JULY 2026

# BR INTERNATIONAL TRADE REPORT

BLANKROME

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PARTNER

## Note from the Editor

By Anthony Rapa

Welcome to this month's issue of the *BR International Trade Report*, Blank Rome's monthly digital newsletter highlighting international trade, cross-border investment, and geopolitical risk issues impacting businesses domestically and abroad. We invite you to share this resource with your colleagues and visit Blank Rome's International Trade webpage for more information about our team.

# Recent Developments

**Iran developments:**

- **U.S.-Iran ceasefire ends as conflict again erupts in Strait of Hormuz.** On July 8, the United States conducted airstrikes on Iran, which retaliated with attacks on Bahrain, Kuwait, Qatar, and Jordan. The exchange of hostilities, which continues as of press time, followed renewed Iranian attacks against commercial shipping in the Strait of Hormuz, prompting President Trump to declare that the June ceasefire with Iran was over. Later, on July 14, the Trump Administration announced the resumption of its naval blockade of Iranian ports.

- **Trump Administration reinstates sanctions on Iranian oil.** On July 7, the United States Department of the Treasury's Office of Foreign Assets Control issued General License ("GL") X1, superseding and essentially terminating the earlier GL X, which had ushered in sanctions relief for Iranian-origin crude oil, petroleum products, and petrochemical products in the aftermath of the June ceasefire between the United States and Iran. GL X1 permits the wind-down of activity previously authorized under GL X through 12:01 AM EST on July 17.

- **President Trump announces plans for oil deals with Iraq.** On July 14, President Trump announced, ahead of meeting Iraqi Prime Minister Ali al-Zaidi, that the United States would be "*doing a lot of deals*" and "*taking out a lot of oil*" from Iraq. Later, during their meeting at the White House, President Trump commented on the "*tremendous chemistry*" between him and al-Zaidi, while the Iraqi prime minister explained that he was seeking an "economic partnership" with the United States.

**BIS significantly eases export controls applicable to the United Arab Emirates.** On July 10, the U.S. Department of Commerce's Bureau of Industry and Security ("BIS") announced that it was according the United Arab Emirates highly preferential treatment under the Export Administration Regulations ("EAR"), specifically by removing it from Country Groups D:3 and D:4 and adding it to Country Group A:5, which consists of close U.S. allies. Specifically, as a result of these changes, the UAE Government and approved UAE entities will gain access to license-free exports of advanced computing items needed for AI development, and also will be eligible recipients under License Exception STA, which provides for license-free export of certain military, space, and other advanced items. The change in status also opens up certain other license exceptions and lifts EAR restrictions on providing support for UAE unmanned aerial vehicles programs. See the BIS final rule here.

**United States blocks renewal of USMCA.** On July 1, the United States opted not to renew the United States-Mexico-Canada Agreement ("USMCA"), triggering a 10-year annual review process that will run until 2036. The Trump Administration has voiced concerns with the USMCA, which currently protects compliant goods from most tariffs, and its failure to address trade deficits with Canada and Mexico. Annual reviews to renew the agreement will proceed each year until the three parties either agree to an extension or the agreement expires on July 1, 2036. In the meantime, the USMCA will remain in force, and the 16-year extension is available at any time through written confirmation by the three heads of government.

**U.S. tariff developments:**

- **United States launches tariff probe into Germany over pharmaceutical pricing.** On June 19, the United States launched a Section 301 tariff investigation into Germany as it pursues an overhaul of its public health insurance system. The Trump Administration has voiced concern that Germany's new measures would reduce its spending on innovative pharmaceuticals and force Americans to shoulder a disproportionate amount of global pharmaceutical research and development. The U.S. Trade Representative ("USTR") will hold hearings regarding the inquiry on September 22 and is seeking public comments by August 10.

- **Commerce initiates a Section 232 tariff investigation into anthracite coal.** On June 29, the Department of Commerce ("Commerce") initiated an investigation regarding the impact on national security of imports of anthracite coal. In its request for comments, Commerce requested information on, among other questions, the current and projected demand for anthracite coal, the extent domestic coal production can meet this demand, the role of foreign supply chains, and the impact of current trade policies on domestic anthracite coal production.

- **Trump Administration imposes 25 percent tariff on certain imports from Brazil.** On July 15, USTR Jamieson Greer announced that the United States is levying a 25 percent tariff on a broad range of imports from Brazil. The tariff follows a Section 301 investigation that concluded that Brazil engages in unfair trade based on its "*digital trade and electronic payment services; unfair, preferential tariffs; anti-corruption interference; intellectual property protection; ethanol market access; and illegal deforestation.*" Notably, certain Brazilian-origin goods are exempt from the tariff, including beef, orange juice, aircraft and aircraft parts, and certain energy products.

