

# Washington Tariff & Trade Letter

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## [Joint Commerce / USTR Readout of Fifth IPEF Negotiating Round - Bangkok](#)

The U.S. Department of Commerce and the Office of the United States Trade Representative (USTR) participated in the fifth in-person negotiating round for the Indo-Pacific Economic Framework for Prosperity (IPEF) in Bangkok, Thailand, from September 10-16, 2023.

Building on the discussions that took place during the fourth negotiating round in Busan, South Korea, in July 2023, the IPEF partners "continued to make progress on negotiations" towards high-standard outcomes under Pillars I (Trade), III (Clean Economy), and IV (Fair Economy).

Officials also "continued discussions on the next steps" for the proposed IPEF Supply Chain Agreement (Pillar II) following the substantial conclusion of negotiations in May and public release of the text on September 7. [READ MORE](#)

## [WTO: Tai Talks Turkey](#)

In a speech at Washington's CSIS, United States Trade Representative Katherine Tai outlined the Biden-Harris Administration's vision for a reformed World Trade Organization (WTO). The Ambassador emphasized the need for the WTO to adapt to contemporary challenges like climate change and non-market economic policies. She also reiterated that the rules governing the WTO should not be static but must be updated through ongoing negotiations among member states. [READ MORE](#)

## [Justice Official Talks National Security Compliance](#)

In a recent speech, Marshall Miller, principal associate deputy attorney general, emphasized consistency, predictability, and transparency in the Department of Justice's (DOJ) approach to corporate enforcement, particularly in relation to national security.

"National security laws must rise to the top of your compliance risk chart, with the recognition that even the most innocuous-looking transaction or activity could implicate our collective security." [READ MORE](#)

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## [WTO: E-Commerce Moratorium Debate](#)

The United States, the European Union and other proponents on Monday apparently failed to provide any convincing reasons as to why the World Trade Organization's 1998 moratorium on customs duties on electronic transmissions should be continued beyond the 13th ministerial conference, which is going to be held in Abu Dhabi in February 2024, our correspondent writes. [READ MORE](#)

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## [WTO: Disputes Body Meets, Bleats](#)

Tuesday, at the World Trade Organization (WTO) Dispute Settlement Body (DSB) meeting chaired by Petter Ølberg of Norway, several pronouncements were made regarding ongoing disputes between member nations and concerns about the functioning and reform of the Appellate Body. [READ MORE](#)

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## [WTO: African Group Industrialization Proposals](#)

The African Group has proposed several initiatives that call for "policy space for industrial development" based on "re-balancing" the existing World Trade Organization rules in order to promote their own industrialization, said people familiar with the development. [READ MORE](#)

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## [India's Fisheries Proposal](#)

India has upended the ongoing Doha fisheries subsidies negotiations at the World Trade Organization, by circulating a comprehensive proposal that seeks some fundamental changes in addressing overcapacity and overfishing. Under the scope of the proposal, India calls for the inclusion of "fuel subsidies, whether specific or non-specific" since they have the same harmful impact on the marine environment and S&DT. The determination of "what would constitute low-income or resource-poor or livelihood fishing and fishing related activities should be decided by the national authorities," India says. [READ MORE](#)

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## [Differences over GSP Reform Persist](#)

Members of the House Ways and Means Committee are united in their desire to renew the expired Generalized System of Preferences program, but differences over reforms continue to stand in the way of action. Ranking Democrat Earl Blumenauer (Ore) called for action on GSP reform and renewal legislation proposed by Democrats in the previous Congress, saying that since there is strong bipartisan report for renewal, the committee should report out that measure.

