trade topics raised in the ARTs. Commitments to not imposing customs duties on electronic transmissions and to protecting source code have been prominent in the ARTs, while the NTE appears to be more focused on competition regimes and emerging platform regulation concerns.

- **Non-cooperation on duty evasion**

  The 2026 NTE includes new statements on "non-cooperation on duty evasion" in the Brazil, Japan, and Korea sections. In these new sections, USTR objects to these countries not having duty evasion cooperation agreements in place with the United States. USTR claims that this "inhibits legitimate trade" and "fails to assist both governments to segment higher risk shipments from third country manufacturers that are transshipped" through Brazil, Japan, and Korea.

Agreements on Reciprocal Trade

The 2026 NTE's additional topics illustrate policy interests the Trump administration has elevated in its ART negotiations. In the introduction, USTR highlights the 2025 NTE's role in President Trump's "reciprocal" tariff policy.

As part of this strategy, USTR states that it has:

- Signed ARTs with Argentina, Bangladesh, Cambodia, Ecuador, El Salvador, Guatemala, Indonesia, Malaysia, and Taiwan; and
- Concluded framework agreements with the European Union, India, Japan, South Korea, North Macedonia, Switzerland and Liechtenstein, Thailand, and Vietnam.

The NTE states that these agreements will "help achieve balance by increasing exports of U.S. agricultural and industrial goods while reducing import dependencies" by (i) pressuring individual trade partners to "significantly lower its tariffs and non-tariff barriers to U.S. exports" and (ii) allowing the United States to "maintain a modified tariff on the trading partner (*i.e.*, a supplemental tariff higher than the MFN rate)." In the parts of the NTE that address countries that have concluded ARTs, the report highlights how the ARTs are intended to address the identified barriers.

The NTE does not explain how USTR intends to continue the ART negotiations in light of the Supreme Court's ruling that the International Emergency Economic Powers Act (IEEPA)-based tariffs were unlawful.

The Japan section

The Japan section of the 2026 NTE opens with a new discussion of the July 2025 framework agreement, highlighting provisions that USTR says will address US trade concerns and support the US economy. USTR also notes that it "continues to engage with Japan to remove a broad range of barriers to U.S. exports, including barriers at the border, as well as other barriers to entering and expanding the presence of U.S. products and services in the Japanese market."

The 2026 edition revises the prior year's version and adds new sections to elevate the Trump administration's new trade policy priorities. The report adds entirely new sections about a subsidy program for purchases of GPUs for AI data centers, Japan's VAT, lack of a duty evasion cooperation agreement, lack of measures to address NMPPs, and the lack of an import prohibition on goods made with forced labor. In the NMPP section, USTR includes a specific objection to Japan allowing imports of fish from Russian fisheries, which USTR describes as unfairly competing with US fisheries. In the new environment section, USTR alleges that Japan is underenforcing laws against illegal timber harvesting and wildlife trafficking, which it states is displacing legitimate wildlife trade with the United States.

The report also updates the animal health section to discuss concerns with poultry regulation, bison market access, and sheep and goat casings market access; the section on the Act on Promotion of Competition for Specified Software; and the section on medical device and pharmaceutical pricing.

USTR Releases 2026 Special 301 Report on Intellectual Property Protection, Considers Section 301 Action on Vietnam

On April 30, 2026, the Office of the United States Trade Representative (USTR) released the 2026 Special 301 Report, which assesses the adequacy and effectiveness of US trading partners' protection and enforcement of intellectual property (IP) rights.[18] Consistent with previous Special 301 reports, this year's report places certain examined countries into two categories: (i) a "Watch List," comprising of trading partners in which particular concerns allegedly exist regarding IP protection, enforcement, or market access for persons relying on IP rights; and (ii) a "Priority Watch List," comprising of trading partners that allegedly present the most significant concerns and are therefore the focus of "increased bilateral attention." USTR has also taken the unusual step of designating Vietnam as a Priority Foreign Country (PFC). Under a PFC designation, USTR may initiate a Section 301 investigation into the IP-related acts, policies, and practices identified in the Special 301 Report.

Special 301 designations for 2026

USTR announced the 2026 investigation on December 11, 2025, calling for public input and submissions by foreign governments.[19] USTR received comments from 38 stakeholder groups and 19 foreign governments and held public hearings on February 18, 2016.[20]

USTR identified 26 trading partners for inclusion in this year's report, placing them into the following categories:

Priority Foreign Country	Priority Watch List	Watch List	
• Vietnam	• Chile	• Algeria	• European Union

[18] "USTR Releases 2026 Special 301 Report on Intellectual Property Protection and Enforcement," USTR, April 30, 2026, accessible here: https://ustr.gov/about/policy-offices/press-office/press-releases/2026/april/ustr-releases-2026-special-301-report-intellectual-property-protection-and-enforcement.

[19] "Request for Comments and Notice of a Public Hearing Regarding the 2026 Special 301 Review," 90 FR 575190 (December 11, 2025), accessible here: https://www.federalregister.gov/documents/2025/12/11/2025-22571/request-for-comments-and-notice-of-a-public-hearing-regarding-the-2026-special-301-review.

[20] See, "2026 Special 301 Report," USTR, for documents related to the public hearing, accessible here: https://ustr.gov/trade-topics/intellectual-property/special-301/2026-special-301-report.

	• China • India • Indonesia • Russia • Venezuela	• Argentina • Barbados • Belarus • Bolivia • Brazil • Canada • Colombia • Ecuador • Egypt • Guatemala • Mexico • Pakistan • Paraguay • Peru • Thailand • Trinidad and Tobago • Türkiye

Countries listed on the Priority Watch List are prioritized for bilateral engagement and the development of an action plan, but the listing does not carry any immediate trade policy repercussions.

While most of the countries listed in the 2026 report have also appeared in other recent Special 301 reports, there were some notable changes to the 2026 designations:

- Argentina and Mexico were downgraded from the Priority Watch List to the Watch List. For Mexico, USTR states that the country has taken substantial actions to address IP concerns, including new regulation amendments and proposals for further reforms. For Argentina, USTR credits the signing of the agreement on reciprocal trade with the Trump administration, in which USTR states that Argentina "made commitments that will benefit American innovators and creators by enhancing intellectual property protection and prioritizing enforcement against intellectual property theft." USTR also notes that Argentina repealed certain limitations on patent-eligible subject matter in March 2026.
- Bulgaria was removed from the Watch List, which USTR credits to "significant enforcement actions and progress in criminal prosecutions during the past year."
- The European Union was added to the Watch List, after not having previously been included in the reports. USTR states that the listing is based on "the recent provisional agreement on the EU General Pharmaceutical Legislation (GPL), as well as issues related to geographical indications (GIs) and the implementation of legislation impacting digital copyright."

Priority Foreign Country designations

Vietnam is the first country to receive a PFC designation in 13 years. Under the Special 301 statute, a PFC designation may be applied to countries (i) with the "most onerous or egregious acts, policies, or practices;" (ii) that deny adequate IP rights or deny fair and equitable market access to US persons relying on IP protection; (iii) where those acts, policies, or practices have the greatest adverse impact on US products; and (iv) that are not entering into negotiations, or failing to make significant progress in negotiations, to provide adequate IP protection.[21]

[21] 19 U.S.C. § 2242, accessible here: https://www.govinfo.gov/app/details/USCODE-2024-title19/USCODE-2024-title19-chap12-subchapI-part8-sec2242.

Under a PFC designation, USTR must determine within 30 days whether to initiate a Section 301 investigation into the identified acts, policies, and practices, which could lead to the imposition of tariffs and other remedies.[22]

USTR states that Vietnam "has demonstrated a persistent failure to resolve long-standing concerns about IP protection and enforcement," noting that Vietnam "failed to make meaningful progress" under USTR's proposed IP Work Plan and subsequent bilateral negotiations. USTR further states that Vietnam has not made progress on these issues in the context of the Agreement on Reciprocal Trade (ART) negotiations. The report identifies five specific grounds for the designation: "(1) failure to provide persistent and effective enforcement to combat online piracy; (2) failure to provide sufficient enforcement against widespread counterfeiting; (3) lack of effective border enforcement; (4) lack of enforcement actions against unlicensed software use; and (5) lack of criminal measures against cable and satellite signal theft." By contrast, in the 2025 report, USTR had listed Vietnam only on the Watch List, noting improvements to criminal enforcement and border measures, while still expressing concerns regarding IP protection and enforcement more broadly.

Invoking the Section 301 investigation threat may represent another attempt by the Trump administration to leverage Section 301 tariffs to replace the previous International Emergency Economic Powers Act (IEEPA) tariffs. Vietnam was among the first countries with which the Trump administration announced an ART,[23] but the initial arrangement reportedly collapsed after President Trump personally intervened to increase the reciprocal tariff rate applicable to imports from Vietnam under the agreement. Negotiations resumed following the challenges with the original deal, with the parties issuing a vague joint statement outlining the prospective ART in October 2025.[24] The ART negotiations appear to be ongoing. In a May 1, 2026 statement responding to the PFC designation, Vietnam "called on the US to provide an objective and balanced assessment of Vietnam's efforts and achievements in intellectual property (IP) protection" and called for continued bilateral collaboration.[25]

The last country subjected to a PFC designation was Ukraine in 2013.[26] In the ensuing Section 301 investigation of Ukraine, USTR determined that Ukraine's acts, policies, and practices were unreasonable and burdened or restricted United States commerce, creating a basis for the imposition of tariffs or other remedies.[27] However, due to the political situation in Ukraine at the time, the Obama administration decided to not take any action. Ukraine was moved to the Priority Watch List in 2021, and USTR has since paused its reviews of Ukraine due to the ongoing war.

New section on "Intellectual Property and Standards"

The 2026 report includes a new section discussing "intellectual property and standards," noting that commenters are raising concerns "at the intersection of intellectual property (IP) policy and collaborative technical performance and/or interoperability standards." USTR states that the "efficient, transparent, and predictable licensing of patents essential to a technical standard is critical for both innovative companies engaged in developing standards and contributing their technology to such standards, as well as companies needing a license to integrate such standards into their products."

[22] 19 U.S.C. § 2412(b)(2), accessible here: https://www.govinfo.gov/app/details/USCODE-2024-title19/USCODE-2024-title19-chap12-subchapIII.

[23] Truth Social post of July 2, 2025, accessible here: https://truthsocial.com/@realDonaldTrump/posts/114784170652465525.

[24] "Joint Statement on a United States-Viet Nam Framework for an Agreement on Reciprocal, Fair, and Balanced Trade," October 26, 2025, accessible here: https://www.whitehouse.gov/briefings-statements/2025/10/joint-statement-on-united-states-vietnam-framework-for-an-agreement-on-reciprocal-fair-and-balanced-trade/.

[25] "Vietnam requests US to deliver objective, balanced assessment of IP protection efforts," Ministry of Foreign Affairs, May 1, 2026, accessible here: https://mofa.gov.vn/web/ministry-of-foreign-affairs/detail/chi-tiet/vietnam-requests-us-to-deliver-objective-balanced-assessment-of-ip-protection-efforts-59610-178.html.

[26] "2013 Special 301 Review," USTR, accessible here: https://ustr.gov/issue-areas/intellectual-property/special-301/2013-special-301-review.

