

US & Multilateral Trade and Policy Developments

Japan External Trade Organization

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Trade Policy Developments

Trump administration shifts coverage of the Canada Section 338 tariffs; proposes new administrative system

On September 8, 2026, President Trump issued five proclamations modifying the three Section 338 tariff actions announced on July 20, 2026 concerning imports from Canada: the motor vehicles,¹ alcoholic beverages,² and dairy³ retaliation actions. The September 8 proclamations removed certain products from the scope of the tariffs, added other products to the scope, provided that the motor vehicles and alcoholic beverages Section 338 tariffs would apply in addition to any applicable Section 232 tariffs, and converted the Section 338 tariffs on a limited number of covered products into import exclusions. The product-scope changes and Section 232 duty-stacking provisions enter into effect on September 15, 2026,⁴ while the import prohibitions will enter into effect on September 29, 2026. These measures followed shortly after Canada's retaliatory tariffs became effective at 12:01 a.m. on September 8, 2026.⁵

The Office of the United States Trade Representative (USTR) characterized the Section 338 modifications as counterretaliation to Canada's "senseless retaliation against the United States," while the White House described them as "decisive and appropriate action to respond to Canada's additional retaliation[.]"⁶ However, the changes appear likely to have limited aggregate economic effect. The estimated trade value of products newly brought within the Section 338 tariffs' scope is broadly comparable to that of products removed from the tariffs. Moreover, the preexisting 50% tariff rate was likely already trade-prohibitive for most covered products.

Changes to the tariffs' product coverage

Two of the proclamations alter the product scope of the Section 338 actions, adding new products to the tariffs and removing some of the original products: one modifies the product scope of the motor vehicles proclamation⁷ and one modifies the scope of the alcoholic beverages proclamation.⁸

- **Products removed:** The alcoholic beverages proclamation removes two Harmonized Tariff Schedule of the United States (HTSUS) subheadings for whiskies and liqueurs in containers over 4 liters and the motor vehicles

¹ Proclamation 11048 of July 20, 2026: "Imposing Additional Duties To Offset Canadian Discrimination Against the Commerce of the United States With Respect to Motor Vehicles," 91 FR 46663 (July 23, 2026), accessible here: <https://www.federalregister.gov/documents/2026/07/23/2026-14997/imposing-additional-duties-to-offset-canadian-discrimination-against-the-commerce-of-the-united>.

² Proclamation 11046 of July 20, 2026: "Imposing Additional Duties To Offset Canadian Discrimination Against the Commerce of the United States With Respect to Alcoholic Beverages," 91 FR 46639 (July 23, 2026), accessible here: <https://www.federalregister.gov/documents/2026/07/23/2026-14991/imposing-additional-duties-to-offset-canadian-discrimination-against-the-commerce-of-the-united>.

³ Proclamation 11047 of July 20, 2026: "Imposing Additional Duties To Offset Canadian Discrimination Against the Commerce of the United States With Respect to Dairy," 91 FR 46653 (July 23, 2026), accessible here: <https://www.federalregister.gov/documents/2026/07/23/2026-14992/imposing-additional-duties-to-offset-canadian-discrimination-against-the-commerce-of-the-united>.

⁴ CSMS # 69851916 - Modifying Section 338 Additional Duties on Certain Goods of Canada, September 11, 2026, accessible here: <https://content.govdelivery.com/bulletins/gd/USDHSCBP-429db0c>.

⁵ "Complete list of U.S. products subject to counter tariffs," Department of Finance Canada, August 25, 2026, accessible here: <https://www.canada.ca/en/department-finance/programs/international-trade-finance-policy/canadas-response-us-tariffs/complete-list-us-products-subject-to-counter-tariffs.html>; and Customs Notice 26-23: United States Surtax Order (2026), September 7, 2026, accessible here: <https://www.cbsa-asfc.gc.ca/publications/cn-ad/cn26-23-eng.html>.

⁶ "Ambassador Greer Issues Statement on President Trump's Response to Canada's Continued Retaliation Against the United States," USTR, September 8, 2026, accessible here: <https://ustr.gov/about/policy-offices/press-office/press-releases/2026/september/ambassador-greer-issues-statement-president-trumps-response-canadas-continued-retaliation-against>; and "President Donald J. Trump Responds to Canada's Retaliation," White House, September 8, 2026, accessible here: <https://www.whitehouse.gov/fact-sheets/2026/09/fact-sheet-president-donald-j-trump-responds-to-canadas-retaliation/>.

⁷ Proclamation 11065 of September 8, 2026: "Modifying the Scope of Products of Canada Subject to the Additional Duties Imposed To Offset Canadian Discrimination Against the Commerce of the United States With Respect to Motor Vehicles," 91 FR 58339 (September 14, 2026), accessible here: <https://www.federalregister.gov/documents/2026/09/14/2026-18839/modifying-the-scope-of-products-of-canada-subject-to-the-additional-duties-imposed-to-offset>.

⁸ Proclamation 11064 of September 8, 2026: "Modifying the Scope of Products of Canada Subject to the Additional Duties Imposed To Offset Canadian Discrimination Against the Commerce of the United States With Respect to Alcoholic Beverages," 91 FR 58331 (September 14, 2026), accessible here: <https://www.federalregister.gov/documents/2026/09/14/2026-18838/modifying-the-scope-of-products-of-canada-subject-to-the-additional-duties-imposed-to-offset>.

proclamation removes eight HTSUS subheadings (salt, Portland cement, sugar, toilet paper, paper bed sheets, lead, fishing rods, and switchgear assemblies) from the tariffs.

- **Products added:** The alcoholic beverages proclamation adds 34 HTSUS subheadings related to cheese products, leather and furs, and certain motorboats; and the motor vehicles proclamation adds 76 HTSUS subheadings related to dairy, paper, steel, aluminum, golf carts, all-terrain vehicles (ATVs), certain motorboats, wood furniture, mattresses, and lamps.

Section 232 stacking

In addition to modifying the product scope of these two Section 338 actions, the two proclamations also make the Section 338 tariffs additive with any applicable Section 232 tariffs. Previously, products already subject to a Section 232 tariff were exempted from the Section 338 tariffs. Of the products subject to the motor vehicles and alcoholic beverages Section 338 tariff proclamations, 12 are also subject to the 50% steel and aluminum Section 232 tariffs, 3 are also subject to the 25% steel derivative products tariff, 3 may be subject to the 25% automotive and truck parts Section 232 tariffs, and 1 may be subject to the 25% wood furniture Section 232 tariff.

The changes under both proclamations will apply to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. Eastern Time on September 15, 2026. The products subject to the dairy Section 338 proclamation tariff are not affected by the change.

Product selection and economic impact of the changes

Taken together, the products removed from the tariffs accounted for \$1.6 billion worth of imports in 2024 and \$1.7 billion worth of imports in 2025, while the products added to the tariffs accounted for \$2.3 billion worth of imports in 2024 and \$1.8 billion worth of imports in 2025. Overall, the modifications increased the value of covered trade by approximately \$700 million based on 2024 import values and \$100 million based on 2025 import values. The original three tariff lists were designed to target approximately \$20 billion in trade by value, making the net expansion relatively limited.

The limited net change in covered trade value suggests that the Trump administration does not intend for the change to be an expansion of the tariffs. Rather, it appears to have been attempting to remove certain politically sensitive products from the scope of the tariffs while keeping the total value of trade covered by the tariffs unchanged. For example, Senator Jerry Moran (R-KS) publicly called on President Trump to remove salt from the scope of the tariffs, raising concerns about the cost of road de-icing salt for Kansas' state and local governments.⁹ Sen. Susan Collins (R-ME) has similarly objected to the salt tariff, as well as to the cement tariff.¹⁰ Targeting of toilet paper by both the US tariffs and Canada's retaliatory tariffs led to media reporting of potential toilet paper shortages, prompting comparisons to the toilet paper shortages during the early months of the COVID-19 pandemic in President Trump's first term.¹¹

Implementation of import exclusions

The other three September 8 proclamations impose import exclusions on certain products covered by the tariffs. The prohibitions enter into effect for goods imported on or after 12:01 a.m. Eastern Time on September 29, 2026 (except for products that were imported, but not yet entered for consumption, or withdrawn from warehouse for consumption, prior to September 29, which remain subject to the 50% tariff instead).

⁹ "Sen. Moran Urges USTR to Consider Impact of Salt Tariffs on Kansas Businesses, Local Governments & Taxpayers," Office of Senator Moran, August 18, 2026, accessible here: <https://www.moran.senate.gov/public/index.cfm/news-releases?ID=92706A15-669B-4C70-93D7-E273C883CB41>.

¹⁰ X (Twitter) post by Sen. Collins, September 8, 2026, accessible here: <https://x.com/SenatorCollins/status/2097518866557440439>.

¹¹ "Wiped out: US faces surging toilet paper prices amid trade war with Canada," The Guardian, August 26, 2026, accessible here: <https://www.theguardian.com/us-news/2026/aug/26/paper-product-toilet-paper-tariffs-us-canada>.

Other than shifting some of the tariffs to import prohibitions on September 29, these three proclamations do not make any modifications to the Section 338 actions.

The three prohibition proclamations are:

- **Motor vehicles Section 338 prohibition:**¹² Under the motor vehicles Section 338 action, the United States will prohibit imports of motorcycles classified within HTSUS 8711.50.00.
- **Alcoholic beverages Section 338 prohibition:**¹³ Under the alcoholic beverages Section 338 action, the United States will prohibit imports of alcoholic beverages classified within 53 HTSUS 8- or 10-digit subheadings. However, for 28 of these subheadings, the prohibition only applies to “products that are packaged in bottles, cans, boxes, kegs, or other similar direct-to-consumption containers.”
- **Dairy Section 338 prohibition:**¹⁴ Under the dairy Section 338 action, the United States will prohibit imports of whey protein, molasses and non-alcoholic beer classified within 14 HTSUS subheadings.

Product selection and economic impact of the exclusion

The 68 HTSUS codes on the prohibition list account for approximately \$1.0 billion of the total \$20 billion worth of imports covered by the tariffs (though the allowance for bulk-packaged alcohols will make the actual coverage of the prohibition lower than \$1.0 billion), the majority of which is accounted for by retail-packaged liqueurs, whiskies, and malt beverages. The United States did not import any products from Canada under 28 of the 68 HTSUS codes in 2025, as they are for products that are not produced in Canada (such as grape- and agave-based alcohols).

A White House official who briefed media about the tariffs stated that the selection of products for the import prohibition was done in a manner to minimize economic disruption: “the focus was on items where Canada had very low import penetration, or where the United States has a lot of domestic production, to really minimize the impact on supply chains here.”¹⁵

The exception to the prohibition for bulk shipments of alcohol (as well as the removal of whiskies and liqueurs in containers over 4 liters from the scope of the tariffs) is intended to protect US-based bottlers. Several major Canadian alcohol producers, including Crown Royal and Black Velvet, bottle their products for US retail distribution at bottling facilities in the United States. Prohibiting imports of bulk shipments would have likely made the continued operation of these US-based facilities untenable.

