International Trade Quarterly Updates — April to June 2026

Welcome to the second issue of the Taxise Asia International Trade Quarterly Updates, covering the regulatory, audit enforcement, and trade negotiation developments in the Asia Pacific trade landscape from April to June 2026. Some general observations on key trends this quarterare as follows.

1. **Geopolitics is now the organising logic of trade law, not a backdrop.**

The Beijing Xi–Trump summit in May, the consolidation of Korea's nuclear exports under a single national champion, China's unilateral zero-tariff offer to Africa, and the alignment of the USTR's Section 301 timetable with the expiry of the U.S. Section 122 tariffs all point to market access being increasingly decided on strategic rather than commercial grounds. Trade measures have become more pronounced instruments of statecraft and geopolitical realignment.

2. **China has begun to operationalise its extraterritorial trade-law toolkit — expect more conflicting compliance demands.**

Within a single fortnight, MOFCOM issued its first prohibition order naming specific U.S. sanctions designations under China's blocking rules, and the Ministry of Justice issued the first order under the new Counter-Extraterritoriality Regulations, designating the EU's Foreign Subsidies Regulation investigation into a Chinese company an "unlawful extraterritorial measure." China is no longer merely legislating extraterritorial trade laws; she is now exercising them — and signalling that compliance with foreign sanctions and investigations may itself create liability inside China.

3. **Singapore Free Trade Agreements ("FTAs") are being recast as "economic security agreements."**

Singapore concluded a cluster of agreements this quarter that recast FTAs as instruments of supply security. Singapore and Australia substantially concluded the Protocol on Economic Resilience and Essential Supplies to the Singapore-Australia FTA, covering petroleum and liquefied natural gas and committing both sides to endeavour not to impose export restrictions on essential supplies. Singapore and New Zealand signed the Agreement on Trade in Essential Supplies ("**AOTES**"), described as the world's first legally binding bilateral supply-chain resilience agreement, committing both countries to keep food, fuel, healthcare products and chemical and construction materials flowing during a crisis. In June 2026, Singapore and Vietnam issued a Joint Statement on Supply Chain Resilience. The common thread is a shift away towards binding commitments on security of supply.

4. **The post-IEEPA U.S. tariff architecture is being rebuilt on litigation-resilient foundations.**

With the IEEPA tariffs struck down and the temporary Section 122 duties due to expire in late July 2026 – and themselves under legal challenge – the USTR's twin Section 301 investigations into structural excess capacity in manufacturing and into forced-labour practices are emerging as more durable legal successors. Both are timed to fill the gap the moment Section 122 lapses. Asian exporters to the United States face the prospect of a fresh tariff reset, on a new legal basis, within weeks. We continue to monitor these proceedings and to assist clients with scenario planning and refund strategies.

CHINA

1. State Council Order No. 834 – Regulations on the Security of Industrial and Supply Chains, issued by the State Council and effective from 7 April 2026

Order 834 sets out the measures that China will adopt to ensure security of her industrial and supply chains. It provides for the following:

(a) A holistic national-security view of industrial and supply chains in China with an approach focused on critical sectors;

(b) The establishment of a "Critical Areas List" maintained by the State Council, with listed sectors subject to enhanced obligations on information sharing / data security, risk monitoring and early warning, physical and capability reserves, R&D, and emergency-response planning;

(c) Creates a supply chain security investigation regime covering both foreign-state discriminatory measures and foreign private-actor conduct that interrupts normal market transactions;

(d) Restricts industrial- and supply-chain-related information-collection activities (e.g. third-party audits and due diligence visits) by any organisation or individual in the PRC who may be subject to "corresponding handling measures"; and

(e) Provides reporting channels for businesses and industry associations.

Policy intent

Order 834 elevates supply chain monitoring from a secotral exercise with earlier Ministry level pilots to a central, cross-ministerial regime. Priority areas are signalled through the "Critical Areas List".

Order 834 also signals China's intent to limit the ability of foreign parties to gather due diligence and data on China's industrial and supply chains as these have often been used as a basis to implement retaliatory measures against Chinese businesses and agencies.

Implications for businesses

Businesses that are designated in the "Critical Areas List" will need to be aware of the additional compliance and security obligations that are to be imposed.

Businesses that are involved in the foreign-led collection of supply chain information in China (e.g., supply chain audits, subsidy investigations, etc.) now risk "corresponding handling measures" even if existing data protection and State secrets laws may not apply.

2. State Council Order No. 835 — Regulation on Countering Foreign Improper Extraterritorial Jurisdiction, issued by the State Council and effective from 13 April 2026

Order 835 adds to the existing regulatory framework regarding blocking rules. It provides for the following:

(a) Identification mechanism to formally designate foreign measures as "foreign unlawful extraterritorial measures";

(b) "Anti-Execution Orders" (禁执令) to prohibit designated organisations or individuals from executing or assisting in the execution of an identified foreign measure;

(c) A new "Malicious Entity List" (恶意实体清单) targeting foreign organisations and individuals that promote or participate in foreign unlawful extraterritorial measures;

(d) Allows private rights of action in the event that there is a breach of the regulations;

(e) An exemption procedure to exempt compliance with the regulations in certain situations.

Policy intent

Order 835 is a systemic legal response to the long-arm jurisdiction of foreign laws and regulations. It provides for the legal basis to operationalise countermeasures against foreign measures with extra-territorial effect.

We expect that the identification powers will be exercised cautiously. That said, the order does signal real bite in being able to call out the relevant measures, issuing "Anti-Execution Orders" with legal ramifications for non-compliance, and designation of foreign entities in the "Malicious Entity List".

Implications for businesses

Businesses need to build a dual-compliance map now to set out decision flows to determine appropriate responses when their China operations are put in the difficult position of complying with foreign laws with extraterritorial effect and *Order 835*.

3. MOFCOM Order No. 1 of 2026, issued by the Ministry of Commerce ("MOFCOM") and effective from 24 April 2026

The Order removes countermeasures imposed on UAB Urbo Bankas and AB Mano Bankas in response to EU withdrawing of sanctions on two Chinese financial institutions.

4. MOFCOM Announcement No. 20 of 2026 effective 24 April 2026

MOFCOM Announcement No. 20 of 2026 designates seven EU entities on the "Controlled List" under the PRC *Export Control Law*. The consequences of the designation are as follows:

(1) Exporters are prohibited from exporting dual-use items to the designated entities;

(2) Foreign organisations and individuals are prohibited from transferring or providing dual-use items of PRC origin to the designated entities; and

(3) The abovementioned activities currently being conducted with the designated entities must cease immediately.

The seven designated entities are:

- FN Herstal (Fabrique Nationale de Herstal), Voie de Liege 33, Herstal, Belgium, B-4040;
- Omnipol A.S., Nekazanka 880/11, Praha 1, Czech Republic, 11000;
- Hensoldt AG, Willy-Messerschmitt-Strasse 3, Taufkirchen, Germany, 82024;
- Excalibur Army Spol. S.R.O., Kondanska 521/57, Praha 10, Czech Republic, 10100;
- Spaceknow Inc., Odstepny Zavod s.r.o. (Czech branch), Thamova 289/13, Praha 8, Zech Republic, 18600;
- Vzlu Aerospace A.S., Beranovych 130, Praha 9, Czech Republic;
- FN Browning Group, Voie de Liege 33, Herstal, Belgium, B-4040.130, Praha 9, Czech Republic.

Policy intent

This is the first time that EU companies have been designated under China's "Controlled List". Previouslly, designations have almost exclusively been against U.S. entities. It appears to be targeted at companies in the EU who have been involved in arms cooperation with Taiwan.

Implications for businesses

Businesses which transact in dual-use goods and technologies with these companies will need to ascertain whether they are impacted by this Announcement.

If so, transactions will need to be suspended immediately and the procedures for obtaining licenses to transact with "Controlled List" entities will have to be complied with, although this would practically mean significant delays in shipment assuming licenses can be obtained.

