US & Multilateral Trade and Policy Developments

Japan External Trade Organization

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Contents

Trade Policy Developments

President Trump Issues Executive Order on Strengthening Customs Enforcement

On June 3, 2026, President Trump issued Executive Order 14411 (EO) outlining new policy actions to strengthen customs enforcement rules affecting importers and customs brokers.[1] The EO instructs the Department of Homeland Security (DHS) and US Customs and Border Protection (CBP) to adopt new administrative requirements for Importers of Record (IORs) and customs brokers, with the most impactful changes restricting Foreign IORs (an expansion of the concept of a non-resident importer). The reforms outlined in the EO represent the largest change in US customs policy in recent years and signal a broader shift towards customs enforcement and away from trade facilitation, mirroring the Trump administration's broader trade-restrictive policies.

Most of the measures in the EO will not take effect until CBP implements changes to the relevant regulations, most of which the EO instructs CBP to complete within either 90 or 180 days. In areas where CBP may not currently have legal authority to implement the changes on its own, the EO further directs CBP and other relevant agencies to develop legislative recommendations for Congress.

New rules for Importers of Record and customs bonds

The EO instructs CBP to revise the IOR regulations, with changes that apply to all IORs and additional, more restrictive measures for Foreign IORs.

Regulatory changes affecting all IORs include:

- Increased minimum bond requirements;
- Mandatory IOR designation and bonding for all formal and informal entries;
- New disclosure requirements, including anticipated import volumes, beneficial ownership, business affiliations, and domestic assets; and
- A new "good standing" obligation, under which CBP may revoke an IOR's right to import if the entity is linked to import violations or unpaid duties.

The EO directs CBP to develop and implement the IOR changes by November 30, 2026 (180 days from the issuance of the EO). By November 30, CBP is also instructed to (i) purge its IOR registry of inactive IORs and IORs that do not meet the new standards, as well as create new risk-based tiers for IORs that remain active; and (ii) "establish enhanced vetting procedures" for persons involved in import-related activities.

The EO further directs CBP to "promptly"[2] establish significant new restrictions on Foreign IORs by:

- Prohibiting Foreign IORs from using informal entry,[3] requiring them to use formal entry only;
- Requiring Foreign IORs to be validated in the Customs Trade Partnership Against Terrorism (CTPAT) or to use CTPAT-validated brokers for formal entries (under current rules, most Foreign IORs do not qualify for CTPAT); and
- Banning Foreign IORs from using continuous bonds for formal entries unless CBP determines that revenue will be fully protected and compliance with relevant customs laws is assured.

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[1] Executive Order 14411 of June 3, 2026: "Strengthening Customs Enforcement," 91 FR 35125, accessible here: https://www.federalregister.gov/documents/2026/06/10/2026-11595/strengthening-customs-enforcement.

[2] Unlike most other sections of the EO, there is no clear timeline for the implementation of the Foreign IOR changes.

[3] 19 U.S.C. § 1498 and 19 C.F.R. Part 143 Subpart C, which allows importers to enter commercial or personal shipments valued at less than US$2,500 (or US$500 for items subject to special tariff actions) with reduced paperwork obligations.

As part of the effort to curtail Foreign IORs, the EO also creates new definitions of "US IOR" and "Foreign IOR," introducing stricter requirements that a US IOR be physically located in the United States and have US beneficial ownership, or hold significant real property in the United States. The EO states these new requirements are intended to prevent Foreign IORs from reorganizing themselves as US IORs, directing CBP to issue new guidance that prevents foreign companies from restructuring their corporate form to obtain US IOR status.

Import disclosure and certification requirements

The EO directs CBP to expand import disclosure and certification requirements for all importers. Importers will be required to:

- Certify compliance with supply chain laws, including forced labor laws and smuggling laws;
- Report foreign tax identifiers and global business identifiers; and
- Report more detailed supply chain and product information.

The EO does not specify a timeline for implementation of these three reporting requirements.

Separately, within 90 days, CBP is instructed to implement a new requirement that importers submit, together with their US entry declarations, the documentation that the foreign exporter was required to provide to the foreign customs administration before export to the United States.

Enforcement intensification and increased penalties

The EO includes broad instructions for DHS to "bolster the enforcement of customs laws, regulations, and other mandates, including conditions necessary for participation in the CTPAT program" to the "maximum extent permitted by applicable law[.]" Specific enforcement actions envisioned in the EO include enforcing liquidated damages claims against bonds for noncompliance; restricting in-bond utilization; increasing audits; and imposing maximum penalties for brokers that fail to conduct due diligence, repeatedly represent noncompliant clients, or fail to cooperate in a timely manner with CBP's requests for information. Additionally, the EO instructs DHS and the Attorney General to prioritize enforcement of laws relating to import compliance.

The EO further directs CBP to revise mitigation standards for customs penalties by September 1, 2026, including by:

- Establishing a minimum penalty floor of not less than 50% of the assessed penalty, limiting CBP discretion;
- Establishing a minimum liquidated damages floor; and
- Eliminating CBP's discretionary mitigation options for repeat offenders.

CBP's disposal authorities for non-compliant imports are also to be expanded by September 1, 2026, with the EO instructing CBP to reduce regulatory requirements for disposing of abandoned goods, increase bond requirements for high-risk shipments, authorize third-party disposal, and increase use of existing authorities to auction off seized shipments (19 U.S.C. § 1612).

Finally, the EO instructs CBP to increase public disclosure of importer information, including by creating new review and expiration rules for importer confidentiality requests and by publishing information about enforcement actions.

Implementation of the EO

Most of the EO's directives will have to be implemented by CBP through regulatory changes. In doing so, CBP must follow standard notice and comment procedures, giving stakeholders an opportunity to review proposed changes and submit comments. Because the EO leaves many operational details of these broad policy changes to CBP to determine, CBP's decisions during the regulatory development process will be critical to understanding the ultimate scope and impact of the measures outlined in the EO. CBP has issued a statement acknowledging the EO's instructions, but the agency has not yet announced any rulemaking actions or released any new guidance to importers.[4]

US Customs Launches Second Phase of IEEPA Tariff Refund System

On June 29, 2026, US Customs and Border Protection (CBP) will launch Phase 2 of the refund system for tariffs paid under the various International Emergency Economic Powers Act (IEEPA) executive orders. Phase 2 will enable importers and their customs brokers to request refunds of tariffs paid on entries flagged for reconciliation (Entry Types 01, 02, 06) for which the reconciliation entry (Entry Type 09) has not been filed.[5] Entries for which a reconciliation entry has already been filed are expected to become eligible for refunds through a later deployment stage, which CBP has not yet scheduled.

April launch of the CAPE refund system

CBP began the first phase of processing refunds (including interest) of tariffs paid under the IEEPA on April 20, 2026 and is rolling out the refund system in stages as new functionalities are developed.[6] The new filing system, called the "Consolidated Administration and Processing of Entries" (CAPE), is accessible through the Automated Commercial Environment (ACE) for Importers of Record (IORs) and their brokers.

In Phase 1, CAPE refunds only IEEPA tariffs for entries that are either unliquidated or that are up to 80 days past their liquidation date. CAPE Phase 1 also accepts refund requests for entries with liquidation status of suspended, extended, or under review, as well as warehouse and warehouse withdrawal entries, but these entries will maintain their liquidation status. After their status is resolved, CBP will then issue the refunds at liquidation.

The US government owes approximately $166 billion in tariff refunds to 330,000 importers on 53 million individual entries. According to CBP's latest update to the Court of International Trade (CIT) on its progress in processing the refunds through CAPE,[7] as of June 5, 2026, approximately $94.94 billion in potential and certified refunds have been accepted for processing. Of that, $23.68 billion in refunds (including interest) have been certified and then transmitted to the Department of the Treasury for disbursement.

CAPE Phase 2

CAPE Phase 2 launches on June 29, 2026 and will apply to refunds for entries flagged for reconciliation and for which no Type 09 reconciliation entry has been filed. As with Phase 1, only unliquidated entries and entries up to 80 days past liquidation will be eligible for refunds under this deployment.

