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Section 301 Forced Labor Tariffs Set to Cover Most Imports into the U.S. Starting July 24th

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Background

The Office of the United States Trade Representative (USTR) completed its Section 301 investigations into whether certain foreign trading partners impose and enforce bans on importing goods made with forced labor. The investigations, opened on March 12, 2026, cover all products from each of the 60 economies under review. The result of the investigation is implementation of tariffs on most imports from the investigated economies, effectively taking the place of the lapsed Section 122 tariffs.

The 60 economies under review include major trading partners such as Canada, Mexico, the European Union, the United Kingdom, China, Japan, India, and Switzerland, among many others. Any company that imports goods from these economies, or that relies on suppliers and vendors sourcing from them, is directly affected.

New Tariffs, Effective July 24, 2026

The new tariffs take effect at 12:01 a.m. Eastern Time on July 24, 2026. Goods that were already loaded on a vessel and in transit before that time will receive limited relief. Companies with shipments currently at sea should confirm exact loading and arrival timing to assess whether this narrow exception applies.

The rate applied depends on each economy's progress toward addressing forced labor in its import controls.

Duty Rate	Countries (illustrative)
10% (or 10% net of MFN duty for the EU and Taiwan)	Argentina, Bangladesh, Cambodia, Canada, Ecuador, El Salvador, Guatemala, Honduras, India, Indonesia, Jordan, Malaysia, Mexico, Pakistan, Sri Lanka, Trinidad and Tobago, United Kingdom, European Union, Taiwan
12.5% (or 12.5% net of MFN duty for Japan, South Korea, and Switzerland)	China, Brazil, Saudi Arabia, Vietnam, Thailand, Australia, and 40+ others

Exemptions

Certain goods are exempt from these tariffs, including raw materials without adequate domestic supply, goods that could cause broader economic disruption if taxed, and products that cannot be produced domestically in sufficient quantity or at reasonable cost.

USTR added 471 additional products to the exemption list beyond what was originally proposed, covering items such as certain seeds, fertilizer and pesticide inputs, semiconductor manufacturing equipment, pharmaceuticals, and used clothing.

Separately, USTR will establish tariff-rate quotas for Bangladesh, Cambodia, Indonesia, and Malaysia to encourage those countries to import more U.S. cotton and textile inputs. These quotas will be detailed in a future Federal Register notice and are not yet in effect.

Lawsuits Challenging the New Tariffs

On July 24, 2026, importers filed two lawsuits challenging the new tariffs.

A group of small businesses challenged the new tariffs in a proposed class action before the Court of International Trade. The complaint alleges the U.S. government exceeded its authority because it (a) failed to adequately establish country-specific connections between each country's forced-labor policies and a burden on U.S. commerce and (b) failed to explain how the broad tariffs would eliminate the identified practices in the countries included in the investigation. The proposed class includes all importers who have paid or will be required to pay the new Section 301 duties, and seeks an injunction against the collection and liquidation of the duties.

In a separate lawsuit, Learning Resources, the same toymaker that challenged the IEEPA tariffs, also filed a lawsuit challenging the Section 301 forced labor tariffs. The complaint alleges the Trump administration has tried to "re-create materially the same global tariff regime" under a different statute.

Next Steps

Companies importing from any of the 60 listed economies should expect added tariffs from July 24, 2026, onward, at either a 10 percent or 12.5 percent rate depending on the country of origin. Note some countries' tariff rate will be net of MFN duties. Businesses should review their product classifications against the exemption lists, confirm any in-transit shipments against the narrow grace period, and monitor for the forthcoming quota notice affecting textile imports.

If you are interested in discussing the potential impacts of the Section 301 tariffs, tariff strategies, or your options before the Court of International Trade, please contact one of the listed attorneys.