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DHS to Add 43 Xinjiang-Linked Companies to UFLPA Entity List

DHS is adding 43 companies to its list of entities that may be using forced labor from the Xinjiang region of China, bringing the total number of companies on the list to 187, the agency said in a July 31 press release. The update to the Uyghur Forced Labor Prevention Act Entity List—which includes companies in the aluminum, apparel, copper, cotton and tomato sectors—is the first since January 2025 (see ITT 01/14/2025).

DHS said the additions represent a 30% increase in the number of entities listed, which is the "single largest-ever expansion" of the UFLPA Entity List. CBP will ban goods produced by the entities from entering the U.S. effective Aug. 3.

Four companies will be added to the UFLPA Entity List in the category of those working to recruit, transport or receive forced labor or Uyghurs, Kazakhs, Kyrgyz or members of other persecuted groups. The list includes companies involved in construction, logistics, pharmaceuticals, seafood and frozen food products. One of those companies, Xinjiang Communications Construction Group, is a Chinese state-owned entity in Xinjiang that DHS said designs and builds transportation infrastructure and aids China with labor transfers of Uyghurs. Another company, Xinjiang Nuziline Bio-Pharmaceutical Co., makes and sells pharmaceutical products, while Xinjiang Tianyun Organic Agriculture sells salmon, and Zhengzhou Synear Food makes and distributes frozen dumplings and other snack foods.

Forty-one entities were added to the section that identifies facilities sourcing material from the Xinjiang region or from persons participating in government-supported poverty alleviation schemes. Those entities include companies involved in the sourcing of cotton, such as Henan Tongzhou Cotton Industry, or the mining and processing of metals and titanium equipment, such as Baoji Jucheng Titanium Industry and Baiyin Nonferrous Group. Others are involved in the production and sourcing of tomatoes and other food products; the production of textiles, fertilizers and aluminum; the sale of aluminum foil materials, the sourcing of herbs and herbal extracts; and more.

Aris Kourkoumelis, DHS assistant secretary for trade and economic security, said importers who "attempt to circumvent today's action and knowingly import goods produced with forced labor will be prosecuted to the fullest extent of the law." CBP said it has denied entry under UFLPA to more than 24,300 imports valued at nearly $1 billion since the authority became law.

Chairman John Moolenaar, R-Mich., of the House Select Committee on China, said: "Today's action by the Trump administration strengthens America's economy against products made with slave labor and sends a message to the Chinese Communist Party that we will not look the other way on its genocide and human rights abuses." ***— Kalie Walker***

Lengthy CTPAT Timelines Could Pose Challenges for New Foreign IOR Requirements, Experts Say

Nonresident importers will have to use Customs Trade Partnership Against Terrorism validated customs brokers, or become CTPAT validated themselves, to continue importing into the U.S. by Nov. 30, 2026, as one of several requirements from the June 3 executive order on customs enforcement. Getting validated is a long process, experts said, and importers or brokers looking to do so should start as soon as they can.

Abigail Frank, managing consultant of Mohawk Global Trade Advisors' CTPAT team, told us that companies that submit an application to be part of the CTPAT program, and have their initial security profile approved by the CTPAT program, are certified. The next stage is the validation process, and companies have to be validated to remain in the program.

Many non-resident importers will be “starting from scratch” in their bid to keep their ability to import, Frank said. But the certification process in itself, “unfortunately, in my experience, is not super quick,” she said. And the validation process that follows can be unpredictable, and its scheduling “very much outside of the control of the company holding the certification."

The timeline makes the requirement for foreign importers of record to get CTPAT validated, or use CTPAT validated brokers, “a little bit tricky.”

Frank said importers should expect six to eight months from the day they start working on the certification project to the day they get approval of their certification, depending on a few factors, some of which the company can control, some of which they can’t. She said she tells her clients it takes around three months to put together the application, which includes the risk assessment, ensuring the company meets the criteria and has all the written procedure in place. That’s the part they can control.

Afterward, the company gets assigned a supply chain security specialist who has 90 days to review the application. However, Frank said the company can’t control when the specialist gets assigned, and when in the 90-day period the review occurs. She’s seen some applications approved in a few weeks, and some that take the full 90 days, along with a few rare instances that take longer.