After submitting the CAPE refund declarations, importers may continue to file reconciliation entries as under standard procedures. The refund process will remove the IEEPA tariff from the entries, separating the refund from the calculations for the reconciliation process.

If a reconciliation entry has already been filed for a flagged entry, the importer cannot file for IEEPA tariff refunds in Phase 2. Entries flagged for reconciliation with a reconciliation entry already filed will become eligible for IEEPA refunds in a future phase of CAPE development. If an entry's reconciliation filing deadline is close, CBP advises importers to prioritize filing the reconciliation over filing for the refund.

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[4] "White House issues new executive order to strengthen customs enforcement, protecting U.S. consumers and businesses," CBP, June 3, 2026, accessible here: https://www.cbp.gov/newsroom/national-media-release/white-house-issues-new-executive-order-strengthen-customs.

[5] CSMS # 69035485 - UPDATE – Consolidated Administration and Processing of Entries (CAPE) for IEEPA Refunds - Entries Flagged for Reconciliation, CBP June 23, 2026, accessible here: https://content.govdelivery.com/bulletins/gd/USDHSCBP-41d65dd.

[6] 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.

[7] Declaration of Brandon Lord Responding to May 27, 2026 Court Order, *Euro-Notions Florida, Inc. v. United States,* accessible here: https://www.courtlistener.com/docket/72034984/34/euro-notions-florida-inc-v-united-states/.

Ongoing litigation and liquidated entries

While CBP continues to roll out the refund system, related litigation at the CIT is ongoing. The major unresolved issue relates to the mechanism for obtaining refunds for tariffs paid on entries that are past final liquidation. The CIT has ordered CBP to reliquidate all liquidated entries and refund all IEEPA tariffs. However, the Trump administration is arguing that CBP may only refund tariffs on entries that are past final liquidation if the IORs file individual lawsuits at the CIT seeking such refunds.

On June 2, 2026, the Trump administration appealed the CIT's order to refund entries past final liquidation to the Court of Appeals for the Federal Circuit (CAFC).[8] CAFC has not yet acted on the appeal.

In the ongoing CIT proceedings under *Euro-Notions*, a closed conference is scheduled for June 30, 2026, followed by CBP's next update on CAPE implementation on July 1, 2026, and then a closed settlement conference on July 9, 2026.

Future phases of CAPE

CBP is continuing to develop CAPE to process refunds for additional categories of customs entries, although it has not announced a formal development timetable.

According to CBP's testimony in the ongoing refund litigation at the CIT, CAPE Phase 3 will launch in late July 2026 and cover entries that are past final liquidation.[9] Given the position the government has taken in the ongoing litigation, CBP is developing Phase 3 on the assumption that Phase 3 will accept and issue refunds for a specific importer only after the CIT has issued a court order directing refunds for that importer. That approach, however, may change as the litigation progresses.

CBP has not disclosed any plans for how it will address the following types of entries, which may require more complex, manual processing:

- Reconciliation entries where a Type 09 reconciliation has already been filed;
- Entries covered by a drawback claim;
- Entries included in an administrative protest;
- Entries that were not filed in ACE (primarily consolidated informal entries); and
- Entries subject to antidumping and countervailing duty orders, for which the Department of Commerce has issued liquidation instructions, that are pending liquidation in accordance with 19 U.S.C. § 1504(d).

Overview of the CAPE process

Since April 20, 2026, IORs or the brokers that filed the original entries have been able to file CAPE Declarations to request IEEPA duty refunds. The filing system is accessible in a new tab in the importer and broker ACE Portal accounts, along with new ACE Reports tools that users can use to monitor the status of their refunds. To file refunds, importers need only to upload the list of entry numbers for entries on which IEEPA tariffs were paid. The CAPE tab provides instructions for uploading the entry numbers and validates the entries upon submission. Once accepted, CAPE will provide a claim number. If any entry number fails to validate, the importer will be able to make corrections and refile additional CAPE Declarations. There is no filing deadline for refund requests.

[8] *V.O.S. Selections, Inc. v. Trump*, accessible here: https://www.courtlistener.com/docket/73433096/vos-selections-inc-v-trump/.

[9] Declaration of Executive Assistant Commissioner Susan S. Thomas, *V.O.S. Selections, Inc. v. United States*, accessible here: https://www.courtlistener.com/docket/69888953/98/1/vos-selections-inc-v-united-states/.

After the IEEPA tariffs are removed from an entry, CBP will recalculate the duties for that entry as if the IEEPA tariffs had never been applied. Unliquidated entry summaries are then scheduled 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.

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. Refunds are consolidated by IOR or Notify Party (as designated through CBP Form 4811 or on the ACE Portal account) and by liquidation date and are then distributed in lump sums with interest by the Department of the Treasury. Only IORs and Notify Parties may receive the refund payments.

Use of electronic payments is required for refunds

On February 6, 2026, CBP began issuing all refunds exclusively by Automated Clearing House (ACH) payment.[10] CBP will no longer issue refunds by mailing paper Treasury checks. The change applies to 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.[11] 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. According to CBP's statements to the CIT, many IEEPA tariff refunds are being withheld because importers have not yet set up their accounts to receive ACH payments.

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

[11] 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.

Trade Actions

Section 232

President Trump Temporarily Reduces Steel, Aluminum, and Copper Section 232 Tariffs for Certain Business Sectors

On June 1, 2026, President Trump issued a proclamation making several notable changes to the Section 232 tariffs on (i) steel and steel derivative products, (ii) aluminum and aluminum derivative products, and (iii) semi-finished copper products and copper-intensive derivative products.[12] Proclamation 11032:

- Lowers the threshold for products to qualify for the preferential tariff rates provided to derivative products that use US-produced metals to 85% of the total weight of covered metals (from the previous 95%).
- Temporarily reduces tariffs from 25% to 15% (or to the Column 1 general/special rate, if higher than 15%) for (i) automotive and household heating, ventilation, and air conditioning (HVAC) systems; (ii) certain commercial kitchen appliances; (iii) agricultural equipment; and (iv) parts that will be used for manufacturing agricultural equipment.
- Temporarily reduces tariffs from 25% to 15% (or to the Column 1 general/special rate, if higher than 15%) for construction vehicles originating in certain Agreement on Reciprocal Trade (ART) economies, as well as Canada and Mexico.
- Adds aluminum lithographic plates and steel racks to the scope of the 25% derivative products tariffs.
- Narrows the scope of the tariff listing for farm tractor body stampings to exclude products that are not made primarily of steel or aluminum.

The modifications are implemented through technical amendments to the Harmonized Tariff Schedule of the United States (HTSUS) set out in Annex IV of the proclamation. Annex I-A, Annex I-B, Annex II, and Annex III contain the amended versions of the product lists that the Trump administration previously issued in the April 2, 2026 proclamation that had restructured the steel, aluminum, and copper Section 232 tariffs. The list of construction vehicles covered by the new 15% rate for certain trade agreement partners is in Annex I-C.

The changes took effect for goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. EDT on June 8, 2026.

The April 2, 2026 proclamation and later corrections

On April 2, 2026, President Trump issued a proclamation restructuring the three Section 232 tariff orders on steel, aluminum, and copper products.[13] The proclamation reorganizes how the tariffs are applied and the scope of the products covered by the tariffs through the following actions:

- Applies the Section 232 tariffs to the full customs value of the products instead of only to the value of the covered metal inputs.

[12] Proclamation 11032 of June 1, 2026: “Further Adjusting the Tariff Regimes for Imports of Aluminum, Steel, and Copper Into the United States,” 91 FR 34085 (June 4, 2026), accessible here: https://www.federalregister.gov/documents/2026/06/04/2026-11314/further-adjusting-the-tariff-regimes-for-imports-of-aluminum-steel-and-copper-into-the-united-states. For additional implementing guidance, see CSMS # 68855869 - GUIDANCE: Further Adjusting the Tariff Regimes for Imports of Aluminum, Steel, and Copper into the United States, accessible here: https://content.govdelivery.com/bulletins/gd/USDHSCBP-41aa83d.

