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**TRADE NEWSLETTER:
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I. TRADE REMEDIAL INVESTIGATION UPDATES

TRADE REMEDIAL ACTIONS BY INDIA

During December 2025, the Directorate General of Trade Remedies (**DGTR**) initiated only one anti-dumping investigation and terminated one investigation. Further details on the individual cases are provided below:

PRODUCT	SUBJECT COUNTRIES IN THE INVESTIGATION	TYPE OF INVESTIGATION	TYPE OF NOTIFICATION	DATE OF THE NOTIFICATION
Para Nitrotoluene (PNT)	European Union	Anti-dumping, original investigation	Termination	Dec 11, 2025
Nylon 6 Chips and Granules with relative viscosity (RV) below 3	China PR and Russia	Anti-dumping, original investigation	Initiation	Dec 31, 2025

TRADE REMEDIAL ACTIONS AGAINST INDIA

During December 2025, trade remedy actions affecting Indian exports were observed in the United States of America (**USA**) among India's major trading partners, namely the USA, the European Union, and the United Kingdom. During the month, the USA issued seven determinations, comprising three final determinations in an anti-dumping investigation and four final determinations in a countervailing duty investigation. In addition, the USA instituted three anti-dumping reviews and four countervailing duty reviews. Further details on the individual cases are provided below:

PRODUCT	COUNTRY	TYPE OF INVESTIGATION	TYPE OF NOTIFICATION ¹	DATE OF THE NOTIFICATION ²
Forged Steel Fittings	USA	Countervailing, review	Institution of Five-Year Reviews	Dec 01, 2025
Forged Steel Fittings	USA	Anti-dumping, review	Institution of Five-Year Reviews	Dec 01, 2025

¹ The information is based on notifications published in the Federal Register during December 2025. Any institutions or determinations issued by the U.S. Department of Commerce or the U.S. International Trade Commission that were not published in the Federal Register during this period are not reflected.

² The date of notification is based on the date of publication in US Federal Register.

Fluid End Blocks	USA	Countervailing, review	Institution of Five-Year Reviews	Dec 01, 2025
Certain Lined Paper Products	USA	Anti-dumping, administrative review	Initiation of Administrative Reviews	Dec 08, 2025
Mattresses	USA	Anti-dumping, administrative review	Initiation of Administrative Reviews	Dec 08, 2025
Certain Lined Paper Products	USA	Countervailing, administrative review	Initiation of Administrative Reviews	Dec 08, 2025
Quartz Surface Products	USA	Anti-dumping, review	Determinations	Dec 18, 2025
Quartz Surface Products	USA	Countervailing, review	Determinations	Dec 18, 2025
Hard empty capsules	USA	Countervailing	Determination	Dec 29, 2025
Hard empty capsules	USA	Anti-dumping	Determination	Dec 29, 2025
Carbazole violet pigment 23	USA	Countervailing	Determination	Dec 31, 2025
Overhead Door Counterbalance Torsion Springs	USA	Countervailing	Determination	Dec 31, 2025
Overhead Door Counterbalance Torsion Springs	USA	Anti-dumping	Determination	Dec 31, 2025

II. REGULATORY DEVELOPMENTS IN TRADE IN INDIA

A. MINISTRY OF FINANCE (MOF)

During December 2025, the MoF issued several key notifications effecting changes to customs duties and the imposition or continuation of anti-dumping/countervailing duties across a range of products. A summary of the updates is set out below:

DATE	PRODUCT	HSN	CHANGE IN DUTY
Dec 07, 2025	Textured Tempered Glass	7007 19 00	Continuation of Ad Valorem countervailing duty on goods originating in or exported from Malaysia
Dec 15, 2025	Faced Glass Wool in Rolls	7019	Continuation of Fixed anti-dumping duty on goods originating in or exported from China PR
Dec 18, 2025	Cold Rolled Non-Oriented Electrical Steel	7210, 7225 or 7226	Fixed anti-dumping duty on goods originating in or exported from China PR
Dec 24, 2025	1,1,1,2-Tetrafluoroethane or R-134a	2903 45 00	Reference Price based anti-dumping duty on goods originating in or exported from China PR
Dec 24, 2025	Calcium Carbonate Filler Masterbatch	3824 99 00	Fixed anti-dumping duty on goods originating in or exported from Vietnam
Dec 25, 2025	2-Ethyl Hexanol	2905 16 20	Continuation of Fixed anti-dumping duty on goods originating in or exported from European Union, Indonesia, Korea RP, Malaysia, Taiwan and United States of America
Dec 26, 2025	Polyethylene Terephthalate resin having an intrinsic viscosity of 0.72 decilitres per gram or higher	3907 61 90 and 3907 69 90	Continuation of Fixed anti-dumping duty on goods originating in or exported from China PR