**Trump Administration initiates process to rescind Syria's designation as a State Sponsor of Terrorism.** On July 8, Secretary of State Marco Rubio announced that President Trump has informed Congress of the Trump Administration's intention to rescind Syria's State Sponsor of Terrorism status, initiating a 45-day pre-notification process. The eventual rescission of the designation, which has been in place since 1979, will result in Syria's removal from the highly restricted Country Group E:1 under the EAR, a move that will open the way for a broader range of license-free exports and overall figure to significantly improve Syria's trade relations with the United States.

**EU trade developments:**

- **European Union implements U.S. trade deal.** On June 25, the Council of the European Union adopted a regulation to implement the EU-U.S. trade deal, known as the "Turnberry Agreement," announced in August 2025. The deal will remove EU tariffs on U.S. industrial goods and some agricultural products, in return for the United States capping tariffs on most EU exports at 15 percent and lowering levies on European cars. The European Parliament reserves the right to request the European Commission to suspend the deal if the Trump Administration fails to lower duties on steel and aluminum products by the end of 2026. The EU tariff concessions are set to expire at the end of 2029.

- **President Trump threatens tariff in response to proposed digital services tax.** On June 26, President Trump threatened a 100 percent tariff on imports from any EU member state that levies a digital services tax on American companies. To date, several EU member states have either adopted or proposed digital service taxes.

- **EU Parliament approves Mexico trade agreement.** The EU-Mexico Modernized Global Agreement ("MGA"), approved on July 8, would eliminate tariffs on over 90 percent of traded goods between the EU and Mexico, strengthen coordination on mineral supply chains, and give EU bidders greater access to public procurement in Mexico. The MGA now moves on to review by the Council of the European Union, after which it will need to be ratified by all EU member states and Mexico in order to enter into force.

**China developments:**

- **China imposes trade restrictions on multiple U.S. defense companies.** On June 22, China imposed trade restrictions on dozens of U.S. military-related companies, in response to the Pentagon's June 8 designation of 188 companies as "Chinese Military Companies," which essentially barred them from U.S. Department of War contracts and imposed other collateral consequences.

- **China prepares new tools to combat foreign sanctions.** Chinese lawmakers are preparing a new law to allow for prosecution against foreign organizations or individuals who allegedly damage China's national and public interest. Defendants under the proposed law would be ordered to pay damages, potentially face criminal penalties, and could be barred from leaving the country.

- **China plans to let top AI companies purchase Nvidia H200 chips.** China announced plans to allow its top artificial intelligence ("AI") companies to buy a limited number of H200 chips from Nvidia, a critical processor to develop AI models. Companies must notify the Chinese government regarding how many chips they need and why in order to seek approval. The move follows President Trump's December 2025 announcement that his administration would allow sales of H200 chips to China. Notably, Beijing has been slow to allow companies to purchase the chips, with U.S. Under Secretary of Commerce for Industry and Security Jeffrey Kessler testifying before Congress on July 14 that only "very few" such chips have been exported in recent months.

**Global political developments.**

- **UK Prime Minister Keir Starmer announces resignation.** The prime minister announced on June 22 he would be stepping down from office in the face of a rebellion from his Labour Party. Starmer's move makes way for former Manchester mayor and current Labour Member of Parliament Andy Burnham to become the country's sixth prime minister in seven years.

- **Abelardo De La Espriella wins Colombian presidency.** On June 21, right wing-candidate Abelardo De La Espriella defeated Iván Cepeda, a leftist senator and longtime human rights advocate, to be elected as Colombia's next president. De La Espriella edged out Cepeda by a margin of 1 percent, winning 49.7 percent to 48.7 percent.

**President Trump signs a pair of executive orders to accelerate quantum technology development.** The executive orders ("EOs"), signed June 22, are designed to protect domestic quantum computing and accelerate development of the technology. The first EO, "Ushering in the Next Frontier of Quantum Innovation," aims to update the National Quantum Strategy and empower the Assistant to the President for Science and Technology to lead a national effort to develop the first quantum computer powerful enough to enable scientific discovery and accelerate commercial applications. The second EO, "Securing the Nation Against Advanced Cryptographic Attacks," aims to protect U.S. agencies by setting a goal of migrating key government computing systems to post-quantum cryptography by 2030 or 2031.