[13] 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.

- Lowers the tariff rates from 50% to 25% for certain products (including many of the covered steel and aluminum derivative products) that have moderate levels of covered metal content.
- Introduced a temporary 15% tariff rate in Annex III for certain steel and aluminum industrial equipment and electrical grid equipment, which would otherwise have been subject to the 25% tariff. The products covered by the 15% tariff will revert to being subject to the 25% on January 1, 2028.
- Added several dozen new steel and aluminum products to the scope of the tariffs.
- Removed hundreds of steel and aluminum derivative products with low levels of covered metal content from the scope of the tariffs.
- Introduced two new *de minimis* exceptions, one for certain derivative articles for which the covered steel, aluminum, or copper input is less than 15% of the product's weight; and another for all derivative articles if there is no covered steel, aluminum, or copper in the product.
- Introduced a new tariff exception for parts imported for use in manufacturing motorcycles and classifiable within HTSUS Chapters 84, 85, and 87.
- Added new requirements that, to qualify for the preferential steel and aluminum tariff rates for products of the United Kingdom (UK), 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.
- Restructured the tariff preference for products using US-produced metal inputs, assigning a 10% tariff to covered 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. Previously, under the US smelt and cast and melt and pour rules established in 2025, the tariff rate was 0% but 100% of the covered metal had to be from the United States.

The reorganized tariff system 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.

A few weeks later, on April 27, 2026, the Department of Commerce Bureau of Industry and Security (BIS) announced three revisions to the April 2, 2026 proclamation.[14] BIS (i) corrected a drafting error that prevented use of one of the new *de minimis* exceptions, (ii) removed redundant language from one section of the HTSUS amendments, and (iii) stated that BIS will partially waive the new steel melt and pour rules for the UK's preferential tariff rate for products of Tata Steel UK.

The June 1, 2026 proclamation further revises the language of the April 2, 2026 proclamation, modifying several of the new provisions and adding new ones, which are summarized in the following sections.

Lowering the content thresholds for products to qualify for the US melt and pour and smelt and cast tariff preferences

For the various preferential tariff rates provided for certain derivative steel, aluminum, and copper products that use US-origin metals, the June 1, 2026 proclamation lowers the qualifying US-produced metals threshold from 95% of the weight of the covered metals in the products to 85%. A product is deemed to be "composed entirely" (i) of aluminum

[14] "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. For additional implementing guidance, see CSMS # 68554727 - GUIDANCE: Technical Corrections to Section 232 Duties on Imports of Aluminum, Steel, and Copper, accessible here: https://content.govdelivery.com/bulletins/gd/USDHSCBP-4160fe7.

that was smelted and cast in the United States, (ii) of steel that was melted and poured in the United States, (iii) or of copper that was smelted and cast in the United States, if such US aluminum, steel, and copper account for at least 85% of the weight of all covered aluminum, steel, and copper in the product.

As established in the April 2, 2026 proclamation, derivative products that meet these conditions are subject to a 10% tariff instead of the standard 50% or 25% tariffs.

Temporary tariff reduction for listed steel and aluminum derivative products, as well as other parts for agricultural equipment

The June 1, 2026 proclamation moves several sets of products usually subject to the 25% derivative products tariffs to the temporary reduced tariff list established in Annex III of the April 2, 2026 proclamation. The newly covered products include 37 HTSUS subheadings for:

- Automotive HVAC systems.
- Residential HVAC systems, window mounted air conditioners, electric heaters, and related parts.
- Commercial stoves, ranges, ovens, and trash compactors.
- Agricultural equipment, including plows, mowers, farm tractors, farm wagons, harvesters, threshers, small utility vehicles, and various related vehicle parts.

In addition to the 37 HTSUS subheadings moved to the Annex III list, any other product (i) that is classified within HTSUS Chapters 84 (machinery), 85 (electrical machinery), and 87 (vehicles); (ii) that is within the scope of the 25% tariffs on steel derivatives, aluminum derivatives, and copper articles; and (iii) that is being imported for use exclusively in the manufacturing of agricultural equipment, also qualifies for these same reduced tariff rates. Products classified within 194 covered HTSUS subheadings may qualify for this preference.

Products on the Annex III list qualify for two reduced tariff rate options:

- Derivative products on the Annex III list are subject to a temporarily reduced tariff rate of the higher of either (i) a 15% Section 232 tariff or (ii) the normal Column 1 general/special rate.
- If these products are "composed entirely" from US steel, aluminum, or copper inputs, they are subject to a temporarily reduced tariff rate of the higher of either (i) a 10% Section 232 tariff or (ii) the normal Column 1 general/special rate.

The reduced tariff rate is in effect from June 8, 2026, to December 31, 2027, expiring on the same day as the original Annex III from the April 2, 2026 proclamation. On January 1, 2028, the products will become subject to the 25% tariff (or the 10% tariff level for products "composed entirely" of US metal), which stacks with any applicable Column 1 general/special tariff.

Temporary steel derivatives tariff reduction for construction vehicles from certain trade agreement partners

The June 1, 2026 proclamation introduces a new set of preferential steel derivative Section 232 tariff rates for "mobile industrial equipment and machinery," provided in the new Annex I-C. The list includes 28 HTSUS subheadings for forklifts, bulldozers, graders, scrapers, rollers, shovel loaders, backhoes, tractors (except agricultural tractors), mobile cranes, mobile drilling derricks, and associated parts.

The tariff preferences are similar to those provided to products on the temporary Annex III list, but do not apply to products from all countries. Three new preferences are available for the Annex I-C products:

- **Certain ART partners:** The higher of either (i) a 15% Section 232 tariff or (ii) the Column 1 general/special tariff rate will apply to the products if they originate in the following ART partners: Argentina, Ecuador, El Salvador, Guatemala, Japan, South Korea, Liechtenstein, Switzerland, Taiwan, the United Kingdom, and the European Union.

Products of Malaysia, Cambodia, Bangladesh, and Indonesia do not qualify for the preference, despite also having signed ARTs. The proclamation does not explain why certain ART partners received the preference and others did not. An accompanying “fact sheet” states that the countries receiving the preference are “trade deal countries that are entitled to such treatment,”[15] but there is no language specific to Section 232 tariffs on construction vehicles in any of the ARTs.

- **US content:** If the products are “composed entirely” from US steel or aluminum, the higher of either (i) a 10% Section 232 tariff or (ii) the Column 1 general/special tariff rate applies.[16]
- **United States – Mexico – Canada Agreement (USMCA):** For products of Canada and Mexico that qualify for preferential tariff treatment under USMCA, the 25% Section 232 tariffs will apply to (i) the non-US-origin content of the vehicles and (ii) any US origin content that exceeds 40% of the total value of the vehicle (*i.e.*, any US-origin content that comprises less than 40% of the total value of the vehicle is exempt from the Section 232 tariff). The 40% threshold to the US-content exemption is intended to cause the total effective tariff to not fall below 15% of the vehicle’s total value, making this tariff preference (at best) equivalent to the ART partner preference.

The tariff preference is in effect from June 8, 2026, to December 31, 2027, expiring at the same time as the Annex III 15% tariff rate. On January 1, 2028, the products will become subject to the 25% tariff (or the 10% tariff level for products “composed entirely” of US metals), which stacks with any applicable Column 1 general/special tariff.

Changes to the scope of the tariffs

The June 1, 2026 proclamation also makes several modifications to the product scope of the tariffs, as follows:

- Steel racks classified within three subheadings within HTSUS heading 9403 are added to the list of products subject to the 25% steel derivatives products tariff. Some of these products had been previously subject to the steel Section 232 tariff, but President Trump removed them from the scope in the April 2, 2026 proclamation.
- Aluminum lithographic plates (HTSUS 3701.30.00) are added to the 25% aluminum derivative products tariff.
- The listing for “body stampings for tractors suitable for agriculture” (HTSUS 8708.29.21) has been narrowed to only apply to “body stampings for tractors suitable for agricultural use, of aluminum” (HTSUS 8708.29.2130) and “body stampings for tractors suitable for agricultural use, of steel” (HTSUS 8708.29.2120). These products have also been moved from the standard 25% derivative products tariffs to the temporary Annex III 15% tariff (or Column 1 general/special tariff rate, if higher) list. In effect, the change excludes “body stampings for tractors suitable for agricultural use, not elsewhere specified or included” (HTSUS 8708.29.2140) from the scope of the tariffs.