[27] "Notice of Determination in Section 301 Investigation of Ukraine," 79 FR 14326 (March 13, 2024), accessible here: https://www.federalregister.gov/documents/2014/03/13/2014-05536/notice-of-determination-in-section-301-investigation-of-ukraine.

According to the report, USTR is observing “emerging global trends” in this area that may be harmful to US rights holders, mentioning overly broad anti-suit injunctions (ASIs), courts attempting to set worldwide licensing rates for standard essential patent portfolios, prohibitions on injunctive relief, and the emergence of licensing negotiation groups.

Comments on Japan

While Japan is not designated on the report’s lists, USTR raises some concerns about Japanese pharmaceutical pricing-related practices. According to USTR, the US pharmaceutical industry continues to express concern over the lack of transparency from Japan and is urging Japan to provide opportunities for public discourse on the pricing of advanced medical devices and innovative pharmaceuticals. As it has in other recent years, the report highlights engagements with Japan about providing sufficient opportunities for the private sector to provide public comments on Japan’s medical pricing and reimbursement rules.

USTR elevated these policy interests in the 2026 report, linking pricing practices to President Trump’s “Most-Favored-Nation” pricing policy. USTR discusses similar concerns in the 2026 National Trade Estimate, published on March 31, 2026.[28]

[28] “2026 National Trade Estimate Report on Foreign Trade Barriers of the President of the United States on the Trade Agreements Program,” USTR, March 31, 2026, accessible here: https://ustr.gov/sites/default/files/files/Press/Releases/2026/National%20Trade%20Estimate%20Report%202026.pdf.

Trade Actions

Section 232

Trump Administration Modifies Steel, Aluminum, and Copper Section 232 Tariffs

On April 2, 2026, President Trump issued a presidential proclamation modifying the application of the three Section 232 tariff orders on (i) steel and steel derivative products, (ii) aluminum and aluminum derivative products, and (iii) semi-finished copper products and copper-intensive derivative products.[29] The proclamation significantly revises the tariffs, especially as applied to derivative products, by applying the Section 232 tariffs to the full customs value of the products instead of only to the value of the metal inputs; lowering the tariff rates for certain products that have moderate levels of metal content; adding a few dozen new steel and aluminum products to the scope of tariffs; and removing tariffs from hundreds of steel and aluminum derivative products that have low levels of metal content.

The changes took effect for goods entered for consumption or withdrawn from warehouse for consumption on or after 12:01 a.m. EDT on April 6, 2026. The proclamation did not provide any exception for goods already in transit to the United States.

New tariff rates and assessment procedures

The proclamation significantly restructures how the three sets of metals Section 232 tariffs are applied. Under the previous system, the tariffs on copper articles and steel and aluminum derivative products were calculated by splitting the customs value between the steel, aluminum, copper, and non-metal components and applying different tariffs to each subset. This complex system was never fully implemented, with US Customs and Border Protection (CBP) continuing to issue conflicting guidance since its introduction.[30] The April 2 proclamation replaces the content-based system with a new system that applies either a flat 50% tariff or a flat 25% tariff, depending on the Trump administration's assessment of the overall level of covered metal content in the products. Additionally, products that have low levels of metal content have either been removed from the scope of the tariffs or may qualify for a *de minimis* exception.

- **Section 232 tariffs now apply to the full customs value:** All tariffs imposed on products under the steel, aluminum, and copper Section 232 actions will now apply to the full customs value of the imported product, including derivative products. Because the full value of the product is now subject to the Section 232 tariff, these products are now completely exempt from the global 10% Section 122 tariff.
- **Revised tariff rates and product lists for steel, aluminum, and copper products:**
  - **50% tariff on steel, aluminum, and copper articles and certain steel and aluminum derivative articles:** Articles made mostly of aluminum, steel, or copper are subject to a 50% tariff on their full customs value. These products are listed in Annex I-A of the proclamation. For steel, this generally applies to articles classified within HTSUS chapter 72 and some articles classified in HTSUS chapter 73; for aluminum, this generally applies to articles classified within HTSUS chapter 76; for copper, this generally applies to articles classified within HTSUS chapter 74.
  - **25% tariff on steel and aluminum derivative articles and other copper articles:** Steel and aluminum derivative articles and copper articles, which are *not* almost entirely aluminum, steel, or copper, are subject to

[29] Presidential Proclamation of April 2, 2026: "Strengthening Actions Taken to Adjust Imports of Aluminum, Steel, And Copper into the United States," accessible here: https://www.whitehouse.gov/presidential-actions/2026/04/strengthening-actions-taken-to-adjust-imports-of-aluminum-steel-and-copper-into-the-united-states/; and Annexes I-A, I-B, II, III & IV, accessible here: https://www.whitehouse.gov/wp-content/uploads/2026/04/ANNEXES-I-A-I-B-II-III-IV.pdf. For additional implementing guidance, see CSMS # 68253075 - GUIDANCE: Section 232 Duties on Imports of Aluminum, Steel, and Copper, accessible here: https://content.govdelivery.com/accounts/USDHSCBP/bulletins/4117593.

[30] CBP's challenges with implementing the content-based system has led to at least one lawsuit. *See Express Fasteners, Ltd. v. United States* (Court of International Trade), accessible here: https://www.courtlistener.com/docket/72193882/express-fasteners-ltd-v-united-states/.

a 25% tariff on their full customs value. These products are listed in Annex I-B of the proclamation. The action halves the Section 232 tariff on these products, but – because the new Section 232 rate applies to the entire value of the products instead of only the value of the covered steel, copper, and aluminum inputs – the change could lead to an increase or a decrease in the total tariff burden, depending on the product. In general, the new system increases tariff burden when the metal content value is low and decreases the tariff burden when the metal content value is high.[31]

- **New products added to the scope of the tariffs:** Although the product lists are based on the previous Section 232 product lists, the Trump administration has made several additions to the steel and aluminum tariff lists (the copper list is unchanged). For the 50% tariff, the proclamation adds seven new HTSUS codes related to cast iron machine parts, steel railway track parts, and a few miscellaneous aluminum products. For the 25% tariff, the proclamation adds 14 HTSUS codes related to vehicle trailers, air conditioners, railroad parts, cranes, and bottle lids. The proclamation does not explain why the Trump administration added these products to the scope of the tariffs, but almost all of these products were proposed for inclusion by US manufacturers in the September 2025 “inclusions process” application round (the decisions for which were never officially finalized).

- **Reduced 10% tariff if using US metal inputs:** Copper articles and derivative articles of steel and aluminum on the Annex I-A list and Annex I-B list made with US steel, aluminum, and copper are subject to a 10% tariff instead of the 50% or 25% tariffs. The reduced rate applies to derivative articles for which (i) 95% of the subject aluminum content of the aluminum derivative article is composed of aluminum that was smelted and cast in the United States; (ii) 95% of the subject steel content of the steel derivative article is composed of steel that was melted and poured in the United States; and (iii) 95% of the subject copper content of the copper article is composed of copper that was smelted and cast in the United States.[32]

  Steel and aluminum derivative products made with inputs from the United States had previously been completely exempted from the Section 232 tariffs.

- **Temporary tariff reduction to 15% (or MFN) for certain derivative products:** Certain steel and aluminum industrial equipment and electrical grid equipment listed in Annex III of the proclamation are subject to a temporarily reduced tariff rate of the higher of either (1) a 15% Section 232 tariff or (2) the normal Column 1 MFN rate. If these products are made from US steel, aluminum, or copper inputs, they are subject to a temporarily reduced tariff rate of the higher of either (1) a 10% Section 232 tariff or (2) the normal Column 1 MFN rate.

  On January 1, 2028, the tariff reduction will expire, and these products will be subject to the 25% tariff under the Annex I-B list (or the 10% tariff level for products using US inputs), which will stack with any applicable MFN tariff.

  Products originating in countries with which the United States does not have normal trading relations do not qualify for this tariff reduction (*i.e.*, Belarus, Cuba, North Korea, and Russia). The proclamation also notes that the Trump administration reserves the right to revoke this tariff reduction for other countries.

- **United Kingdom special rates for steel and aluminum:** President Trump has committed to negotiating an exception from the steel and aluminum tariffs for products from the United Kingdom (UK). While those negotiations progressed in 2025, President Trump exempted UK products from the increase in the tariffs from 25% to 50% that he proclaimed in June 2025. That preferential treatment is retained as part of the April 2, 2026 revisions, but with new origin criteria. To qualify for the special UK rates, 95% of the subject aluminum content

[31] For example, if a product worth $1,000 is subject to the steel derivatives tariff and contains $200 of steel inputs, the total tariff under the old system would be $100 on the $200 worth of steel (the 50% Section 232 tariff) and $80 on the other $800 of the value (the 10% Section 122 tariff) for a total tariff amount of $180 (an 18% tariff rate overall). Under the new system with a 25% Section 232 tariff on the entire value, this same product would owe a total tariff of $250. On the other hand, a $1,000 product with $500 worth of steel would have paid $300 under the old system and $250 under the new system, a decrease in the total tariff owed.

[32] The 95% threshold provides a new *de minimis* for these rules of origin. In previous smelt and cast and melt and pour rules, 100% of the subject content had to meet these requirements.

must be aluminum that was smelted or most recently cast in the UK, and 95% of the subject steel content must be steel that was melted and poured in the UK. Under the revised system, (i) UK steel and aluminum products that otherwise would have been subject to the 50% tariff (the Annex I-A list) are instead subject to a 25% tariff, and (ii) UK steel and aluminum products that would otherwise have been subject to the 25% tariff (the Annex I-B list) are now subject to an alternative 15% tariff.

Update (April 27, 2026): BIS has issued an update to allow products made by Tata Steel UK with steel melted and poured in the Netherlands to continue qualifying for the tariff preference (see next section).

- **Russian aluminum remains subject to the alternative 200% tariff:** All imports of aluminum articles and aluminum derivatives listed in Annex I-A and Annex I-B (and Annex III) that are the product of Russia, or for which any amount of primary aluminum used in the manufacture of these articles is smelted or cast in Russia, remain subject to the 200% tariff established in Proclamation 10522 of February 24, 2023. The new proclamation does not alter the treatment of Russian aluminum under Proclamation 10522, and products containing Russian aluminum do not qualify for the new *de minimis* exception.

- **The Section 232 tariffs do not stack with each other:** Some derivative products are listed within the scope of more than one of the three Section 232 tariff actions. The proclamation instructs that these products should only pay one of the three tariffs. The steel, aluminum, and copper tariffs will not stack with each other.

Covered products excepted from the tariffs

The proclamation also provides several new opportunities to claim exceptions from the Section 232 tariffs for products that would otherwise still be covered by the tariffs:

- ***De minimis* exception:** A tariff exception applies to certain derivative products for which the aggregate weight of the covered steel, aluminum, and copper inputs is less than 15% of the total weight of the imported product. Any product that is not classifiable within HTSUS chapters 72 (iron and steel), 73 (articles of iron and steel), 74 (copper and articles thereof), and 76 (aluminum and articles thereof) may qualify for this *de minimis* exception. If an import claims this exception, the product will become subject to the 10% Section 122 tariff. The exception will partially counteract how the new 25% tariff rate can lead to higher tariff burdens for derivative products that have lower metal value.