Only then can the company start the validation process. Frank said scheduling the validation can feel “a little bit chaotic” for the company, since they can’t control the timing, which company in the supply chain the specialist will visit and whether they can be flexible with timing.

“Where within that year they're going to reach out to get it scheduled depends on so many factors that the importer or the company just has no control, and in many cases very little visibility to,” she said.

According to CTPAT Validation frequently asked questions, CBP will provide CTPAT participants with approximately 30 days’ notice before the beginning of the validation. Every three years from the point of validation, they’ll do a validation review, Judy Davis, senior trade adviser at Braumiller Consulting Group, said. The first visit is always an onsite visit.

Davis said it’s an intense security profile. She said companies that have been in the foreign importer of record capacity are already aware of CBP inbound security protocols at the ports, and many already have processes and manuals, meaning they just have to document those procedures.

“You're not necessarily reinventing the wheel, you're just focusing it to where CTPAT wants your focus to be,” she said.

Frank said she recommends that foreign importers looking to get CTPAT validated should start as soon as possible.

“The longer you wait, the longer it’s going to take, maybe the further back in line you're going to get,” she said.

Frank said nonresident importers could instead go through a CTPAT certified customs broker. Those importers could look for a broker who’s already validated, or push the broker they’re already working with to get validated. Davis said the brokers who become CTPAT validated will go through their own group of questions in the application.

“I think it will push the brokers in some ways to reach for that certification in order to bring in more business, because there’s going to be, especially in Canada and Mexico, there’s going to be an awful lot of these foreign importers who are going to be looking for certified brokers,” Davis said.

Frank said there’s potential for some brokers to lose business, as for some foreign importers of record, it may be easier to find a broker who is already validated. However, Frank said that depends on how much of a broker’s client base is made up of foreign importers of record, and on a company’s situation and their relationship with their broker.

Davis said she thinks importers will look toward brokers first, as doing so would be easier for them, but the importers will eventually shift to becoming CTPAT validated.

“The importer of record is always responsible, bottom line, for the entry,” she said.

Frank said she's seen an uptick in requests for meetings and questions on getting validated, but not an increased demand from brokers or foreign importers. Davis said she thinks a lot of people knew this push was coming.

"For the foreign importer of record, it eliminates the idea that this is a voluntary program," she said.

Davis said foreign importers of record haven't had to keep up with the same regulations as U.S. importers. She said bringing foreign importers into CTPAT will be a "huge undertaking," but will enforce accountability for both CBP and importers.

"I think it will definitely help those areas of accountability in all of the global markets, but it's going to take a while to get there," she said. ***— Kalie Walker***

Don't 'Play Chicken' With Your Customs Bond, Surety Exec Warns Importers

Importers should expect tougher underwriting, more collateral demands, and faster turnaround times on bond increases as tariff volatility reshapes the customs bond market, a veteran customs-bond specialist advised. That's especially true with new Section 301 tariffs on the horizon, he said.

Speaking at a Star USA webinar on June 9, Travis Smith, president of Trade Risk Guaranty, warned importers not to "play chicken with the bond" by starting at the minimum customs bond level, even as sureties raise their standards.

"The importing world has changed in the sense that there's more volatility and more uncertainty," Smith said, noting that insurance companies are "pull[ing] levers to tighten the ship" as duties spike under new and pending tariff actions.

Bond requirements are rising not because importers are bringing in more goods, but because tariff costs are inflating the amounts counted toward bond sufficiency, he said.

"The client's revenue [is] staying the same, but their bond size [is] having to go up … because the tariffs that are being introduced are driving duties, taxes and fees," Smith said.

Underwriters now see higher bond requirements without the corresponding financial strength that once justified them, contributing to what Smith described as a hardening bond market.

A growing number of importers are being asked to post collateral, which is typically an irrevocable letter of credit matching the bond amount, he said.

While not universal, Smith said collateral demands are rising and that "a much higher percentage of importers are being required to secure collateral to keep the bond on file."