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[15] “President Donald J. Trump Updates Tariffs on Steel, Aluminum, and Copper Imports,” White House, June 1, 2026, accessible here: https://www.whitehouse.gov/fact-sheets/2026/06/fact-sheet-president-donald-j-trump-updates-tariffs-on-steel-aluminum-and-copper-imports/.

[16] Every product on the Annex I-C list has a Column 1 general duty rate of 0%. Because of this, despite the proclamation providing an option between the Section 232 tariff or Column 1 tariff rates, the Section 232 tariff will always prevail. One result of this apparent oversight is that the 10% preferential rate for products made from US metal (which replaces the Column 1 rate) is equivalent to the previous 10% tariff rate (which is additive with the 0% Column 1 rate).

Trade Agreements

G7 Leaders Establish New Critical Minerals Alliance

G7 leaders convened in Évian-les-Bains, France, for the 52nd annual G7 Summit from June 15-17, 2026. Among the wide-ranging topics of discussion at the Summit, critical minerals supply chain diversification featured as a pressing issue, resulting in a "G7 leaders' declaration on securing supply chains for critical minerals," (the "Declaration")[17] backed by all G7 nations and Australia. The Declaration announced the creation of a new cooperation framework, the Critical Minerals Resilience and Production Alliance, comprising the G7 and like-minded non-G7 partners.

Increasing focus on critical mineral supply chains

The ever-increasing prominence of critical minerals in the global economy has highlighted extreme vulnerabilities in supply chains, primarily due to China's dominance over mining and refining of these minerals. China currently accounts for around 60% of global mining and 85-90% of refining capacity. According to the US Geological Survey, 71% of the United States' imports of rare earth elements specifically came from China.[18] Furthermore, the Organisation for Economic Co-operation and Development (OECD) found that export controls on critical minerals increased 500% since 2009, further straining supply chain resilience.[19] In response to these vulnerabilities, the United States and other nations have begun forming alliances, coalitions, and other agreements in an attempt to mitigate China's control over supply chains.

The G7 Declaration builds on the agreements from last year's G7 Summit, which first established the Critical Minerals Production Alliance.[20] Aside from the G7, there have been a number of other multilateral initiatives, such as the Minerals Security Partnership (MSP), the Quad Critical Minerals Initiative, and the Trump administration's new Pax Silica initiative.

G7 leaders' statement on securing supply chains for critical minerals

The Declaration sets measurable targets for strengthening supply chain resilience, with the goal of reducing reliance on China. It provides that the G7 and its partners will "promote the development of coordinated projects through demand aggregation and the mobilization of public and private collective financial capacities" to reduce dependence on "a single supplier outside of the G7 and partner countries" (understood to be China) for rare earths and permanent magnets to under 60% by 2030, with a further objective of reaching 50% as soon as possible, although the specific metric for these percentages is not clearly defined in the text.

The Declaration also notes that the G7 intends to develop similar targets for other critical minerals. The G7 leaders highlighted progress towards these goals, touting 195 projects announced since the beginning of 2026 with a combined investment value of €64 billion, including through equity participation and offtake agreements.

The Declaration lays out a series of broad policy actions to support critical minerals diversification:

- **Financing:** The G7 members discussed the need for stable investment frameworks and encouraging accelerating the mobilization of multilateral development banks to implement strategies that "lift global mining standards." The G7 Development Finance Institutions (DFIs) including among others, the US International

[17] "G7 leaders' declaration on securing supply chains for critical minerals," G7 France, June 17, 2026, accessible here: https://www.elysee.fr/en/G7evian/2026/06/17/g7-leaders-declaration-on-securing-supply-chains-for-critical-minerals. The various other G7 Leaders' Joint Statements are accessible here: https://www.consilium.europa.eu/en/press/press-releases/2026/06/17/g7-leaders-joint-statements-evian-france-16-17-june-2026/.

[18] "Rare Earths," US Geological Survey, February 2026, accessible here: https://pubs.usgs.gov/periodicals/mcs2026/mcs2026-rare-earths.pdf.

[19] "OECD Inventory of Export Restrictions on Critical Raw Materials 2026," OECD, April 28, 2026, accessible here: https://www.oecd.org/en/publications/oecd-inventory-of-export-restrictions-on-critical-raw-materials-2026_d5ca8f62-en.html.

[20] "G7 Critical Minerals Action Plan," G7G20, June 17, 2025, accessible here: https://g7g20-documents.org/database/document/2025-g7-canada-leaders-leaders-language-g7-critical-minerals-action-plan.

Development Finance Corporation (DFC), the European Investment Bank (EIB), and the Japan Bank for International Cooperation (JBIC), were tasked to further enhance and support the G7 members' financial goals.

- **Market structuration:** The leaders acknowledged the necessity of closer cooperation to create an "appropriate market environment" facilitated through various policies and mechanisms, potentially including price floors and quotas. Price floors have been a cornerstone of the United States' proposal to boost critical minerals production under its proposed plurilateral agreement on trade in critical minerals and downstream products.[21] However, the G7 nations have been unable to agree on who should bear the cost. Public funding faces constraints given competing fiscal priorities, while passing higher costs on to consumers risks raising end-use prices, reducing demand, and slowing industry growth.
- **Transparency and traceability:** The G7 members highlighted the need for strong transparency and traceability across supply chains. Working with the OECD and the International Energy Agency (IEA), they have committed to establishing interoperable mechanisms that ensure these goals are met. The pilot test of these mechanisms will start with lithium and nickel, with the goal of extending coverage to five more critical minerals each year, with particular attention given to rare earths.
- **Stockpiling:** The members committed to developing and increasing domestic stockpiling capacities and exchanging information on stockpiling systems, best practices, and methodologies. The IEA Critical Minerals Security Program and relevant institutions, such as the Japan Organization for Metals and Energy Security (JOGMEC), will provide support and insight to member nations' stockpiling efforts. The G7 leaders also agreed to establish a joint cooperation mechanism, which would allow members to share data and alerts on future market stress or disruption in supply or demand.
- **Recycling:** The G7 members discussed their goal to increase recycling rates for critical minerals, specifically stating that their "aim is to increase [their] collective recycling capacity capable of producing a significant share of the annual consumption … by the end of 2030." To this end, the members intend to increase the use of recycled materials through economic and regulatory incentives and the establishment of "efficient and competitive" secondary raw materials markets.

Within the Alliance terms sheet annexed to the Declaration, the G7 members also commit to accelerating permitting processes for projects, as allowed within their respective legal frameworks.

Critical Minerals Resilience and Production Alliance

The Declaration establishes a non-binding "Critical Minerals Resilience and Production Alliance," described in a terms sheet annexed to the Declaration.[22] This initiative builds on the existing Critical Minerals Production Alliance, with the goal of providing a "comprehensive platform for cooperation within the G7 and partner countries to strengthen … critical minerals value chains and streamline existing initiatives[.]" The terms sheet provides for dialogues with private sector stakeholders "to identify constraints, gather feedback and ensure the alignment of public action with market realities."

The terms sheet sets out formal operating provisions for the Alliance, largely reiterating the objectives in the Declaration. It also mentions a yearly review mechanism, under which members will assess the progress of diversification targets, identified projects, and coordinated industrial plans. The Alliance, which will be led by the G7

[21] Request for Comments on the Design of a Plurilateral Agreement on Trade in Critical Minerals and Policy Actions To Strengthen the Resilience of Critical Mineral Supply Chains, 91 FR 9686 (February 26, 2026), accessible here: https://www.federalregister.gov/documents/2026/02/26/2026-03868/request-for-comments-on-the-design-of-a-plurilateral-agreement-on-trade-in-critical-minerals-and.