But Trade Subcommittee Chair. Adrian Smith (R-Neb) indicated that he sees some language in that bill as being ambiguous and hard to enforce and includes standards for beneficiary countries that go beyond what is required in the US- Mexico-Canada Agreement. He expressed hope that with "open minds" members can come together on a GSP/MTB package. [READ MORE](#)

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## [South Africa to Host AGOA Forum](#)

South Africa will host the 20th African Growth and Opportunity Act forum in Johannesburg this November 2-4. US Trade Representative Katherine Tai and South African Minister of Trade, Industry and Competition Ebrahim Patel announced the date following a meeting Sept. 20. [READ MORE](#)

## [USTR in Mexico Talks Aluminum](#)

Deputy United States Trade Representative Jayme White met last week with Mexico's Under Secretary of Economy for Foreign Trade Alejandro Encinas ahead of the second USMCA SME Dialogue.

During the meeting, Ambassador White reiterated concerns about the recent surge in U.S. imports of certain steel and aluminum products from Mexico and the lack of transparency regarding Mexico's steel and aluminum imports from third countries, and encouraged Mexico to enhance its monitoring of Mexican steel and aluminum exports to the United States in accordance with the 2019 Joint Statement by the United States and Mexico on Section 232 Duties on Steel and Aluminum. [READ MORE](#)

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## [US, Bangladesh Officials Talk Trade](#)

Trade officials from the United States and Bangladesh discussed worker rights and intellectual property protections yesterday at the seventh meeting of the bilateral Trade and Investment Cooperation Forum Agreement Council.

US officials called for Bangladesh to take action against counterfeit clothing, as the country currently ranks as one of the top source economies for counterfeit clothing globally as noted in USTR's 2023 Special 301 Report. [READ MORE](#)

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## [USTR: US, Sri Lanka Talk Trade](#)

US and Sri Lanka trade officials discussed labor reform and agricultural market access at the 14th meeting of the bilateral Trade and Investment Framework Agreement Council meeting in Colombo. [READ MORE](#)

## [Gallagher Committee Calls for FBI & Defense Briefing, Stat!](#)

Reacting to news reports of espionage activities linked to the Chinese Communist Party (CCP) on American soil, Chairman Mike Gallagher (R-WI) and Rep. Ashley Hinson (R-IA), along with other members of the House Select Committee on the Chinese Communist Party, have called for an urgent classified briefing from Secretary of Defense Lloyd Austin and FBI Director Christopher Wray. [READ MORE](#)

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## [Gallagher Calls for More Uyghur Sanctions](#)

Chairman Mike Gallagher of the House Select Committee on the Chinese Communist Party urged U.S. officials to enforce sanctions against certain Chinese officials and entities. In a letter addressed ... [READ MORE](#)

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## [Ways & Means Chair Baites Reds in Detroit](#)

In a stern letter, House Ways and Means Committee Chairman Jason Smith (MO-08) warned Treasury Secretary Janet Yellen that regulations must be immediately issued to prevent taxpayer funded subsidies for electric vehicles and batteries in the Inflation Reduction Act (IRA) from flowing to adversarial nations such as China. [READ MORE](#)

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## [Ways-Means Blasts Canada Digital Tax](#)

House Ways and Means Committee members are calling on the Administration and the Organization for Economic Cooperation and Development to fight Canada's unilateral imposition of a digital service tax.

The members noted that almost all 140 economies participating in the OECD work to reach agreement on updated international tax rules approved a one-year extension of the moratorium on DSTs through December 31, 2024. "We are disappointed that Canada is unfortunately moving against this global consensus with a punitive DST scheduled to take effect next year." [READ MORE](#)

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## [BIS: Allies release updated list of priority items](#)

The Department of Commerce's Bureau of Industry and Security (BIS) released updates to its list of controlled "common high priority" items identified as critical to Russia's war effort following meetings with key members of the Global Export Control Coalition.

