MILLER & COMPANY P.C.
ATTORNEYS AT LAW

SECTION 301 FORCED LABOR TARIFFS
(July 23, 2026)

The 10% Section 122 temporary tariffs expire at 12:01 a.m. Eastern Daylight Time (EDT) this evening. The U.S. Trade Representative announced late today that the United States is imposing Section 301 tariffs on 60 economies for their failure to effectively ban imports produced with forced labor. Additional tariffs ranging from 10 to 12.5% will be imposed:

- 10% tariff rate for investigated economies that have: (1) imposed a forced labor import prohibition; (2) committed to impose and enforce such a prohibition through a Reciprocal Trade Agreement; or (3) imposed a partial regime that prevents the importation of certain forced labor goods. This tariff rate applies to: Argentina, Bangladesh, Cambodia, Canada, Ecuador, El Salvador, Guatemala, Honduras, India, Indonesia, Jordan, Malaysia, Mexico, Pakistan, Sri Lanka, Trinidad and Tobago, and the United Kingdom.
- 10% or 12.5%, net of the Most-Favored-Nation (MFN) rate, applies to the European Union, Taiwan, Japan, Korea, and Switzerland.
- 12.5% tariff rate for all other investigated economies.

USTR has released a 431-page pre-publication draft of the upcoming Federal Register Notice providing that the action will apply to all products, subject to certain exemptions. Annex I provides the new country-specific HTSUS 9903 tariff provisions to use. They are similar to the country-specific tariff provisions created last year for the IEEPA Reciprocal Tariffs. Part A of Annex II summarizes HTSUS provisions exempted from any country and Parts B to O detail specific exemptions from particular countries. Specific exemptions are included for USMCA-originating goods, certain pharmaceuticals, and Section 232 aluminum, steel, copper, passenger vehicles, trucks and their parts, wood, and semiconductors. This notice finalizes the USTR's proposed action, with rate changes for some countries, referenced in our June 3 What's New update.

Tariff-rate quotas (TRQs) will be established, where feasible, for Bangladesh, Cambodia, Indonesia, and Malaysia. This new strategy is to encourage imports by these economies of U.S. cotton and textile goods and reduce reliance on inputs from other sources that may contain forced labor.

These duties shall not apply to goods for which entry is properly claimed under a provision in HTSUS Chapter 98, except for goods entered under HTSUS subheadings 9802.00.40, 9802.00.50, 9802.00.60, or 9802.00.80.

These new Section 301 tariffs go into effect immediately, but include a narrow in-transit provision that could provide some relief. The tariffs apply to products entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. EDT on July 24, 2026, except that goods loaded onto a vessel at the port of loading and in transit on the final mode of transit before 12:01 a.m. EDT on July 24, 2026, and entered for consumption or withdrawn from warehouse for consumption before 12:01 a.m. EDT on July 28, 2026 shall not be subject to the new tariffs.

Any product subject to the additional duty imposed by this action that is admitted into a U.S. foreign-trade zone, except any product that is eligible for admission under “Domestic” status as defined in 19 C.F.R. § 146.43, must be admitted in “Privileged Foreign” status, as defined in 19 C.F.R. § 146.41.

CBP has released CSMS #69326983 providing guidance and a detailed Forced Labor HTS List to assist with implementation.

Please contact Marshall Miller, Brian Murphy, Sean Murray, or David Ostheimer with questions.

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