[22] "Critical Minerals Resilience and Production Alliance," G7 France, accessible here: https://www.elysee.fr/admin/upload/default/0001/20/e7d9f36177b0fbc18fbbc1fa94b94dd9d34c7e2c.pdf.

presidency and managed by a new High-Level Group, may admit non-G7 members subject to approval by the G7+ members.

The wider G7 agenda

In addition to the joint statement outlining specific actions to address critical mineral supply chains, the G7 issued a broader statement endorsing efforts to address "balanced and durable global growth through a reduction of global imbalances," primarily focused on current account imbalances. For its host year agenda, France is prioritizing discussions of global governance, global economic imbalances and development, migrant smuggling and organized crime, and online safety for minors.[23] The French presidency has labeled this year's G7 Summit as "a G7 of Convergence," with multiple partner countries, such as India, Kenya, South Korea, Brazil, and Egypt, invited to attend. The broad participation, especially from large developing countries, reflects the French presidency's efforts to address shared economic and geopolitical challenges.

United States Declines to Extend USMCA in 2026 Joint Review, Triggering Annual Reviews

On July 1, 2026, United States Trade Representative Jamieson Greer, Canadian Minister of Intergovernmental Affairs and US Trade Dominic LeBlanc, and Mexican Economy Secretary Marcelo Ebrard and their representatives met for the mandatory six-year joint review of the United States-Mexico-Canada Agreement (USMCA). While Mexico and Canada each expressed their support for extending the agreement,[24] the United States declined to confirm its intention to extend the agreement for an additional 16-year period, stating that it "did not agree to renew the USMCA in its current form."[25] This decision activates the Article 34.7.4 annual joint review process of the USMCA, under which the parties must meet each year until they agree to an extension or the agreement expires on July 1, 2036.

Despite USTR's statement that "the USMCA is not renewed," the agreement remains fully in force. Under Article 34.7.1, the USMCA continues through July 1, 2036, and all existing rights and obligations, including preferential tariffs, rules of origin, investment protections, and dispute settlement, remain operative. The July 1 virtual meeting concerned only a possible decision to extend the agreement beyond that 2036 expiry date.

As the United States did not confirm an extension, Article 34.7.4 is now activated. The USMCA Free Trade Commission must conduct a joint review every year for the remainder of the 16-year term, meaning annually through or before July 1, 2036. Article 34.7.4 also allows the parties to extend the agreement for an additional 16-year period at any time before expiry by written confirmation from their respective heads of government, without formal renegotiation. This "at any time" extension mechanism is now a central provision to monitor in future annual reviews.

Negotiating status

Negotiations have so far proceeded on a bilateral track rather than a unified trilateral process. The United States and Mexico have completed two bilateral rounds and scheduled a third in Mexico City for the week of July 20, 2026, focused on resolving outstanding issues.

- Round 1 (Mexico City, May 28-30, 2026): Discussions covered automotive rules of origin, steel and aluminum, and economic security issues. Both delegations agreed on a schedule for subsequent rounds.[26]

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[23] "The G7 Priorities," G7 France, January 23, 2026, accessible here: https://www.elysee.fr/en/G7evian/2026/01/23/the-g7-priorities.

[24] Statement by Canadian Trade Minister Dominic LeBlanc following trilateral CUSMA joint review meeting, July 1, 2026, accessible here: https://www.canada.ca/en/global-affairs/news/2026/07/statement-by-minister-leblanc-following-trilateral-cusma-joint-review-meeting.html; Statement by Mexico's Economy Minister Marcelo Ebrard, July 1, 2026, accessible here (in Spanish): https://x.com/m_ebrard/status/2072362823930224836?s=20.

[25] USTR, "Ambassador Greer Issues Statement on the USMCA Joint Review," July 1, 2026, accessible here: https://ustr.gov/about/policy-offices/press-office/press-releases/2026/july/ambassador-greer-issues-statement-usmca-joint-review.

[26] USTR, "The United States and Mexico Conclude First Bilateral Round Related to the Joint Review of the USMCA," May 30, 2026, accessible here: https://www.ustr.gov/about/policy-offices/press-office/press-releases/2026/may/united-states-and-mexico-conclude-first-bilateral-round-related-joint-review-usmca; Mexico Ministry of Economy, "Mexico and the United States conclude the first formal round of the USMCA review with

- Round 2 (Washington, D.C., June 16-17, 2026): Negotiators advanced discussions on rules of origin for certain industrial goods and economic security, and commenced conceptual discussions on agriculture, labor, and the environment, as well as trade in steel, aluminum, and automobiles.[27]

- Round 3 (Mexico City, week of July 20, 2026): USTR has stated this round will focus on resolving outstanding issues.

Canada participated in the July 1 trilateral joint review meeting but has not yet engaged in substantive text-based negotiations with the United States. Canada-US Trade Minister Dominic LeBlanc stated that the parties "agreed on the importance of continuing our discussions," and confirmed Canada's priority of addressing sectoral tariffs on steel, aluminum, autos, and lumber in substantive discussions with the United States.[28] Canada had already signaled it support for a 16-year renewal in a June 1 letter from Minister LeBlanc to USTR Greer and Mexican Economy Secretary Ebrard.[29]

CPTPP

Argentina Applies to Join Comprehensive and Progressive Agreement for Trans-Pacific Partnership

On June 3, 2026, Argentina formally submitted its application to accede to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) to the treaty depositary, the Government of New Zealand.[30] The application was announced by Argentina's Minister of Foreign Affairs, Pablo Quirno, on social media following his meeting in Paris with New Zealand's Minister for Trade and Investment, Todd McClay, held on the margins of the OECD Ministerial Council Meeting.

Minister Quirno stated that Argentina aims to "join one of the world's most comprehensive, modern and dynamic trade agreements. The CPTPP brings together twelve economies across several continents and features some of the most advanced and competitive standards for market access, trade rules, services and investment." He further noted: "We also discussed trade, investment and the role that open economies can play in an international environment that demands greater integration, predictability and cooperation."[31]

Argentina's move follows that of Uruguay, which applied to join the CPTPP in November 2022. Uruguay's accession process was formally launched by a decision of the 9th CPTPP Commission on November 21, 2025.

The CPTPP currently has 12 parties: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United Kingdom and Vietnam. The agreement was signed on March 8, 2018 in Santiago, Chile by 11 countries and entered into force on December 30, 2018 for the first signatories to complete their domestic ratification procedures. All original signatories have since ratified the agreement. The United Kingdom became the first non-original signatory to accede to the CPTPP, with its membership taking effect in December 2024. Costa Rica will be

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a positive outcome," My 29, 2026, accessible here (in Spanish): https://www.gob.mx/se/prensa/mexico-y-estados-unidos-concluyen-con-saldo-positivo-la-primera-ronda-formal-de-la-revision-del-t-mec?idiom=es.

[27] USTR and Mexico Ministry of Economy, "Joint Statement from Ambassador Jamieson Greer and Mexican Secretary of Economy Marcelo Ebrard," June 17, 2026, accessible here: https://ustr.gov/about/policy-offices/press-office/press-releases/2026/june/joint-statement-ambassador-jamieson-greer-and-mexican-secretary-economy-marcelo-ebrard-0.

[28] Government of Canada, "Statement by Minister LeBlanc following trilateral CUSMA joint review meeting," July 1, 2026, accessible here: https://www.canada.ca/en/global-affairs/news/2026/07/statement-by-minister-leblanc-following-trilateral-cusma-joint-review-meeting.html.

[29] See "Canada's Recommendations for the Joint Review of the Canada–United States–Mexico Agreement (CUSMA)," June 1, 2026, accessible here: https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cusma-aceum/news-nouvelles.aspx?lang=eng.