Section 338's import prohibition authority

In addition to imposing tariffs of up to 50%, Section 338 of the Tariff Act of 1930 (19 U.S.C. § 1338) allows the president to escalate the retaliatory action by completely excluding covered products from importation instead. To invoke the exclusion provision (at 19 U.S.C. § 1338(b)), the president must determine that the foreign country has, after the issuance of a Section 338 tariff proclamation, maintained or increased the identified discriminations against the

¹² Proclamation 11063 of September 8, 2026: “Excluding Certain Canadian Products From Importation Into the United States in Response to Continued Discrimination Against the Commerce of the United States With Respect to Motor Vehicles,” 91 FR 58325 (September 14, 2026), accessible here: <https://www.federalregister.gov/documents/2026/09/14/2026-18837/excluding-certain-canadian-products-from-importation-into-the-united-states-in-response-to-continued>.

¹³ Proclamation 11061 of September 8, 2026: “Excluding Certain Canadian Products From Importation Into the United States in Response to Continued Discrimination Against the Commerce of the United States With Respect to Alcoholic Beverages,” 91 FR 58311 (September 14, 2026), accessible here: <https://www.federalregister.gov/documents/2026/09/14/2026-18835/excluding-certain-canadian-products-from-importation-into-the-united-states-in-response-to-continued>.

¹⁴ Proclamation 11062 of September 8, 2026: “Excluding Certain Canadian Products From Importation Into the United States in Response to Continued Discrimination Against the Commerce of the United States With Respect to Dairy,” 91 FR 58319 (September 14, 2026), accessible here: <https://www.federalregister.gov/documents/2026/09/14/2026-18836/excluding-certain-canadian-products-from-importation-into-the-united-states-in-response-to-continued>.

¹⁵ Politico, “Trump spared fishing gear and cement from his Canadian trade war. Voters may not care.” September 9, 2026, accessible here: <https://www.politico.com/news/2026/09/09/trump-canada-tariffs-carveouts-01069267>.

commerce of the United States. After making the determination that the foreign discrimination has worsened, the president may issue a further proclamation directing that products of the country shall be excluded from importation into the United States.

Proposal for standing Section 338 review mechanism

On September 4, 2026, the United States International Trade Commission (ITC) issued a call for public comments on how it can create a monitoring and advisory mechanism under Section 338.¹⁶ The ITC's Section 338 responsibilities are described in 19 U.S.C. § 1338(g), which directs the ITC (known as the Tariff Commission when the law was written) to monitor all foreign discrimination against US commerce that is actionable under Section 338, and to advise the president of when discrimination is detected and of what retaliatory actions under Section 338 he may consider. Although the law requires the ITC to carry out these monitoring and reporting functions, records indicate that the ITC stopped doing so by the 1950s. In its notice, the ITC explains this lapse in activity by stating that "some policymakers" believed that "Section 338 was a 'dead letter'" following the adoption of Article I of the General Agreement on Tariffs and Trade of 1947.

The notice states that the ITC "does not currently have an established practice for identifying applicable discriminatory actions, collecting information relevant to those allegedly discriminatory actions from the public or other sources, or providing the President with the information it collects and its subsequent recommendations." The ITC is considering whether it should establish "a practice that will help it better fulfill its statutory obligations" to "determine the facts and to provide recommendations" to the president.

Most commentators view the ITC's role under Section 338(g) as purely advisory, and that ITC advice is not a legal prerequisite for presidential action under the other parts of Section 338. Indeed, President Trump did not rely on ITC advice in developing the three Section 338 actions against Canada. The decision to bring the ITC into the process now is likely intended to further institutionalize President Trump's use of Section 338 and to build greater political legitimacy for his actions, given the ITC's longstanding reputation for institutional independence. It is likely a sign that President Trump intends to expand his reliance on Section 338 tariffs, especially if his use of Section 301 for expansive tariff actions is constrained by the courts.

The notice invites public input on:

- The types of activities of foreign countries that should fall within the scope of Section 338.
- How the ITC should monitor activities of foreign countries that would satisfy Section 338.
- How the ITC should gather input from interested persons about foreign discriminatory conduct.
- How the ITC should communicate its findings and recommendations to the president.

Public comments are due by 5:15 p.m. Eastern Time on November 8, 2026, and should be submitted by email or through the ITC Electronic Document Information System (EDIS). The Federal Register notice provides further instructions about how to file comments.

Other escalation threats by President Trump

President Trump has made several other threats to restrict trade with Canada in recent days, including:

¹⁶ "USITC Requests Public Comments on Section 338 Responsibilities," ITC, September 4, 2026, accessible here: https://www.usitc.gov/press_room/news_release/2026/er0904_69195.htm; and "Request for Comments Regarding Implementation of 19 U.S.C. 1338(g)," 91 FR 57387 (September 9, 2026), accessible here: <https://www.federalregister.gov/documents/2026/09/09/2026-18385/request-for-comments-regarding-implementation-of-19-usc-1338g>.

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- Banning sales of Bombardier aircraft in the United States.¹⁷
 - Removing Canadian products from the GSA Multiple Award Schedules (“Federal Supply Schedule”), a program that simplifies government acquisitions of pre-cleared commercial products.¹⁸

Update (September 16, 2026): On September 16, 2026, President Trump issued a memorandum instructing the executive branch “to the extent appropriate and consistent with law, identify and take all steps permitted by applicable law with respect to Canadian origin items in the Federal civil procurement system that can, where warranted, be removed or made non-available for purchase.”¹⁹

Congress passes Sanctioning Russia and Iran Act, including new “secondary tariff” authority

On September 16, 2026, the House of Representatives approved H.R. 5334, the Lindsey O. Graham Sanctioning Russia and Iran Act of 2026.²⁰ The Senate previously passed the bill on August 7, 2026, and the House approved the Senate’s version without further changes. President Trump signed the bill into law on September 18, 2026.²¹ It includes three thematic policy areas:

- Implementing various Russia sanctions actions into law;
- Authorizing “secondary tariffs” on certain countries that purchase Russian oil and gas; and
- Extending certain Iran sanctions authorities.

Variations of the Sanctioning Russia Act have circulated in Congress for several years. To secure President Trump’s support, this final version of the bill grants the president greater discretion to temporarily waive or terminate the sanctions and adds the Iran sanctions extension. Additionally, the scope of the secondary tariff authority has been narrowed significantly from previous versions of the bill, reflecting concerns about its economic impact and the risk of abuse.

Most of the Title I sanctions provisions restate, in statute, measures the executive branch has implemented through Executive Order 14024 and related Russia-specific executive orders. Though substantive changes are limited, the sanctions provisions will raise the political cost of any future attempt by President Trump to unwind the Russia sanctions regime. The secondary tariff authority, meanwhile, is novel, and could have significant consequences for trade with China, India, and other countries that import oil and gas from Russia, should the Trump administration act on it.

Implementing various Russia sanctions actions into law

The bill directs the executive branch to adopt various sanctions on Russia and Russian persons, generally intended to codify and restate existing sanctions programs that the executive branch has implemented through Executive Order 14024 (April 2021) and subsequent Russia-related executive orders, using delegated authorities under the International Emergency Economic Powers Act (IEEPA) and the National Emergencies Act (NEA). Although the substantive policy changes are small in most cases, statutory codification would make it more politically challenging for the president to

¹⁷ Truth Social post of September 7, 2026, accessible here: <https://truthsocial.com/@realDonaldTrump/posts/117230978314061095>.

¹⁸ Truth Social post of September 8, 2026, accessible here: <https://truthsocial.com/@realDonaldTrump/posts/117237309084360726>.

¹⁹ Presidential Memoranda of September 16, 2026: “Restoring Reciprocity in Government Procurement,” accessible here: <https://www.whitehouse.gov/presidential-actions/2026/09/restoring-reciprocity-in-government-procurement/>.

²⁰ H.R.5334 - Lindsey O. Graham Sanctioning Russia and Iran Act of 2026, 119th Congress (2025-2026), accessible here: <https://www.congress.gov/119/bills/hr5334/BILLS-119hr5334enr.pdf>

²¹ Congressional Bill H.R. 5334 Signed into Law, White House, September 18, 2026, accessible here: <https://www.whitehouse.gov/briefings-statements/2026/09/congressional-bill-h-r-5334-signed-into-law/>; and Statement Of Administration Policy: Senate Amendment to H.R. 5334 – Lindsey O. Graham Sanctioning Russia and Iran Act of 2026, White House, July 28, 2026, accessible here: <https://www.whitehouse.gov/wp-content/uploads/2026/07/SAP-SAmendHR5334.pdf>.

unilaterally revoke the sanctions, since doing so would require complying with the notification and review procedures in the bill rather than simply amending or revoking an executive order.

The sanctions measures include:

- **Section 102:** Imposing property-blocking sanctions and visa restrictions on named senior Russian government officials and other persons determined to be supporting the Russian government, including: those supplying certain defense-related technologies to Russia; shadow fleet vessels used to circumvent sanctions or the G7/EU price cap (including owners, insurers, and crew); and foreign ports that knowingly allow sanctioned vessels to dock or receive services.
- **Section 103:** Imposing property-blocking sanctions on the Central Bank of the Russian Federation, Sberbank, VTB Bank, Gazprombank, and other financial institutions affiliated with the Russian government, together with restrictions on correspondent and payable-through accounts, and the imposition of at least two additional sanctions drawn from the options in Section 235 of the Countering America's Adversaries Through Sanctions Act (CAATSA) that are not already in effect.
- **Section 104:** Imposing property-blocking sanctions on entities in which the Russian government has a controlling or majority ownership interest, or that are otherwise affiliated with the Russian government.
- **Section 105:** Prohibiting US depository institutions and SEC-registered brokers or dealers from processing fund transfers to or from the Russian government.
- **Section 106:** Directing the SEC to prohibit securities of Russian-government officials and Russian-government-affiliated issuers from trading on US national securities exchanges. This provision is novel: no existing sanctions specifically require the SEC to adopt such a prohibition. In practice, US exchanges have delisted Russian-affiliated issuers since 2022, and the Office of Foreign Assets Control (OFAC) sanctions have separately frozen or blocked trading in specific designated issuers' securities.
- **Section 107:** Prohibiting new investment in Russia by US persons, including by approving, financing, or guaranteeing transactions on behalf of foreign persons that would be prohibited if performed directly by a US person.
- **Section 108:** Prohibiting US persons from exporting energy products to, and investing in, the Russian energy sector.
- **Section 109:** Prohibiting US persons, including US financial institutions, from purchasing Russian sovereign debt, effective upon enactment.
- **Section 110:** Authorizing sanctions on providers of international financial messaging services (e.g., SWIFT) that are knowingly used to circumvent sanctions, subject to a waiver if the provider is separately barred from serving those institutions under a comparable foreign sanctions regime or if it provides significant messaging services to US financial institutions.
- **Section 111:** Directing the president to implement the existing prohibition on importing Russian uranium products (previously enacted by the Prohibiting Russian Uranium Imports Act of 2024) and imposing property-blocking sanctions on leaders, officers, and controlling shareholders of Rosatom State Atomic Energy Corporation.
- **Section 112:** Directing the president to increase tariffs on all imports from Russia (including oil, natural gas, and coal) to a rate of up to 500% *ad valorem*, stacked on top of any existing duties, within 30 days of the bill's enactment.
- **Section 114:** Establishing eleven categories of exceptions, including for: humanitarian assistance (agricultural commodities, food, medicine, and medical devices); intelligence and law enforcement activities; compliance with

international obligations (including UN headquarters and consular agreements); civilian nuclear cooperation agreements; low-enriched uranium imports for civilian reactor use; official US government and UN business; non-Russian oil that merely transits through Russian territory to reach international markets (protecting, for example, Kazakh crude exported via Russian pipelines); pre-existing Treasury general licenses; a 270-day wind-down period for divestiture from Russian operations; safety of vessel crews; and activities of the National Aeronautics and Space Administration (NASA), including space launch cooperation.