5. MOFCOM Announcement No. 21 of 2026, issued by the Ministry of Commerce ("MOFCOM") and effective from 2 May 2026

MOFCOM Announcement No. 21 of 2026 implements the first formal prohibition order naming specific foreign sanctions designations.

In this announcement, MOFCOM determined that recent U.S. oil-related sanctions placing five Chinese petrochemical companies on the U.S. "Specially Designated Nationals ("**SDN**") List" pursuant to Executive Order Nos. 13902 and 13846 constitute an unjustified extraterritorial application of foreign law.

The order, made under *MOFCOM Order No. 1 of 2021 – Rules on Counteracting Unjustified Extra-territorial Application of Foreign Legislation and Other Measures* (the "**Blocking Rules**"), prohibits any recognition, execution or compliance iwth the U.S. sanctions imposed on the following five named Chinese companies:

- Hengli Petrochemical (Dalian) Refining & Chemical Co., Ltd.;
- Shandong Shouguang Luqing Petrochemical Co., Ltd.;
- Shandong Jincheng Petrochemical Group Co., Ltd.;
- Hebei Xinhai Chemical Group Co., Ltd.; and
- Shandong Shengxing Chemical Co., Ltd.

Policy intent

This order converts China's blocking statute from a largely symbolic instrument into an actively enforced deterrent against compliance with U.S. secondary sanctions, reframing the dispute as a contest over whose law governs cross-border business.

Implications for businesses

Entities and individuals in China, including PRC-incorporated subsidiaries, joint ventures and branches of foreign multinational groups will:

- Need to comply with this order;
- Report to MOFCOM within 30 days where it "encounters" foreign measures of the type contemplated in the Blocking Rules; and
- Be aware of potential liability pursuant to any private actions initiated by Chinese parties that have their rights and interests infringed as a result of a counterparty complying with the U.S. rules.

6. Tariff Commission of the State Council Announcement 5 of 2026 – Announcement on Implementation of Zero-Tariff Treatment for African Countries with Diplomatic Relations with China, issued by the Tariff Commission of the State Council and effective from 1 May 2026 to 30 April 2028

China extended zero-tariff treatment to all African countries with which it maintains diplomatic relations, becoming the first major economy to grant unilateral, full-coverage zero-tariff access to all such partners.

Building on the 100% tariff-line treatment already granted since December 2024 to the least-developed countries ("**LDCs**") in Africa, the measure newly extends zero-tariff treatment (as a preferential rate) to the non-LDC African partners for the period 1 May 2026 to 30 April 2028.

The affected countries are: Algeria, Botswana, Cape Verde, Cameroon, Republic of the Congo (Congo-Brazzaville), Côte d'Ivoire (Ivory Coast), Egypt, Equatorial Guinea, Gabon, Ghana, Kenya, Libya, Mauritius, Morocco, Namibia, Nigeria, Seychelles, South Africa, Tunisia, and Zimbabwe.

For goods subject to tariff quotas, only the in-quota rate falls to zero. During the two-year window China will negotiate a China–Africa Economic Partnership for Shared Development to give the arrangement a durable treaty basis.

The schedule of tariff preferences may be found at: https://m.mof.gov.cn/zcfb/202604/P020260428407579725260.pdf

Policy intent

To deepen China–Africa trade and investment ties and position China as a champion of open markets amid rising protectionism, while steering toward a binding economic-partnership framework.

Implications for businesses

Groups with African manufacturing or sourcing footprints, and traders routing African-origin goods, should review origin qualification to capture duty-free access to the Chinese market, and watch the forthcoming partnership negotiations.

7. State Council Order 837 – Provisions of the State Council on Outbound Investment, published by the State Council on 1 June 2026 and effective from 1 July 2026

Order 837 is the first comprehensive, State-Council-level framework governing outbound (overseas) investment ("**ODI**") by PRC investors.

It sits above the existing approval-and-filing regime and consolidates the previously fragmented investment-administration, security-review, export-control and countermeasure threads into a single instrument, applying classified, tiered, whole-lifecycle supervision.

Its principal features are:

(a) "Outbound investment" is defined broadly to reach the direct or indirect acquisition of ownership, control, or operational/ management rights in foreign enterprises and assets – whether by contributing assets or equity or by providing financing or guarantees.

(b) Investors may not use overseas vehicles, cross-border secondment of technical personnel, cross-border technical guidance or training to move controlled goods, technology, services or data offshore without obtaining required licences.

(c) A dedicated overseas-investment security review, led jointly by National Development and Reform Commission ("**NDRC**") and MOFCOM, applies to investments (and related transfers or dispositions) that affect or may affect national security.

(d) MOFCOM may investigate trade-related investment barriers encountered by Chinese investors abroad which may lead to a list of potential countermeasures being imposed on foriegn organisations or individuals that discriminate against Chinese investors, including under the Anti-Foreign Sanctions Law.

(e) Penalties for non-compliance include fines are pegged to a percentage of the investment amount, personal fines on responsible officers, one-to-three-year bans on conducting ODI, and forced cessation and divestiture.

(f) The regulation also applies, with reference, to investments in Hong Kong, Macau and Taiwan and to overseas reinvestment and offshore financial-market investment.

Policy Intent

The stated aim is to "coordinate development and security" by promoting high-quality development and opening up of ODI while safeguarding national sovereignty, security and development interests.

In substance, Order 837 elevates ODI governance to a single State-Council-level regulation, sets up a dedicated overseas-investment security-review system, and equips China with codified tools to protect Chinese investors abroad and to respond to foreign investment barriers and discriminatory measures. This Order is also integrated with the Anti-Foreign Sanctions Law framework.

Implications for Businesses

Any transaction involving Chinese-resident investors, State-Owned Enterprises or affiliates, or PRC-sourced funding that closes on or after 1 July 2026 should be screened against *Order 837*.

The wider investment definition means the filing and approval perimeter is broader than under the prior catalogue regime, and deal structures and side letters (including Special Purpose Vehicles, Variable Interest Entities, and financing-plus-control arrangements) may need to be reviewed and restructured.

For technology, semiconductor, rare-earth and advanced-manufacturing investors, ODI compliance and export-control compliance are now a single workstream – diligence should extend to the target's technology-transfer flows, not just the equity.

In sensitive sectors, security-review screening and a documented review position should be built into deal timelines, as non-cooperation carries forced-divestiture exposure.

Non-Chinese counterparties, e.g., lenders, joint venture partners and advisers, should note that dealing adversely with Chinese ODI now carries PRC countermeasure risk, which can reach their controlled or affiliated entities.

These measures should be read alongside *State Council Order 835* and the *Anti-Foreign Sanctions Law Implementing Provisions*.

Finally, members of company boards and management should treat ODI breaches as a balance-sheet and personal-liability item given the percentage-based fines, personal penalties and ODI bans.

8. Ministry of Justice Announcement No. 5 of 2026 – Announcement Concerning the Determination that EU Foreign Subsidies Investigation Practices Constitute Improper Extraterritorial Jurisdiction, issued by the Ministry of Justice ("MOJ") of the PRC and effective from 15 May 2026

In the first enforcement action under China's new State Council Order 835 (see update above), the MOJ designated the European Commission's investigation of a Chinese security-equipment manufacturer under the EU Foreign Subsidies Regulation (Regulation (EU) 2022/2569) ("**FSR**") an "unlawful extraterritorial jurisdiction measure."

The order prohibits any organisation or individual from implementing or assisting the EU investigation.

Policy Intent

This reflects the view of the Chinese authorities that in its investigation of Nuctech under the FSR, the EU arbitrarily demanded that Chinese entities provide extensive, unnecessary information located within China and that such demands imposed improper obligations on the relevant entities and clearly violated international law and the basic norms governing international relations.

The purpose of this Announcement is to legal block the reach of the EU FSR into China and chill third-party cooperation with Brussels' subsidy investigations, asserting Chinese regulatory sovereignty over conduct and information within China.