[30] The Argentine government press release is accessible here (in Spanish): https://www.cancilleria.gob.ar/es/actualidad/noticias/argentina-presento-su-solicitud-de-adhesion-al-cptpp.

[31] Minister Pablo Quirno's announcement is accessible here (in Spanish): https://x.com/pabloquirno/status/2062146517788512282.

the second, following the announcement by CPTPP ministers on May 6, 2026 of the successful conclusion of negotiations on its accession.

CPTPP application procedures

Under the CPTPP accession guidelines,[32] the treaty depositary is expected to promptly acknowledge receipt of Argentina's Accession Request and circulate it to all CPTPP Parties.

If the CPTPP Commission agrees to initiate accession proceedings with Argentina, it will establish an Accession Working Group. Accession negotiations will then center on Argentina's market access offers and non-conforming measures (NCMs) in relation to goods, services, financial services, investment, temporary entry for business persons, government procurement, and state-owned enterprises.

Where Argentina's offers are assessed as consistent with the relevant benchmarks, existing parties will confirm, or where necessary submit, their corresponding market access commitments vis-à-vis Argentina. Through the Accession Working Group and, as appropriate, bilateral engagement with individual parties, Argentina will negotiate its offers and demonstrate how it will satisfy the agreed benchmarks.

The Accession Working Group will recommend terms and conditions for Argentina's accession, and the CPTPP Commission will ultimately decide, by consensus, whether to approve those terms.

Implications for Argentina's trade integration and Mercosur

Argentina's application to join the CPTPP forms part of the government's broader strategy to deepen the country's integration into the global economy through the negotiation and implementation of free trade agreements (FTAs) outside the region, complemented by unilateral trade liberalization measures.

This strategy has gained momentum in recent months. On May 1,2026, the Interim Trade Agreement between Mercosur and the European Union provisionally entered into force. The Argentine administration has also submitted to the National Congress for approval the FTAs concluded between Mercosur and the European Free Trade Association (EFTA) and between Mercosur and Singapore. Looking ahead, negotiations for a Mercosur-Canada FTA are expected to conclude before the end of 2026. In addition, Mercosur is likely to resume negotiations with Korea and to launch FTA negotiations with Japan.

Argentina currently has FTAs with only three CPTPP parties: Chile, Peru, and Singapore. Once negotiations are concluded and the agreement enters into force, Canada will become the fourth. Accession to the CPTPP would therefore significantly expand Argentina's network of preferential trade agreements by extending market access to nine additional parties, including Costa Rica, which is expected to become the agreement's next party.

Beyond the immediate commercial benefits, CPTPP membership could provide Argentina with a practical alternative to the often lengthy, complex, and politically sensitive process of negotiating bilateral trade agreements. Recent efforts to conclude an FTA with Mexico have not yielded results, and prospects for launching negotiations with the United Kingdom are complicated by the longstanding sovereignty dispute over the Falkland Islands (Islas Malvinas). Likewise, while Mercosur and Vietnam initially explored the possibility of an FTA, in December 2025 they agreed instead to pursue a more limited partial-scope trade agreement. In each of these cases, Argentina's export-oriented sectors have a strong interest in securing improved market access to these three important trading partners.

At the same time, Argentina's application, like Uruguay's earlier bid, is likely to reignite debates within Mercosur over the bloc's rules on negotiating and concluding trade agreements with third countries. Under the existing Mercosur

[32] The complete CPTPP accession guidelines are accessible here: https://www.mfat.govt.nz/assets/Trade-agreements/CPTPP/Accession-Process.pdf.

framework, member states are generally expected to negotiate external trade agreements jointly, a principle that Brazil has consistently defended.

To date, however, the Brazilian government has not issued a formal diplomatic response to Argentina's CPTPP application. Brazilian officials have previously argued that unilateral trade initiatives falling outside Mercosur's common negotiating framework are inconsistent with the bloc's legal architecture. Brazil, together with Argentina and Paraguay, strongly opposed Uruguay's decision to seek CPTPP membership independently in 2022 and even raised the possibility of legal action within Mercosur's institutional framework.

Recent developments may nonetheless point to a more pragmatic approach. Earlier this year, Brazil reportedly questioned whether a bilateral trade arrangement between Argentina and the United States was compatible with Mercosur's rules on the Common External Tariff (CET) and the bloc's tariff-exception regime, but the matter did not escalate into a formal dispute. Likewise, despite earlier objections, Brazil did not mount a significant reaction following the CPTPP Commission's decision in November 2025 to launch Uruguay's accession process.

Whether this relative silence indicates a gradual softening of Brazil's position or merely a decision to postpone the debate until the accession processes are more advanced remains uncertain. Given the potentially lengthy nature of CPTPP accession negotiations, the legal and political implications for Mercosur are unlikely to crystallize for several years.

CPTPP Enters into Force Between United Kingdom and Mexico

On June 22, 2026, the accession of the United Kingdom (UK) to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) entered into force in its bilateral relationship with Mexico, following Mexico's completion of its domestic ratification procedures. The entry into force was announced in a joint press release issued by Mexico's Secretariats of Foreign Affairs and Economy,[33] and in the UK by Minister for Trade Chris Bryant in a statement to Parliament.[34] From that date, CPTPP disciplines are fully applicable to trade between the two countries.

Mexico had earlier approved the Protocol on the UK's accession to the CPTPP by decree published in the *Diario Oficial de la Federación* on January 20, 2026. The Protocol entered into force for Mexico and the UK 60 days after Mexico notified the Treaty's depositary, the Government of New Zealand, that its internal ratification procedures had been completed.

Mexico is the tenth CPTPP member with which the UK has implemented the agreement, further extending the UK's network of preferential trade relationships across the Asia-Pacific and the Americas. In parallel, the Canadian government completed its ratification of the UK's CPTPP accession on May 6, 2026, when Parliament adopted and granted royal assent to the Act implementing the Protocol on the Accession of the United Kingdom of Great Britain and Northern Ireland to the CPTPP.[35] The Act is expected to enter into force shortly by order of the Governor in Council, which will complete the UK's operational integration with all original CPTPP members.

Evolving Mexico-UK trade framework

Trade between Mexico and the United Kingdom has been governed by the UK Mexico Trade Continuity Agreement (TCA) since June 1, 2021. The TCA preserves preferential market access following the UK's withdrawal from the European Union and largely mirrors the trade provisions of the 1997 EU Mexico Economic Partnership, Political Coordination and Cooperation Agreement. It was conceived as an interim framework pending conclusion of a modern

[33] The Mexican government's joint press release is accessible here: https://www.gob.mx/sre/prensa/after-mexico-s-ratification-the-united-kingdom-accedes-to-the-comprehensive-and-progressive-agreement-for-trans-pacific-partnership-cptpp.

[34] The UK Minister for Trade's statement is accessible here: https://questions-statements.parliament.uk/written-statements/detail/2026-06-22/hcws127.

[35] Government of Canada, "An Act to implement the Protocol on the Accession of the United Kingdom of Great Britain and Northern Ireland to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership," S.C. 2026, c. 7 (May 6, 2026), accessible here: https://lois.justice.gc.ca/eng/AnnualStatutes/2026_7/FullText.html.

bilateral free trade agreement. Although Mexico and the UK formally launched negotiations for such an agreement on May 22, 2022, there has been no publicly reported substantive progress. While the UK's accession to the CPTPP does not formally replace the TCA, CPTPP commitments are expected in practice to become the primary legal framework governing trade between Mexico and the UK.

The CPTPP establishes a broader and more modern set of trade disciplines than the UK-Mexico TCA, including in services, investment, digital trade, and regulatory cooperation, which is expected to further diminish the practical relevance of the TCA absent a new bilateral agreement.

More than 90% of bilateral trade is expected to qualify for tariff free treatment under the CPTPP. For Mexico, the UK's accession delivers two key tariff related advantages. First, it strengthens and expands preferential access to the UK market through CPTPP commitments that provide duty free or staged tariff reductions for a wide range of products, complementing the preferences available under the post Brexit TCA. Second, it unlocks CPTPP flexibilities such as cumulation of origin, allowing Mexican exporters to incorporate inputs from any CPTPP member, including the UK, while maintaining preferential origin status. This facilitates more integrated regional supply chains and provides more flexible rules of origin than those under the bilateral TCA.