- **Section 115:** Authorizing the president to waive any sanction, restriction, or duty under the bill, provided that the president certifies to Congress that the waiver is in the US national interest and explains the basis for the waiver.
- **Section 116:** Directing the president to use the implementing authorities in Sections 203 and 205 of IEEPA to carry out the sanctions actions and applies IEEPA's civil and criminal penalty provisions to violations. As a result, the enforcement of the bill's sanctions will follow the same OFAC civil and criminal enforcement framework already used for existing Russia sanctions, rather than creating a new enforcement regime.
- **Section 117:** Authorizing the president to terminate sanctions with respect to Russia only after certifying that Russia has signed a peace agreement accepted by Ukraine's government and has ceased hostilities and subversive activities against Ukraine. A termination certification triggers a 30-day congressional review period (or 60 days if submitted between July 10 and September 7), during which Congress may block the termination by enacting a joint resolution of disapproval under the bill's expedited procedures.

Authorizing “secondary tariffs” on certain countries that purchase Russian oil and gas

Section 113 is the most significant new policy in the bill, which authorizes the president to impose “secondary tariffs” on certain countries that import oil and gas from Russia, or that assist Russia in evading oil sanctions. Within 30 days of enactment, the bill directs the president to increase tariffs to a rate of up to 100% *ad valorem* on all goods (additive with all other tariffs, including Section 301 and Section 232 tariffs) from countries falling under three categories:

1. **Crude oil importers** (Section 113(c)(1)): Countries that are knowingly purchasing crude oil that originated in Russia on or after 30 days after enactment and were among the five largest importers by volume of Russian-origin crude oil in the 12 months preceding enactment.
2. **Natural gas importers** (Section 113(c)(1)): Countries that are knowingly purchasing natural gas that originated in Russia on or after 30 days after enactment and were among the five largest importers by volume of Russian-origin natural gas in the 12 months preceding enactment. Countries are exempted from the tariff, even if they rank in the top five, if their imports of Russian-origin natural gas were less than 15% of Russia's total natural gas exports and they have taken steps to reduce those imports.
3. **Countries facilitating sanctions evasion** (Section 113(c)(2)): Countries that are among the top five countries facilitating Russian oil sanctions evasion in the 12 months preceding enactment. The bill defines the concept broadly to cover countries where persons are knowingly engaged in transactions that circumvent Russian oil sanctions, including providing significant financial or other support for the purchase, loading, or shipment of sanctioned Russian oil, or dealing in shadow fleet vessels transporting it.

As with the sanctions authorities, the president may waive the tariffs following notification to Congress. No advance congressional report is required for tariff rate adjustments.

The Office of the United States Trade Representative (USTR), in consultation with the Secretary of State and the Secretary of Energy, is responsible for implementing the secondary tariffs. The bill authorizes USTR to adjust the tariff rate (to any level above 0% and up to 100%) as countries take steps to increase or decrease their Russian oil and gas purchases and requires USTR to redetermine the covered country lists every 180 days. Before imposing or adjusting the tariffs, USTR must submit a written justification and methodology report to Congress at least 10 days in advance.

President Trump introduced the concept of secondary tariffs in 2025 when he issued orders under IEEPA that threatened additional tariffs on US imports from countries trading with Venezuela, Cuba, Russia, and Iran. The administration followed through only once, imposing an additional 25% tariff on most goods imports from India, on top of existing IEEPA reciprocal tariffs, until India agreed to scale back purchases of Russian crude oil. That policy was subsequently discontinued after the Supreme Court's decision in *Learning Resources, Inc. v. Trump* (2026), which held that IEEPA does not authorize the imposition of tariffs (though IEEPA does authorize sanctions, including secondary sanctions).

Extending certain Iran sanctions authorities

Section 201 provides a clean extension of the sanctions authorities in the Iran Sanctions Act of 1996 through to December 31, 2031; those authorities are currently scheduled to sunset on December 31, 2026. The provision has been extended twice previously, first through the Iran and Libya Sanctions Act Extension Act of 2001 and then through the Iran Sanctions Extension Act of 2016.

USTR opens annual request for comments on foreign trade barriers

On September 14, 2026, the Office of the United States Trade Representative (USTR) issued its annual request for public comments to inform the 2027 National Trade Estimate Report (NTE Report).²² The NTE Report provides a country-by-country review of the significant foreign barriers facing US exporters and investors in major trading partner economies, making it a useful guide to the United States' market access priorities and US industry concerns.

The annual NTE Report

USTR is required by law to submit the annual NTE Report to the President and Congress by the end of March. The report broadly identifies foreign laws, regulations, policies, and practices that USTR considers to be barriers to US exports, investment, or digital trade during the prior year. The NTE Report generally addresses import policies, technical barriers to trade, sanitary and phytosanitary measures, government procurement practices, intellectual property (IP) protection, services barriers, barriers to digital trade and electronic commerce, investment barriers, export subsidies, competition rules, state-owned enterprise practices, labor rights practices, and environmental measures.

USTR identifies potential barriers for inclusion by reviewing public submissions and consulting with other federal agencies, including the Departments of Commerce, State, and Agriculture. USTR staff review the submissions received, while USTR and senior political advisors make final determinations regarding the barriers included in the report. The NTE Report subsequently serves as an important reference point for US negotiators in bilateral and multilateral trade engagements.

The Trump administration's use of NTE Reports

The NTE Report has become an important document supporting the Trump administration's tariff policy. Preliminary trade deals announced shortly before the imposition of the 2025 reciprocal tariffs often addressed trade barriers identified in prior reports. NTE-identified barriers have also continued to inform the focus of specific market-access objectives in President Trump's Agreements on Reciprocal Trade (ARTs).

The 2026 NTE Report was the first report prepared entirely under the second Trump administration.²³ The 2026 edition was significantly longer than other years, adding discussions of commitments made under the ARTs and incorporating new policy concerns, including policies that have not previously been considered trade barriers:

²² "Request for Comments on Significant Foreign Trade Barriers for the 2027 National Trade Estimate Report," 91 FR 58247 (September 14, 2026), accessible here: <https://www.federalregister.gov/documents/2026/09/14/2026-18775/request-for-comments-on-significant-foreign-trade-barriers-for-the-2027-national-trade-estimate>; and "USTR Seeks Public Comment on Foreign Trade Barriers for the 2027 National Trade Estimate Report," USTR, September 14, 2026, accessible here: <https://ustr.gov/about/policy-offices/press-office/press-releases/2026/september/ustr-seeks-public-comment-foreign-trade-barriers-2027-national-trade-estimate-report>.

²³ "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>.

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- Domestic consumption taxes, such as value added taxes
 - Regulations related to restricting imports of products made with forced labor
 - Non-market policies and practices
 - Pharmaceutical pricing practices
 - Illegal logging, illegal mining, and wildlife trafficking
 - Digital platform regulation and competition practices
 - Non-cooperation on duty evasion enforcement

In its new call for input, USTR has added “duty evasion, circumvention, and transshipment” as a standalone topic, highlighting concerns with “persistent undervaluation or misclassification of traded goods or services, smuggling, temporary import schemes, transshipment, and policies that support or fund duty evasion” as well as “failures to take effective action to address evasion measures and transshipment by third countries.” The 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 and the ongoing ART negotiations.

Aside from the new political head of the NTE process, the Trump administration appears to be following the same general practices in assembling the report as in past years. The 2027 NTE Report comment request only updates language to solicit input on “tax policies that affect the competitiveness of U.S. exports,” consistent with the new topics in the 2026 NTE Report. It also newly requests comments on the lack of enforcement of labor and environmental provisions (in line with USTR’s Section 301 investigation priorities) and adds eight countries to the list of economies covered in the report: The Bahamas, Guyana, Iraq, Kazakhstan, Libya, Sri Lanka, Trinidad and Tobago, and Venezuela.

Request for comments for the NTE

The NTE Report is based on information collected by USTR, other government agencies, US embassies abroad, and private sector input. The deadline for private-sector stakeholders and other members of the public to submit written comments is October 29, 2026 at 11:59 p.m. Eastern Time. USTR will consider these comments when determining the foreign trade barriers and other issues addressed in the annual report. The Federal Register notice describes the procedures for submitting comments through the docket at [regulations.gov](https://www.regulations.gov).²⁴ The submitted comments will be accessible on the docket for public inspection.

Requests for public comments on other annual reports

USTR has also recently issued several other requests for public comments to inform annual reports:

- **China’s Compliance with WTO Commitments:** USTR is seeking public comments and will hold a public hearing on China’s compliance with its WTO obligations, part of USTR’s ongoing annual review process separate from the NTE Report.²⁵

²⁴ USTR-2026-0498-0001: Significant Foreign Trade Barriers for the 2027 National Trade Estimate Report, accessible here: <https://www.regulations.gov/document/USTR-2026-0498-0001>.

²⁵ “Request for Comments and Notice of Public Hearing Concerning China’s Compliance with WTO Commitments,” 91 FR 53476 (August 18, 2026), accessible here: <https://www.federalregister.gov/documents/2026/08/18/2026-16841/request-for-comments-and-notice-of-public-hearing-concerning-chinas-compliance-with-wto-commitments>.

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- **Russia's Implementation of Its WTO Commitments:** USTR is requesting comments and will hold a hearing on Russia's implementation of its WTO commitments.²⁶
 - **2026 Review of Notorious Markets for Counterfeiting and Piracy:** USTR is collecting public input to inform its annual Notorious Markets List, which identifies online and physical markets reported to engage in or facilitate substantial trademark counterfeiting or copyright piracy.²⁷

The call for public comments for the Special 301 Report, which identifies countries that deny adequate and effective protection of IP rights or deny fair and equitable market access to US persons who rely on IP protection, is typically issued by USTR in mid-December.

²⁶ "Request for Comments and Notice of Public Hearing Concerning Russia's Implementation of Its WTO Commitments," 91 FR 56275 (September 1, 2026), accessible here: <https://www.federalregister.gov/documents/2026/09/01/2026-17820/request-for-comments-and-notice-of-public-hearing-concerning-russias-implementation-of-its-wto>.

²⁷ "2026 Review of Notorious Markets for Counterfeiting and Piracy: Comment Request," 91 FR 55154 (August 26, 2026), accessible here: <https://www.federalregister.gov/documents/2026/08/26/2026-17351/2026-review-of-notorious-markets-for-counterfeiting-and-piracy-comment-request>.

Trade Actions

Section 232

Bureau of Industry and Security issues corrections to patented pharmaceuticals Section 232 tariffs

On September 21, 2026, the Department of Commerce Bureau of Industry and Security (BIS) filed a *Federal Register* notice containing technical corrections and clarifications regarding the Section 232 tariffs on patented pharmaceuticals and ingredients (the “Correction Notice”).²⁸ In particular, the Correction Notice: (i) clarifies the product scope and procedures for the tariff exceptions for certain types of patented pharmaceuticals; (ii) clarifies the scope of the exception for “generic pharmaceutical articles”; (iii) adds a new tariff exception for products used in clinical trials and research; (iv) clarifies the definition of “pharmaceutical articles”; (v) clarifies the scope of the exception for products that are not covered pharmaceuticals; and (vi) makes important conforming amendments to the list of covered Harmonized Tariff Schedule of the United States (HTSUS) subheadings in Annex I of the original proclamation (subdivision (c) of US note 40), as well as corrections to the informational list of excluded subheadings in Annex IV.

