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BR INTERNATIONAL TRADE REPORT

BLANKROME



ANTHONY RAPA

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

Sanctions Developments:

- **United States expands Iran-related sanctions under “Operation Economic Outcast”.** On August 24, the U.S. Department of the Treasury (“Treasury”) launched [Operation Economic Outcast](#), a coordinated sanctions campaign targeting Iran’s international financial and commercial networks.

- As part of this effort, Treasury’s Office of Foreign Assets Control (“OFAC”) issued a [determination](#) authorizing sanctions against individuals and entities operating in or supporting five sectors of the Iranian economy: digital assets, technology, gold, aviation, and shipping.
- OFAC also [designated](#) dozens of entities, individuals, and vessels across several jurisdictions for their alleged involvement in Iranian technology procurement, cyber operations, oil sales, and shipping networks, and suspended several general licenses that had authorized certain remittance, cultural, and academic activities.
- Treasury’s Financial Crimes Enforcement Network has also issued [guidance](#) alerting financial institutions to sanctions and compliance risks associated with Iran’s aviation sector.

- **Removal of Syria as a State Sponsor of Terrorism.** On August 24, the U.S. Department State announced the [recission](#) of Syria’s designation as a State Sponsor of Terrorism, first imposed in 1979. The rescission paves the way for anticipated [relaxation of export controls](#) against Syria under the Export Administration Regulations and potentially the International Traffic in Arms Regulations.

- **Congress passes Russian sanctions bill.** On September 16, the House of Representatives passed the Lindsey O. Graham Sanctioning Russia Act of 2026 by a [vote of 262-159](#), following the Senate’s 86-11 [approval](#) in August. One key provision would require the President to impose up to [100 percent tariffs](#) on the top five purchasers of Russian oil and

natural gas, as well as the top five countries aiding Russia’s sanctions evasion. Other provisions would require the imposition of sanctions against Russia’s leadership and energy sector and codify certain existing sanctions.

Tariff Updates:

- **U.S.-Canada trade dispute escalates with new tariffs and retaliation.**

- On July 20, President Trump issued proclamations under Section 338 of the Tariff Act of 1930 imposing additional 50 percent duties on certain Canadian products, citing concerns related to Canadian treatment of U.S. exports in the [automotive](#), [alcohol](#), and [dairy](#) sectors. The measures took effect on August 22 and apply to approximately [\\$20 billion in Canadian exports](#), ranging across agricultural, consumer, and industrial products, while exempting certain items such as energy products, critical minerals, and goods already subject to Section 232 duties.
- Canada announced [retaliatory tariffs](#) of 15 to 50 percent on approximately \$20 billion of U.S. goods.
- Most recently, the United States [announced](#) complete bans of certain Canadian automotive, alcohol, and dairy goods. The bans will take effect on September 29.
- Amidst U.S.-Canada trade tensions, European Commission President Ursula von der Leyen has extended the first-ever offer of EU “[associate membership](#)” to Canada, stating that she wants to bring EU-Canada relations “to the highest level possible.”

- **CBP approves \$122 billion in tariff refunds.** In a [court filing](#) with the U.S. Court of International Trade (“CIT”) on September 15, U.S. Customs Border and Protection (“CBP”) announced the approval of approximately \$122 billion in tariff refunds. This figure is part of the overall \$134.7 billion in

refunds that CBP has accepted for processing in its Consolidated Administration and Processing of Entries (“CAPE”) functionality within its Automated Commercial Environment (“ACE”) online system. CBP is set to launch the third phase of the tariff refund process on October 6, pertaining to liquidated entries filed by importers for which the CIT has ordered reliquidation.

- **Germany considers pharmaceutical proposal with the United States.** Germany reportedly is exploring pharmaceutical pricing arrangements with the Trump Administration to avoid U.S. tariffs tied to a [Section 301 investigation](#) of German drug pricing practices initiated in [June](#). President Trump claims Germany’s price controls force U.S. consumers to shoulder a disproportionate share of research and development costs, pressuring Germany to raise payments for innovating medicines. German officials are considering changes to reimbursement and market access in a potential proposal. The United States Trade Representative (“USTR”) is set to hold the Section 301 hearing on September 22.

CBP to implement enhanced Importer of Record verification requirements. U.S. Customs and Border Protection (“CBP”) [announced](#) that, beginning September 18, 2026, it will implement enhanced enforcement measures to verify the accuracy of Importer of Record (“IOR”) information submitted on the CBP Form 5106. This notice implements the objectives outlined in President Trump’s [Executive Order 14411](#), which called on CBP to strengthen enforcement penalties, import disclosure requirements, and oversight of IORs. IORs and customs brokers will be required to ensure that all identifying information is accurate and belongs to the importer, or will be subject to enforcement actions, including loss of import privileges, broker penalties, and potential civil or criminal liability. For additional information, see Blank Rome’s June 9 [client alert](#).