- **Exception for products that do not contain steel, aluminum, or copper:** Products on the Annex I-B and Annex III lists that do not contain any steel, aluminum, or copper are exempt from the tariffs. Although the proclamation and US Customs and Border Protection's (CBP) guidance both reference this exception, the HTSUS amendments do not appear to implement it.

  Update (April 27, 2026): BIS has issued a technical correction to implement this exception (see next section).

- **Motorcycle parts exception:** Parts imported for use in manufacturing motorcycles and classifiable within HTSUS chapters 84, 85, and 87 are exempt from the steel, aluminum, and copper Section 232 tariffs. Unlike the *de minimis* exception, imports claiming the motorcycle parts exception will not become subject to the 10% Section 122 tariff.

- **Civil aircraft and parts exceptions for certain trade deal partners:** In President Trump's Agreements on Reciprocal Trade with the UK, European Union, South Korea, and Japan, the administration committed to excepting civil aircraft and parts from the steel, aluminum, and copper Section 232 tariffs. The proclamation keeps these commitments in effect. Civil aircraft and parts are also exempt from the Section 122 tariffs.

Other customs details

The proclamation also introduces new origin reporting obligations for copper, modifies procedures for foreign trade zone entry (FTZ), introduces a narrow opportunity for using duty drawback, and allows use of most chapter 98 entry methods:

- **New country of smelt and cast reporting requirement for copper:** The proclamation instructs CBP to establish a new requirement for importers of covered copper products to report the countries in which their copper inputs were smelted and cast. Similar requirements already exist under the steel and aluminum Section 232 actions. CBP's guidance states that it is still developing the new reporting function and will issue additional guidance when it is ready for use.
- **Foreign trade zone entry:** Articles entered into a US FTZ on or after April 6, 2026 may be admitted only under "privileged foreign status" (except those eligible for admission under "domestic status"); "and any products admitted in 'privileged foreign status' prior to the effective date of this proclamation will be subject upon entry for consumption to any ad valorem rates of duty related to the classification under the applicable HTSUS subheading."
- **Limits to duty drawback:** Manufacturing drawback claims under 19 U.S.C. § 1313(a)-(b) are allowed for products on the Annex I-B list (or Annex III) if (i) the article is not subject to antidumping or countervailing duty orders; and (ii) the article is a product of the United Kingdom, the European Union, Japan, the Republic of Korea, Mexico, Canada, or any trading partner with which the United States concludes a final Agreement on Reciprocal Trade (ART) and was smelted and cast (if aluminum), melted and poured (if steel), or smelted and cast (if copper) in these countries. No other drawback claims are available.
- **Chapter 98 eligibility:** Covered imports are eligible to claim entry under HTSUS chapter 98, except that duties under HTSUS subheading 9802.00.60 are assessed based on the full customs value of the article.

Product removals and exceptions

The proclamation completely removes 247 steel and aluminum derivative products from the scope of the Section 232 actions. These products are listed in Annex II of the proclamation.

- **Steel derivative articles:** The proclamation removes the steel Section 232 tariffs from 127 HTSUS 8- or 10-digit codes (although four codes appear to be incorrect). All but three of these codes were added to the scope of the steel tariffs through the inclusions process in August 2025, including food, medicine, and chemical packaging; engine parts; aircraft parts; motorcycle parts; furniture; equipment codes; and medical and military vehicles. The other three removed codes are furniture-related codes added by the Trump administration in February 2025.
- **Aluminum derivative articles:** The proclamation removes the aluminum Section 232 tariffs from 120 HTSUS 8- or 10-digit codes (although one of the codes appears to be incorrect). Of these, 77 are codes related to food, medicine, and chemical packaging added by the inclusions process in August 2025; 42 are aluminum derivative products added by the Trump administration in February 2025, including semiconductor manufacturing equipment, sports-related products, aircraft parts, and furniture parts, among others; and one is beer, which the Trump administration added to the aluminum Section 232 tariff in a separate order in April 2025.

Unless otherwise excepted, these products will become subject to the global 10% Section 122 tariff, which is currently in effect until July 24, 2026.

Curtailment of the derivative product "inclusions process"

The previous "inclusions process" for steel, aluminum, and copper derivative products is terminated by the proclamation. However, the Department of Commerce and the Office of the United States Trade Representative (USTR) may still add new steel, aluminum, and copper products to the scope of the tariffs through an alternative, internal process discussed in the proclamation. The proclamation states that Commerce and USTR “may solicit information, feedback, recommendations, or other relevant materials” from interested stakeholders in making decisions to add products, but it does not prescribe a specific administrative process. If added to the scope of the tariff actions, a product would be subject to either the Annex I-A 50% tariff or the Annex I-B 25% tariff, depending on the nature of the product.

Prior to issuing the proclamation, the Trump administration appears to have informally suspended use of the Section 232 inclusions process for steel and aluminum derivative products in late 2025. The Department of Commerce’s Bureau of Industry and Security (BIS) accepted applications for the second applications round in September 2025 but never issued decisions on the applications.[33] The next inclusions process application windows, originally scheduled for January 2026, never took place. Other than coincidently adding a few dozen of these products to the scope of the steel and aluminum tariffs in the April 2 proclamation, BIS has never officially acted on the September 2025 applications.

Trump Administration Issues Corrections to Steel, Aluminum, and Copper Section 232 Tariff Revisions

On April 27, 2026, the Department of Commerce Bureau of Industry and Security (BIS) announced a set of three revisions to President Trump’s April 2, 2026 proclamation modifying the steel, aluminum, and copper Section 232 tariffs.[34] The BIS notice (i) corrects a major drafting error that prevented use of one of the proclamation’s new *de minimis* exemptions, (ii) removes redundant language from one section of the HTSUS amendments, and (iii) states that it will partially waive the new steel melt and pour and aluminum smelt and cast rules for the United Kingdom’s preferential tariff rate for products of Tata Steel UK.

Background on the steel, aluminum, and copper tariff revisions

On April 2, 2026, President Trump issued a presidential proclamation modifying the application of the three Section 232 tariff orders on (i) steel and steel derivative products, (ii) aluminum and aluminum derivative products, and (iii) semi-finished copper products and copper-intensive derivative products.[35] The proclamation significantly restructures the tariffs, especially as applied to derivative products, by (i) applying the Section 232 tariffs to the full customs value of the products instead of only to the value of the metal inputs; (ii) lowering the tariff rates for certain products that have moderate levels of metal content; (iii) adding several few dozen new steel and aluminum products to the scope of the tariffs; and (iv) removing tariffs from hundreds of steel and aluminum derivative products with low levels of metal content.

The changes took effect for goods entered for consumption or withdrawn from warehouse for consumption on or after 12:01 a.m. EDT on April 6, 2026.

---

[33] “Notice of the Opening of the Inclusions Window for the Section 232 Steel and Aluminum Tariff Inclusions Process,” 90 FR 44799 (September 17, 2025), accessible here: https://www.federalregister.gov/documents/2025/09/17/2025-18008/notice-of-the-opening-of-the-inclusions-window-for-the-section-232-steel-and-aluminum-tariff. To access the submitted inclusions applications and comments, see, Docket ID BIS-2025-0023, Adoption and Procedures of the Section 232 Steel and Aluminum Tariff Inclusions Process, accessible here: https://www.regulations.gov/docket/BIS-2025-0023.

[34] “Notice of Technical Corrections to the Harmonized Tariff Schedule of the United States for Duties Imposed by Presidential Proclamation 11021,” 91 FR 23056 (April 29, 2026), accessible here: https://www.federalregister.gov/documents/2026/04/29/2026-08297/notice-of-technical-corrections-to-the-harmonized-tariff-schedule-of-the-united-states-for-duties.

[35] Proclamation 11021 of April 2, 2026: “Strengthening Actions Taken to Adjust Imports of Aluminum, Steel, and Copper Into the United States,” 91 FR 18201 (April 2, 2026), accessible here: https://www.federalregister.gov/documents/2026/04/09/2026-06960/strengthening-actions-taken-to-adjust-imports-of-aluminum-steel-and-copper-into-the-united-states. For additional implementing guidance, see CSMS # 68253075 - GUIDANCE: Section 232 Duties on Imports of Aluminum, Steel, and Copper, accessible here: https://content.govdelivery.com/accounts/USDHSCBP/bulletins/4117593.

Corrections in the BIS notice

The BIS notice makes the following three changes to the tariffs. The HTSUS amendments were implemented on April 29 and are applied retroactively to April 6, the date on which the modifications under the April 2 proclamation entered into effect.

- **Restoring the missing *de minimis* exception.**

  In paragraph (9) of the April 2 proclamation, President Trump established two *de minimis* exceptions for derivative articles listed in Annex I-B and Annex III (*i.e.*, the products subject to the 25% tariff or the temporary alternative 15% tariff). One exception is for derivative articles (other than those classified in Chapters 72, 73, 74, and 76), if the covered steel, aluminum, or copper input is less than 15% of the product's weight. The other exception is for all derivative articles, regardless of chapter classification, if there is no covered steel, aluminum, or copper. In an apparent drafting error, the second exception was not included in the original HTSUS amendments in Annex IV, preventing certain products classified within Chapters 72, 73, 74, and 76 from claiming the exception.

  The BIS notice restores the missing *de minimis* exception by adding a new Chapter 99 code: 9903.82.01, described as "Articles provided for in subdivision (c) of U.S. note 16 to this subchapter that do not contain any aluminum, steel, or copper[.]" The notice further instructs that "[f]ilers should use this new subheading for goods that are imported under an HTSUS heading, subheading, or statistical reporting number listed in subparts (c)(i)-(x) of U.S. Note 16 in subchapter III of Chapter 99 of the HTSUS (Note 16) that do not contain any aluminum, steel, or copper because it is not an aluminum, steel or copper article or one of their derivatives, and therefore, the duties imposed do not apply." Products claiming this new exception would not be considered "subject to" the Section 232 tariffs and would instead be subject to the 10% Section 122 tariff.

  The BIS revision appears to adopt a broader interpretation of the exception than the April 2 proclamation originally intended, applying it to all products "listed in subparts (c)(i)-(x)." This scope would include the Annex I-A list of products subject to the 50% tariff rate, rather than only the products on the Annex I-B and Annex III lists.

- **Removing an erroneous line from subpart (e) of US note 16.**

  The BIS revision strikes the line "Heading 9903.82.06 applies to articles classifiable in the provisions provided for in subdivisions (c)(ii), (iv), (vi) and (vii) of this note" from the new subpart (e) of US Note 16 in subchapter III of Chapter 99. The inclusion of this line appears to have been an error. BIS describes the removal as a technical correction, noting that "[t]he first paragraph of part (e) and the article description in part 2 already include subdivisions (c)(ii), (iv), and (vi)-(viii) with respect to Heading 9903.82.06."

- **Relaxing origin rules for the UK steel and aluminum tariff preference.**

  UK-origin steel and aluminum have qualified for preferential rates under the steel and aluminum Section 232 tariffs since June 2025. The April 2 proclamation maintained the preferential rates, but added new requirements that, to qualify for the special UK rates, 95% of the subject aluminum content must be aluminum that was smelted or most recently cast in the UK, and 95% of the subject steel content must be steel that was melted and poured in the UK.