He urged importers to prepare internally before a collateral demand arrives, noting that importers have only 30 days to respond to a bond insufficiency notice.

"If importers have played out the collateral discussion internally, if the finance team knows it's a possibility, [and] if the bank knows it's a possibility, you're much better positioned to handle that increase quicker," he said.

Importers must also navigate "stacking liability," where an insurance company remains exposed for prior bond periods until all entries have liquidated, he said. That exposure can accumulate across multiple years, especially for antidumping duty and countervailing duty entries.

Smith added that importers should also ask whether collateral will be required again at renewal, noting that "stacking collateral … is not a great scenario, but at least you can take that back to your team and know better what to expect and plan for it."

Smith cautioned against changing bond sizes mid-term, which can cause open liability to balloon far beyond the bond's face value.

Repeated mid-term increases "get sloppy" and "make underwriters anxious," he said. Smith urged importers to forecast 12 months ahead and start a new bond at roughly 40%to 60% sufficiency, warning that beginning at 80% or 90% is "a recipe for disaster."

Smith also reminded importers that placing a new bond does not reset sufficiency to zero because CBP uses a rolling 365-day look-back, meaning duties already paid continue to count toward sufficiency even after a new bond is issued. He urged importers to factor upcoming Section 301 tariff actions into their forecasts rather than placing only the minimum bond size required by the CBP.

Importers of goods paying AD/CVD face the most stringent requirements because those entries can remain unliquidated for years, and rates can rise dramatically.

AD/CVD exposure "is very risky," he said, noting that rates can rise substantially, sometimes 20% above the deposit rate, and in some cases as much as 100% higher.

Smith also warned that new Section 301 actions likely will push duties higher by late summer.

"My guess is … we're going to be back at 25%—roughly speaking—tariffs on top of your standard tariffs," he said, adding that failing to factor these into bond forecasts almost guarantees another insufficiency notice.

Smith advised importers to invest in transparency tools to track claims and sufficiency in real-time rather than waiting for government deficiency letters. **— *Roseanne Gerin***

Trump Announces Quartz TRQs Effective Aug. 15

President Donald Trump will introduce a tariff-rate quota beginning Aug. 15 on imports of certain quartz surface products after the International Trade Commission in May recommended a TRQ and said large import volumes of quartz are harming the domestic quartz industry (see ITT 05/14/2026).

The TRQ will be in place for four years, "with annual increases in the within-quota quantities and reductions in the rates of duty applicable to goods entered within and in excess of those quantities in the second, third, and fourth years," as outlined in the annex, the White House said in a July 31 proclamation. The measure will apply to imports from all countries with certain exclusions for imports from Australia, Canada, Colombia, South Korea, Israel, Mexico, Panama, Peru, Singapore and nations within the Dominican Republic-Central America Free Trade Agreement and the Caribbean Basin Economic Recovery Act beneficiary countries and territories.

Any changes to the Harmonized Tariff Schedule made by the proclamation, including the annex, will be effective for goods entered for consumption on or after 12:01 a.m. ET on Aug. 15, "and shall continue in effect as provided in the Annex to this proclamation, unless such actions are earlier expressly reduced, modified, or terminated."

Any quartz product subject to the TRQ and admitted into U.S. foreign-trade zones on or after 12:01 a.m. ET on Aug. 15 "must be admitted as 'privileged foreign status' as defined in 19 CFR 146.41, and will be subject upon entry for consumption to any quantitative restrictions or tariffs related to the classification under the applicable [Harmonized Tariff Schedule] subheading," the proclamation said.

The White House said the U.S. trade representative "shall determine whether any modifications to the HTSUS are necessary or appropriate to effectuate or implement this proclamation or any actions taken pursuant to this proclamation," and may make changes through a *Federal Register* notice, including technical or ministerial corrections to the annex.

Industry Execs: Importers Should Review Compliance Programs as CBP Ramps Up Enforcement

Following a June U.S. executive order on strengthening customs enforcement, trade professionals said they have seen an increase in enforcement action, better targeting and indications that CBP is focusing on forced labor, valuation and country of origin. Professionals said importers should prepare documents in advance, and review their compliance programs to ensure they're on par with the heightened enforcement.