In coordination with partners, BIS has added seven new Harmonized System (HS) codes to the list, including bearings needed for heavy vehicles or other machinery and antennae used for navigation systems. Additionally, Tier 3 has been divided into mechanical and non-mechanical items to provide greater clarity. [READ MORE](#)

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## [BIS Update Conference Registration Open](#)

The Bureau of Industry and Security (BIS) will hold the 2023 Update Conference on Export Controls and Policy from Tuesday, November 28 through Thursday, November 30 at the Marriott Marquis hotel in Washington, D.C. This 36th annual conference will be offered in in-person only, for two and a half days, with an evening reception. Sessions will include keynote speakers, plenaries, breakout sessions, and live Q&A with BIS and other agency experts. [READ MORE](#)

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## [BIS: Import, End-User, Delivery Verification Certificates and Firearms Entry Clearance Requirements](#)

This collection of information addresses three activities: (1) Import Certificates/End Use Certificates, (2) Delivery Verification, and (3) Firearms Entry Clearance Requirements.

This collection of information addresses three activities: (1) Import Certificates/End Use Certificates, (2) Delivery Verification, and (3) Firearms Entry Clearance Requirements.

Soliciting public comments to permit the Department/Bureau to: Evaluate whether the proposed information collection is necessary; accuracy of our estimate of the time and cost burden; evaluate ways to enhance the quality, utility, and clarity ; and minimize the reporting burden.

... [READ MORE](#)

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## [Comment Request; Automated Export System \(AES\)](#)

With this submission, the Census Bureau is requesting continued clearance of the AES program as a result of the publication of a final rule in the Federal Register on August 10, 2023 ( 88 FR 54234 ) ... [READ MORE](#)

## [BIS Updates Russian Priority Items](#)

The Commerce Department's Bureau of Industry and Security announced yesterday important updates to its list of controlled "common high priority" items identified as critical to Russia's war effort following productive meetings with key members of the Global Export Control Coalition. [READ MORE](#)

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## [EU: Updates Dual Use Roster](#)

On 15 September 2023, the European Commission adopted a Delegated Regulation updating the EU dual-use export control list in Annex I to Regulation (EU) 2021/821.

The update brings the list in line with decisions taken in the multilateral Export Control Regime's Wassenaar Arrangement (WA), Missile Technology Control Regime (MTCR), and Nuclear Supplier Group (NSG) in 2022. The decisions taken in the Australia Group (AG) in 2022 have been introduced in the control list in Annex I by means of the Commission Delegated Regulation (EU) 2023/996 of 23 February 2023. [READ MORE](#)

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## **State: Defense Trade Advisory Group**

The Defense Trade Advisory Group (DTAG) will meet in open session from 1:00 p.m. until 5:00 p.m. on Thursday, October 12, 2023. This will be a hybrid meeting [READ MORE](#)

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## **BIS Complying with U.S. Export Controls seminar Western Region**

Registration is open for a Bureau of Industry and Security (BIS) in-person seminar in Southern California. This is the last BIS Complying with U.S. Export Controls seminar in 2023!

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## **BIS: Defense Production Act Information Collection**

This information is necessary to support the execution of the President's priorities and allocations authority under the Defense Production Act of 1950 (DPA), as amended, and the priorities authorities under the Selective Service Act of 1948, delegated to the Secretary of Commerce and implemented by the Defense Priorities and Allocations System (DPAS) regulation.

The purpose of this authority is to ensure preferential acceptance and priority performance of contracts and orders for all materials, services, and facilities, including construction materials, the authority for which has not been delegated to other agencies in support of approved national defense programs. [READ MORE](#)

## **3M Settles Iran Sales Case**

3M has agreed to settle its potential civil liability for 54 apparent violations of OFAC sanctions on Iran that arose from its subsidiary's sale of reflective license plate sheeting to an Iranian entity controlled by the Iranian Law Enforcement Forces. OFAC determined that these apparent violations were egregious and were voluntarily self-disclosed, and imposed a \$9,618,477 settlement [READ MORE](#)

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## **Treasury Sanctions Iran Facilitators**