Implications for Businesses

Companies and professional advisers responding to EU FSR information requests that touch China-based operations now face potential exposure under Chinese law for cooperating. Affected groups should map where FSR data-gathering intersects Chinese territory and take coordinated EU/China advice before responding.

9. MOFCOM Announcement No. 23 of 2026, issued by MOFCOM and effective 22 June 2026

MOFCOM added 10 U.S. entities to the PRC Export Control "Controlled List".

The measure set out the following:

(a) PRC export operators are prohibited from exporting dual-use items to the 10 entities;

(b) Organisations and individuals of any country or region are prohibited from transferring or providing China-origin dual-use items to the 10 entities;

(c) Ongoing activities involving the above are to cease immediately; and

(d) Applications may be made to MOFCOM for exports which are genuinely necessary under special circumstances.

The listed designated entities are as folllows:

- Aveox, Inc., 2265A Ward Ave., Simi Valley, CA, USA 93065; a.k.a. AVEOX;
- Red Cat Holdings, Inc., 2800 S West Temple St., Unit 2, South Salt Lake, UT, USA 84115; a.k.a. Red Cat;
- Teal Drones, Inc., 2800 S West Temple St., Unit 2, South Salt Lake, UT, USA 84115; a.k.a. Teal Drones, iDrone;
- Imsar, LLC, 940 S 2000 W #140, Springville, UT, USA 84663; a.k.a. IMSAR;
- Jaia Robotics, Inc., 22 Burnside St, Bristol, RI, USA 02809; a.k.a. Jaia Robotics;
- Ball Aerospace & Technologies Corp., 10 Longs Peak Drive, Broomfield, CO, USA 80301; a.k.a. Ball Aerospace; the Space & Mission Systems business of BAE Systems;
- Oshkosh Defense, LLC, 2307 Oregon Street, Oshkosh, WI, USA 54902; a.k.a. Oshkosh Defense;
- L3 Harris Maritime Services, Inc., 3835 E Princess Anne Rd, Norfolk, VA, USA 23502; a.k.a. L3 Harris Maritime;
- MP Materials Corp., 1700 S Pavilion Center Drive, Eighth Floor, Las Vegas, NV, USA 89135; a.k.a. MP Materials; and
- USA Rare Earth, Inc., 100 W Airport Rd, Stillwater, OK, USA 74075; a.k.a. USAR, USARE.

Policy Intent

MOFCOM presents the designations as a lawful countermeasure to safeguard national security and interests and for non-proliferation purposes. In substance, it is a reciprocal response in the U.S.-China critical minerals and defence technology contest.

Implications for Businesses

The announcement applies both to organisations and individuals inside and outside China. Therefore, parties outside China dealing with China-origin dual-use items will need to ensure that they do not transfer or provide such items to the 10 designated entities.

Note that there is no wind-down period: in-flight shipments and open contracts to listed entities should be frozen pending review, and the availability of a licence should not be assumed.

10. MOFCOM Announcement No. 26 of 2026 – Matters on Further Improving the Reporting and Handling of Violations of Export Controls on Strategic-Mineral Dual-Use Items , issued by MOFCOM's Bureau of Industry Security and Import and Export Control ("BIS") effective from 1 July 2026

MOFCOM Announcement No. 26 of 2026 establishes a whistleblower-and-voluntary-self-disclosure regime for violations of export controls on strategic-mineral (rare-earth and critical-mineral) dual-use items.

It sets out the following 13 categories of violations that whistle-blowers should make reports on:

(a) Exporting strategic-mineral dual-use items without a licence;

(b) Exporting strategic-mineral dual-use items beyond the scope, conditions and validity period stated in the export licence;

(c) Exporting strategic-mineral dual-use items that are prohibited from export;

(d) Circumventing licensing requirements by modifying or disassembling items into parts or components, etc., to export strategic-mineral-related dual-use items;

(e) Circumventing export-control provisions on strategic-mineral dual-use items by routing through a third country (region);

(f) Unlawfully transferring controlled strategic-mineral-related technology abroad through trade exports, or through intellectual-property licensing, investment, exchange, donation, exhibition, display, inspection, testing, assistance, instruction, joint R&D, employment (being employed or employing), consultancy and other means;

(g) Knowingly providing agency, freight, courier, customs-declaration, third-party e-commerce platform, financial and other services to an export operator engaged in unlawful strategic-mineral dual-use export activity;

(h) Abetting or assisting export operators, importers or end-users to circumvent the export-control provisions on strategic-mineral dual-use items and commit violations;

(i) An export operator transacting, in breach of the rules, with importers or end-users placed on the Controlled List;

(j) An export operator knowing, or having reason to know, that strategic-mineral-related goods, technologies or services outside the items on the export-control list and outside temporarily-controlled items may be subject to a State licensing system purusant to Article 12 of the *Export Control Law* and fails to apply to MOFCOM for a licence;

(k) Domestic importers and end-users breaching the undertakings they gave to MOFCOM;

(l) Accepting, or undertaking to accept, in breach of the rules, requests by a foreign government for visits, on-site verification, etc. relating to export controls on strategic-mineral dual-use items; and

(m) Other acts violating the laws and regulations on export controls of strategic-mineral dual-use items.

Reports may be made through an online portal (https://aqygzj.mofcom.gov.cn) or the 010-12369 hotline (open on statutory working days 08:30-11:30 and 14:00-17:00).

Identified whistle-blowers may be granted discretionary rewards for reports have been verified, while malicious reports are to be penalised.

The announcement also provides for a voluntary self-disclosure regime whereby an exporter or other entity that discovers it has, or may have, breached the controls may report to MOFCOM on its own initiative, and the disclosure "will be taken into account" as a factor for a lighter or mitigated penalty.

Policy Intent

The stated aim is at strengthening enforcement of strategic-mineral export controls which China views as a strategic chokepoint in the U.S.-China trade tensions that it controls.

Implications for Businesses

Businesses that deal with strategic-mineral (rare-earth and critical-mineral) dual-use items need to be cognizant of this new regulation as it allows for third parties to whistle-blow on alleged non-compliance.

Likewise, where violations have been discovered, there is now a formal voluntary disclosure regime that deals with strategic mineral dual-use items export violations.

Note that the scope of reportable violations includes cooperating with foreign governments for visits, on-site verifications, in contravention of relevant laws and regulations. This creates a conflict of regulatory regimes for multinationals subject to PRC and foreign regimes.

11. MOFCOM Announcement No. 27 of 2026 – Announcing the Addition of 20 Japanese Entities to the Export Control Controlled List, issued by MOFCOM's BIS and effective on 29 June 2026

MOFCOM added 20 Japanese entities "that participate in enhancing Japan's military strength" to the Export Control "Controlled List".

The consequences of designation are as follows:

(a) PRC export operators are prohibited from exporting dual-use items to the 20 entities;

(b) Organisations and individuals of any country or region are prohibited from transferring or providing China-origin dual-use items to the 20 entities;

(c) Ongoing activities involving the above are to cease immediately; and

(d) Applications may be made to MOFCOM for exports which are genuinely necessary under special circumstances.