The Section 232 tariff proclamation for patented pharmaceutical articles was issued in April 2026 and entered into effect for certain specific companies on July 31, while general implementation is scheduled for September 29, 2026.²⁹

Overview of the patented pharmaceuticals Section 232 tariff order

On April 2, 2026, President Trump issued a proclamation to impose tariffs on certain patented pharmaceutical products and ingredients, including active pharmaceutical ingredients (APIs) and key starting materials. The measures are subject to a delayed, phased implementation, entering effect for certain large pharmaceutical companies on July 31, 2026 and then entering effect for the rest of the industry on September 29, 2026.

The default tariff rate is set at 100%, but the proclamation provides opportunities for significant tariff exceptions and reductions. The available preferential rates are as follows:

- ❑ **20% temporary rate:** Applicable to companies that commit to relocating pharmaceutical manufacturing operations to the United States, effective until April 2, 2030.
- ❑ **0% temporary rate:** Applicable to companies that commit to relocating manufacturing to the United States and enter into “most-favored-nation” (MFN) pricing agreements, effective until January 20, 2029.
- ❑ **15% permanent rate:** Applicable to products originating from certain economies that have concluded Agreements on Reciprocal Trade (ARTs) with the Trump administration (currently comprising Japan, the European Union, South Korea, Switzerland, and Liechtenstein).
- ❑ **0% temporary rate:** Applicable to products from economies that have entered into MFN pricing agreements. Originally set at 10%, this rate applies until January 20, 2029, and currently, this category is specific to the United Kingdom.
- ❑ **0% rate for US-origin APIs:** Applicable to prescription pharmaceuticals made with US-origin APIs.

²⁸ “Guidance and Procedures for Implementing Tariff Adjustments for Specialty Pharmaceuticals and Associated Pharmaceutical Ingredients and Technical Corrections to the Harmonized Tariff Schedule of the United States for Duties Imposed Under Proclamation 11020,” advance copy of the Federal Register notice (to publish September 23, 2026), accessible here: <https://www.federalregister.gov/d/2026-19498>.

²⁹ 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>; and CSMS # 69395344 - GUIDANCE: Section 232 Duties on Imports of Patented Pharmaceutical Articles and Ingredients, accessible here: <https://content.govdelivery.com/bulletins/gd/USDHSCBP-422e390>.

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- **0% rate for specified specialty products:** Applicable under additional tariff exceptions for certain specialty patented pharmaceutical articles.

Where an imported product qualifies for more than one preferential tariff rate, including through country-specific or company-specific arrangements, the proclamation provides that “the lowest applicable rate shall apply.”

Corrections and clarifications

The Correction Notice primarily addresses the tariff exception for certain patented pharmaceutical articles, for which the original proclamation provided limited operational detail. It also makes several other substantive clarifications and technical corrections, summarized below.

- **Exceptions for certain types of patented pharmaceutical articles:** The April Section 232 tariff proclamation provides a tariff exception for certain listed types of patented pharmaceutical products (at subdivision (h)(iii) of US note 40, HTSUS 9903.04.66) if they (i) originate in a jurisdiction that has a “current or forthcoming trade and security framework agreement,” or (ii) are needed to “meet an urgent U.S. health need.” However, the April proclamation did not fully identify the pharmaceutical articles eligible for the exception, specify the jurisdictions whose origin would satisfy the trade and security framework condition, or establish procedures through which importers could seek an exception based on an “urgent U.S. health need.” The Correction Notice addresses each of these issues.

The Correction Notice introduces definitions for each product category eligible for the exception:

- Drug where all approved or licensed indications are designated as orphan
- Nuclear medicine
- Plasma derived therapy
- Fertility drug
- Cell therapy product
- Gene therapy product
- Antibody drug conjugates
- Medical countermeasures related to chemical, biological, radiological, and nuclear threats
- Animal healthcare products

The Correction Notice designates the following jurisdictions as having a “current or forthcoming trade and security framework agreement”:

- Argentina
- Bangladesh
- Cambodia
- Ecuador
- El Salvador
- European Union
- Guatemala

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- India
 - Indonesia
 - Japan
 - Jordan
 - Malaysia
 - North Macedonia
 - Republic of Korea
 - Switzerland
 - Liechtenstein
 - Taiwan
 - Thailand
 - United Kingdom
 - Vietnam

To claim the exception based on an urgent US health need, a company must obtain product-specific, company-specific approvals from BIS. The Correction Notice provides a process through which companies can seek this exception. To apply, companies must email an application to BIS that (i) identifies the company; (ii) identifies the relevant product, including its qualifying product category and country of origin; and (iii) explains why the product is necessary to meet an urgent US health need.

- **Generic animal health products:** The Correction Notice clarifies that “generic pharmaceutical articles,” which are excepted from the tariffs under subdivision (c)(iii) and HTSUS 9903.04.67, include “unpatented animal health products.”
- **Clinical trials, research and other non-commercial uses:** The Correction Notice adds a new Chapter 99 subheading (9903.04.70), that provides a 0% tariff rate for imported covered patented pharmaceutical articles that are “solely intended for clinical trials, research and development, or other non-commercial applications.” This exception was not included in the April proclamation.
- **Definition of pharmaceutical articles:** The Correction Notice clarifies that “pharmaceutical articles,” as used in subdivision (c)(i), include only “finished pharmaceutical products, their active pharmaceutical ingredients, and the key starting materials of said active pharmaceutical ingredients” and that “inactive ingredients and excipients are not pharmaceutical articles.”
- **Products that are not covered pharmaceuticals:** The Correction Notice clarifies that the tariff exception under subdivision (i) and HTSUS subheading 9903.04.69 applies to any product classified in a covered HTSUS subheading under subdivision (c) that either: (i) is not a “pharmaceutical article” as defined in subdivision (c)(i), or (ii) is a “pharmaceutical article” but is neither a “patented pharmaceutical article” nor a “generic pharmaceutical article” as defined in subdivisions (c)(ii) and (c)(iii), respectively.
- **Conforming amendments to covered HTSUS subheadings:** The Correction Notice amends the list of HTSUS subheadings covered by the tariff in subdivision (c) to reflect HTSUS changes effective July 1, 2026. Those revisions made significant changes to Chapters 29 and 30 at the 10-digit statistical reporting number level. The list

of HTSUS subheadings in Annex I of the Correction Notice replaces in full the April proclamation's list of covered products, effective September 29, 2026.

- **Correction to Annex IV:** The Correction Notice removes HTSUS subheadings 2937.23.50, 3002.13.00, 3002.14.00, 3002.15.00, and 3004.49.00 from Annex IV's information list of pharmaceutical-related subheadings not subject to the Section 232 tariffs. These subheadings are covered by the tariff because they are included in subdivision (c).

Various other errors and inconsistencies in the original proclamation are not addressed in the Correction Notice, including: (i) the two contradictory implementation schedules; (ii) CBP's July 31 guidance disregarding the proclamation's own provisions on how the government determines whether a company has entered into qualifying onshoring and MFN pricing agreements; (iii) inconsistent drafting as to whether certain tariff provisions apply to products "imported for companies" or to products "produced by companies"; (iv) missing Chapter 99 subheadings for situations in which the Section 232 tariffs must be applied net of US Column 1 most favored nation tariffs; and (v) the lack of clear legal effect given to the Annex IV list of excepted HTSUS subheadings.

Bureau of Industry and Security issues guidance for polysilicon Section 232 anti-stockpiling provision

On September 22, 2026, the Department of Commerce Bureau of Industry and Security (BIS) issued a temporary final rule (TFR) to implement the temporary anti-stockpiling provision of the Section 232 tariff order on polysilicon and certain derivative products.³⁰ The TFR establishes two mechanisms intended to prevent companies from stockpiling before the tariffs take effect: (i) establishing a monitoring and import prohibition system for "existing importers of record" (IORs), defined as entities registered with US Customs and Border Protection (CBP) prior to August 6, 2026; and (ii) imposing quantitative restrictions on imports by all "new IORs," defined as entities registered with CBP on or after August 6, 2026. The TFR also provides a process through which an existing IOR subject to an import prohibition may seek authorization to resume imports and a new IOR may request authorization to import quantities exceeding the applicable limits.

The TFR's requirements apply from September 22, 2026 through December 3, 2026, as the Section 232 tariffs will enter into effect on December 4, 2026. CBP, in a guidance note to importers, added that IORs subject to the restrictions may store prohibited shipments in bonded warehouses until the entry restrictions are lifted on December 4.³¹

About the polysilicon Section 232 tariff order

President Trump issued Proclamation 11052 on August 6, 2026, following the Section 232 investigation on imports of polysilicon and its derivatives.³² The proclamation imposes: (i) a 15% ad valorem tariff on certain polysilicon derivative products; and (ii) minimum import prices (MIPs) for polysilicon and polysilicon derivative products, with compliance enforced through specific tariffs. The measures target upstream high-grade polysilicon inputs used in solar photovoltaic and semiconductor manufacturing, as well as downstream solar cells and modules.

Although the proclamation was issued on August 6, 2026, President Trump delayed implementation of the tariffs and MIPs until December 4, 2026. The 120-day period between announcement and implementation has raised concerns that importers could increase imports of covered products before the tariffs take effect and stockpile for later use. To address this possibility, the proclamation instructs BIS to monitor imports and restrict import activities by companies

³⁰ "Measures to Restrict Stockpiling of Polysilicon and Polysilicon Derivatives Under Proclamation 11052," advance copy of the *Federal Register* notice (to publish on September 24, 2026), accessible here: <https://www.federalregister.gov/d/2026-19537>.

³¹ CSMS # 69994928 - GUIDANCE: Import Ban of Certain Polysilicon Products Under Proclamation 11052, September 22, 2026, accessible here: <https://content.govdelivery.com/bulletins/gd/USDHSCBP-42c09b0>.

³² Proclamation 11052 of August 6, 2026: "Adjusting Imports of Polysilicon and its Derivatives into the United States," 91 FR 51975 (August 11, 2026), accessible here: <https://www.federalregister.gov/documents/2026/08/11/2026-16400/adjusting-imports-of-polysilicon-and-its-derivatives-into-the-united-states>.

found to be stockpiling covered products. The proclamation does not specify how to carry out that mandate, prompting BIS to develop the TFR.

Restrictions on existing IORs importing covered polysilicon products before December 4, 2026

For existing IORs (those that were registered with CBP prior to August 6, 2026), BIS will monitor imports of covered polysilicon products for stockpiling and consider company-specific prohibitions if needed.

To assess stockpiling, BIS will assess whether an IOR is importing covered polysilicon products “in volumes substantially greater than their historic averages.” In making the assessment, BIS may consider, among other factors:

- The aggregate volume of covered products imported by the IOR since August 6, 2026.
- The IOR’s weekly average volume of covered-product imports since August 6, 2026.
- The IOR’s weekly average volume of covered-product imports between January 1, 2026 and August 6, 2026.
- The IOR’s weekly average volume of covered-product imports during 2025.
- Whether the IOR has used affiliates that do not customarily import covered products, or new IORs to import covered products.