This development represents another milestone in the UK's post Brexit trade strategy to diversify export destinations and deepen economic integration with fast growing economies through comprehensive free trade agreements. For Mexico, it advances the objective of broadening trade relationships beyond North America while reinforcing its position as a global manufacturing and export hub.

CPTPP Ministers Hold 10th Commission Meeting; Launch Preparatory Discussions with Indonesia, the Philippines, and the United Arab Emirates

On June 26, 2026, the Trade Ministers of the twelve parties to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) convened virtually for the 10th CPTPP Commission meeting to assess progress on a range of accession and cooperation matters. They reaffirmed their commitment to a free, fair, open, transparent, inclusive and rules-based trading system centered on the WTO, and to preserving the CPTPP as a high-standard free trade agreement.

CPTPP Ministers endorsed continued work under the General Review to keep the agreement relevant, including exploring ways to enhance disciplines on digital trade, investment, sustainable trade, supply chains, state-owned enterprises, innovation, and inclusive trade while maintaining existing standards. They also reportedly agreed to create a permanent administrative support mechanism to strengthen CPTPP governance and long-term operation.

Preparatory discussions with Indonesia, the Philippines, and the United Arab Emirates

The CPTPP parties have introduced a preliminary consultation phase before launching formal accession negotiations, under which candidate economies will be assessed against the agreement's high-standard disciplines.

In the CPTPP Joint Ministerial Statement issued in Melbourne in November 2025, the parties identified that Indonesia, the Philippines, and the United Arab Emirates are in line with the Auckland Principles.[36] Building on that determination, they decided at the June 2026 meeting to begin preparatory discussions with the three selected economies, instructing senior officials to take the appropriate steps to carry out those discussions and report back. This marks a meaningful step forward for all three economies in their respective paths toward potential CPTPP membership.

The 2026 Joint Ministerial Statement, however, clarifies that these preparatory discussions "do not constitute, guarantee, or preclude the launch of an Accession Working Group," and that "all decisions of the CPTPP, including

[36] The Auckland Principles refer to three requirements for CPTPP accession including (i) preparedness to meet the agreement's high standards; (ii) a demonstrated pattern of complying with trade commitments; and (iii) recognition that decisions are dependent on the consensus of the CPTPP Membership.

those relating to accession matters, continue to be taken by consensus among the Parties."[37] CPTPP Ministers also reaffirmed their broader commitment to the agreement's continued expansion in accordance with the Auckland Principles and indicated their intention to meet again in 2026 to consider further decisions on accessions as appropriate.

Ongoing accession process with Costa Rica and Uruguay

With respect to ongoing accession processes, CPTPP Ministers recalled the substantial conclusion of negotiations on Costa Rica's accession in May 2026 and welcomed the progress in preparing Costa Rica's legal instrument of accession. They also reaffirmed their intention to formally conclude the accession process as soon as practicable, subject to completion of the necessary legal and domestic procedures by all parties and Costa Rica.

With respect to Uruguay, the parties welcomed the progress achieved by the accession working group, noting that negotiations have continued to advance since the working group was established following Uruguay's successful assessment under the Auckland Principles. They directed the working group to intensify its efforts with a view to achieving substantive progress before the next CPTPP Commission meeting, scheduled for later in 2026 in Vietnam.

The accession processes of Costa Rica and Uruguay occur amid a broader expansion agenda for the CPTPP. Current and prospective aspirants include China, Taiwan, Ukraine, Thailand, Cambodia, and Argentina.

Expansion of CPTPP benefits

CPTPP Ministers reportedly placed particular emphasis on improving practical implementation and business use of the agreement, especially by small and medium-sized enterprises. They agreed to strengthen cooperation among CPTPP committees, enhance transparency, deepen regulatory cooperation, and promote greater awareness of CPTPP benefits in the private sector. The parties further reinforced cooperation with external partners through mechanisms such as the CPTPP-ASEAN Trade and Investment Dialogue and the CPTPP-European Union Dialogue. Launched in November 2025, these engagements aim to support exchanges on trade policy, regulatory cooperation, digital trade, sustainable development, and emerging economic challenges, while underpinning broader support for the multilateral trading system.

Establishment of ad-hoc working group on unfair trade practices

CPTPP Ministers agreed to establish an ad-hoc working group to strengthen cooperation on rules of origin, customs administration, and trade facilitation, with a view to mitigating risks arising from unfair trade practices, including circumvention and illegal transshipment. The working group will provide a forum for experts to deepen cooperation in these areas and to consider how existing CPTPP mechanisms can be used more effectively. Japan is expected to host a related technical workshop in July 2026.

Energy security and supply chains

CPTPP Ministers issued a separate Joint Ministerial Statement on Energy Security and Supply Chains for Essential Energy Products and Other Impacted Products.[38] The statement underlines members' commitment to maintaining open, predictable trade in essential energy products, including crude oil, petroleum products and liquefied natural gas, and to avoiding unnecessary export restrictions that could further disrupt global markets.

They also committed to deeper cooperation on supply chain resilience, including enhanced information sharing, early warning mechanisms, closer regulatory coordination and engagement with the private sector. This initiative

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[37] The CPTPP Joint Ministerial Statement on Expansion, Implementation, and Cooperation dated June 26, 2026 is accessible here: https://isomer-user-content.by.gov.sg/166/47e891d3-cf5d-458d-846d-dc76462672f3/Joint%20Ministerial%20Statement%20on%20Expansion%20Implementation%20and%20Cooperation.pdf.

[38] The Joint Ministerial Statement on Energy Security and Supply Chains for Essential Energy Products and Other Impacted Products dated June 26, 2026 is accessible here: https://isomer-user-content.by.gov.sg/166/628339f2-6d8e-495a-9a5c-7c32ba1030e9/Joint%20Ministerial%20Statement%20on%20Energy%20Security%20and%20Supply%20Chains%20for%20Essential%20Energy%20Products%20a.pdf.

underscores the growing integration of economic security considerations into trade policy and supports the broader objective of building resilient, trusted, and diversified supply chains.

Outlook

The outcomes of the 10th CPTPP Commission meeting demonstrate that the agreement is steadily evolving from a conventional free trade agreement into a broader framework for economic governance. In parallel with efforts to expand membership and update trade disciplines, CPTPP members are increasingly engaging with strategic policy issues, including economic security, supply chain resilience, transshipment risks and regulatory cooperation.

CPTPP's expanding appeal and influence are most evident in its ongoing enlargement. The United Kingdom's accession in December 2024, together with accession applications and expressions of interest from other major economies, illustrates the agreement's strong appeal. This process is transforming the CPTPP from a predominantly regional arrangement into an emerging global trading bloc, reinforcing its economic weight and its role as a high-standard benchmark likely to shape the design of future regional and bilateral trade agreements in an environment of heightened geopolitical uncertainty and rising unilateral protectionist measures.

Petitions & Investigations

Investigations

United States Initiates Five-Year (Sunset) Review of ADD Orders on Methionine from France, Japan, and Spain

On June 1, 2026, the Department of Commerce (Commerce) and the International Trade Commission (ITC) announced the initiation of the five-year (sunset) reviews of the antidumping duty (ADD) orders on methionine from France, Japan, and Spain.[39] The ITC review will seek to determine whether revocation of the ADD orders would likely lead to continuation or recurrence of material injury, while Commerce's review will examine whether revocation of the ADD orders would likely lead to the continuation or recurrence of dumping. This is the first review of the ADD orders, which Commerce originally issued in 2021.[40]

Covered product

The product covered by the orders is methionine and dl-Hydroxy analogue of dl-methionine, also known as 2-Hydroxy 4-(Methylthio) Butanoic acid (HMTBa), regardless of purity, particle size, grade, or physical form. Methionine has the chemical formula $C_5 H_{11} NO_2 S$, liquid HMTBa has the chemical formula $C_5 H_{10} O_3 S$, and dry HMTBa has the chemical formula $(C_5 H_9 O_3 S)_2 Ca$.