  As a result of the change, steel products from Tata Steel UK lost eligibility for the tariff preference. Tata Steel UK has shut down the blast furnaces at its Port Talbot facility and is now importing semi-finished steel from the Netherlands and India for further manufacturing at Port Talbot. The tariff treatment of the company's products has been a key sticking point in the US-UK tariff negotiations. The Trump administration has not explained why it modified the UK tariff preference to exclude Tata Steel UK, given the ongoing negotiations.

The BIS notice states that the Trump administration will continue to allow Tata Steel UK to qualify for the UK's preferential rates until January 1, 2028, despite the change in the April 2 proclamation. The BIS notice states that "U.K.-origin steel articles made by Tata Steel UK for which the reported country of melt and pour is the Netherlands may also count toward the 95 percent of steel melted and poured under note 16(d) of the HTSUS (with respect to products under Headings 9903.82.04 and 9903.82.05) until January 1, 2028."

The BIS notice calls this a "clarification" and is not implementing corresponding changes in the HTSUS. Note 16(d) continues to state that headings 9903.82.04 and 9903.82.05 "apply to articles the product of the United Kingdom in which at least 95 percent of the aluminum was smelted or most recently cast in the United Kingdom, or in which at least 95 percent of the steel was melted and poured in the United Kingdom."

President Trump Imposes Section 232 Tariffs on Certain Patented Pharmaceuticals and Ingredients

On April 2, 2026, President Trump issued a proclamation under Section 232 of the Tariff Act of 1962 imposing new tariffs on certain patented pharmaceutical products and ingredients, including active pharmaceutical ingredients (APIs) and key starting materials.[36] The tariffs enter effect on either July 31, 2026 or September 29, 2026. The applicable entry-into-force date for a particular company will depend on company-specific determinations to be issued by the US Department of Commerce (Commerce).

The default tariff rate is 100%, but the proclamation provides opportunities for significant tariff exceptions and reductions incentivizing supply chain onshoring, participation in President Trump's "Most-Favored-Nation" (MFN) pharmaceutical pricing policy, and negotiation of Agreements on Reciprocal Trade (ARTs). Available preferential rates include:

- A temporary 20% tariff rate for companies agreeing to relocate manufacturing to the United States;
- A temporary 0% tariff rate for companies that commit to relocate manufacturing to the United States and enter into MFN pricing agreements with the Trump administration;
- A permanent 15% tariff rate for certain countries that agree to ARTs with the Trump administration;
- A temporary 10% or 0% tariff rate for countries that enter into MFN pricing agreements with the Trump administration;
- A 0% tariff for prescription pharmaceuticals made with US-origin APIs; and
- Additional tariff exceptions for certain specialty patented pharmaceutical articles.

In practice, preferential tariff rates and full exceptions already granted by President Trump under these categories will cover nearly all patented pharmaceutical articles subject to the new tariffs.

Generic pharmaceuticals and their ingredients, which account for approximately 90% of prescriptions filled in the United States, are also fully exempt. However, this may change. The proclamation instructs Commerce to submit a follow-up report to the president by April 2, 2027 about whether the tariff should be expanded to cover generics.

[36] Proclamation 11020 of April 2, 2026: "Adjusting Imports of Pharmaceuticals and Pharmaceutical Ingredients Into the United States," 91 FR 18183 (April 9, 2026), accessible here: https://www.federalregister.gov/documents/2026/04/09/2026-06956/adjusting-imports-of-pharmaceuticals-and-pharmaceutical-ingredients-into-the-united-states.

The Section 232 investigation

Commerce's Bureau of Industry and Security (BIS) announced the initiation of the Section 232 investigation into the effects of imports of pharmaceuticals and pharmaceutical ingredients on US national security on April 1, 2025.[37] The initiation notice describes the scope of the investigation to include "pharmaceuticals and pharmaceutical ingredients, including finished drug products, medical countermeasures, critical inputs such as active pharmaceutical ingredients, and key starting materials, and derivative products of those items." The notice further stated that the investigation would cover both non-generic (*i.e.*, patented) and generic products. BIS held a public comment period from April 16 to May 7, 2025, during which 311 submissions were posted to the public docket.[38]

At the time the investigation was announced, President Trump and Secretary of Commerce Howard Lutnick stated that they intended to use the Section 232 investigations to enable the imposition of tariffs within the following few months. President Trump repeated similar claims later in 2025, saying pharmaceutical tariffs of at least 100% were imminent. On September 25, 2025, he posted on Truth Social that he would issue proclamations to impose tariffs on October 1, 2025 under the Section 232 investigations of heavy trucks and buses, timber and lumber, and pharmaceuticals.[39] In the pharmaceuticals tariff post, he stated that he would "be imposing a 100% Tariff on any branded or patented Pharmaceutical Product, unless a Company IS BUILDING their Pharmaceutical Manufacturing Plant in America."

In the weeks after the September announcement, the administration moved forward with the heavy trucks and buses and timber and lumber tariff proclamations, but no further formal action was taken with respect to pharmaceuticals. Instead, the Trump administration appears to have delayed the pharmaceuticals proclamation as long as possible to make space for negotiating deals with specific companies and trade partners.

The Section 232 investigation report

Commerce and BIS have not published the investigation report, and the factual basis for the conclusions described in President Trump's proclamation is not publicly available. Despite Section 232 requiring Commerce to publish copies of the investigation reports, the Trump administration has not published any of the reports related to its recent Section 232 actions.

According to the proclamation, Commerce concluded that "the present quantities and circumstances of imports of pharmaceuticals and pharmaceutical ingredients threaten to impair the national security and economy," establishing the legal basis for President Trump to impose measures to adjust imports. The proclamation further indicates that Commerce found that "patented pharmaceuticals and associated pharmaceutical ingredients are essential to the United States' military and civilian healthcare," that the United States should have a "self-sufficient domestic manufacturing and industrial base for pharmaceutical products," and that "foreign government intervention has undermined the competitiveness of the United States patented pharmaceutical industry," which has "led to dependence on foreign production of patented pharmaceuticals that have fragile supply chains."

The proclamation states that Commerce recommended to the president "actions to adjust imports of patented pharmaceuticals and associated pharmaceutical ingredients, including continuing to negotiate onshoring agreements related to Most-Favored-Nation (MFN) pharmaceutical pricing agreements; imposing significant tariffs on pharmaceuticals and pharmaceutical ingredients, so that such imports will not threaten to impair the national security

[37] "Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Pharmaceuticals and Pharmaceutical Ingredients," 90 FR 15951 (April 16, 2025), accessible here: https://www.federalregister.gov/documents/2025/04/16/2025-06587/notice-of-request-for-public-comments-on-section-232-national-security-investigation-of-imports-of.

[38] The public comments are posted to the docket "XRIN 0694-XC120 Pharmaceuticals 232 Notice" on regulations.gov, accessible here: https://www.regulations.gov/document/BIS-2025-0022-0001/comment.

[39] Truth Social post of September 25, 2025, accessible here: https://truthsocial.com/@realDonaldTrump/posts/115267512131958759.

of the United States; and granting preferential treatment to those companies that commit to onshore production of pharmaceuticals and pharmaceutical ingredients."

President Trump's "Most-Favored-Nation" Pharmaceutical Pricing Policy

President Trump's proclamation is closely aligned with implementation of his MFN pharmaceutical pricing policy. That policy was established in the May 12, 2025 Executive Order (EO) on "Delivering Most-Favored-Nation Prescription Drug Pricing to American Patients."[40] The EO describes a combination of measures the United States would use to (i) pressure foreign governments to increase the prices paid for pharmaceutical products in their own markets, and (ii) pressure pharmaceutical suppliers to reduce prices in the United States. The policy is based on a controversial premise that the United States bears a disproportionate share of global pharmaceutical research and development costs, and that the EO's programs would reallocate some of the cost of financing new pharmaceutical innovation to other countries.

The Section 232 proclamation addresses both parts of the MFN policy by (i) pressuring companies to enter into agreements with the United States to reduce prices for certain pharmaceuticals in exchange for tariff reductions, and (ii) encouraging foreign governments to agree to raise the prices paid in their local markets for pharmaceuticals in return for tariff reductions. This may also explain why the tariff order only targets patented pharmaceuticals, as those are the products for which pharmaceutical companies seek to recoup their research and development investment through premium pricing.

Positioning price negotiations at the center of US pharmaceutical trade policy marks a significant shift from prior practice. Historically, US trade policy in this sector has focused on protecting US intellectual property, promoting interoperable regulatory standards, and seeking improved market access for US pharmaceutical exports. The proclamation also appears to depart from the traditional use of Section 232, which is designed to address national security risks from imports. Because Commerce has not published the Section 232 investigation report, the basis for using Section 232 in such an unusual way is not publicly known.

Entry into effect

The tariffs enter into effect for goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 am Eastern Time on July 31, 2026. However, certain covered entries can claim an exception from the tariffs until 12:01 am Eastern Time on September 29, 2026. To qualify for this exception, a product must be "imported for companies" designated by Commerce in a list that will be provided to US Customs and Border Protection (CBP). Commerce has not yet disclosed the companies on the list or how a company can seek inclusion, nor is there any explanation of what it means for a product to be "imported for companies."[41]

There are no exceptions for goods that are already in transit to the United States before the tariffs into effect.

Other implementation details

- **Foreign trade zone entry (FTZ):** Articles entered into a US FTZ on or after the dates on which the tariffs enter effect may be admitted only under "privileged foreign status" (except those eligible for admission under "domestic status"); "and will be subject upon entry for consumption to any *ad valorem* rates of duty related to the classification under the applicable HTSUS subheading."

[40] Executive Order 14297 of May 12, 2025: "Delivering Most-Favored-Nation Prescription Drug Pricing to American Patients," 90 FR 20749, accessible here: https://www.federalregister.gov/documents/2025/05/15/2025-08876/delivering-most-favored-nation-prescription-drug-pricing-to-american-patients; and Fact Sheet: "President Donald J. Trump Bolsters National Security and Strengthens U.S. Supply Chains by Imposing Tariffs on Patented Pharmaceutical Products," White House, April 2, 2026, accessible here: https://www.whitehouse.gov/fact-sheets/2026/04/fact-sheet-president-donald-j-trump-bolsters-national-security-and-strengthens-u-s-supply-chains-by-imposing-tariffs-on-patented-pharmaceutical-products/.

[41] In a significant drafting error, the text of the proclamation includes a second implementation schedule, which is not part of the HTSUS amendments and has no legal effect. In this alternative system, the tariff only enters into effect on July 31, 2026 for the 17 pharmaceutical companies listed in Annex III of the proclamation. For all other companies, the tariff would enter effect on September 29, 2026.

- **Drawback:** Duty drawback is available for the tariffs imposed by this proclamation.
- **Chapter 98 provisions:** Articles covered by these tariffs may continue to claim any applicable HTSUS Chapter 98 provisions.