If BIS determines, based on these criteria, that an existing IOR is stockpiling covered polysilicon products, CBP will prohibit the IOR from making further entries of covered products until December 4, 2026.

An existing IOR subject to an import prohibition may apply to BIS for a waiver under the TFR’s waiver procedures.

Prohibition on new IORs importing large volumes of covered polysilicon products before December 4, 2026

The TFR prohibits new IORs (those that registered with CBP on or after August 6, 2026) from entering covered polysilicon products in weekly quantities above specified thresholds until December 4, 2026. The applicable limits are:

Covered product	HTSUS classification	Weekly limit
Polysilicon	2804.61.00	12 kilograms
Wafers and ingots	3818.00.0020, 3818.00.0040, 3818.00.0045, 3818.00.0050, 3818.00.0091	7 kilograms
Solar cells	8541.42.00	2,000 units
Solar modules	8541.43.00	55 units

A new IOR seeking to import covered products above the applicable quantitative limit must first obtain a waiver under the TFR’s waiver procedures. If a new IOR exceeds a quantitative restriction level without first obtaining a waiver, BIS will direct CBP to prohibit the IOR from making any further entries of covered products until December 4, 2026. The TFR notes that BIS will monitor for signs that importers and brokers are attempting to circumvent the restriction levels by splitting entries between multiple IORs.

The TFR also highlights obligations of customs brokers, stating that brokers have an affirmative obligation to avoid facilitating violations of the restriction levels. In assessing whether a new IOR may be attempting to use the broker’s services to violate the restrictions, the TFR advises brokers to consider: (i) whether the IOR was established on or after August 6, 2026; (ii) whether the new IOR has made other entries of covered products during the current week and the precise volumes entered; (iii) the direct and indirect beneficial owners of the new IOR and whether those owners have created other new IORs importing covered products; and (iv) the ultimate consignee and whether the goods will be transferred to or used for the benefit of a prohibited IOR. Evasive actions by customs brokers could result in CBP enforcement actions, potentially including proceedings to revoke or suspend broker licenses and issuance of broker penalties.

Waivers of the prohibition for existing and new IORs

The TFR establishes a waiver process under which:

- An existing IOR (registered with CBP prior to August 6, 2026) that has been prohibited from importing covered products may seek authorization to resume imports prior to December 4, 2026; and
- A new IOR (registered with CBP on or after August 6, 2026) that is subject to the quantitative restrictions may seek authorization to import above the applicable thresholds. If granted, the waiver would allow the new IOR to import under the procedures applicable to existing IORs.

Waiver applications must be submitted by email in PDF format and may not exceed 30 pages (including attachments). Applicants submitting business confidential information must also provide a non-confidential public version. The application must include the information specified in the TFR and application forms, including:

- Company information.
- Projected type, volume, and use of covered imports.
- Explanation of the legitimate business purpose of the imports.
 - For an existing IOR subject to a prohibition, this explanation should address the increase in import volumes that resulted in the prohibition.
 - For a new IOR, this explanation should address the reasons for establishing the new IOR and identify its customers and suppliers.
- Certification by a senior official in the company of the application's accuracy.
- A commitment not to stockpile covered products prior to December 4, 2026.
- Any other information the applicant considers relevant to BIS's consideration of the waiver request.

The waiver submissions window will be open from September 22, 2026 to December 3, 2026. The TFR states that BIS intends to respond to all applications within 14 days of receipt. BIS may respond with further questions, revisions, or conditional approvals pending adjustments to the waiver application. Once granted, the waivers will apply prospectively from the date on which CBP receives the waiver approval from BIS.

The waiver procedures in the TFR will be incorporated into the Section 232 regulations at Supplement No. 1 to Part 705 of Title 15,³³ and the waiver application form will be posted to the BIS website.³⁴

³³ Supplement No. 1 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.%201%20to%20Part%20705>. The waiver regulations replace the now-defunct steel and aluminum inclusions regulation text that was previously at Supplement No. 1.

³⁴ BIS will post the application form to its Section 232 investigations webpage, accessible here: <http://www.bis.gov/232>. As of the writing of this alert, the application forms have not yet been posted.

Trade Agreements

United States and China meet for trade policy-focused summit

The governments of the United States and China held a series of trade negotiation meetings in the week of September 20-26, 2026, culminating with meetings between US President Donald Trump and Chinese President Xi Jinping on September 24. Following the meetings, the two countries announced that they had agreed to a two-month extension of the current one-year trade war de-escalation agreement, moving the agreement's expiration from November 10, 2026 to January 10, 2027.³⁵ Negotiations over the details of a longer-term arrangement will continue over the next few months.

Ahead of the leaders' meeting, on September 20 and 23, China's Vice Premier He Lifeng met with US Secretary of the Treasury Scott Bessent and United States Trade Representative Jamieson Greer for more detailed negotiations, after which the parties announced progress on the "Board of Trade," "Board of Investment," and "AI Dialogue" proposals.³⁶ The Board of Trade arrangement includes a commitment to reduce certain tariffs on approximately US\$30 billion of trade from each country, but the details of the plan have not yet been settled.

Extension of the trade war de-escalation agreement

The one-year trade war de-escalation agreement, reached through the Kuala Lumpur economic and trade consultations and announced following the October 30, 2025 meeting between Presidents Trump and Xi in Busan, Korea, has been extended for two more months, from November 10, 2026 to January 10, 2027. Though both governments have made statements confirming the extension, neither has described the arrangement in detail. China had reportedly sought an agreement that would last through the end of President Trump's term of office, but the US side wanted a short extension and further negotiations, as they do not believe that China has met its commitments to fully resume critical mineral exports and increase its purchases of US agricultural commodities.

The specific terms of the original de-escalation agreement announced on October 30, 2025 remain unknown, as the governments never published an official text. The agreement appears to have encompassed a broad range of measures, including: (i) suspending Chinese export controls on critical minerals and suspending certain expansions of the US export control regime; (ii) reducing the Trump administration's "reciprocal" tariffs on imports from China to a maximum of 20% (not counting the 2018 Section 301 tariffs) and reducing China's corresponding retaliatory tariffs; (iii) suspending new vessel service fees imposed by the Trump administration, as well as retaliatory vessel service fees imposed by China; (iv) suspending various entity-specific enforcement actions taken against US companies by China; and (v) committing China to resume purchases of US agricultural commodities, most notably soybeans.

Further suspensions of US measures

Several of the actions suspended by the Trump administration in November 2025 will snap back into effect in early November 2026 unless new legal steps are taken to extend the suspensions. As of the writing of this alert, the US government has not yet published formal extensions of any of the suspensions, though such orders are likely imminent:

³⁵ For the US statements, see White House "President Donald J. Trump Advances a Fair and Reciprocal Relationship with China While Hosting Historic State Visit," September 25, 2026, accessible here: <https://www.whitehouse.gov/fact-sheets/2026/09/fact-sheet-president-donald-j-trump-advances-a-fair-and-reciprocal-relationship-with-china-while-hosting-historic-state-visit/>; and White House, "President Trump, First Lady Conclude Historic China State Visit," September 25, 2026, accessible here: <https://www.whitehouse.gov/releases/2026/09/president-trump-first-lady-conclude-historic-china-state-visit/>. For statements from China, see MOFCOM, "The head of the Department of Major Economics at the Ministry of Commerce interpreted the results of the eighth round of China-US economic and trade negotiations," September 28, 2026, accessible here (in Chinese): https://www.mofcom.gov.cn/sywxwfb/art/2026/art_d9ea01824fc44fd8a29f7dc3f8ca9c72.html; and State Council, "China and the United States reach eight deliverables and understandings," September 26, 2026, accessible here: https://english.www.gov.cn/news/202609/26/content_WS6ab7d2bcc6d00ca5f9a0d7d1.html.

³⁶ "China-US economic and trade consultations were held in New York, USA," September 21, 2026, accessible here (in Chinese): https://www.mofcom.gov.cn/xwfb/ldrhd/art/2026/art_4dfaac8472844f54b46c4aeda93e3c35.html; and X (Twitter) post of September 20, 2026, accessible here: <https://x.com/SecScottBessent/status/2101690588428963939>.

- **Export control Affiliates Rule:** The Affiliates Rule, issued by the Bureau of Industry and Security (BIS) on September 29, 2025, is currently suspended until November 9, 2026.³⁷ When the suspension expires, license requirements on entities that are 50% or more owned directly or indirectly by one or more entities on the Entity List, Military End-User (MEU) List, and certain entities on the Specially Designated Nationals and Blocked Persons (SDN) List will become subject to export controls.
- **Section 301 vessel fees:** USTR's Section 301-based vessel fees on (i) vessels that are owned or operated by China-linked entities, (ii) most vessels that were built in China but owned and operated by non-Chinese entities, and (iii) all foreign-built vehicle carriers, and tariffs on China-linked port cargo handling equipment are currently suspended through November 9, 2026.³⁸ On November 10, 2026, the fees and tariffs will automatically enter back into effect.
- **Exclusions from the 2018 Section 301 tariffs:** The remaining active product exclusions from the Section 301 tariffs are currently scheduled to expire on November 9, 2026.³⁹ Should these exclusions expire, the listed products will be subject to Section 301 tariffs of either 25% or 7.5%.
- **"Reciprocal" tariffs:** As part of the October 2025 agreement, the Trump administration reduced the reciprocal tariffs imposed under the International Emergency Economic Powers Act (IEEPA) from 34% to 10% and reduced the IEEPA fentanyl tariff from 20% to 10% (for a total IEEPA tariff level cap of 20%). The IEEPA reciprocal tariff was set to snap back to 34% on November 10, 2026, while the IEEPA fentanyl tariff cut was indefinite. However, the IEEPA tariff orders have since been rescinded and the current Section 301 tariffs do not include a mechanism that would automatically increase tariffs in November 2026. Media reports suggest the Trump administration may use the industrial excess capacity Section 301 tariff to recreate the snapback provision, imposing a 7.5% tariff (additive with the 12.5% forced labor Section 301 tariff), with a provision that would increase it to a higher level if the de-escalation agreement were to expire.

Neither government's statements mention any other new concessions by the United States.

Further suspension of China's measures and potential new commitments

On September 28, 2026, China's Ministry of Commerce (MOFCOM) released an official interpretation of the eighth round of China-US trade consultations, confirming agreement to establish the US-China Board of Trade and Board of Investment, extend the de-escalation arrangement to January 10, 2027, and implement a reciprocal tariff-reduction package covering approximately US\$30 billion of imports on each side through the Board of Trade mechanism.

As with the United States, some of China's suspended actions (such as the critical mineral-related export controls, the retaliatory vessel fees, product exclusions from the Section 301 retaliatory tariffs, and tariff increases imposed in retaliation for the Trump administration's "reciprocal" tariffs) will likely require legal orders to be issued by early November to formally extend the suspensions.

Statements also described a broader package of new consensus-based outcomes following the summit:

³⁷ "One Year Suspension of Expansion of End-User Controls for Affiliates of Certain Listed Entities," 90 FR 50857 (November 12, 2025), accessible here: <https://www.federalregister.gov/documents/2025/11/12/2025-19846/one-year-suspension-of-expansion-of-end-user-controls-for-affiliates-of-certain-listed-entities>.

³⁸ "Notice of Modification of Section 301 Action: China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance," 90 FR 50947 (November 13, 2025), accessible here: <https://www.federalregister.gov/documents/2025/11/13/2025-19873/notice-of-modification-of-section-301-action-chinas-targeting-of-the-maritime-logistics-and>.