**CBP issues Forced Labor Enforcement Operational Guidance for Importers.** On June 12, U.S. Customs and Border Protection ("CBP") published its Forced Labor Enforcement Operational Guidance for Importers, replacing its June 2022 Uyghur Forced Labor Prevention Act ("UFLPA"). The 2026 guidance addresses how the CBP enforces the UFLPA, Section 321A of the Countering America's Adversaries Through Sanctions Act ("CAATSA") and 19 U.S.C. § 1307 enforcement through Withold Release Orders and Findings to importers.

**Four U.S. senators announce agreement with Trump on Russia sanctions bill.** On July 10, Senators Blumenthal, Wicker, Shaheen, and Graham (just before his death) released a statement that they had reached an agreement with the Trump Administration to advance updated Russia sanctions targeting buyers of Russian oil and natural gas.

**For continuous, up-to-date information on the evolving administrative landscape, check out Blank Rome's Trump Administration Resource Hub. Explore previous *BR International Trade Reports* here.**

# In Case You Missed It

**Navigating the Path Off the U.S. Sanctions List.** Blank Rome partners Anthony Rapa, Kenneth J. Nunnenkamp, Matthew J. Thomas, Bradley L. Henry, and Victoria Ortega authored this *Global Investigations Review* article discussing how delisting from OFAC's sanctions list remains a complex process that requires strong legal and policy arguments, though potential reforms and modernization efforts could make the path to delisting more transparent in the future. Read More >>

**OFAC Issues a General License Authorizing Transactions in Iranian Oil, Petrochemical Products, and Petroleum Products for 60 Days.** Blank Rome partners Anthony Rapa, Kenneth J. Nunnenkamp, Matthew J. Thomas, and foreign associate Ekinsu Cebi Elkei authored this alert discussing OFAC's recently issued General License X, which temporarily permits a wide range of Iranian oil, petrochemical, and petroleum transactions through August 21, 2026, while key sanctions and compliance risks remain. Read More >>

**The COINS Act – Keeping Up with the U.S. Outbound Investment Regime.** Blank Rome partners Kenneth J. Nunnenkamp, Anthony Rapa, and associate Rachel D. Evans authored this *Reuters* article discussing the recently enacted COINS Act, which formalizes and expands U.S. outbound investment screening to enhance oversight of national security-related investments abroad. Read More >>

**Anthropic Export Controls Stir Fear Of Unforeseen Sanctions.**
Blank Rome partner Anthony Rapa was featured in this *Law360* article discussing how export controls imposed on Anthropic reflect the heightened regulatory oversight of advanced AI technologies and also emphasizes the challenges companies face in navigating an evolving and uncertain national security landscape. Read More >>

**New Chinese Lobbying Law Raises Q's for DOD Contractors**
Blank Rome partner Kenneth J. Nunnenkamp was featured in this *Law360* article discussing how defense contractors are grappling with uncertainty surrounding a new law that prohibits the Pentagon from contracting with companies that employ lobbyists for Chinese military firms. Read More >>

**Blank Rome Attorneys and Practices Highly Ranked in The Legal 500 United States 2026**
Blank Rome is pleased to share that several of its practice groups and attorneys, including International Trade and National Security partners Joanne E. Osendarp, Anthony Rapa, and Eric S. Parnes, have been recognized in The Legal 500 United States 2026. The rankings are determined through comprehensive annual research that incorporates law firm submissions as well as input from clients and industry peers, providing an objective evaluation of leading law firms and practitioners across the United States. Read More >>

# Upcoming Events

**2026 WITA/Foundation Annual Dinner - July 22, 2026**
Blank Rome attorneys will be attending the 2026 Washington International Trade Association ("WITA") Annual Dinner on July 22, 2026, in Washington, D.C. WITA is a non-profit, non-partisan organization dedicated to providing a neutral forum for the open and robust discussion of international trade policy and related issues. Read More >>

**Export Compliance for Government Contractors - July 30, 2026**
Blank Rome partners Justin A. Chiarodo and Anthony Rapa will serve as panelists at the Association of Corporate Counsel National Capital Region's ("ACC NCR") 2026 Government Contractors Conference, being held Thursday, July 30, 2026, in McLean, Virginia. Blank Rome is a proud ACC NCR annual sponsor. Justin and Anthony's session, "Export Compliance for Government Contractors," will take place from 11:20 a.m. to 12:20 p.m. Read More >>

**To learn more about other Recent Developments or Upcoming Events, click here.**

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