Pharmaceutical products covered by the tariff

The Section 232 tariff only applies to patented pharmaceutical products, but the United States does not have tariff subheadings specific to patented products. To address this, the proclamation establishes a two-step process for determining whether the tariff applies to a particular imported article:

- **HTSUS classification:** The HTSUS numbers covered by the tariff are listed in Annex I of the proclamation in the new HTSUS Chapter 99 US Note 40(c). The list includes 131 HTSUS 10-digit numbers for (i) chemicals in HTSUS Chapter 29, and (ii) pharmaceutical products (including APIs, chemicals, and biologics) in HTSUS Chapter 30. If a product is classified under these HTSUS numbers, then it is covered by the tariff action. The importer must then determine whether the product is a patented pharmaceutical article subject to the Section 232 tariff or if it qualifies for an exception.
- **Article description:** Products classified under the covered HTSUS numbers that are defined as "patented pharmaceutical articles" (including APIs and key starting materials) are subject to the tariffs. Products classified under the covered HTSUS numbers but which are defined as "generic pharmaceutical articles" or products that are not pharmaceutical articles are exempt from the tariff and would claim the applicable exception.[42]

The United States imported US$202.3 billion worth of goods classified under these HTSUS numbers in 2025, which represented 6% of the total value of US goods imports for the year.

Definitions of covered pharmaceuticals

To explain what products classified under the covered HTSUS numbers are "pharmaceutical articles," and which of those pharmaceutical articles are defined as "patented pharmaceutical articles" (subject to the tariff) or "generic pharmaceutical articles" (exempt from the tariff), the HTSUS amendment provides the following definitions:

- **"Pharmaceutical articles"** are (i) pharmaceutical products classifiable in the Annex I HTSUS subheadings; or (ii) pharmaceutical ingredients (APIs and key starting materials) classifiable in the Annex I HTSUS subheadings that are used to make pharmaceutical products.
- **"Patented pharmaceutical articles"** are either (i) "pharmaceutical articles" that are subject to a valid, unexpired US patent and are listed in the [FDA] Approved Drug Products with Therapeutic Equivalence Evaluations ("Orange Book") or Lists of Licensed Biological Products ("Purple Book"); or (ii) ingredients (active pharmaceutical ingredients and key starting materials) for such patented articles.
- **"Generic pharmaceutical articles"** are FDA-approved "pharmaceutical articles" and their associated ingredients, which are not protected by a US patent or an exclusivity. This includes approved APIs and components in finished dosage forms used in drug products or biosimilar biological products.

The proclamation and HTSUS amendments do not explain how importers should differentiate between ingredients used for patented pharmaceutical articles (which are subject to the tariff) and those used for generic pharmaceutical articles (which are exempt from the tariff).

[42] There are two exceptions provided for products classified under the covered HTSUS numbers that do not meet the definition of patented pharmaceutical articles: one for generic pharmaceutical articles (HTSUS 9903.04.67) and one for products that are not pharmaceutical articles at all (HTSUS 9903.04.69).

The covered pharmaceutical products were previously exempt from Trump administration tariffs

The products covered by the pharmaceuticals tariff order had generally been excluded from prior Trump administration tariff actions until now. All but one of the HTSUS codes within the scope of the Section 232 tariff order are listed in the Annex II product exclusions list for the Section 122 tariff order and were also on the previous Annex II exclusions list under the now-terminated International Emergency Economic Powers Act (IEEPA) tariffs.[43]

Many other pharmaceutical products that are not covered by the new Section 232 tariffs also appear on the Section 122 Annex II list and therefore remain excluded from all Trump administration tariffs. The pharmaceutical-related HTSUS numbers that are both (i) excepted from the Section 122 tariffs under Annex II of the Section 122 tariff proclamation, and (ii) not within the scope of the Section 232 tariff are listed in Annex IV of the Section 232 proclamation for informational purposes.[44]

The new tariff rates and opportunities for tariff reductions

The presidential proclamation imposes a default 100% tariff on patented pharmaceutical articles and then provides a variety of alternative rates and exceptions. A product may be classifiable within more than one of these tariff rates, based on country-specific or company-specific deals. Where an entry is classifiable under more than one rate, the proclamation instructs that "the lowest applicable rate shall apply."[45]

- **Default tariff rate:** A 100% tariff applies to patented pharmaceutical articles as the general, default rate. This tariff replaces any applicable Column 1 duty rates.
- **Excepted patented pharmaceutical articles:** A 0% tariff applies to patented pharmaceutical articles that are (i) designated as orphan drugs under the Orphan Drug Act; (ii) nuclear medicines; (iii) plasma derived therapies; (iv) fertility treatments; (v) cell and gene therapies; (vi) antibody drug conjugates; and (vii) medical countermeasures related to chemical, biological, radiological, and nuclear threats. Commerce may also designate other specialty pharmaceutical products and pharmaceutical products for animal health as being excepted through determinations published to the Federal Register, if the product is (i) produced in a country that is negotiating a trade deal with the Trump administration, or (ii) if there is "an urgent United States health need."
- **US origin APIs exception:** A 0% tariff rate is available for patented pharmaceutical articles that contain an active pharmaceutical ingredient produced in the United States and that are subsequently packaged abroad before reimportation.
- **Tariff reduction for companies investing in US production:** A 20% tariff applies to patented pharmaceutical articles "imported for companies"[46] that have onshoring deals approved by the Secretary of Commerce. The tariff relief is temporary and will increase back to the 100% rate on April 2, 2030 (four years after the proclamation was issued).

---

[43] Proclamation 11012 of February 20, 2026: "Imposing a Temporary Import Surcharge To Address Fundamental International Payments Problems," 91 FR 9339 (February 25, 2026), accessible here: https://www.federalregister.gov/documents/2026/02/25/2026-03824/imposing-a-temporary-import-surcharge-to-address-fundamental-international-payments-problems.

[44] Annex IV of the Section 232 proclamation also states that these listed products are "are subject to the Section 232 action related to pharmaceuticals and pharmaceutical ingredients with a tariff rate of zero," the meaning of which is unclear. Annex IV and the products it lists are not referenced anywhere in the text of the proclamation or in the HTSUS amendments in Annex I.

[45] In another drafting error, the text of the proclamation states that, for all the Section 232 tariff rates except for the UK special tariff rates, the applicable tariff is the higher of either (i) the applicable Section 232 tariff rate or (ii) the Column 1 tariff rate. However, the HTSUS amendments in Annex I of the proclamation do not implement this system. Instead, the HTSUS amendments replace the Column 1 tariff rates with the Section 232 tariff rate for the 100% default tariff and the 15% ART countries tariff (see US note 40(d) and (f)). All other Section 232 tariff rates in the proclamation are additive with the applicable Column 1 tariff rates. Even so, US applied MFN tariffs for the covered products are all below 15%, with an average of 2% and a maximum of 6.5%, meaning the difference between the text of the proclamation and the HTSUS amendments will have little or no practical effect for most products, countries, and importers.

[46] This is the language used in the HTSUS amendment, which is controlling. The text of the proclamation, in contrast, states this tariff reduction is available for products "produced by companies" that have reached onshoring deals.

The onshoring plans are subject to approval, as well as ongoing monitoring and enforcement by Commerce. According to the proclamation, Commerce will set out the criteria for acceptable onshoring plans in forthcoming regulations to be published in a *Federal Register* notice. onshoring plans. If Commerce later determines that a company has not fulfilled its onshoring plan, Commerce may reimpose the higher tariffs with retroactive effect. The proclamation also authorizes Commerce to increase applicable tariff rates (including with retractive effect) whenever it determines that companies are not complying with the relevant agreements.

- **ART partner country rate:** A 15% tariff applies to patented pharmaceutical articles originating in Japan, the European Union, South Korea, Switzerland, and Liechtenstein, based on their ARTs. In these agreements, the Trump administration committed to cap the pharmaceutical Section 232 tariffs to a maximum of 15% in exchange for market access concessions. The 15% tariff replaces any applicable Column 1 duty rates.

  These trade partners, together with the United Kingdom (UK), which benefits from a separate preferential rate, accounted for 89% of US imports in 2025 of products classified under the covered HTSUS codes. Ireland alone accounted for 46% of total import value. Following the trade partners that have already concluded ARTs or pricing agreements, the next largest sources of imports are Singapore, India, China, Canada, Mexico, Taiwan, and Israel, which collectively account for $20.3 billion of imports in 2025, or 10% of the total. The most commercially significant country to be excluded from the preferential rates is Singapore, which accounts for $9.9 billion of the $20.3 billion. Singapore has declined to negotiate an ART with President Trump, opting instead to rely on its existing free trade agreement with the United States.

  The proclamation does not identify any other trade partners that may be in the process of negotiating ARTs or prospects for future additions to this preference list. Taiwan, for example, received a preliminary commitment from the Trump administration to continue “negotiating the most preferential treatment for Taiwan” in future Section 232 actions, but is not referenced in the proclamation.

- **Tariffs only apply to imports under HTSUS Column 1:** All the tariffs imposed under this proclamation apply only to entries made under HTSUS Column 1, both General (MFN) and Special (other preferences). The tariffs do not apply to entries from countries that do not have normal trade relations with the United States (*i.e.*, products of Russia, Belarus, Cuba, and North Korea).

Tariff preferences for companies and countries that make MFN pricing deals

Alongside the general tariff exceptions, onshoring preferences, and ART preferences, a slightly more preferential set of tariff exceptions are available for companies and trade partners that agree to participate in President Trump’s MFN pricing plan.

- **Company MFN deals:** A 0% tariff applies to patented pharmaceutical articles “imported for companies” that (i) qualify for the 20% tariff rate based on their onshoring commitments and additionally (ii) have entered into MFN pricing agreements with the US Department of Health and Human Services (HHS). This tariff relief automatically expires at the end of President Trump’s term of office, on January 20, 2029. After that date, qualifying entries will be subject to the 20% onshoring preferential rate from January 20, 2029 through April 2, 2030, and will then move to the full 100% tariff on April 2, 2030.

  According to the text of the proclamation, the companies that have already secured these deals are those listed in Annex II.[47] The details of these company MFN pricing deals and the underlying policy framework have not been disclosed to the public. The arrangements appear to include price reductions on select products sold to US government-run healthcare programs (such as Medicare and Medicaid) and agreements to sell certain brand-

[47] The companies listed in Annex II are AbbVie Inc.; Amgen Inc.; AstraZeneca Pharmaceuticals, LP; Bristol Myers Squibb; Boehringer Ingelheim Pharmaceuticals, Inc.; Eli Lilly and Company; EMD Serono, Inc.; Genentech, Inc.; Gilead Sciences, Inc.; Merck Sharp & Dohme LLC; Novartis Pharmaceuticals Corporation; Novo Nordisk Inc.; and Sanofi S.A.

name products at a discount on the direct-to-consumer retail website TrumpRX.gov (or alternative direct-to-consumer platforms).

- **Country MFN deals:** A 10% (and later 0%) tariff applies to patented pharmaceutical articles originating in in the UK, based on their May 2025 trade deal and a new agreement on MFN pharmaceutical pricing.

  The UK and the United States Trade Representative (USTR) announced a preliminary framework for the MFN agreement in December 2025[48] and announced the final agreement alongside the issuance of the Section 232 proclamation on April 2, 2026.[49] In the agreement, the UK has committed to increasing prices paid by the UK National Health Service (NHS) for certain pharmaceuticals in exchange for the tariff preference.