The designated entities are as follows:

- National Institute for Defense Studies (NIDS), 5-1 Ichigaya-Honmuracho, Shinjuku-ku, Tokyo, Japan 162-8808;
- Ground Systems Research Center, 2-9-54 Fuchinobe, Chuo-ku, Sagamihara-shi, Kanagawa, Japan 252-0206;
- Naval Systems Research Center, 2-2-1 Nakameguro, Meguro-ku, Tokyo, Japan, 153-0061;
- Air Systems Research Center, 1-2-10 Sakaecho, Tachikawa-shi, Tokyo, Japan 190-8533;
- Nikko Tokki Co., Ltd., Gate City Osaki West Tower 1005, 1-11-1 Osaki, Shinagawa-ku, Tokyo, Japan 141-0032;
- Nikko-YPK Shoji Co., Ltd., Gate City Osaki West Tower 10F, 1-11-1 Osaki, Shinagawa-ku, Tokyo, Japan 141-0032;
- Mitsubishi Electric Defense and Space Technologies Corporation, 1-15-9 Osaki, Shinagawa-ku, Tokyo, Japan 141-0032;
- Mitsubishi Electric Software Corporation, World Trade Center Bldg South Tower 29F, 2-4-1 Hamamatsucho, Minato-ku, Tokyo, Japan 105-5129;
- Mitsubishi Electric Engineering Company, Limited, Mita-machi Terrace, 5-34-2 Shiba, Minato-ku, Tokyo, Japan 108-0014;
- Mitsubishi Precision Company, Limited, Shibaura Crystal Shinagawa 8F, 1-6-41 Konan, Minato-ku, Tokyo, Japan 108-0075;
- MHI Oceanincs Co., Ltd., 6-53 Tsukubacho, Isahaya-shi, Nagasaki, Japan 854-0065;
- MHI Sagami High-tech, Ltd., 3000 Tana, Chuo-ku, Sagamihara-shi, Kanagawa, Japan 252-5293;
- MHI Logitec Co., Ltd., 1200 Higashitanaka, Komaki-shi, Aichi, Japan 485-0826;
- Kowa Kogyo, Ltd., Dejima Asahi Seimei Aoki Bldg 8F, 1-14 Dejimamachi, Nagasaki-shi, Japan 850-0862;
- MHI Special Vehicles Parts Supply & Technical Service Co., Ltd., Akebonobashi SHK Bldg 3F, 4-3 Katamachi, Shinjuku-ku, Tokyo, Japan 160-0001;
- MHI Maritech, Co., Ltd., 1-1 Akunouramachi, Nagasaki-shi, Nagasaki, Japan 850-8610;
- Kawajyu Gifu Manufacturing Co., Ltd. (KGM), 1 Kawasakicho, Kakamigahara-shi, Gifu, Japan 504-0971;
- Nippi Corporation, 3175 Showacho, Kanazawa-ku, Yokohama-shi, Kanagawa, Japan 236-8540;
- Fortunio Co., Ltd., 2-16-19 Senzoku, Meguro-ku, Tokyo, Japan 152-0012; and
- Aoki Seimitsu Kogyo Co., Ltd., 3-38-12 Sashima, Kawaguchi-shi, Saitama, Japan 333-0816.

Policy Intent

MOFCOM explained that MOFCOM Announcements 27 and 28 of 2026 set out a two-tier approach to designating additional Japanese entities and is a continuation of the 24 February 2026 designations.

MOFCOM frames the measure as a response to Japan's alleged "re-militarisation" and "new militarism," stressing that it targets "only a small number" of entities and "only dual-use items" and "does not affect normal China–Japan trade."

In substance it escalates a two-tier Japan export-control regime amid deepening China-Japan security friction.

Implications for Businesses

The announcement applies both to organisations and individuals inside and outside China. Therefore, parties outside China dealing with China-origin dual-use items will need to ensure that they do not transfer or provide such items to the 20 designated entities.

Note that there is no wind-down period: in-flight shipments and open contracts to listed entities should be frozen pending review, and the availability of a licence should not be assumed.

12. MOFCOM Announcement No. 28 of 2026 – Announcing the Addition of 20 Japanese Entities to the Watch List, issued by MOFCOM's BIS and effective from 29 June 2026

MOFCOM added 20 Japanese entities whose dual-use end-users and end-uses "cannot be verified" to the PRC Export Control "Watch List".

Three consequences follow the designation:

(a) General licences and obtaining licenses by way of the registration/filing method are unavailable;

(b) Each individual-licence application must include a risk-assessment report on the designated entity as well as a written undertaking that the items will not be used for any end-use that enhances Japan's military strength; and

(c) The statutory licence-review time-limit does not apply – i.e., approvals can be delayed indefinitely.

MOFCOM will apply stricter end-use reviews, and will deny exports involving Japanese military users or uses, or any other end-user/end-use that helps enhance Japan's military strength.

Designated entities may undergo a verification process under Article 26 of the *Regulations on Export Controls on Dual-Use Items* and apply to be removed from the "Watch List".

The designated entities are as follows:

- Mitsui E&S Co., Ltd., 5-6-4 Tsukiji, Chuo-ku, Tokyo, Japan 104-0045;
- Mitsui Bussan Aerospace Co., Ltd. Maintenance Center, Tekko Bldg 22F, 1-8-2 Marunouchi, Chiyoda-ku, Tokyo, Japan 100-0005;
- Terra Drone Corporation, A-PLACE Shibuya Nampeidai 4F, 2-17 Nampeidaicho, Shibuya-ku, Tokyo, Japan 150-0036;
- ACSL Ltd., Hulic Kasai-Rinkai Bldg 2F, 3-6-4 Rinkaicho, Edogawa-ku, Tokyo, Japan 134-0086;
- Mitsubishi Nuclear Fuel Co., Ltd., 622-1 Funaishikawa, Tokai-mura, Naka-gun, Ibaraki, Japan 319-1197;
- Japan Nuclear Fuel Limited, 4-108 Okitsuke, Obuchi, Rokkasho-mura, Kamikita-gun, Aomori, Japan 039-3212;
- Fujitsu Network Solutions Limited, JR Kawasaki Tower, 1-5 Omiyacho, Saiwai-ku, Kawasaki-shi, Kanagawa, Japan 212-0014;
- Hitachi Advanced Systems Corporation, 292 Yoshidacho, Totsuka-ku, Yokohama-shi, Kanagawa, Japan 244-0817;
- Komatsu Industries Corporation, 1-1 Shinmachi, Onomachi, Kanazawa-shi, Ishikawa, Japan 920-0225;
- Komatsu NTC Ltd., 641 Nojiri, Nanto-shi, Toyama, Japan 939-1502;
- OKI Electric Industry Co., Ltd., 1-7-12 Toranomon, Minato-ku, Tokyo, Japan 105-8460;
- OKI Com-Echoes Co., Ltd., 681-1 Azami-hara, Oosuwa, Numazu-shi, Shizuoka, Japan 410-0873;
- OKI Circuit Technology Co., Ltd., 1-15-68 Takarada, Tsuruoka-shi, Yamagata, Japan 997-0011;
- OKI Nextech Co., Ltd., 1 Kamiyamaguchi, Tokorozawa-shi, Saitama, Japan 359-1153;
- OKI Engineering Co., Ltd., 3-20-16 Hikawadai, Nerima-ku, Tokyo, Japan 179-0084;
- YDK Technologies Co., Ltd., Minami-Shinjuku JEBL, 5-23-13 Sendagaya, Shibuya-ku, Tokyo, Japan 151-0051;
- Nihon Denji Sokki Co., Ltd, 8-59-2 Sunagawacho, Tachikawa-shi, Tokyo, Japan 190-0031;

- Howa Machinery, Ltd., 1900-1 Suguchi, Kiyosu-shi, Aichi, Japan 452-8601;
- Hosoya Pyro-Engineering Co., Ltd., 1847 Sugao, Akiruno-shi, Tokyo, Japan 197-0801; and
- The Fujikura Parachute Co., Ltd., 2-4-46 Ebara, Shinagawa-ku, Tokyo, Japan 142-0063.

Policy Intent

MOFCOM explained that *MOFCOM Announcements 27 and 28 of 2026* set out a two-tier approach to designating additional Japanese entities and is a continuation of the 24 February 2026 designations.

The Watch List imposing enhanced review where end-use "cannot be verified" and presses designated entities toward verification cooperation to be removed from designation.

Implications for Businesses

Trade with the 20 entities remains possible, but only under individual licences carrying a materially heavier compliance burden and open-ended timelines.

Businesses that export dual-used items from China will need to screen against the designated entities. Where a counterparty is listed, a potential removal application under may be considered, though timelines are discretionary.

INDIA

1. Director General of Foreign Trade ("DGFT") Public Notice No. 10/2026-27, dated 11 May 2026

DGFT amended Appendix 2B of the *Foreign Trade Policy 2023* setting out a list of Authorised Agencies allowed to issue preferential certificates of origin under the India-United Kingdom Comprehensive Economic and Trade Agreement ("**CETA**").