Subject merchandise also includes methionine processed in a third country including, but not limited to, refining, converting from liquid to dry or dry to liquid form, or any other processing that would not otherwise remove the merchandise from the scope of these orders if performed in the country of manufacture of the in-scope methionine or dl-Hydroxy analogue of dl-methionine.

The scope also includes methionine that is commingled (*i.e.,* mixed or combined) with methionine from sources not subject to these orders. Only the subject component of such commingled products is covered by the scope of these orders.

Excluded from these orders is United States Pharmacopoeia (USP) grade methionine. In order to qualify for this exclusion, USP grade methionine must meet or exceed all of the chemical, purity, performance, and labeling requirements of the United States Pharmacopeia and the National Formulary for USP grade methionine.

Methionine is currently classified under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 2930.40.00.00 and 2930.90.46.00. Methionine has the Chemical Abstracts Service (CAS) registry numbers 583-91-5, 4857-44-7, 59-51-8 and 922-50-9. While the HTSUS subheadings and CAS registry number are provided for convenience and customs purposes and the written description of the scope is dispositive.

Commerce Issues Continuation Notice in Five-Year Sunset Review of ADD Orders on Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Mexico, South Korea, and Thailand and CVD on India

On June 4, 2026, Commerce issued the final results of the expedited sunset reviews of the ADD orders on prestressed concrete steel wire strand (PC strand) from Brazil, India, Japan, Mexico, South Korea, and Thailand, and the CVD order on PC strand from India, which found that revocation of the orders would likely lead to the continuation

[39] "Methionine from France, Japan, and Spain; Institution of Five-Year Reviews," 91 FR 32435 (June 1, 2026), accessible here: https://www.federalregister.gov/documents/2026/06/01/2026-10913/methionine-from-france-japan-and-spain-institution-of-five-year-reviews; "Initiation of Five-Year (Sunset) Reviews," 91 FR 32376 (June 1, 2026), accessible here: https://www.federalregister.gov/documents/2026/06/01/2026-10941/initiation-of-five-year-sunset-reviews.

[40] "Methionine From Japan and Spain: Antidumping Duty Orders," 86 FR 51119 (September 14, 2021), accessible here: https://www.federalregister.gov/documents/2021/09/14/2021-19709/methionine-from-japan-and-spain-antidumping-duty-orders; and "Methionine From France: Antidumping Duty Order," 86 FR 36705 (July 13, 2026), accessible here: https://www.federalregister.gov/documents/2021/07/13/2021-14893/methionine-from-france-antidumping-duty-order.

or recurrence of dumping, countervailable subsidies, and material injury to the US industry.[41] As a result, Commerce has ordered the continuation of the orders and CBP will continue collection of the ADD and CVD cash deposits at the rates in effect at the time of entry.

Commerce's action follows the ITC's determination on June 2, 2026 that revocation of the ADD orders on PC strand from Brazil, India, Japan, Mexico, South Korea, and Thailand, and revocation of the CVD order on PC strand from India would be likely to lead to continuation or recurrence of material injury to the US industry within a reasonably foreseeable time.[42]

Commerce issued the final results of the expedited reviews in April 2026, finding that revocation of the orders would be likely to lead to continuation or recurrence of dumping at weighted-average dumping margins up to 118.75% for Brazil, 102.07% for India, 77.20% for Mexico, 54.19% for Korea, and 12.91% for Thailand;[43] weighted-average dumping margins up to 13.30% for Japan;[44] and a net countervailable subsidy rate of 62.92% for India.[45]

Covered product

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

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 of Five-Year (Sunset) Review of ADD Orders on Polyvinyl Alcohol from China and Japan

On June 30, 2026, Commerce issued the final results of the fourth five-year (sunset) review of the ADD orders on polyvinyl alcohol from China and Japan, finding that revocation of the orders would be likely to lead to continuation or recurrence of dumping.[46] The weighted-average dumping margins are up to 144.16% for Japan and 97.86% for China. Commerce conducted the review on an expedited basis, after not receiving substantive responses from any respondent interested parties.

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[41] "Prestressed Concrete Steel Wire Strand From Brazil, India, Japan, Mexico, the Republic of Korea, and Thailand: Continuation of Antidumping Duty and Countervailing Duty Orders," 91 FR 33689 (June 4, 2026), accessible here: https://www.federalregister.gov/documents/2026/06/04/2026-11266/prestressed-concrete-steel-wire-strand-from-brazil-india-japan-mexico-the-republic-of-korea-and.

[42] "Prestressed Concrete Steel Wire Strand From Brazil, India, Japan, Mexico, South Korea, and Thailand," 91 FR 32999 (June 2, 2026), accessible here: https://www.federalregister.gov/documents/2026/06/02/2026-11007/prestressed-concrete-steel-wire-strand-from-brazil-india-japan-mexico-south-korea-and-thailand.

[43] "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.

[44] "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.

[45] "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.

[46] "Polyvinyl Alcohol From the People's Republic of China and Japan: Final Results of the Expedited Fourth Sunset Reviews of the Antidumping Duty Orders," 91 FR 39592 (June 30, 2026), accessible here: https://www.federalregister.gov/documents/2026/06/30/2026-13104/polyvinyl-alcohol-from-the-peoples-republic-of-china-and-japan-final-results-of-the-expedited-fourth.

Following the Commerce determination, the ITC issued a scheduling notice for expedited reviews, which will determine whether revocation of the ADD orders would be likely to lead to continuation or recurrence of material injury to the US industry.[47] The ITC is scheduled to vote on the investigation on August 27, 2026.

Covered product

The product covered by the orders consists of all polyvinyl alcohol hydrolyzed in excess of 80%, whether or not mixed or diluted with commercial levels of defoamer or boric acid. The following products are specifically excluded from the scope of these orders:

- PVA in fiber form.
- PVA with hydrolysis less than 83 mole percent and certified not for use in the production of textiles.
- PVA with hydrolysis greater than 85% and viscosity greater than or equal to 90 cps.
- PVA with a hydrolysis greater than 85%, viscosity greater than or equal to 80 cps but less than 90 cps, certified for use in an ink jet application.
- PVA for use in the manufacture of an excipient or as an excipient in the manufacture of film coating systems which are components of a drug or dietary supplement, and accompanied by an end-use certification.
- PVA covalently bonded with cationic monomer uniformly present on all polymer chains in a concentration equal to or greater than one mole percent.
- PVA covalently bonded with carboxylic acid uniformly present on all polymer chains in a concentration equal to or greater than two mole percent, certified for use in a paper application.
- PVA covalently bonded with thiol uniformly present on all polymer chains, certified for use in emulsion polymerization of non-vinyl acetic material.
- PVA covalently bonded with paraffin uniformly present on all polymer chains in a concentration equal to or greater than one mole percent.
- PVA covalently bonded with silan uniformly present on all polymer chains certified for use in paper coating applications.
- PVA covalently bonded with sulfonic acid uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent.
- PVA covalently bonded with acetoacetylate uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent.
- PVA covalently bonded with polyethylene oxide uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent.
- PVA covalently bonded with quaternary amine uniformly present on all polymer chains in a concentration level equal to or greater than one mole percent.
- PVA covalently bonded with diacetoneacrylamide uniformly present on all polymer chains in a concentration level greater than three mole percent, certified for use in a paper application.

[47] "Polyvinyl Alcohol From China and Japan; Scheduling of Expedited Five-Year Reviews," 91 FR 40590 (July 2, 2026), accessible here: https://www.federalregister.gov/documents/2026/07/02/2026-13436/polyvinyl-alcohol-from-china-and-japan-scheduling-of-expedited-five-year-reviews.

The merchandise subject to these orders is classifiable under HTSUS subheading 3905.30.00. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope is dispositive.

WTO Developments

No developments