  The proclamation states that the 10% tariff should be lowered to 0% based on the obligations of the final MFN agreement. Commerce will issue a Federal Register notice to implement the reduction, but the timeline for doing so is unclear. The UK's April 2 statement implies that the decision to move UK products from 10% to 0% has already been made. However, the text of the agreement states that the UK will only obtain the tariff reduction after all the UK's major pharmaceutical companies "enter into, and adhere to the terms of" the company-specific onshoring and MFN pricing agreements. The agreement also states that the tariff preference will expire on January 20, 2029, alongside the company MFN pricing agreement tariff exception. As a result, the UK's agreement appears to provide little additional tariff benefit for UK pharmaceutical exports beyond the existing MFN pricing agreements.

  The UK agreement marks the first time a country has agreed to participate in President Trump's MFN policy by raising domestic prices, but it is unclear whether any other countries intend to follow. The proclamation instructs HHS and Commerce to continue such negotiations, though it provides no specific details on which countries the government should negotiate with or what the specific policy outcomes should be.

Application of the Section 122 global tariff

Effective July 31, 2026, the Section 232 proclamation's HTSUS amendment states that products subject to the pharmaceutical Section 232 tariff would be excepted from the 10% global Section 122 tariff. This would include products subject to the 100% default tariff, products that are excepted from the tariff until September 29, 2026, products from trade deal partners, products subject to onshoring and MFN pricing agreements, and patented pharmaceutical articles that qualify for product exceptions. Generic pharmaceutical products, US origin pharmaceutical products, and non-pharmaceutical products would not receive this Section 122 tariff exception. That said, all but one of the HTSUS numbers subject to the Section 232 action are already excepted from the Section 122 tariff (*i.e.*, they are on the Annex II exceptions list) regardless of the instructions in the Section 232 proclamation.

The Section 122 exceptions are, however, a moot point. The 10% Section 122 tariff is scheduled to automatically terminate on July 24, 2026 – one week before the pharmaceutical Section 232 tariff takes effect. It is unclear why the Trump administration incorporated these stacking rules into the Section 232 tariff proclamation, as they will be inoperative by the time the Section 232 tariff is implemented.

---

[48] "U.S. Government Announces Agreement in Principle with the United Kingdom on Pharmaceutical Pricing," USTR press release, December 1, 2025, accessible here: https://ustr.gov/about/policy-offices/press-office/press-releases/2025/december/us-government-announces-agreement-principle-united-kingdom-pharmaceutical-pricing; and "Landmark UK-US pharmaceuticals deal to safeguard medicines access and drive vital investment for UK patients and businesses," UK press release, December 1, 2025, accessible here: https://www.gov.uk/government/news/landmark-uk-us-pharmaceuticals-deal-to-safeguard-medicines-access-and-drive-vital-investmentfor-uk-patients-and-businesses.

[49] "Arrangement Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland on Pharmaceutical Pricing," accessible here: https://ustr.gov/sites/default/files/files/Press/Releases/2026/U.S.-UK%20Pharma%20Pricing%20Arrangement%20-%204.2.2026.pdf. Also see the USTR press statement, accessible here: https://ustr.gov/about/policy-offices/press-office/press-releases/2026/april/successful-conclusion-united-states-united-kingdom-arrangement-pharmaceutical-pricing; and the UK press statement, accessible here: https://www.gov.uk/government/news/nhs-patients-and-british-businesses-to-benefit-from-historic-changes-to-medicines-access-following-pharmaceutical-partnership-with-usa.

Potential for future expansion to generic pharmaceutical articles

Prior to this proclamation, Washington's pharmaceutical supply chain security concerns primarily focused on generics, and especially APIs and key starting materials produced in Asia.[50] Despite this, the proclamation states that President Trump has "determined not to adjust imports of generic pharmaceuticals and their associated ingredients, including biosimilar products, at this time." The proclamation instructs Commerce to submit a follow-up report to the president by April 2, 2027 about whether any circumstances may require action on generic pharmaceuticals, suggesting President Trump is still considering imposing tariffs on generics sometime in the future.

Third Round of Automotive Parts Tariff Inclusions Applications Posted for Public Comments

On April 15, 2026, the Department of Commerce International Trade Administration (ITA) posted the applications it received during the third applications round of the Section 232 automotive parts tariff inclusions process for public comment.[51] The inclusions process allows domestic manufacturers to submit requests for new products to be added to the 25% Section 232 tariff on automotive parts during a two-week application window,[52] which occurs four times per year (in this case, April 1, 2026 to April 15, 2026[53]).

Now that the third round of applications has been posted for public review, stakeholders have two weeks to respond to the proposed inclusions before ITA proceeds with its decisions. Nevertheless, despite proceeding with this third application round, ITA has still not issued decisions on the applications it received in the first two inclusions rounds.

Inclusions applications received

ITA received applications from four companies, which cover 58 unique HTSUS codes at the 8-digit or 10-digit level. The products include a broad range of steel, aluminum, and rubber components, such as screws and bolts, engine parts, hoses, body and bumper stampings, and miscellaneous parts. In 2025, US imports of goods classified within these HTSUS codes totaled US$58.7 billion. The leading import source was Mexico ($20.7 billion), followed by Canada ($8.8 billion), China ($5.3 billion), Japan ($5.0 billion), South Korea ($4.2 billion), Taiwan ($2.9 billion), Germany ($2.3 billion), India ($1.2 billion), Thailand ($1.1 billion), and Italy ($0.8 billion).

This set of applications is unusual, however. Only one of the four applications appears to be seeking inclusions for the expected protective purpose.

Two applications appear to be seeking additions to the automotive tariffs because the applicants believe that inclusion within the automotive Section 232 tariff would result in more favorable tariff treatment for their products. The automotive Section 232 tariff order includes opportunities for tariff exceptions and reduced tariff rates that most of the other tariff orders do not, such as the exemption for parts that qualify for preferential treatment under the United States–Mexico–Canada Agreement (USMCA) and the tariff offset on imported parts used by domestic finished vehicle manufacturers.

The fourth application, from a domestic aluminum producers' industry association, is asking ITA to remove certain aluminum automotive parts (auto body and bumper stampings) from the automotive Section 232 tariff. Doing so

---

[50] *See, e.g.*, US-China Economic and Security Review Commission, 2019 Annual Report to Congress, Section 3 on "Growing U.S. Reliance on China's Biotech and Pharmaceutical Products," pp. 248-282, accessible here: https://www.uscc.gov/annual-report/2019-annual-report-congress; and US-China Economic and Security Review Commission, 2025 Annual Report to Congress, on US reliance on Chinese APIs and key starting materials, pp. 488-497, accessible here: https://www.uscc.gov/annual-report/2025-annual-report-congress.

[51] The April docket can be found at Section 232 Automobile Parts Tariff Inclusions Request (April 2026), Docket ID: ITA-2025-0040, accessible here: https://www.regulations.gov/docket/ITA-2025-0040.

[52] The inclusions process regulations are at Supplement No. 2 to Part 705, Title 15, accessible here: https://www.ecfr.gov/current/title-15/subtitle-B/chapter-VII/subchapter-A/part-705/appendix-Supplement%20No.%202%20to%20Part%20705.

[53] "Notice of the Opening of the Inclusions Window for the Section 232 Automobile Parts Tariff Inclusions Process," 91 FR 13998 (March 24, 2026), accessible here: https://www.federalregister.gov/documents/2026/03/24/2026-05681/notice-of-the-opening-of-the-inclusions-window-for-the-section-232-automobile-parts-tariff.

would cause these products to automatically become subject to the aluminum Section 232 tariff, which has higher tariff rates and fewer exceptions than the automotive Section 232 tariff. The inclusions process regulation does not allow ITA to remove products from the scope of the tariffs, so this application is unlikely to succeed.

Opportunity for comment and next steps

Interested parties have until April 29, 2026 at 11:59 pm EST to submit comments responding to the inclusion applications. ITA states that collecting public comments on the inclusions applications "will ensure a transparent, complete, and legally robust process for conducting analysis and making final determinations of [automobile parts] inclusion requests."

Posting the applications for public comments also starts the 60-day period for ITA to complete its internal review and issue its decisions. This would set a deadline around June 15, 2026, if ITA resumes following the published schedule. Any resulting tariff increases would be implemented shortly thereafter through a *Federal Register* notice.

Unresolved status of the October 2025 and January 2026 automotive parts inclusions rounds

Despite proceeding with the April inclusions round, ITA is still finalizing the decisions on applications submitted in the October 2025 and the January 2026 application rounds.[54] According to the interim regulations for the inclusions process, ITA should have finalized its decisions by around December 15, 2025 for the October 2025 applications round and by March 16, 2026 for the January 2026 applications round. ITA has not announced a new target date for completion of these decisions.

Curtailment of the steel, aluminum, and copper derivative product inclusions process

While the automotive parts tariff inclusions process remains formally in place, the inclusions processes for steel, aluminum, and copper derivative products were terminated by President Trump's April 2, 2026 proclamation modifying the application of the three Section 232 tariff orders on steel, aluminum, and copper.[55]

Although the public process has been discontinued, the proclamation authorizes Commerce and USTR to add new steel, aluminum, and copper products to the scope of the tariffs through an alternative, internal process discussed in the proclamation. The proclamation states that Commerce and USTR "may solicit information, feedback, recommendations, or other relevant materials" from interested stakeholders in making decisions to add products, but it does not prescribe a specific administrative process. Commerce has not yet commented on its plans for this new process and the intent behind the change is unclear.

Prior to issuing the proclamation, the Trump administration appears to have informally suspended the Section 232 inclusions process for steel and aluminum derivative products in late 2025. The Department of Commerce's Bureau of Industry and Security (BIS) accepted applications for the second applications round in September 2025 but did not issue decisions on those submissions.[56] The third inclusions process application window, originally scheduled for January 2026, never took place. The original copper inclusions process was never used before its termination on April 2.

[54] The public dockets for the previous two application rounds can be found at: Section 232 Automobile Parts Tariff Inclusions Request (October 2025), Docket ID: ITA-2025-0038, accessible here: https://www.regulations.gov/docket/ITA-2025-0038; and Section 232 Automobile Parts Tariff Inclusions Request (October 2025), Docket ID: ITA-2025-0038, accessible here: https://www.regulations.gov/docket/ITA-2025-0038.

[55] Proclamation 11021 of April 2, 2026: "Strengthening Actions Taken To Adjust Imports of Aluminum, Steel, and Copper into the United States," 91 FR 18201 (April 9, 2026), accessible here: https://www.federalregister.gov/documents/2026/04/09/2026-06960/strengthening-actions-taken-to-adjust-imports-of-aluminum-steel-and-copper-into-the-united-states.

[56] To access the submitted inclusions applications and comments, see, Docket ID BIS-2025-0023, Adoption and Procedures of the Section 232 Steel and Aluminum Tariff Inclusions Process, accessible here: https://www.regulations.gov/docket/BIS-2025-0023.