DGFT and its regional authorities, together with the Export Inspection Council and the Export Inspection Agencies, are authorised to issue preferential certificates of origin for all products. Certain sector bodies are authorised for their respective product categories.

Implications for businesses

Indian exporters to the United Kingdom should identify the correct issuing agency for their product category and prepare origin documentation now as CETA is expected to enter into force on 15 July 2026. Pursuant to CETA, the UK eliminating duties on 99% of Indian tariff lines on entry into force.

JAPAN

1. Amendment of the Foreign Exchange and Foreign Trade Act ("FEFTA"), promulgated by the Diet on 5 June 2026 with entry into force on a date to be set by Cabinet Order within one year

Japan enacted its most significant reform of inward direct-investment screening under FEFTA since 2020 introducing a cross-agency review framework for the first time.

The Minister of Finance and other sector-relevant ministers will have to, where necessary, seek the views of the Prime Minister, the Minister of Foreign Affairs and any other relevant ministries, to assess whether a transaction raises sensitive national security concerns.

Key amendments include:

(a) Acquisitions of 50% or more of the voting rights in a non-Japanese entity that directly holds shares in a Japanese company in a designated sector will now require prior screening;

(b) Establishment of a "Japanese-style CFIUS" inter-agency review body;

(c) Strengthened anti-circumvention rules reaching investments structured through non-foreign investors; and

(d) Provisions to enable further reviews where national security risks are identified post-closing.

Policy Intent

To protect critical-infrastructure and dual-use sectors from circumvention-based foreign acquisition and institutionalise inter-agency national-security screening of inbound investment.

Implications for Businesses

Foreign acquirers of Japanese targets in sensitive sectors should review their FEFTA filing analysis to capture indirect and structured acquisitions and anticipate negotiated risk-mitigation conditions.

2. Updated Japan Tariff Schedule, 1 April 2026

Japan Customs published an updated tariff schedule on their website dated 1 April 2026 at: https://www.customs.go.jp/english/tariff/2026_04_01/index.htm

3. Annual Report on the Status of the Approval of Overseas Transfers of Defense Equipment and Technology, published by the Ministry of Economy, Trade & Industry dated April 2026

This report summarises the status of the approval of overseas transfers of defense equipment and technology based on the FEFTA for fiscal year 2024 (April 1, 2024, to March 31, 2025).

In FY 2024, the Minister of Economy, Trade and Industry issued 1,211 individual export licenses for the overseas transfers of defense equipment and technology.

These are classified as follows:

(a) Overseas transfers that contribute to active promotion of peace contribution and international cooperation: 38 cases

(b) Overseas transfers that contribute to Japan's security: 1,103 cases

(c) Overseas transfers of defense equipment and technology (excluding arms under the Self-Defense Forces Law and technical information thereto) to a country that is subject to aggression in violation of international law, use of force, or threat of force: 2 cases

(d) Overseas transfers whose impact from the viewpoint of Japan's security is judged to be very small such as return of misdelivered items, export of samples to be returned later and re-export of equipment that was brought into Japan by police officers of a foreign governmental agency: 67 cases

KOREA

1. Consolidation of nuclear-plant exports under Korea Electric Power Corp., announced by Ministry of Trade, Industry and Energy in May 2026

The Seoul Economic Daily reported that the Korean government will assume the control tower role for nuclear power plant exports, shaping negotiation frameworks and securing oversight authority over exporting companies to manage the entire export process.

The government also plans to temporarily consolidate the nuclear export system – previously divided between Korea Electric Power Corp. ("**KEPCO**") and Korea Hydro & Nuclear Power – under KEPCO, before establishing and designating a new lead export agency within the year.

2. EU-Korea Digital Trade Agreement signed on 10 June 2026

The EU and the Republic of Korea signed a landmark Digital Trade Agreement ("**DTA**") on 10 June 2026, underscoring their commitment to a strong and reliable partnership that is fit to face the fast-paced digital developments of today.

The DTA is a stand-alone, binding set of digital-trade rules that sits within the EU–Korea Framework Agreement and, together with the existing FTA, forms the Parties' free-trade area.

It applies to measures affecting trade enabled by electronic means, excluding audio-visual services, services supplied in the exercise of governmental authority and (save for open government data) government-held data, and it preserves each Party's right to regulate for legitimate policy objectives.

Some key points addressed in the DTA are as follows:

(a) The Parties commit to cross-border data flows and prohibit data-localisation and forced-localisation measures, subject to a legitimate-public-policy exception (i.e., necessity and non-discrimination) and a stand-alone privacy exception. Each Party must maintain a legal framework providing non-discriminatory protection of personal data and privacy reflecting core data-protection principles. Specific carve-outs apply to certain Korean financial-data supervisory rules.

(b) A permanent bilateral ban on customs duties on electronic transmissions, locking in the WTO moratorium as between the Parties.

(c) Parties committed to certain digital-transaction facilitation measures such as no prior authorisation merely because a service is supplied online; legal recognition of electronic contracts, signatures and authentication; and electronic invoicing, paperless trading, single-window interoperability and electronic payments.

(d) Parties committed to no forced transfer of, or access to, software source code.

(e) Parties committed to adopt or maintan measures to protect online consumers against fraudulent and deceptive practices, place controls on unsolicited commercial electronic messages / spam, ensure open internet access, setting guidelines on government data that is publicly accessible, and provide for building capabilities and collaboration in cybersecurity.

The DTA also contains a prudential carve-out for financial services, general and security exceptions, as well as a dispute-settlement mechanism, a "no direct effect" clause, and the entry-into-force and final provisions.

The DTA enters into force 60 days after both Parties complete their internal procedures (EU Council and European Parliament approval, and Korean ratification), and the published text remains subject to legal scrubbing.

Policy Intent

The DTA is designed to create a modern, high-standard and binding bilateral framework for "digital trade with trust".

It also advances the wider EU–Korea economic-security and supply-chain agenda and signals both Parties' intent to set high-standard digital-trade benchmarks amid tariff volatility and the fragmentation of the multilateral system.

Implications for Businesses

For cloud, SaaS, fintech, e-commerce and platform businesses operating across both markets, the Agreement promises predictable EU–Korea data flows and a prohibition on data-localisation requirements (subject to the legitimate-policy and privacy exceptions), materially reducing compliance friction — though the specific financial-data carve-outs referencing Korea's *Electronic Financial Transactions Act* supervisory rules should be mapped by financial-services groups.

Companies with EU–Korea digital operations should prepare to take advantage of the framework and monitor the entry-into-force timing.

ASEAN

1. 32nd ASEAN Economic Ministers' Retreat

The 32nd ASEAN Economic Ministers' ("**AEM**") Retreat, held in Taguig, the Philippines on 30 April 2026, produced a Joint Statement in which Member States committed to refrain from trade-restrictive measures, including export bans on essential goods, and to advance ratification of the ASEAN Framework Agreement on Petroleum Security ("**APSA**").

In a follow-up statement issued on 2 May 2026, the Ministers endorsed the swift ratification and targeted 2026 entry into force of the Second Protocol amending the ASEAN Trade in Goods Agreement ("**ATIGA**").

The substantive upgrades to the ATIGA focus on a few areas:

- **New chapters / expanded scope:** the Protocol adds several new chapters extending ATIGA beyond classic tariff liberalisation into: trade and environment (greener trade practices), circular economy and remanufactured goods, supply chain connectivity/governance, food security, MSME support, and trade during humanitarian crises.

- **Rules of origin – introduction of a new "Produced Exclusively" ("PE") rule:** goods produced in a Member State exclusively from ASEAN-sourced materials and components (i.e., no non-ASEAN inputs) qualify as originating without a further origin calculation. It sits alongside the existing wholly-obtained, regional value content and change in tariff classification criteria and simplifies qualification for genuinely intra-ASEAN supply chains.