The Treasury Department announced yesterday it has imposed sanctions on seven individuals and four entities based in Iran, the People's Republic of China, Russia and Türkiye in connection with Iran's unmanned aerial vehicle and military aircraft development. [READ MORE](#)

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## [Iran: Qatar Aid Channel, and further sanctions](#)

U.S. government announced the establishment of a humanitarian channel in Qatar (HC) to further facilitate the flow of humanitarian assistance to the people of Iran consistent with the U.S. government's longstanding support for humanitarian trade. Similar to humanitarian channels established under previous administrations, the HC is designed to support the Iranian people's access to food, agricultural goods, medicine, and medical devices under stringent due diligence measures that guard against money laundering, misuse, and evasion of U.S. sanctions [READ MORE](#)

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## [Russian Arrested in Hong Kong Dual Use Ruse](#)

A Russian citizen who has resided in Hong Kong, was charged in connection with conspiring to defraud the United States and with smuggling, wire fraud, and money laundering offenses based on his alleged participation in a scheme to unlawfully procure U.S.-sourced, dual-use microelectronics with military applications on behalf of end users in Russia.

According to the complaint, Maxim Marchenko, 51, employed a web of shell companies as part of an overseas smuggling ring to ship dual-use U.S. technology with military applications to Russia in contravention of U.S. law.

## [German Ship's Chief Engineer gets 12 Months for San Diego Oil Dump](#)

Chief engineer Denys Korotkiy of the Dry Cargo vessel Donald was sentenced on Sept. 15 to serve twelve months and a day in prison after being convicted of conspiracy to obstruct justice, obstruction of justice and failure to maintain an accurate oil record book. Vessel operating company Interunity Management (Deutschland) GMBH previously pleaded guilty for maintaining false and incomplete records relating to the discharge of oily bilge water and was ordered to pay a total of \$1.25 million, including more than \$312,000 to benefit marine and coastal natural resources in or near the Tijuana River National Estuarine Research Reserve. [READ MORE](#)

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## [Malaysian Gloves Cleared of Slavery Taint](#)

On September 18, U.S. Customs and Border Protection (CBP) updated the Withhold Release Order (WRO) issued against Supermax Corporation Bhd. and its subsidiaries following the remediation of forced ... [READ MORE](#)

## [CHIPS Act Security Rule Released](#)

The U.S. Department of Commerce today released the final rule implementing the national security guardrails of the bipartisan CHIPS and Science Act.

The rule elaborates on two core provisions of the statute: the first, prohibiting CHIPS funds recipients from expanding material semiconductor manufacturing capacity in foreign countries of concern for ten years; and the second, restricting recipients from certain joint research or technology licensing efforts with foreign entities of concern. [READ MORE](#)

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## **[FinCEN: Small Businesses Report Beneficial Ownership Compliance Guide](#)**

Financial Crimes Enforcement Network (FinCEN) published a Small Entity Compliance Guide to assist the small business community in complying with the beneficial ownership information (BOI) reporting rule.

Foreign companies that register in U.S. states after Jan. 1 may need to report beneficial ownership information to comply with the Corporate Transparency Act. Starting in 2024, many entities created in, or registered to do business in, the United States will be required to report to FinCEN information about their beneficial owners—the individuals who ultimately own or control a company. [READ MORE](#)

## **[EU Customs Reform First Status Report Published](#)**

The European Commission tabled a customs reform package on 17 May 2023. Along with a number of other provisions, key to the reform would be the establishment of an EU customs authority, which would oversee a new customs data hub. [READ MORE](#)

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## **[OFAC: Reminder to file the 2023 Annual Report of Blocked Property](#)**

On July 3, 2023, the Office of Foreign Assets Control (OFAC) issued a recent actions notice, reminding holders of property blocked pursuant to OFAC sanctions regulations published in Chapter V of Title 31 of the Code of Federal Regulations (C.F.R.) of the requirement to provide OFAC with an Annual Report of Blocked Property (ARBP). [READ MORE](#)