Department of Commerce Issues Narrow Steel and Aluminum Section 232 Tariff Reduction for Vehicle Manufacturers

On April 23, 2026, the US Department of Commerce International Trade Administration (ITA) implemented a new system for Canada- and Mexico-based steel and aluminum producers to seek reductions to the steel and aluminum Section 232 tariffs for steel and aluminum automotive components produced in North America.[57] Under these procedures, steel and aluminum producers that are operating production facilities in Canada or Mexico and also investing in new US manufacturing capacity may submit documentation of those US investment commitments to ITA. If approved, those producers may obtain a reduced Section 232 tariff reduction from 50% to 25% on qualifying imports of certain Mexican and Canadian steel and aluminum products used in US automotive and truck manufacturing.

President Trump's Section 232 proclamation

President Trump originally unveiled the system in his October 17, 2025 proclamation imposing Section 232 tariffs on medium- and heavy-duty vehicles, medium- and heavy-duty vehicle parts, and buses.[58] The tariff preference is part of a series of compromises with the US automotive industry that President Trump implemented in the proclamation, which provided broadened tariff exceptions from both the automotive Section 232 tariff action and the heavy trucks Section 232 tariff action for vehicle parts imports.

Paragraph (13) of the trucks Section 232 proclamation instructed Commerce to reduce tariffs owed under the steel and aluminum Section 232 tariff orders "by up to half the applicable rate for aluminum or steel producers that operate production facilities in Canada or Mexico and supply United States automobile or [medium- and heavy-duty vehicle] manufacturers" subject to certain conditions:

- "Adjustments shall be limited to quantities of aluminum or steel equal to newly committed United States production capacity, as determined by the Secretary[.]"
- "In no cases shall the adjusted rate . . . be lower than 25 percent[.]"
- "Rate adjustments shall also be limited to imports of aluminum and steel that qualify for preferential tariff treatment under the USMCA and that were smelted and cast or melted and poured in Canada or Mexico."

ITA's new procedures

The new ITA procedures address eligibility criteria and qualifying investments, the process for submitting the required documentation of the investments, the Commerce review process, ongoing reporting obligations, and consequences for failing to meet investment milestones, summarized below.

Definitions of qualifying companies, investments, and imports

- **Qualified companies**: Producers of steel or aluminum in Canada or Mexico that supply, directly or indirectly through incorporated parts, US producers of cars or trucks.

[57] "Procedures for Submissions by Certain Steel and Aluminum Producers Committing to New U.S. Steel or Aluminum Production To Obtain Tariff Adjustments Under Proclamation 10984," 91 FR 21790 (April 23, 2026), accessible here: https://www.federalregister.gov/documents/2026/04/23/2026-07987/procedures-for-submissions-by-certain-steel-and-aluminum-producers-committing-to-new-us-steel-or.

[58] Proclamation 10984 of October 17, 2025: "Adjusting Imports of Medium- and Heavy-Duty Vehicles, Medium- and Heavy-Duty Vehicle Parts, and Buses Into the United States," 90 FR 48451, accessible here: https://www.federalregister.gov/documents/2025/10/22/2025-19639/adjusting-imports-of-medium--and-heavy-duty-vehicles-medium--and-heavy-duty-vehicle-parts-and-buses.

- **Qualifying investment commitments**: New investments by qualified companies that will expand US primary steel and primary aluminum production capacity that supports US production of car and truck parts.[59]
- **Qualifying imports**: Imports of steel and aluminum articles[60] that qualify for preferential tariff treatment under the USMCA and that were melted and poured or smelted and cast in Mexico or Canada.

Process for obtaining tariff relief

Qualified companies with qualifying investment commitments must submit documentation to ITA, following the instructions in the new guidance. Once approved, ITA will notify US Customs and Border Protection (CBP) of the determination and provide CBP with the effective dates and import volumes for the tariff reduction. The qualified company or its designated importer of record would then pay the alternative 25% tariff rate for a volume of imports up to the designated volume, rather than paying the general 50% tariff rate. The tariff reduction will be limited to a quantity of qualifying imports equal to the projected annual new production capacity of the qualifying investment commitment.

After granting the tariff reduction, ITA will review the progress of the qualifying investment commitments each quarter. If ITA determines that the timeline for the qualifying investment commitment is not being met, it may rescind the tariff reduction and reliquidate past entries at the full 50% tariff rate.

The notice also implements amendments to the HTSUS for the tariff reductions. Eligible steel and aluminum producers may submit documentation and begin using the system on April 23, 2026.

[59] For this definition, "primary steel" refers to steel articles that are produced in a basic oxygen furnace, electric arc furnace, or any other steel making furnace in the United States and "primary aluminum" means aluminum articles that are produced in a smelter in the United States.

[60] The qualifying steel and aluminum articles are the articles classified as "articles of aluminum" (US Note 16 (c)(iii) of Chapter 99, Subchapter III) and "articles of steel" (US Note 16 (c)(i) of Chapter 99, Subchapter III) in the April 2 proclamation adjusting the Section 232 tariffs on steel, aluminum, and copper. See Proclamation 11021 of April 2, 2026: "Strengthening Actions Taken To Adjust Imports of Aluminum, Steel, and Copper Into the United States," 91 FR 18201 (April 9, 2026), accessible: https://www.federalregister.gov/documents/2026/04/09/2026-06960/strengthening-actions-taken-to-adjust-imports-of-aluminum-steel-and-copper-into-the-united-states.

Trade Agreements

None

Petitions & Investigations

Investigations

Commerce Issues Final Results of the Expedited Five-Year (Sunset) Review of ADD and CVD Orders on Non-Oriented Electrical Steel from China, Germany, Japan, South Korea, Sweden, and Taiwan

On April 16, 2026, the US Department of Commerce (Commerce) published the final results of the expedited second sunset reviews of the countervailing duty (CVD) orders on non-oriented electrical steel (NOES) from China and Taiwan and the antidumping duty (ADD) orders on NOES from China, Germany, Japan, South Korea, Sweden, and Taiwan.[61]

Commerce has determined that revocation of the CVD orders on NOES from China and Taiwan would be likely to lead to continuation or recurrence of countervailable subsidies and that revocation of the ADD orders on NOES from Sweden, Germany, China, South Korea, Taiwan, and Japan would be likely to lead to continuation or recurrence of dumping at the levels below:

- China: Dumping margins up to 407.52% and net countervailable subsidy rates of 158.88% for Baoshan Iron & Steel Co., Ltd and the All Others rate.
- Taiwan: Dumping margins up to 52.23% and net countervailable subsidy rates of 17.12% for Leicong Industrial Company, Ltd and 8.61% for the All Others rate.
- Sweden: Dumping margins up to 126.72%.
- Germany: Dumping margins up to 98.84%.
- South Korea: Dumping margins up to 6.88%.
- Japan: Dumping margins up to 204.79%.

The US International Trade Commission (ITC) is currently conducting expedited five-year reviews to determine whether revocation of the ADD and CVD orders would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.[62]

Commerce and the ITC announced the initiation of the second five-year (sunset) reviews on December 1, 2025.[63] The review was originally scheduled to be initiated on November 3, 2025, but was delayed by the lapse in government funding. Commerce and ITC tolled the deadlines to account for the delayed initiation.

[61] "Non-Oriented Electrical Steel From the People's Republic of China and Taiwan: Final Results of the Expedited Second Sunset Reviews of the Countervailing Duty Orders," 91 FR 20409 (April 16, 2026), accessible here: https://www.federalregister.gov/documents/2026/04/16/2026-07463/non-oriented-electrical-steel-from-the-peoples-republic-of-china-and-taiwan-final-results-of-the; and "Non-Oriented Electrical Steel From Sweden, Germany, the People's Republic of China, the Republic of Korea, Taiwan and Japan: Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders," 91 FR 20407 (April 16, 2026), accessible here: https://www.federalregister.gov/documents/2026/04/16/2026-07464/non-oriented-electrical-steel-from-sweden-germany-the-peoples-republic-of-china-the-republic-of.

[62] "Non-Oriented Electrical Steel from China, Germany, Japan, South Korea, Sweden, and Taiwan; Scheduling of Expedited Five-Year Reviews," 91 FR 17306 (April 6, 2026), accessible here: https://www.federalregister.gov/documents/2026/04/06/2026-06576/non-oriented-electrical-steel-from-china-germany-japan-south-korea-sweden-and-taiwan-scheduling-of.

[63] "Non-Oriented Electrical Steel From China, Germany, Japan, South Korea, Sweden, and Taiwan; Institution of Five-Year Reviews," 90 FR 55159 (December 1, 2025), accessible here: https://www.federalregister.gov/documents/2025/12/01/2025-21687/non-oriented-electrical-steel-from-china-germany-japan-south-korea-sweden-and-taiwan-institution-of; and "Initiation of Five-Year (Sunset) Reviews," 90 FR 55086 (December 12, 2025), accessible here: https://www.federalregister.gov/documents/2025/12/01/2025-21693/initiation-of-five-year-sunset-reviews.

Covered product

The product covered by this order is NOES, which includes cold-rolled, flat-rolled, alloy steel products, whether or not in coils, regardless of width, having an actual thickness of 0.20 mm or more, in which the core loss is substantially equal in any direction of magnetization in the plane of the material. The term "substantially equal" means that the cross grain direction of core loss is no more than 1.5 times the straight grain direction (*i.e.*, the rolling direction) of core loss. NOES has a magnetic permeability that does not exceed 1.65 Tesla when tested at a field of 800 A/m (equivalent to 10 Oersteds) along (*i.e.*, parallel to) the rolling direction of the sheet (*i.e.*, B800 value). NOES contains by weight more than 1.00% of silicon but less than 3.5% of silicon, not more than 0.08% of carbon, and not more than 1.5% of aluminum. NOES has a surface oxide coating, to which an insulation coating may be applied.

NOES is subject to these orders whether it is fully processed (*i.e.*, fully annealed to develop final magnetic properties) or semi-processed (*i.e.*, finished to final thickness and physical form but not fully annealed to develop final magnetic properties). Fully processed NOES is typically made to the requirements of ASTM specification A 677, Japanese Industrial Standards (JIS) specification C 2552, and/or International Electrotechnical Commission (IEC) specification 60404-8-4. Semi-processed NOES is typically made to the requirements of ASTM specification A 683. However, the scope of the order is not limited to merchandise meeting the ASTM, JIS, and IEC specifications noted immediately above.

NOES is sometimes referred to as cold-rolled non-oriented (CRNO), non-grain oriented (NGO), non-oriented (NO), or cold-rolled non-grain oriented (CRNGO) electrical steel. These terms are interchangeable. Excluded from the scope of the Order are flat-rolled products not in coils that, prior to importation into the United States, have been cut to a shape and undergone all punching, coating, or other operations necessary for classification in Chapter 85 of the Harmonized Tariff Schedule of the United States (HTSUS) as a part (*i.e.*, lamination) for use in a device such as a motor, generator, or transformer.

NOES is provided for in HTSUS subheadings 7225.19.0000, 7226.19.1000, and 7226.19.9000. Subject merchandise may also be entered under subheadings 7225.50.8085, 7225.99.0090, 7226.92.5000, 7226.92.7050, 7226.92.8050, 7226.99.0180 of the HTSUS. HTSUS codes are provided for convenience and customs purposes and the written description of the scope is dispositive.