- **Trade facilitation / self-certification broadened:** origin declarations can now be made not only by *certified* exporters but also by non-certified exporters and producers, to widen the origin-declaration base and a move away from reliance on issued Certificates of Origin.

- **Non-tariff measures:** new disciplines aimed at reducing and streamlining non-tariff barriers / non-tariff measures, alongside digital-trade facilitation, the practical pain point for intra-ASEAN traders now that tariffs are largely at zero.

- **Dispute settlement:** introduction of mediation as an alternative dispute-resolution mechanism, supplementing the existing mechanisms under the ASEAN dispute-settlement framework.

In relation to supply-chain and contingency measures, the Ministers affirmed that any emergency trade measures should be:

- targeted and proportionate;
- transparent and temporary; and
- consistent with WTO and ASEAN obligations.

The retreat outcomes signal ASEAN's policy direction, reinforcing open-trade commitments amid external tariff pressures and setting the stage for the modernised ATIGA framework, once the Second Protocol is ratified and enters into force.

Indonesia

1. Permendag 11/2026 — import controls on agricultural staples, effective 8 May 2026

Content

The Minister of Trade Regulation No. 11 of 2026 (Fifth Amendment within the Permendag 22/2025 and 47/2025 import-policy framework) was promulgated on 24 April 2026 and took effect on 8 May 2026.

It restricts the importation of feed wheat, soybean meal, mung beans, peanuts and feed rice (within the rice commodity group), together with pears (horticulture).

Importers must now obtain an Import Approval (Persetujuan Impor) from the Ministry of Trade based on a technical recommendation from the Ministry of Agriculture.

Policy Intent

The measure advances the Prabowo administration's food self-sufficiency (swasembada pangan) agenda by tightening state control over staple-food and feed imports and channelling them through an inter-ministerial approval gate.

Implications for Business

Importers of the listed commodities face an additional licensing layer and Ministry of Agriculture technical clearance.

Affected traders and food/feed manufacturers should review sourcing contracts, build in approval lead times, and confirm HS-code coverage before shipment.

2. "One-door" strategic-commodity export regime via PT Danantara Sumberdaya Indonesia, Permendag 15, 16 and 17 of 2026, effective 1 June 2026

Content

Following President Prabowo's 20 May 2026 announcement, the Ministry of Trade issued Permendag Nos. 15/2026 (coal), 16/2026 (crude palm oil and palm derivatives) and 17/2026 (ferroalloy), implementing PP No. 24/2026.

From 1 June 2026 exports of these commodities are to be channelled through PT Danantara Sumberdaya Indonesia ("**DSI**"), the trading arm of the Danantara sovereign wealth fund.

In Phase 1 (1 June – 31 December 2026) DSI acts as appraiser/intermediary. A sole-exporter trading-house model is targeted from 1 January 2027.

Policy Intent

The regime centralises the export of Indonesia's key strategic commodities under a state-linked entity, aiming to capture greater value, improve price control and foreign-exchange retention, and align commodity exports with national industrial and fiscal policy.

Implications for Business

Private exporters of coal, crude palm oil/palm derivatives and ferroalloy face a fundamental change to exporting their goods, from direct export to transacting through DSI.

Implications for pricing, margin, offtake contracts and counterparty risk should be assessed.

Producers and traders should model the Phase 1 intermediary arrangement now and prepare for the 2027 sole-exporter transition, and monitor the official Permendag texts as published.

Malaysia

1. **Termination of the special exemption for CBU electric-vehicle imports, Ministry of Investment, Trade and Industry ("MITI") statement dated 6 May 2026**

The four-year tax exemption for imported Completely Built-Up ("**CBU**") electric vehicles under the franchise Approved Permit scheme lapsed at the end of 2025.

Pursuant to media statement of 6 May 2026, MITI confirmed that from 1 July 2026 all CBU EV imports must meet two cumulative conditions — a minimum CIF value of RM200,000 and a minimum motor power output of 180 kW (245 PS).

Existing stock, units at port and units in transit may be cleared under the prior terms until depleted. CBU EVs below the thresholds now attract import duty, excise duty and sales tax.

Policy intent

This is intended to shift Malaysia from an "import-and-sell" EV model toward domestic CKD assembly, supply-chain and jobs development, confining duty-free CBU treatment to the premium segment.

Implications for businesses

EV distributors and importers should re-price affected models, accelerate clearance of in-transit stock under the old terms, and reassess the case for local assembly. The change materially raises the landed cost of mass-market imported EVs.

2. **Rescission of Strategic Trade Controller Directive No. 2/2025 on isocyanates, issued by MITI Strategic Trade Secretariat and effective 7 May 2026**

The Strategic Trade Secretariat rescinded, with effect from 7 May 2026, the Strategic Trade Controller's Directive No. 2/2025 on the Declaration of Unlisted Items, made under section 12 of the *Strategic Trade Act 2010*.

The 2025 directive had applied catch-all export, transit and transhipment controls to certain unlisted dual-use items, i.e., isocyanates (including TDI, MDI, IPDI, HDI and DDI) and their production equipment, on proliferation concerns.

With rescission, the declaration obligation on those items cease. Please note that the Controller's residual catch-all authority over specific WMD-linked end-uses remains unaffected.

Policy intent

To remove a standing blanket control on industrial isocyanates (core polyurethane feedstocks), easing compliance for legitimate users while retaining targeted catch-all powers.

Implications for businesses

Chemical manufacturers and exporters dealing in isocyanates should update their classification and licensing procedures to reflect the rescission, while continuing to screen for end-use red flags that may still trigger catch-all controls.

Singapore

1. Aperia International: Advanced-chip transhipment enforcement and U.S. BIS guidance

Singapore continued its enforcement of the Nvidia AI-server transhipment matter, with a fourth individual (Jenny Lim, Chief Financial Officer of Aperia International Pte Ltd ("**Aperia International**")) being charged on 2 April 2026 with conspiracy to commit fraud by false representation under the *Penal Code 1871*.

Whilst Singapore law does not directly enforce U.S. export controls, the conduct is prosecuted as fraud and money laundering.

In a related development, on 31 May 2026 the U.S. Bureau of Industry and Security ("**BIS**") issued guidance confirming that export licences are required for advanced computing chips destined for any entity whose ultimate parent is headquartered in China or Macau, capturing Singapore and Malaysia incorporated subsidiaries of China or Macau headquartered companies.

Policy Intent

Singapore is signalling zero tolerance for the misuse of its trading and financial system to circumvent foreign export controls, using domestic fraud and anti-money-laundering law where its own strategic-goods controls are not directly engaged. The BIS guidance also closes a procurement channel through Singapore-based entities.

Implications for Business

Companies trading advanced semiconductors or servers through Singapore face heightened enforcement and reputational exposure. China-parented groups with Singapore subsidiaries now face U.S. licensing requirements.

Businesses should tighten end-user due diligence, KYC and end-use verification, and reassess U.S. export-control exposure.

2. Mandatory electronic filing of Ordinary Certificates of Origin, Customs Circular 07/2026 dated 7 May 2026

Singapore Customs issued Circular 07/2026 on 7 May 2026 requiring that all Ordinary Certificate of Origin ("**Ordinary COO**") applications be submitted electronically via the digital platforms of the five authorised issuing organisations (SCCCI, SICCI, SICC, SMCCI and SMF) from 1 August 2026. Manual submissions will be discontinued.

Policy Intent

The measure furthers Singapore's trade-facilitation and digitalisation agenda, streamlining origin documentation and reducing manual processing.

Implications for Business

Exporters relying on Ordinary COOs for non-preferential trade must onboard onto the relevant issuing organisation's digital platform before 1 August 2026 to avoid disruption to shipments and documentary credits.

Trade-documentation teams should update internal processes and confirm platform access ahead of the cut-over.