³⁹ "Notice of Product Exclusion Extensions: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation," 90 FR 55232 (December 1, 2025), accessible here: <https://www.federalregister.gov/documents/2025/12/01/2025-21671/notice-of-product-exclusion-extensions-chinas-acts-policies-and-practices-related-to-technology>; as recently updated by, "Notice of Conforming Amendments to Product Exclusions: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation," 91 FR 56538 (September 2, 2026), accessible here: <https://www.federalregister.gov/documents/2026/09/02/2026-17925/notice-of-conforming-amendments-to-product-exclusions-chinas-acts-policies-and-practices-related-to>.

- **Coal trade:** Statements from both sides described a new commitment by China to import coal from the United States, though they differ on the details. According to the US statement, China has committed to importing 10 million metric tons of US coal annually in 2027 and 2028. MOFCOM's statement does not confirm a quantitative commitment. According to MOFCOM, US coal imports into China would be included in the reciprocal tariff-reduction framework. China's imports of US coal products vary significantly from year to year: China imported 2.6 million metric tons of US coal products in 2022, 6.0 million metric tons in 2023, 12.0 million metric tons in 2024, 0.7 million metric tons in 2025, and 0.2 million metric tons in the first half of 2026.⁴⁰
- **Financial services:** The parties reached a "principled consensus" on financial services, according to MOFCOM. China stated that it would consider applications from foreign financial institutions, including US institutions, to operate and establish branches in China in accordance with applicable laws and regulations. China also called upon the United States to provide "a fair, transparent, and stable policy environment for Chinese financial institutions." The US statements do not reference this arrangement, although Secretary Bessent mentioned in comments to the media that new commitments related to financial services are being discussed.
- **Direct passenger flights:** The parties discussed increasing direct passenger services between China and the United States and agreed to maintain communication on flight capacity and related issues. The US statements do not reference this arrangement.

MOFCOM's statement places greater emphasis on process, reciprocal treatment, and the role of newly created bilateral mechanisms in stabilizing and gradually normalizing the trade relationship than the US statement. China has sought to characterize the relationship as "a constructive relationship of strategic stability on the basis of respect, fairness, and reciprocity" in official statements, which the Trump administration's statement on the summit copied, but ranked further down on its list of summit outcomes.

"Board of Trade" tariff reductions

A few days after the summit, the White House⁴¹ and MOFCOM⁴² issued matching publications describing the proposed "US-China Board of Trade," which is intended to be a forum for discussing bilateral trade matters. The Board of Trade's primary activity appears to be negotiating a package of reciprocal tariff reductions, which the statements call the "30-for-30" framework. The announcements include initial details of what products will be covered by the 30-for-30 framework. However, the tariff reductions do not appear to be final, and it is not clear what tariffs the parties intend to reduce and neither side has yet issued implementing instructions. When finalized, the tariff reductions will be carried out through each country's domestic legal procedures and would be implemented simultaneously, the timeline for which has not been disclosed.

Under the notional 30-for-30 framework, each side has identified imported goods with annual bilateral trade values of approximately US\$30 billion for which they will reciprocally reduce tariffs. MOFCOM has stated that the parties will reduce the US Section 301 tariffs and China's retaliatory tariffs back to MFN levels for 90% of the listed products, but the Trump administration has made contradictory statements on the plan.

⁴⁰ US export data via ITC DataWeb, HTSUS 2701.

⁴¹ White House, "U.S.-China Board of Trade," September 27, 2026, accessible here: <https://www.whitehouse.gov/releases/2026/09/u-s-china-board-of-trade/>; and USTR, "Ambassador Greer Issues a Statement on Announcement of Recommendations from the U.S.-China Board of Trade," September 27, 2026, accessible here: <https://ustr.gov/about/policy-offices/press-office/press-releases/2026/september/ambassador-greer-issues-statement-announcement-recommendations-us-china-board-trade>. See the links at each page for the working procedures, terms of reference, and lists of products.

⁴² MOFCOM, "The Ministry of Commerce announced details regarding the China-US Trade Council and the '30 billion to 30 billion' reciprocal tariff reduction framework," September 28, 2026, accessible here (in Chinese): https://www.mofcom.gov.cn/syxwfb/art/2026/art_010a3b55dd3544e09ba897c6f56c737f.html. See the links at the bottom of the page for the working procedures, terms of reference, and lists of products.

According to USTR, the listed products were selected because they are “non-sensitive,” which it does not explain in any further detail. The United States has proposed lowering tariffs on low-tech consumer goods and China has proposed lowering tariffs on US food products, personal care products, coal, and medical devices, summarized below:

- **Proposed US tariff reductions on imports from China:** The US tariff reduction proposal includes 77 HTSUS subheadings, 8 of which include scope restrictions (that is, the tariff reduction will only apply to the specific product identified in the “description” field). The list covers a variety of household goods, small appliances, toys and furniture for infants, games, sports equipment, Christmas decorations, and fishing equipment.

US imports from China under the listed subheadings totaled \$32.3 billion in 2024 (7.5% of all US goods imports from China) and \$23.2 billion in 2025 (7.7% of all US goods imports from China). China is the primary source of US imports under these subheadings, followed by Vietnam at \$2.6 billion and Mexico at \$2.1 billion in 2024.

Currently, 45 of the 77 subheadings are subject to an additional 7.5% tariff under the List 4 action of the 2018 Section 301 tariffs, and 75 of the 77 subheadings are subject to an additional 12.5% tariff under the forced labor imports Section 301 tariffs. None of the listed products are subject to Section 232 tariffs.

- **Proposed Chinese tariff reductions on imports from the United States:** China’s tariff reduction proposal includes 1,619 tariff codes; however, in 2024, China imported US-origin goods under only 716 of those codes. The listed products include coking coal; meat products such as beef, pork, chicken, and seafood; dairy products; agricultural products, such as grains, nuts, fruits, legumes, coffee, tea, essential oils, and cotton; pet food; medical equipment, such as dental cement, diagnostic instruments, artificial joints, stents, pacemakers, and x-ray equipment; soap and cosmetics; timber, lumber, and certain wood products; and other miscellaneous articles.

Chinese imports from the United States under these tariff subheadings totaled \$29.7 billion in 2024 (18.2% of China’s total goods imports from the United States) and \$19.3 billion in 2025 (13.8% of China’s total goods imports from the United States).

Other Board of Trade activities

The leaders originally announced a commitment to creating the Board of Trade after President Trump’s May 2026 visit to Beijing, stating that the body would manage bilateral trade in non-sensitive products on an ongoing basis.⁴³ The Board of Trade will continue consultations on other bilateral trade matters, though the September announcement does not explain the specific long-term objectives of the consultations. The Trump administration’s announcement simply states that the arrangement will “optimize bilateral trade” and may establish working groups.

Deputies on both sides will monitor trade in the covered products and may recommend adjustments to the lists for consideration by the board’s principals, including Secretary Bessent, Ambassador Greer, and Vice Premier He. Tariff adjustments are not expected to occur more than once per year. The deputies may also consider expanding the framework to cover additional products.

The first of these working groups will discuss market access for agricultural products. China and the United States agreed to establish an agricultural working group, jointly led by MOFCOM and USTR, with participation from relevant regulators to address two-way market access, non-tariff barriers, and regulatory issues. The first meeting is to be held before the end of 2026.

⁴³ White House, “President Donald J. Trump Secures Historic Deals with China, Delivering for American Workers, Farmers, and Industry,” May 17, 2026, accessible here: <https://www.whitehouse.gov/fact-sheets/2026/05/fact-sheet-president-donald-j-trump-secures-historic-deals-with-china-delivering-for-american-workers-farmers-and-industry/>; and MOFCOM, “The spokesperson of the Ministry of Commerce answered reporters’ questions on the preliminary results of the Sino-US economic and trade consultations,” May 16, 2026, accessible here (in Chinese): https://www.mofcom.gov.cn/xwfb/xwfytrth/art/2026/art_2ff1de0282be42ab87201b69a9fcb008.html.

Status of the Board of Investment

Parallel discussions on a “Board of Investment,” which was also announced during the May 2026 Beijing summit, do not appear to be progressing as quickly as the Board of Trade. Both governments’ statements indicate that the Board of Investment was formally established during the September summit, but describe it as simply being a forum for discussing investment opportunities and challenges.

US-China AI Dialogue

Alongside the September summit, the parties held the first meeting of a new “U.S.-China AI Dialogue”⁴⁴ on shared AI safety concerns, and plan to hold a follow-up meeting by the end of November. Details of the arrangement are not yet available, but it appears to have a limited scope.

The Trump administration suggested the dialogue could become a notification system for AI-related national security incidents. However, in anonymous press leaks, Trump administration officials have characterized the plan as an agreement to simply maintain an open line of communication about AI-related security incidents between Secretary Scott Bessent and Vice Premier He Lifeng and further stated that there is no formal consultative body or agreement.⁴⁵ China has confirmed the first meeting took place between Secretary Bessent and Vice Premier He, simply stating that the parties discussed the risks and benefits of AI.

Next steps for the negotiations

Despite the agreements announced at the September summit, the de-escalation agreement remains fragile. Both parties have accused the other of violating the agreement, and neither side appears to be making progress towards resolving key policy interests. The United States has continued to complain that China has not allowed a full resumption of critical mineral exports, while China has objected to new trade restrictions and ongoing export controls by the United States. Negotiations over the next few months will be crucial to reaching a more stable arrangement. President Trump and President Xi intend to meet again in November at APEC in Shenzhen and at the G20 in December, providing additional opportunities for leadership-level engagement.

Most recently, tensions appeared to briefly escalate again in late July and early August, when the United States announced new product prohibitions through the FCC Covered List and significantly expanded the Uyghur Forced Labor Prevention Act (UFLPA) Entity List.⁴⁶ China responded by expanding export controls on drone part exports, imposed new countermeasures on companies connected to UFLPA enforcement and FCC certification testing, initiated a national security investigation into imported office printers, and suspended factory inspections by US certification bodies.⁴⁷

⁴⁴ Some of the White House’s statements about the new AI forum refer to it as the “Super Intelligence Dialogue,” because President Trump recently directed the US government to refer to AI as “Super Intelligence” in public statements. According to the White House statement on outcomes from the summit, China has agreed to also refer to AI as “Super Intelligence,” although China’s statements on the summit continue to use the standard terminology.

⁴⁵ Politico, “The scientific, technical term is BS’: Inside the new Bessent-China AI hotline,” September 22, 2026, accessible here: <https://www.politico.com/news/2026/09/22/new-ai-safety-mechanism-is-a-channel-between-bessent-and-his-chinese-counterpart-01086967>.

⁴⁶ Federal Communications Commission, “FCC’s Public Safety And Homeland Security Bureau Announces Addition Of Foreign Produced Power Inverters And Advanced Robotic Devices To FCC Covered List,” July 28, 2026, accessible here: <https://docs.fcc.gov/public/attachments/DA-26-786A1.pdf>; and “Notice Regarding the Uyghur Forced Labor Prevention Act Entity List,” 91 FR 48913 (August 3, 2026), accessible here: <https://www.federalregister.gov/documents/2026/08/03/2026-15628/notice-regarding-the-uyghur-forced-labor-prevention-act-entity-list>.