Commerce Issues Final Results of Sunset Review of ADD Orders on Prestressed Concrete Steel Wire Strand from Japan, as well as Brazil, India, Mexico, South Korea, and Thailand

On April 10, 2026, Commerce issued the final results of the sixth sunset review of the ADD order on prestressed concrete steel wire strand (PC strand) from Japan, finding that revocation of the order would likely lead to continuation or recurrence of dumping at weighted-average dumping margins up to 13.30%.[64]

In separate notices, Commerce also issued the final results of the expedited fourth sunset reviews of the ADD orders on PC strand from Brazil, India, Mexico, South Korea, and Thailand, finding that revocation of the orders would be likely to lead to continuation or recurrence of dumping.[65] The weighted-average dumping margins are up to 118.75% for Brazil, 102.07% for India, 77.20% for Mexico, 54.19% for Korea, and 12.91% for Thailand. In a concurrent final result of the expedited fourth sunset review of the CVD order on PC strand from India, Commerce also found that

[64] "Prestressed Concrete Steel Wire Strand From Japan: Final Results of the Expedited Sixth Sunset Review of the Antidumping Duty Finding," 91 FR 18409 (April 10, 2026), accessible here: https://www.federalregister.gov/documents/2026/04/10/2026-07002/prestressed-concrete-steel-wire-strand-from-japan-final-results-of-the-expedited-sixth-sunset-review.

[65] "Prestressed Concrete Steel Wire Strand From Brazil, India, Mexico, the Republic of Korea, and Thailand: Final Results of the Expedited Fourth Sunset Reviews of the Antidumping Duty Orders," 91 FR 18417 (April 10, 2026), accessible here: https://www.federalregister.gov/documents/2026/04/10/2026-07003/prestressed-concrete-steel-wire-strand-from-brazil-india-mexico-the-republic-of-korea-and-thailand.

revocation of the CVD order would likely lead to continuation or recurrence of countervailable subsidies at a rate of 62.92%.[66]

Commerce[67] and the ITC[68] initiated the five-year (sunset) reviews in October 2025. The ITC is currently conducting its expedited five-year reviews of whether revocation of the ADD and CVD orders would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.[69]

Covered product

The product covered by these orders is defined slightly differently for Japan than for the other countries. For Japan, PC strand is steel wire strand, other than alloy steel, not galvanized, which is stress-relieved and suitable for use in prestressed concrete.

For Brazil, India, Korea, Mexico, and Thailand, PC strand is steel strand produced from wire of non-stainless, non-galvanized steel, which is suitable for use in prestressed concrete (both pre-tensioned and post-tensioned) applications. The product definition encompasses covered and uncovered strand and all types, grades, and diameters of PC strand.

Products from all six countries are currently classified under HTSUS subheadings 7312.10.3010 and 7312.10.3012. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope is dispositive.

Commerce Issues Final Results in Administrative Review of the ADD Order on Glycine from Japan

On April 16, 2026, Commerce issued the final results of the administrative review of the ADD order on glycine from Japan, finding that the producers/exporters subject to the review made sales at less than normal value during the period of review (June 1, 2023 – May 31, 2024).[70] The final weighted-average dumping margins were 9.84% for Yuki Gosei Kogyo Co., Ltd./Nagase & Co., Ltd. and 86.22% for Resonac Corporation, which are the same as the margins in the preliminary determination. The Resonac determination was based on adverse facts available, after Commerce found that Resonac withheld requested information in the preliminary determination.

Previously, Commerce issued the preliminary determination that producers or exporters subject to this administrative review made sales of subject merchandise at less than normal value during the period of review on September 29, 2025.[71] Commerce also included a preliminary successor-in-interest determination for Resonac, finding it to be the successor-in-interest to Showa Denko K.K., which it sustained in the final determination. The preliminary

[66] "Prestressed Concrete Steel Wire Strand from India: Final Results of the Expedited Fourth Sunset Review of the Countervailing Duty Order," 91 FR 18397 (April 10, 2026), accessible here: https://www.federalregister.gov/documents/2026/04/10/2026-06998/prestressed-concrete-steel-wire-strand-from-india-final-results-of-the-expedited-fourth-sunset.

[67] "Initiation of Five-Year (Sunset) Reviews," 90 FR 48048 (October 3, 2025), accessible here: https://www.federalregister.gov/documents/2025/10/03/2025-19420/initiation-of-five-year-sunset-reviews.

[68] "Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Mexico, South Korea, and Thailand; Institution of Five-Year Reviews," 90 FR 47337 (October 1, 2025), accessible here: https://www.federalregister.gov/documents/2025/10/01/2025-19130/prestressed-concrete-steel-wire-strand-from-brazil-india-japan-mexico-south-korea-and-thailand.

[69] "Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Mexico, South Korea, and Thailand; Scheduling of Expedited Five-Year Reviews," 91 FR 13609 (March 20, 2026), accessible here: https://www.federalregister.gov/documents/2026/03/20/2026-05508/prestressed-concrete-steel-wire-strand-from-brazil-india-japan-mexico-south-korea-and-thailand.

[70] "Glycine From Japan: Final Results of Antidumping Duty Administrative Review; 2023-2024," 91 FR 23059 (April 29, 2026), accessible here: https://www.federalregister.gov/documents/2026/04/29/2026-08287/glycine-from-japan-final-results-of-antidumping-duty-administrative-review-2023-2024.

[71] "Glycine From Japan: Preliminary Results and Rescission, in Part, of Antidumping Duty Administrative Review, 2023-2024; and Preliminary Successor-in-Interest Determination," 90 FR 45185 (September 19, 2025), accessible here: https://www.federalregister.gov/documents/2025/09/19/2025-18132/glycine-from-japan-preliminary-results-and-rescission-in-part-of-antidumping-duty-administrative#footnote-10-p45186.

determination rescinded the administrative reviews for Megmilk Snow Brand Co. Ltd., Resonac Holdings Corporation, and Snow Brand Seed Co. Ltd., after the petitioner withdrew its requests for reviews.

The deadlines for the preliminary results of this review were tolled several times in 2024, delaying the results. The next administrative review, covering the period June 1, 2024 to May 31, 2025, commenced in July 2025.[72]

Covered product

The covered merchandise is glycine at any purity level or grade. This includes glycine of all purity levels, which covers all forms of crude or technical glycine including, but not limited to, sodium glycinate, glycine slurry and any other forms of amino acetic acid or glycine. Subject merchandise also includes glycine and precursors of dried crystalline glycine that are processed in a third country, including, but not limited to, refining or any other processing that would not otherwise remove the merchandise from the scope of these order if performed in the country of manufacture of the in-scope glycine or precursors of dried crystalline glycine. Glycine has the Chemical Abstracts Service (CAS) registry number of 56-40-6.

Glycine and glycine slurry are classified under HTSUS subheading 2922.49.43.00. Sodium glycinate is classified in the HTSUS under 2922.49.80.00. While the HTSUS subheadings and CAS registry number are provided for convenience and customs purposes, the written description of the scope of these orders is dispositive.

Commerce Issues Preliminary Results of Administrative Review of ADD Order on Hot-Rolled Steel Flat Products from Japan

On April 10, 2026, the Commerce published the preliminary results of the 2023-2024 administrative review of the ADD order on hot-rolled steel flat products (hot-rolled steel) from Japan, finding that one of the examined producers/exporters (Nippon Steel Corporation/Nippon Steel Nisshin Co., Ltd./Nippon Steel Trading Corporation (collectively, NSC)) sold products at less than normal value while the other (Tokyo Steel Manufacturing Co., Ltd. (Tokyo Steel)) did not sell products at less than normal value during the period of review (October 1, 2023 - September 30, 2024).[73]

The preliminary weighted-average dumping margins are 13.07% for NSC and 0.00% for Tokyo Steel. The non-examined companies, JFE Steel Corporation, JFE Shoji Trade Corporation, and JFE Shoji Corporation; Honda Trading Corporation; Marubeni-Itochu Steel Inc; Tetsusho Kayaba Corporation; and Toyo Corporation, will be subject to a review-specific rate of 13.07%. The preliminary decision also rescinds the review with respect to JFE Shoji Trade America, but not the other JFE Steel affiliates subject to the review. Commerce will now move on to the final stage of the administrative review.

Commerce published the final results of the previous administrative review (for 2022-2023) of hot-rolled steel flat products from Japan in August 2025.[74] That review had set weighted-average dumping margins of 29.70% for NSC and 0.00% for Tokyo Steel.

Covered product

The products covered by this order are certain hot-rolled, flat-rolled steel products, with or without patterns in relief, and whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances. The products covered do not include those that are clad, plated, or coated with metal. For a full description of the product

[72] "Initiation of Antidumping and Countervailing Duty Administrative Reviews," 90 FR 35268 (July 25, 2025), accessible here: https://www.federalregister.gov/documents/2025/07/25/2025-14096/initiation-of-antidumping-and-countervailing-duty-administrative-reviews.

[73] "Certain Hot-Rolled Steel Flat Products from Japan: Preliminary Results and Rescission, in Part, of Antidumping Duty Administrative Review; 2023-2024," 91 FR 18410 (April 10, 2026), accessible here: https://www.federalregister.gov/documents/2026/04/10/2026-07008/certain-hot-rolled-steel-flat-products-from-japan-preliminary-results-and-rescission-in-part-of.

[74] "Certain Hot-Rolled Steel Flat Products From Japan: Final Results of Antidumping Duty Administrative Review; 2022-2023," 90 FR 39372 (August 15, 2025), accessible here: https://www.federalregister.gov/documents/2025/08/15/2025-15504/certain-hot-rolled-steel-flat-products-from-japan-final-results-of-antidumping-duty-administrative.

coverage, exceptions, and treatment of products further processed in third countries, see the preliminary decision memorandum.

The products are currently classified in HTSUS codes 7208.10.1500, 7208.10.3000, 7208.10.6000, 7208.25.3000, 7208.25.6000, 7208.26.0030, 7208.26.0060, 7208.27.0030, 7208.27.0060, 7208.36.0030, 7208.36.0060, 7208.37.0030, 7208.37.0060, 7208.38.0015, 7208.38.0030, 7208.38.0090, 7208.39.0015, 7208.39.0030, 7208.39.0090, 7208.40.6030, 7208.40.6060, 7208.53.0000, 7208.54.0000, 7208.90.0000, 7210.70.3000, 7211.14.0030, 7211.14.0090, 7211.19.1500, 7211.19.2000, 7211.19.3000, 7211.19.4500, 7211.19.6000, 7211.19.7530, 7211.19.7560, 7211.19.7590, 7225.11.0000, 7225.19.0000, 7225.30.3050, 7225.30.7000, 7225.40.7000, 7225.99.0090, 7226.11.1000, 7226.11.9030, 7226.11.9060, 7226.19.1000, 7226.19.9000, 7226.91.5000, 7226.91.7000, and 7226.91.8000. Covered products may also enter under HTSUS codes 7210.90.9000, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7214.91.0015, 7214.91.0060, 7214.91.0090, 7214.99.0060, 7214.99.0075, 7214.99.0090, 7215.90.5000, 7226.99.0180, and 7228.60.6000. While HTSUS subheadings are provided for convenience and for customs purposes, the written description of the subject merchandise is dispositive.