3. Protocol on Economic Resilience and Essential Supplies to Singapore-Australia FTA ("SAFTA") concluded on 17 April 2026

On 17 April 2026 Singapore and Australia substantially concluded the Protocol on Economic Resilience and Essential Supplies to SAFTA. Its key features are:

- a mutual commitment to keep essential supplies flowing between the two countries, with a particular focus on energy-related goods such as petroleum oils/diesel and liquefied natural gas, including an endeavour not to impose export prohibitions or restrictions on such essential supplies to each other;
- enhanced cooperation to anticipate, manage and minimise supply-chain disruptions and build economic resilience; and
- the formalisation of the Australia-Singapore Economic Resilience Dialogue as the standing institutional mechanism to drive this cooperation.

Throughout, the Protocol is expressly anchored in the principles of an open, rules-based multilateral trading system with the WTO at its core, positioning it as a WTO-consistent, cooperation-and-commitment framework.

4. Korea-Singapore FTA ("KSFTA") Upgrade Negotiations Launched

On 28 April 2026, Singapore and the Republic of Korea launched the first round of KSFTA upgrade negotiations with the signing of the Terms of Reference.

The Terms of Reference frames the negotiations around four core work-streams:

- supply-chain resilience and cooperation;
- the green economy;
- aviation maintenance, repair and overhaul (MRO); and
- trade facilitation

with the overarching objectives of deepening the broader bilateral trade partnership, expanding cooperation into new/emerging trade areas, and modernising the agreement's trade rules to improve market access for each side's businesses.

Related tracks flagged alongside the Terms of Reference include energy and biopharmaceutical supply-chain cooperation and improvements to the Korea-ASEAN FTA.

5. Singapore-New Zealand Agreement on Trade in Essential Supplies ("AOTES") singed on 4 May 2026

On 4 May 2026, Singapore and New Zealand signed AOTES, to be incorporated into Agreement between New Zealand and Singapore on a Closer Economic Partnership ("**ANZSCEP**").

AOTES is billed as the world's first legally binding bilateral supply-chain resilience agreement and is to be incorporated into the existing bilateral FTA between the two countries.

Its core commitment is an undertaking by both sides not to impose unnecessary export restrictions or prohibitions on an agreed list of essential supplies spanning food, fuel, healthcare, chemical and construction products.

This giving businesses and consumers greater certainty of supply during disruptions. Beyond that headline obligation, the AOTES sets up a cooperation framework to facilitate the cross-border movement of goods (including trade-facilitation measures), to share information, and to trigger consultations before or during supply-chain disruptions, and it is designed as an open, "plurilateral-ready" template that other like-minded economies meeting the same standards may later join.

AOTES is not yet operative as the agreement enters into force only upon completion of each side's domestic procedures.

6. Energy Conservation (Amendment) Act 2026 and implementing subsidiary legislation, effective from 1 July 2026

The *Energy Conservation (Amendment) Act 2026* and its implementing subsidiary legislation took effect on 1 July 2026.

The amendments extend Minimum Energy Performance Standards (MEPS) and Mandatory Energy Labelling (MELS) to regulated goods imported by end-users for their own use.

Regulated goods include:

- Air-conditioners: household air-conditioner, portable air-conditioner, three-phase variable refrigerant flow (VRF) air-conditioner
- Refrigerators: household refrigerators, commercial storage refrigerators
- Clothes dryers
- Televisions
- Household water heaters
- Three-phase Induction Motors

Policy Intent

The amendment brings end-user imports of regulated goods within the energy-efficiency registration regime, supporting Singapore's sustainability and energy-conservation objectives.

Implications for Business

Businesses importing regulated goods (e.g. certain appliances and equipment) for their own use — not only suppliers placing goods on the market — must now ensure MEPS/MELS registration and compliance from 1 July 2026. Import-compliance teams should map affected product categories and update registration workflows.

Thailand

1. Designation of Dual-Use Items Requiring a License for Export and Re-Export B.E. 2569, effective from 30 July 2026

Pursuant to Ministry of Commerce Notification, Designation of Dual-Use Items Requiring a License for Export and Re-Export, B.E. 2569, Thailand's Department of Foreign Trade ("**DFT**") brought its dual-use export-control regime for Category 0 goods (nuclear-related items — subgroups 0A systems/equipment/components, 0B testing/inspection/production equipment and 0C materials) to its first operative stage.

The licensing procedure notification took effect on 30 June 2026, with applications to be filed through the DFT's e-TCWMD system. The substantive licensing requirements commence on 30 July 2026.

A licence is generally valid for 90 days, with completeness review within five days and substantive review targeted within 25 days, subject to extension.

The Thai authorities have provided for HS code and CAS code based correlation tables to assist exporters determine whether an dual use export license is required.[1]

Policy Intent

Thailand is operationalising its Trade Controls on Weapons of Mass Destruction framework to align with international non-proliferation standards and to strengthen controls over the export of nuclear-related dual-use items.

Implications for Business

Exporters of Category 0 dual-use goods must register and licence exports through the e-TCWMD system from the effective dates, assembling technical specifications, end-use statements and consignee/end-user documentation.

Businesses should classify their product portfolios against the Thai dual-use list now and ensure that there is sufficient lead time to obtain export licenses (if required), and implement end-use screening ahead of the 30 July 2026 licensing requirement.

[1] Thai e-Trade Management of Dual-use Items: e-TCWMD

Vietnam

1. Ministry of Industry and Trade ("MOIT") Decision No. 771/QD-BCT, effective from effective 1 May 2026

The MOIT issued Decision No. 771/QD-BCT announcing 36 amended and standardised administrative procedures affecting imports and exports which came into effect on 1 May 2026.

The revised procedures focus chiefly on the issuance of Certificates of Origin ("**COOs**") under Vietnam's FTAs and on ASEAN self-certification of origin, consolidating and simplifying procedures administered by MOIT and the authorised issuing bodies.

Policy Intent

These amendments are to effect trade facilitation and administrative reform by streamlining and digitalising origin-related procedures to reduce processing time, support exporters' access to preferential tariffs under FTAs, and advance Vietnam's broader drive to cut administrative burden.

Implications for Business

Exporters should review the revised COO application steps and self-certification requirements to preserve eligibility for preferential treatment under ATIGA and other FTAs.

2. Draft replacement for Decree 31/2018/ND-CP on Rules of Origin

Vietnam notified the WTO Committee on Rules of Origin on 12 May 2026 of a draft decree to replace Decree 31/2018/ND-CP, which guides the Law on Foreign Trade Management 2017 on goods origin.

The draft introduces:

- a domestic legal basis for trader self-certification of origin aligned with Vietnam's FTA commitments;
- updated electronic COO rules and exchange of electronic COO data with partner countries; and
- QR-code integration enabling importing-

country customs to verify COOs.

It is a draft and not yet promulgated.

Policy Intent

The new draft decree is aimed at modernising and digitalising Vietnam's origin-management regime, to enable self-certification, issuance of paperless COOs, and interoperable verification to facilitate trade while reducing origin fraud and circumvention risk.

Implications for Business

Exporters should prepare for a shift toward self-certification and digital COO issuance and verification and monitor for the final decree and any transitional arrangements.

3. New Cybersecurity Law Consolidates Cyber Regulation and Encryption Product Licensing

Vietnam's Law on Cybersecurity No. 116/2025/QH15 took effect on 1 July 2026, merging and repealing the Law on Cyberinformation Security 2015 and the Cybersecurity Law 2018.

It introduces a five-grade classification of information systems with scaled obligations, retains content takedown, user-data disclosure and data localisation duties for online service providers (with foreign providers required to maintain a local presence), and regulates encryption ("**civil cryptography**") products as licensed cybersecurity products, with import/export permits to be detailed in implementing decrees.

"Civil cryptography" products are encryption products for securing or authenticating information not classified as State secrets. In practice, this includes most commercial equipment with encryption functionality (e.g., VPN gateways, firewalls, switches and routers with MACsec/IPsec, HSMs, encrypted storage).

The scope of products covered is determined by decree catalogues paired with HS codes (currently Decree 58/2016/ND-CP, as amended).