⁴⁷ Ministry of Commerce Announcement No. 34 of 2026: Strengthening export controls on dual-use items related to drones to the United States, August 5, 2026, accessible here (in Chinese): https://www.mofcom.gov.cn/zwgk/zcfb/art/2026/art_74835ca289b5463f9c36cb983b689dba.html; Ministry of Commerce Order No. 3 of 2026: Taking Countermeasures Against U.S. Compliance Testing Companies, August 5, 2026, accessible here (in Chinese): https://www.mofcom.gov.cn/zwgk/zcfb/art/2026/art_5536d924b28442f3ad90db8d764bab0d.html; Ministry of Commerce Order No. 2 of 2026: Countermeasures Against Applied DNA Sciences and six other U.S. entities, August 5, 2026, accessible here (in Chinese): https://www.mofcom.gov.cn/zwgk/zcfb/art/2026/art_bd62c275eb144ba7bc6a50716ab823b6.html; Ministry of Commerce Announcement No. 33 of 2026: Announcement of the initiation of a national security investigation into foreign trade regarding imported printing, copying, and office equipment, August 5, 2026, accessible here (in Chinese): https://www.mofcom.gov.cn/zwgk/zcfb/art/2026/art_0e46c09f491a4881bae53c168c365361.html; China’s designated compulsory product certification bodies have suspended commissioning certification bodies in the United States to conduct

Several major US tariff actions are expected in the next few weeks, which may further escalate the dispute. Most significantly, the investigation determinations and proposed tariffs in the 16 Section 301 investigations of industrial excess capacity are reportedly imminent. According to media reports, the Trump administration delayed publishing the results until after the summit. The Trump administration must also announce new tariff and sanctions measures under the Lindsey O. Graham Sanctioning Russia and Iran Act of 2026 by October 18, 2026, which are expected to target China, as well as several other countries.

Global Forum on Steel Excess Capacity announces “Milwaukee Framework” on margins of G20, while G20 fails to reach consensus on US priorities

On September 30, 2026, on the margins of a two-day Group of Twenty (G20) trade ministerial in Milwaukee, Wisconsin, United States Trade Representative (USTR) Jamieson Greer chaired the Ministerial Meeting of the Global Forum on Steel Excess Capacity (GFSEC).⁴⁸ The meeting produced a new multilateral framework, the “Milwaukee Framework,” addressing non-market policies and practices that distort the global steel market, along with a Ministerial Statement extending GFSEC’s mandate for a further three years.⁴⁹

The Milwaukee Framework

The GFSEC’s Milwaukee Framework details the distorting impact of non-market policies and practices (NMPPs) on excess capacity in the global steel market. The framework commits participants to build on the 2017 Berlin principles for addressing steel excess capacity, including actions to refrain from government support that creates or sustains excess capacity, refraining from use of NMPPs, and pursuing greater transparency.

Participants agreed to pursue the Milwaukee Framework’s intended actions “through their respective national legal frameworks, reflecting their national circumstances and consistent with international commitments,” with the aim that participants’ actions “reinforce each other’s actions” in addressing non-market policies. The language reflects a discomfort among some GFSEC participants with matching US tariff actions, noting that the “level of ambition of actions...may vary among GFSEC” participants.

The framework commits participants to seven categories of coordinated national initiatives:

1. Reducing or eliminating subsidies and NMPPs.
2. Cooperation and data sharing to ensure “supply chain transparency through the collection and publication of steel trade data,” including by collecting “country of melt and pour” data for steel products and taking steps to address tariff circumvention.
3. Taking domestic action against steel excess capacity, including antidumping and countervailing duty measures and other trade measures, improving the transparency of laws, and increasing collaboration on trade actions between GFSEC members.
4. Directing the GFSEC Facilitator to analyze the impact of export restrictions on steelmaking raw materials and to consider responsive actions.
5. Affirming the OECD Guidelines on Corporate Governance of State-Owned Enterprises.

factory follow-up inspections, State Administration for Market Regulation, August 5, 2026, accessible here (in Chinese): https://www.cnca.gov.cn/xwj/scjgyw/art/2026/art_ce6dec0a49ea4f3eb1b14862f0b32e01.html.

⁴⁸ “Ambassador Greer Issues Statement Following Ministerial Meeting of the Global Forum on Steel Excess Capacity,” Office of the United States Trade Representative, September 30, 2026, accessible here: <https://ustr.gov/about/policy-offices/press-office/press-releases/2026/september/ambassador-greer-issues-statement-following-ministerial-meeting-global-forum-steel-excess-capacity>.

⁴⁹ Global Forum on Steel Excess Capacity, Comprehensive Framework for Joint Action (the “Milwaukee Framework”), September 30, 2026, accessible here: <https://www.steelforum.org/content/dam/steel-forum/en/publications/gfsec-comprehensive-framework-for-joint-action.pdf>.

6. Assessing “weak regulation and enforcement” that unfairly lower production costs.

7. Examining the financing of non-market policies and practices.

The members intend to annually review the effectiveness of import actions undertaken as part of the framework and may take “further concerted and coordinated action in the future.”

The ministerial meeting also produced a Ministerial Statement, in which participants committed to the actions in the Milwaukee Framework, acknowledged the increasing problem of global steel overcapacity, and asked GFSEC to “take stock” of participants’ progress.⁵⁰

Building on the GFSEC Framework

The Ministerial Statement also extended GFSEC’s terms of reference for a further three years. Under GFSEC’s current terms of reference, covering January 2024 through December 2026, the forum’s 28 members are Argentina, Australia, Austria, Belgium, Brazil, Canada, the European Union, Finland, France, Germany, Greece, Hungary, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, Norway, Poland, the Slovak Republic, South Africa, Spain, Sweden, Switzerland, Türkiye, the United Kingdom, and the United States.⁵¹ The Ministerial Statement tasks the GFSEC with revising the terms of reference to extend it for another three years, to incorporate the Milwaukee Framework, and to develop an accession process for new members.

GFSEC was formed in 2016 and has 28 members, including the European Union. Fifteen members agreed last October to develop the Milwaukee Framework.⁵² GFSEC operates through a Steering Group that meets twice a year, and the Organization for Economic Co-operation and Development (OECD) acts as the forum’s “Facilitator.”

G20 Trade Ministerial

The GFSEC ministerial was hosted alongside the G20 Trade Ministerial, at which the United States was also seeking to build consensus around trade restrictions targeting NMPPs. In his opening remarks at the G20 ministerial, Ambassador Greer raised NMPPs as part of the structural excess capacity and production agenda item, in addition to agenda items on reforming most-favored-nation (MFN) tariff treatment, eliminating forced labor from global supply chains, and food trade coercion.⁵³ The steel sector was reportedly a major topic of discussion in the excess capacity portion of the agenda, with the ministers discussing what government supports for the sector should and should not be permitted.

Ultimately, the ministers agreed to a statement condemning the use of food trade for coercion, but they did not reach consensus statements on forced labor or excess production capacity. The United States reportedly withdrew the MFN topic after other ministers insisted that it should be discussed at the World Trade Organization. The results were summarized in a Chair’s Statement written by USTR.⁵⁴

- **Food trade:** The G20 consensus “Statement on the Weaponization of Food through Coercive Trade Actions” condemns the use of food, agricultural products, and agricultural inputs as tools of economic or political

⁵⁰ Global Forum on Steel Excess Capacity, Ministerial Statement, September 30, 2026, accessible here: <https://www.oecd.org/content/dam/steel-forum/en/publications/gfsec-ministerial-statement-2026.pdf>.

⁵¹ Global Forum on Steel Excess Capacity, Terms of Reference, accessible here: <https://www.steelforum.org/content/dam/steel-forum/GFSEC%20Terms%20of%20References%20for%202024.pdf>.

⁵² Global Forum on Steel Excess Capacity, 2025 Ministerial Statement, October 2025, accessible here: <https://www.steelforum.org/content/dam/steel-forum/en/publications/2025%20GFSEC%20Ministerial%20Statement.pdf>.

⁵³ “Ambassador Greer’s Opening Remarks at the G20 Trade Ministerial,” Office of the United States Trade Representative, September 2026, accessible here: <https://ustr.gov/about/policy-offices/press-office/speeches-and-remarks/2026/september/ambassador-greers-opening-remarks-g20-trade-ministerial>.

⁵⁴ G20 Chair’s Statement, October 1, 2026, accessible here: <https://ustr.gov/sites/default/files/files/Press/Releases/G20%20Chair's%20Statement.pdf>.

coercion.⁵⁵ The statement does not name the countries that are believed to be weaponizing food trade, though it is likely primarily concerned with Russia's attacks on Ukrainian food shipments in the Black Sea.

- **Forced labor:** Although the United States was unable to win a consensus for its proposed "Statement on Eliminating Forced Labor in Global Supply Chains," the Chair's Statement highlighted that Mexico and Argentina backed the statement, and USTR published it separately.⁵⁶ The draft statement argues that goods made with forced labor have an unfair price advantage, echoing the arguments USTR used to justify the forced labor Section 301 tariffs that it imposed on the rest of the G20's members in July 2026.
- **Structural Excess Capacity and Production:** According to the Chair's Statement, the United States sought consensus on a statement that "called on all countries to take steps to eliminate structural excess capacity and production" and to "take effective and complementary actions that address structural excess capacity and production in key sectors of concern." Multiple members appear to have opposed the statement.

MFN reform: Addressing this topic, the Chair's Statement argues that "the MFN principle has failed to promote reciprocity and balance in the trading system" and is unfair. It then states that "some G20 members expressed a willingness to think carefully about making changes to the MFN principle" and that there were a "wide range of views."

RCEP

RCEP Ministers advance membership expansion and prepare for 2027 agreement upgrade

On September 21, 2026, government representatives from the Regional Comprehensive Economic Partnership (RCEP) economies met in Manila for the 5th RCEP Ministers' Meeting⁵⁷ to review implementation of the RCEP and advance discussions on expanding membership and conducting the agreement's forthcoming general review. Participants included ASEAN Member States and RCEP partners Australia, China, Japan, Korea, and New Zealand.

The RCEP Ministers emphasized the need for more effective implementation of RCEP, deeper regional trade and investment integration and stronger economic resilience in a changing global economic environment. Their discussions reflected an increased focus on translating the agreement's legal framework into practical commercial benefits for businesses operating across the region.

Implementation and utilization of RCEP

The RCEP Ministers reaffirmed the importance of strengthening implementation and increasing businesses' use of the agreement, particularly among micro, small and medium-sized enterprises (MSMEs). They highlighted the agreement's role in supporting regional economic integration, reinforcing trade and investment links, and promoting resilience amid uncertainty in global trade. The emphasis on utilization signals a shift from negotiation and initial entry into force toward practical uptake. The RCEP Ministers called for more extensive promotion and greater business awareness of the agreement's benefits, with particular attention to MSMEs. Indonesia, serving as ASEAN co-chair, underscored the need for enhanced outreach to increase use of RCEP tariff preferences and other available benefits.⁵⁸ For companies managing regional supply chains, RCEP's principal commercial value remains its common rules-of-origin framework.

⁵⁵ "Statement on the Weaponization of Food through Coercive Trade Actions," October 1, 2026, accessible here: <https://ustr.gov/sites/default/files/files/Press/Releases/Final%20G20%20Statement%20Weaponization%20of%20Food%20for%20Members.pdf>.