U.S. announces Venezuela oil agreement. On August 31, the Trump Administration [announced a significant agreement](#) with Venezuela under which U.S.-linked entities would obtain significant economic and governance rights over a large portion of Venezuela’s proven oil reserves. The arrangement grants a private operator, North American Blue Energy Partners, [100-year concessions covering approximately 65](#)

[billion barrels](#) of proven reserves and grants the U.S. government certain equity, governance, and offtake rights through the private operator.

BIS FY 2025 Annual Report. The U.S. Department of Commerce’s Bureau of Industry and Security (“BIS”) published its [fiscal year \(“FY”\) 2025 annual report to Congress](#), which highlights significant increases in export control enforcement activity and signaled more restrictive licensing for transactions involving sensitive technologies and Entity List parties. BIS reported an “18-fold” increase in penalties collected in 2025 (approximately \$324 million) over 2024 (approximately \$16 million).

G-20 Meeting:

- At the Group of 20 (“G20”) Finance Ministers’ and Central Bank Governors’ meeting in Asheville, North Carolina, U.S. Treasury Secretary Scott Bessent [highlighted](#) tensions over global trade imbalances, sanctions enforcement, and the Russia-Ukraine war. Secretary Bessent [stated](#) that “non-market-based economies pushing out a never-ending stream of cheap exports is not sustainable” and warned that Chinese goods would cause other nations’ domestic industries harm.
- Federal Reserve Chairman Kevin Warsh highlighted opportunity for “secular” [growth](#), noting the global economy was entering an “investment surge” over the preceding “global savings glut.”
- Meanwhile, the Trump Administration’s decision of welcoming Russia back into full participation in the G20 meetings drew [criticism](#) from several G20 members.

China expands Middle East ties. Chinese President Xi Jinping [visited](#) Egypt in early September, meeting with Egyptian President Abdel Fattah al-Sisi. During the visit, the two leaders discussed efforts to deepen economic and strategic cooperation between the countries, highlighting Egypt’s role as a key hub for Chinese investment and engagement in the region. The trip also reflected China’s [broader effort](#) to position itself as a leading diplomatic and economic actor in the Middle East among shifting alliances.

Swiss parliament approves Mercosur trade deal.

Switzerland's parliament approved a [free trade agreement](#) between the European Free Trade Association ("EFTA") and the Southern Common Market ("Mercosur"), advancing a pact expected to reduce customs duties and improve market access for Swiss exporters while increasing imports from South America. Lawmakers also approved [CHF 517 million](#) (approximately \$630 million) in support for domestic farmers over a six-year period. The agreement is projected to generate roughly CHF 150 million in [annual tariff savings](#).

Iran War Updates:

- **Escalating Iran conflict drives shipping and energy market turbulence.**
 - Escalating Iranian attacks on vessels transiting the Strait of Hormuz continued to disrupt shipping and energy markets, as the United States has exerted pressure on Iran through [attacks on oil tankers](#) and the "Operation Economic Outcast" initiative described above. Shipping volumes through the Strait remain below [prewar levels](#) despite U.S. military escort operations.
 - Houthi rebels in Yemen announced a [blockade](#) of vessels transiting the Red Sea, striking oil refineries along the coast of Saudi Arabia. On September 10, the Iran-backed militia captured the port city of Mokha, which is less than 50 miles from the Bab al-Mandap Strait.
- **Iran and United Arab Emirates support BRICS joint statement urging restraint in the ongoing Middle East war.** The September 12 [joint statement](#) emphasized the protection of civilians, urged respect for the sovereignty and territorial integrity of states, and the importance of safeguarding global trade, supply chains, energy flows, and maritime security.

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

CFIUS 2025 Annual Report to Congress:

Observations and Analysis

Blank Rome partners [Anthony Rapa](#) and [Kenneth J. Nunnenkamp](#) authored this alert, which examines the Committee on Foreign Investment in the United States' recently released Annual Report to Congress for Calendar Year 2025 and offers key insights into its findings.

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Upcoming Events

International Bar Association Annual Conference 2026

Blank Rome partners [Joanne E. Osendarp](#), [Kenneth J. Nunnenkamp](#), [Eric S. Parnes](#), of counsel [Timothy J. Hruby](#), and senior counsel [Alan G. Kashdan](#) will be part of a 17-person delegation from Blank Rome attending the International Bar Association's 2026 Annual Conference, being held October 4-9, 2026, in Copenhagen, Denmark.

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Export Controls Symposium: Semiconductors, AI, and Heightened Enforcement

Blank Rome partners [Anthony Rapa](#) and [Kenneth J. Nunnenkamp](#) will co-host, along with BDO USA, an Export Controls Symposium on Semiconductors, AI, and Heightened Enforcement, a multi-panel and networking event, on Wednesday, October 21, 2026. The event, which will be held in Washington, D.C., will include panel discussions from 1:30 to 5:30 p.m., followed by a networking reception.

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To learn more about other Recent Developments or Upcoming Events, click [here](#).

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