Catalogued products require a trading (dealer) licence from the Government Cipher Committee, and a sub-set additionally requires product-specific import/export permits, alongside conformity certification where technical regulations apply.

We expect replacement decrees under the new law with revised catalogues and an updated exclusion list. Their final form will determine whether products with ancillary or management-only encryption remain in scope.

Existing licences remain valid until expiry and there is a 12-month transition period.

Policy Intent

To unify Vietnam's dual cyber regimes under the Ministry of Public Security (with civil cryptography remaining with the Government Cipher Committee), and to foster domestic cybersecurity self-reliance through investment incentives and mandatory security budget allocations.

Implications for Business

Importers and distributors of network equipment with encryption functionality — even where limited to operations, administration and maintenance — will generally need a trading licence and import permits, plus conformity certification where applicable; classification queries should be put to the Cipher Committee in writing. Foreign service providers should reassess localisation and local presence obligations, and system operators in regulated sectors should confirm their grading and budget for compliance within the transition period, monitoring implementing decrees as they are issued.

4. Decree No. 169/2026/ND-CP, effective 1 July 2026

Decree 169/2026/ND-CP, effective from 1 July 2026, overhauls Vietnam's administrative Customs penalties regime. It sets penalty levels for mis-declaration of HS code, value or origin, late document submission or tax payment, customs-supervision and transit/transhipment violations, and e-customs procedural breaches.

Notably features include removal of penalties for declaration errors that do not affect the tax payable, broader penalty exemptions, greater reliance on digital enforcement, and transitional leniency (a lighter regime applies to pre-1 July 2026 violations processed after 1 July 2026).

Policy Intent

This overhaul of the customs administrative penalty regime is aimed at achieving two goals: (a) modernising and rationalising domestic customs enforcement (proportionate, digitalised, compliance-encouraging) while, (b) tightening origin scrutiny to police transhipment and preserve preferential access to key markets like the U.S.

Implications for Business

Importers / exporters gain relief from penalties for non-tax-affecting errors but face sharper, digitally-enabled enforcement on value, origin and transit declarations.

The interaction with the U.S. framework remains the key exposure, because "transshipment" remains undefined and enforcement is expected to be robust. Accurate origin declaration and robust substantiation of Vietnamese value-add (the ~30% "Made in Vietnam" threshold) are now both a domestic-penalty and a tariff-rate issue.

Businesses should audit origin documentation and supply-chain content, and align internal declaration controls to the new decree ahead of 1 July.

LATEST U.S. SECTION 301 INVESTIGATIONS

With the IEEPA tariff architecture invalidated and the temporary Section 122 surcharge (a global 10% tariff effective 24 February 2026) expiring around 24 July 2026 – and itself enjoined by the Court of International Trade on 7 May 2026, with the injunction stayed by the Federal Circuit in June – the USTR's twin Section 301 investigations have become the focus of U.S. trade enforcement.

1. **Structural excess capacity in manufacturing initiated against 16 economies on 11 March 2026, hearings held 5–8 May 2026**

The USTR is investigating whether structural excess capacity – production untethered from demand – in 16 economies (including China, Korea, Japan, India, Indonesia, Malaysia, Thailand, Vietnam, Singapore, Taiwan, Cambodia, Bangladesh, Mexico, the EU, Switzerland and Norway) burdens U.S. commerce across sectors from steel, aluminium and chemicals to semiconductors, batteries, solar, shipbuilding and robotics.

Public hearings concluded in May and comment submissions closed in April. As of the end of June 2026 no preliminary determination or proposed tariff schedule had been published.

The remedy determination is expected imminently, deliberately aligned with the Section 122 expiry so that Section 301 can serve as the durable, litigation-resilient successor to the invalidated IEEPA tariffs.

Implications for Businesses

Exporters in the named economies and sectors should assume a tariff action is likely from late July and model exposure now. Companies that did not file comments should prepare for the remedy phase, including exclusion-request strategy.

2. **Forced-labour practices – 60 economies, determination announced on 2 June 2026 with comments due 6 July 2026 and hearing on 7 July 2026**

The USTR determined that 60 economies' failure to impose or effectively enforce a prohibition on importing forced-labour goods is actionable under Section 301.

The investigated economies include China, Japan, Korea, India, Singapore, Malaysia, Thailand, Vietnam, the Philippines, Cambodia, Bangladesh, Taiwan and Hong Kong.

The USTR proposed additional duties on all products of the investigated economies (subject to listed exceptions): 10% for economies with a forced-labour prohibition, a reciprocal-trade commitment or a partial regime, and 12.5% for all others, together with a reduced-rate mechanism for textiles and apparel. Written comments are due 6 July, with a hearing on 7 July 2026.

Implications for businesses

Almost every Asian exporter to the United States is within scope. Businesses should file comments by 6 July where their interests are affected, audit supply chains for forced-labour exposure, and prepare for additional duties of 10% or 12.5% layered on existing measures.

3. Other Section 301 activity

The USTR opened further tracks during June 2026, including matters concerning Germany (pharmaceutical pricing), Brazil and a China "balanced and reciprocal trade" mechanism, signalling that Section 301 is now the administration's preferred, court-tested vehicle for trade pressure. Taken together with the structural-overcapacity and forced-labour tracks, the U.S. is reconstructing its tariff architecture on Section 301 foundations as Section 122 lapses.

Implications for businesses

Clients should treat Section 301 as the principal forward risk, monitor Federal Register notices for their sectors, and engage early in comment and hearing processes, which materially shape final remedies.

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About Taxise Asia LLC

Taxise Asia LLC is a Singapore-based law firm specialising in international tax and international trade law. Founded in 2019 by some of the region's market-leading international tax and international trade lawyers and practitioners,

Taxise Asia offers practical and audit conflict-free objective advice on complex local and international tax and international trade matters drawn from its unique mix of professionals with law firm, in-house, income tax tribunal, academia, and international organisation experience.

Our International Trade Practice

Taxise Asia's international trade practice advises multinational companies on the full range of trade and customs matters, including tariff classification and valuation, customs compliance, free trade agreement utilisation, export controls, trade remedies, and the trade dimensions of cross-border supply chain restructuring.

Our practice is integrated with our tax and transfer pricing capability, which is a key differentiator when advising on matters where trade and tax considerations intersect — such as customs valuation, related-party pricing, and supply chain design. We have advisors and partner firms to provide clients with high quality advice across the Asia Pacific region.

Asia Trade Network – Curated Regional Capabilities

A key differentiator is our curated Asia trade network, bringing together specialist trade practitioners across major Asian economies. We have established dedicated capabilities across Singapore, Indonesia, Malaysia, Philippines, Thailand, China, India, South Korea and Japan. This allows us to support clients on multi-jurisdictional trade and supply chain matters — including tariffs and customs, export controls, free trade agreement strategy, and trade-related tax considerations — with on-the-ground expertise and regional coordination. Our network model means clients receive advice from local specialists who understand the regulatory environment in each market, coordinated by WTS Taxise as a regional hub.

In the current environment of heightened trade policy volatility — including the proliferation of U.S. tariff measures, ongoing Section 301 investigations, supply chain diversification pressures and increased customs enforcement across Asia — our integrated tax and trade capability, combined with our regional network, positions us to help clients navigate complexity and identify opportunities across the region.

- Customs classification, valuation, origin, and post-clearance audit defence across all major Asia Pacific jurisdictions
- Strategic and dual-use export-control compliance programmes (including the Wassenaar Arrangement, MTCR, NSG and Australia Group catalogues, and country-specific lists)
- Sanctions advisory and enforcement (UN, US OFAC, EU, UK, and Asia Pacific national regimes)
- Trade-remedy proceedings (anti-dumping, countervailing duty, safeguards) before regional and national investigating authorities
- FTA strategy and origin engineering across CPTPP, RCEP, ASEAN+1 FTAs, India's bilateral FTAs, and the EU/UK FTA matrix
- Internal investigations, voluntary disclosures, and enforcement-defence in customs and trade-control matters

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