⁵⁶ "Statement on Eliminating Forced Labor in Global Supply Chains," October 1, 2026, accessible here: https://ustr.gov/sites/default/files/files/Press/Releases/Statement%20on%20Eliminating%20Forced%20Labor%20in%20Global%20Supply%20Chains_final.pdf.

⁵⁷ ASEAN Secretariat, "Joint Media Statement of the 5th RCEP Ministers' Meeting," September 21, 2026, accessible here: https://asean.org/wp-content/uploads/2026/09/Joint-Media-Statement-of-the-5th-RCEP-Ministers-Meeting_Adopted.pdf.

⁵⁸ Indonesia Ministry of Trade, "Indonesia Chairs the 5th RCEP Ministerial Meeting, Emphasizes the Importance of Improving RCEP Utilization," September 22, 2026, accessible here (in Bahasa Indonesia): <https://www.kemendag.go.id/berita/siaran-pers/pimpin-pertemuan-ke-5-para-menteri-rcep-indonesia-tekanan-pentingnya-meningkatkan-pemanfaatan-rcep>.

Subject to compliance with the applicable origin requirements, businesses may source qualifying inputs across RCEP economies while maintaining eligibility for preferential tariff treatment.

Expansion of RCEP membership

A key outcome of the meeting was progress toward expanding RCEP membership. The RCEP Ministers approved the RCEP Joint Committee's recommendation to establish an ad hoc accession working group to advance accession processes for four economies: (i) Bangladesh; (ii) Chile; (iii) Hong Kong; and (iv) Sri Lanka in accordance with RCEP's established accession procedures. The establishment of the working groups represents an important procedural step beyond expressions of interest in joining the agreement. The working groups create a dedicated mechanism for considering applicants and advancing accession discussions while maintaining the requirements and procedures established under the agreement.

Expansion to economies outside RCEP's original East Asian membership would also broaden the geographic reach of the agreement. Accession by Chile would extend RCEP membership into Latin America, while Bangladesh and Sri Lanka would broaden participation in South Asia. Hong Kong has also repeatedly expressed its readiness to join RCEP. Uruguay also expressed interest to accede to RCEP in February 2026.

RCEP upgrade

The RCEP Ministers also advanced preparations for the general review of the agreement, which is expected to lead to a broader upgrade of the RCEP. They agreed that the process should examine not only RCEP's existing built-in agenda but also options for incorporating provisions covering modern and emerging issues. The RCEP Joint Committee has been tasked with developing a joint scoping paper setting out the potential scope and areas for the review. The RCEP Ministers expect to endorse the joint scoping paper at the RCEP Ministers' Meeting in 2027.

Permanent RCEP Secretariat

According to Indonesia's Ministry of Trade (MOT), there has been progress toward establishing a permanent RCEP Secretariat in Indonesia. The RCEP Joint Committee will continue discussions on the draft terms of reference and other preparations. Currently, the institutional groundwork is already in place through the RCEP Support Unit (RSU) within the ASEAN Secretariat in Jakarta. The RSU became operational on December 2, 2024, and its office was inaugurated on December 9, 2024. ASEAN has expressly stated that the RSU is intended to serve as the basis for the eventual establishment of the RCEP Secretariat pursuant to Article 18.3 of the RCEP.

Once established, the permanent secretariat will strengthen RCEP's institutional architecture as implementation, accession, and the general reviews become more complex. The development is particularly relevant as RCEP moves from implementation of the original agreement towards a potentially larger membership and broader substantive agenda. The RCEP Secretariat would also distinguish RCEP's institutional structure more clearly from its initial implementation arrangements, providing a dedicated mechanism to support the RCEP Joint Committee and other bodies responsible for administering the agreement.

Petitions & Investigations

Investigations

Department of Commerce issues preliminary findings and partial rescission of administrative review of ADD order on glycine from Japan

On September 14, 2026, the Department of Commerce (Commerce) published the preliminary results in the 2024-2025 administrative review of the antidumping duty (ADD) order on glycine from Japan. Commerce preliminarily found that some of the producers or exporters subject to this administrative review made sales of subject merchandise at less than normal value, while another did not, during the period of review (June 1, 2024 through May 31, 2025).⁵⁹

The preliminary weighted-average dumping margins for the period of review are 3.25% for Yuki Gosei Kogyo Co., Ltd. and Nagase & Co., Ltd., and 0.00% for Resonac Corporation. Commerce rescinded the administrative review with respect to Ajinomoto Co., Inc.; Ajinomoto Healthcare, Inc.; Sojitz Corporation; and Sojitz Logistics Corporation.

Commerce announced the administrative review on July 25, 2025, following requests by the petitioner, Chattem Chemicals, Inc., as well as respondents Resonac Corporation, Yuki Gosei Kogyo Co., Ltd., and Nagase & Co., Ltd.⁶⁰

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 orders 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 Harmonized Tariff Schedule of the United States (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 continuation order in five-year (sunset) review of ADD orders on polyvinyl alcohol from China and Japan

On September 18, 2026, Commerce published the continuation order in the five-year (sunset) review of the ADD orders on polyvinyl alcohol from China and Japan,⁶¹ having concluded in the review that revocation of the ADD orders would likely lead to the continuation or recurrence of dumping and material injury to the US industry. US Customs and Border Protection (CBP) will continue to collect the ADD cash deposits at the rates in effect at the time of entry for all imports. The weighted-average dumping margins are up to 144.16% for Japan and 97.86% for China.

The continuation order follows the International Trade Commission's (ITC) determination on September 11, 2026, that revocation of the ADD orders would be likely to lead to continuation or recurrence of material injury to an industry in

⁵⁹ "Glycine From Japan: Preliminary Results and Rescission, in Part, of Antidumping Duty Administrative Review, 2024-2025," 91 FR 58094 (September 14, 2026), accessible here: <https://www.federalregister.gov/documents/2026/09/14/2026-18698/glycine-from-japan-preliminary-results-and-rescission-in-part-of-antidumping-duty-administrative>.

⁶⁰ "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>.

⁶¹ "Polyvinyl Alcohol from Japan and the People's Republic of China: Continuation of Antidumping Duty Orders," 91 FR 59109 (September 18, 2026), accessible here: <https://www.federalregister.gov/documents/2026/09/18/2026-19110/polyvinyl-alcohol-from-japan-and-the-peoples-republic-of-china-continuation-of-antidumping-duty>.

the United States within a reasonably foreseeable time.⁶² Commerce issued the final results of its review on June 30, 2026, finding that revocation of the orders would be likely to lead to continuation or recurrence of dumping.⁶³

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 silane 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 acetoacetylase 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.

⁶² "Polyvinyl Alcohol from China and Japan; Determinations," 91 FR 57920 (September 11, 2026), accessible here: <https://www.federalregister.gov/documents/2026/09/11/2026-18525/polyvinyl-alcohol-from-china-and-japan-determinations>.

⁶³ "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>.

- 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.

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.

Commerce announces administrative review of the ADD order on tin mill products from Japan

On August 10, 2026, Commerce announced it is initiating an administrative review of the ADD order on tin mill products from Japan for the August 1, 2025 through July 31, 2026 period of review.⁶⁴ The initiation notice names 13 producer/exporters: JFE Shoji Trade Corporation; JFE Steel Corporation; Kanematsu Corporation; Marubeni-Itochu Steel, Inc.; Mitsui & Co., Steel Ltd.; Mitsubishi Electric Trading Co.; Nichias Corporation; Nippon Steel Corporation; Nippon Steel Trading Corporation; NK Plus Tec Co. Ltd.; NOK Corporation; Sumitomo Corporation Global Metals; and Toyo Kohan Co. Commerce intends to complete the reviews by August 31, 2027 at the latest.

Covered product

The products covered by the Order are tin mill flat-rolled products that are coated or plated with tin, chromium or chromium oxides. Flat-rolled steel products coated with tin are known as tin plate. Flat-rolled steel products coated with chromium or chromium oxides are known as tin-free steel or electrolytic chromium-coated steel. The scope includes all the noted tin mill products regardless of thickness, width, form (in coils or cut sheets), coating type (electrolytic or otherwise), edge (trimmed, untrimmed or further processed, such as scroll cut), coating thickness, surface finish, temper, coating metal (tin, chromium, chromium oxide), reduction (single- or double-reduced), and whether or not coated with a plastic material. All products that meet the written physical description are within the scope of the Order unless specifically excluded. See the Order for full descriptions of the various types of excepted products.

Merchandise subject to the Order is typically classified under HTSUS subheadings 7210.11.0000, 7210.12.0000, 7210.50.0000, 7212.10.0000, and 7212.50.0000 if of non-alloy steel; and under HTSUS subheadings 7225.99.0090 and 7226.99.0180 if of alloy steel. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

United States initiates five-year (sunset) review of ADD orders on thermal paper from Germany, Japan, South Korea, and Spain

On October 1, 2026, Commerce and the ITC announced the initiation of the five-year (sunset) review of the ADD orders on thermal paper from Germany, Japan, South Korea, and Spain.⁶⁵ 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 2021.⁶⁶

Covered product

The product subject to the ADD orders is thermal paper in the form of "jumbo rolls" and certain "converted rolls." The scope covers jumbo rolls and converted rolls of thermal paper with or without a base coat (typically made of clay, latex,

⁶⁴ "Initiation of Antidumping and Countervailing Duty Administrative Reviews," 91 FR 62477 (October 1, 2026), accessible here: <https://www.federalregister.gov/documents/2026/10/01/2026-20160/initiation-of-antidumping-and-countervailing-duty-administrative-reviews>.

⁶⁵ "Thermal Paper from Germany, Japan, South Korea, and Spain; Institution of Five-Year Reviews," 91 FR 62555 (October 1, 2026), accessible here: <https://www.federalregister.gov/documents/2026/10/01/2026-20136/thermal-paper-from-germany-japan-south-korea-and-spain-institution-of-five-year-reviews>; and "Initiation of Five-Year (Sunset) Reviews," 91 FR 62467 (October 1, 2026), accessible here: <https://www.federalregister.gov/documents/2026/10/01/2026-20161/initiation-of-five-year-sunset-reviews>.

⁶⁶ "Thermal Paper from Germany, Japan, the Republic of Korea, and Spain: Antidumping Duty Orders," 86 FR 66284 (November 22, 2021), accessible here: <https://www.federalregister.gov/documents/2021/11/22/2021-25365/thermal-paper-from-germany-japan-the-republic-of-korea-and-spain-antidumping-duty-orders>.

and/or plastic pigments, and/or like materials) on one or both sides; with thermal active coating(s) (typically made of sensitizer, dye, and co-reactant, and/or like materials) on one or both sides; with or without a top coat (typically made of pigments, polyvinyl alcohol, and/or like materials), and without an adhesive backing. Jumbo rolls are defined as rolls with an actual width of 4.5 inches or more, an actual weight of 65 pounds or more, and an actual diameter of 20 inches or more (jumbo rolls).

All jumbo rolls are included in the scope regardless of the basis weight of the paper. Also included in the scope are “converted rolls” with an actual width of less than 4.5 inches, and with an actual basis weight of 70 grams per square meter (gsm) or less.

The scope of these orders covers thermal paper that is converted into rolls with an actual width of less than 4.5 inches and with an actual basis weight of 70 gsm or less in third countries from jumbo rolls produced in the subject countries.

The merchandise subject to these orders may be classified in HTSUS subheadings 4811.90.8030 and 4811.90.9030. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope is dispositive.

WTO Developments

No developments