Enforcement was on the rise even before the executive order. Rick Lawlor, a director with KPMG's Trade Enforcement Advisory Services, said his clients were seeing an unprecedented level of CF 28s and CF 29 requests for information and notices of action, with emphasis on areas that present revenue risk.

CBP issued 148% more CF 29s from quarter one of 2025 to quarter two of 2026, according to a report by Tru Identity, which was based on Tru's Freedom of Information Act request and data the company collected. The number of CF 28s over the same period stayed roughly the same.

According to the report, there's been a shift from inquiry to action, as CF 29s hold the majority of forms issued in every quarter since Q2 2025. Most enforcement volume arrives as action notices, with Q2 producing the largest jump for both years.

Robert Stein, vice president of Braumiller Consulting Group, said instead of importers getting an opportunity to respond to a request for information and present the facts, CBP is now moving directly to the notice of action under a CF 29. CF 29s give only 20 days for the importer to respond compared with a CF 28's 30-day response period.

Teri Halpin, a director in KPMG's Trade Enforcement Advisory Services, also said CBP has been going straight to notices of investigation. She also said the CF 28s have gotten significantly more extensive. The CF 28s are now pages long and request deep dives into a company's supply chain.

Cindy DeLeon, founder of Deleon Trade, said CBP is actively reviewing the importer's right to make entry, particularly for importers that don't have U.S. employees. DeLeon said a client files U.S. tax returns, but the company is run from a foreign location and has no U.S.-based office or employees. She said CBP is targeting those types of companies.

DeLeon said CBP also is targeting duty-free programs, including foreign-trade zones, bonded warehouses and Chapter 98 entries. She said that duty-free programs have always asked for proof of qualification rather than payment.

"Companies that invest in that documentation now aren't just avoiding risks—they're protecting their benefits," she said.

Lawlor, referencing DOJ's resource guide to trade fraud enforcement (see [ITT 07/14/2026]) and the EO, said the government is notifying the trade industry that it is focusing on enforcing valuation methodologies, classification, country of origin and forced labor.

For example, Lawlor said importers trying to quickly move sourcing out of China due to Section 301 exposure may not conduct the full vetting necessary to examine a product's country of origin. Similarly, he's seen CBP targeting related-party transactions, where CBP is focusing on substantiating that valuation reflects arm's length pricing within the construct of transfer pricing.

Importers should develop workflows and validations with their suppliers, procurement team and tax department, Lawlor said. If importers wait to have those conversations until after CBP sends an inquiry, it may be too late to do so.

DeLeon said her clients have gotten several virtual Risk Analysis and Survey Assessments where CBP will send a letter to a company to assess risk on a specific issue, giving the example of Nairobi Protocol, which covers articles designed specifically for people with disabilities. The assessment includes a questionnaire and a virtual meeting with CBP. She said companies need to have documentation ready, and coordinate within other departments of the company.

While these assessments have always happened, they used to happen primarily in person. Now more are happening virtually.

"You have to put in the work to get as much information to Customs to be able to show them, as long as it's true, of course, that the risk is not paired with noncompliance," DeLeon said.

DeLeon said targeting has also improved, giving the example of CBP choosing to assess an entry that claimed Nairobi protocol on a steel or aluminum bar.

Stein said there are two groups of importers: those aware of the executive order and working to be compliant, and "ostriches" who have their heads in the sand. Those companies don't put as many resources into compliance, and the order may have prompted some to invest more in compliance. Overall, awareness has increased, Stein said.

"That means really working on supply chains, verifying and validating information, not relying on things like a simple email to verify information that needs to be more thoroughly vetted," he said.

Stein said he's seen CBP swing back and forth between enforcement and facilitation over long periods of time. He said now, the pendulum has swung over to enforcement.

"The only thing that registers is that you either are doing the right thing or you're not, and if you're not doing the right thing, you're going to get a penalty, and if you're going to get a penalty, you're going to pay at least 50% of it," he said

Lawlor said the order specifically addresses the need to establish a floor that caps the extent of penalty mitigation. He said for repeat violators, the opportunity for mitigation likely no longer will apply.

"These are really new developments that are really providing much more insight, not only on the enforcement operations side, but as well as the consequence delivery for compliance," he said.

Stein said companies that make a clerical error, such as putting an incorrect port of entry or a late file, can now mitigate penalties down to only 50%. At a high level, the order indicated the administration is looking for strengthened enforcement, but the details won't be known until a *Federal Register* notice or regulatory change is published, he said.

Stein said he's seen companies that didn't spend money on compliance are now more willing to, including by adding people in departments that handle compliance. He's also seen a greater demand for customs brokers, as a company having a broker brings a higher degree of credibility to a customs compliance program.

However, a strong compliance program takes more than personnel. Stein said strong compliance requires having procedures crafted and followed. He said the executive order looks for more accountability for customs brokers, including by holding them to a higher standard of accuracy and by better vetting their clients.

Stein said importers and brokers need to be aware of updates, and should make use of government public comment periods. DeLeon said companies need to be involved in their trade associations.

Stein said that in the long term, U.S. customs likely will swing back toward trade facilitation. However, in the short term, importers should expect more enforcement, regulation and fewer opportunities to mitigate. Stein said he hopes that CBP and the administration will understand that facilitation is a powerful part of trade enforcement.

"Legitimate traders, legitimate brokers are against that [fraudulent] activity, and trade facilitation helps customs ultimately to conduct those kinds of those activities," he said.

The U.S. Chamber of Commerce in July said while it supports the efforts of the executive order, it may harm the trade community. The Chamber urged the government to "pursue solutions that give equal weight to facilitating legal trade and ensuring U.S. businesses can compete effectively in global markets" (see ITT 07/17/2026).

Lawlor said importers should take a refreshed look at their customs compliance framework in the context of today's trade environment. Halpin said she thinks that scrutiny on Deliver Duty Paid shipments will be heightened. She said the U.S. was looking to protect the U.S. economy.

DeLeon said she's advising her clients to review their foreign importer of record structures, and decide whether that structure is still advantageous in light of the new order, and take advantage of the Customs Trade Partnership Against Terrorism program. She said importing has always come with obligations, including documentation and reasonable care.

"Now, more than ever, those obligations are being tested, and companies that are not taking their obligations seriously are going to have a hard time," she said. **— *Kalie Walker***

Chamber of Commerce Highlights Concerns on Customs Enforcement EO

The U.S. Chamber of Commerce voiced concerns about President Donald Trump's June 3 executive order on customs enforcement, in a letter to DHS and CBP signed by Chamber Executive Vice President Neil Bradley. The Chamber said it agreed with the need for updates and "broadly supports" the efforts to stop malicious actors, but that the order may harm the business community.

"While the Order rightly emphasizes the importance of strong enforcement, we urge you to pursue solutions that give equal weight to facilitating legal trade and ensuring

U.S. businesses can compete effectively in global markets," it said.

The Chamber asked that DHS and CBP to implement the order through notice-and-comment rulemakings, and to engage broadly with the business community, including through the Commercial Customs Operations Advisory Committee. The COAC's most recent scheduled meeting was pushed from July to September (see ITT 07/10/2026).

The Chamber said the order signals the administration's intent to require importers to certify compliance with customs laws "during multiple points along the importation process," which may lead to increased legal exposure, higher costs and decreased global competitiveness.

And key provisions of the June 3 order, "such as the definition of 'good standing,' establishing specific minimum bond levels, the scope of disclosure requirements, and the risk tiering methodology are significant new requirements that will potentially require significant time and resources for U.S. businesses to collect, verify, and report," the letter said.

"While there may be good rationale for these proposed changes, we are concerned that these policy changes that are intended to target malicious actors may inadvertently hurt the broader U.S. business community, especially small businesses that frequently have fewer resources and lower minimum continuous bonds to adapt to these policies."

The Chamber said DHS and CBP also should work with Congress to enact comprehensive reform that provides for both enforcement tools and trade facilitation. ***— Kalie Walker***