Dec 30, 2025	Non-Alloy and Alloy Steel Flat Products	7208, 7209, 7210, 7211, 7212, 7225 or 7226	Ad Valorem safeguard duty when subject goods imported into India
Dec 31, 2025	Low Ash Metallurgical Coke	2704 00 10, 2704 00 20, 2704 00 30 and 2704 00 90	Fixed provisional anti-dumping duty on goods originating in or exported from Australia, China PR, Colombia, Indonesia, Japan and Russia

Additionally, although the DGTR had recommended anti-dumping duties on certain products in September 2025, the statutory window for the MoF to implement them lapsed in December 2025 without issuance of a customs notification. A summary is provided in the table below.

PRODUCT	SUBJECT COUNTRIES OF THE INVESTIGATION	TYPE OF INVESTIGATION	DATE OF FINAL FINDINGS
Glass Fibre	Bahrain, China PR and Thailand	Original	Sep 08, 2025
Certain Cranes	China PR	Original	Sep 19, 2025
Polytetrafluoroethylene (PTFE)	China PR and Russia	Original	Sep 19, 2025
Certain antioxidants	China PR and Singapore	Original	Sep 23, 2025
Mono ethylene Glycol	State of Kuwait, the Kingdom of Saudi Arabia and the Republic of Singapore	Original	Sep 23, 2025
Resorcinol	China PR and Japan	Original	Sep 24, 2025
Acrylonitrile Butadiene Rubber	China PR, European Union, Korea RP and Russia	Original	Sep 25, 2025
Black Toner Powder Cartridge	China PR	Original	Sep 26, 2025

Copolymer Polyol of hydroxyl value >= 23	China PR	Original	Sep 26, 2025
Virgin Multi-Layer Paperboard	Chile and China PR	Original	Sep 29, 2025
Solar Cells whether or not assembled in Modules or made up into Panels	China PR	Original	Sep 29, 2025
Soda Ash	Turkey, Russia, USA and Iran	Original	Sep 29, 2025

ELP COMMENT:

- The MoF's recent practice of not notifying anti-dumping duties despite affirmative DGTR recommendations indicates increased scrutiny at the implementation stage. This appears to be driven by broader policy considerations such as downstream user interests, inflation concerns, and broader trade objectives. As a result, a positive DGTR finding no longer guarantees imposition of duties, and non-implementation risk has become a key consideration for domestic industry applicants.
- This trend was particularly evident in December 2025, during which the MoF did not notify anti-dumping duties in respect of approximately 80% of the DGTR's final findings issued during the month of September 2025.

B. DIRECTORATE GENERAL OF FOREIGN TRADE (DGFT)

Key trade policy changes issued by the DGFT in December 2025 are summarized below:

- **POLICY / IMPORT-EXPORT REGIME & MARKET ACCESS CHANGES**

Policy Circular No. 08/2025-26 dated Dec 17, 2025 – For the calendar year 2026, DGFT has continued the Import Management System (IMS) for restricted IT hardware (laptops, tablets, all-in-one PCs, ultra small form factor computers and servers under HSN 8471), requiring importers to apply online for Import Authorisations between 22 December 2025 and 15 December 2026, with all IMS Authorisations valid up to 31 December 2026 and subject to possible mid-term review and modification by Ministry of Electronics and Information Technology /DGFT.

Notification No. 49/2025-26 dated Dec 09, 2025 – Para 4.63 of Foreign Trade Policy, 2023 has been amended so that imports under Diamond Import Authorisation, already exempt from various customs and safeguard-type duties, are now also exempt from the whole of the Integrated Tax and Compensation Cess leviable under section 3(7) and 3(9) of the Customs Tariff Act, 1975.

Notification No. 50/2025-26 dated Dec 18, 2025 – Until November 30, 2026, imports of diluted Potassium Clavulanate, Potassium Clavulanate (KGA) and specified intermediates used for Clavulanic Acid/Potassium Clavulanate are made ‘Restricted’ below notified CIF value thresholds and are now governed by new Policy Condition No. 8 of Chapter 29; corresponding ITC (HS) codes have been aligned to be “subject to Policy Condition No. 08,” while exempting Advance Authorisation holders, Export Oriented Units (EOUs) and Special Economic Zone (SEZ) units where the inputs are not sold in the Dometric Tariff Area (DTA).

Notification No. 51/2025-26 dated Dec 29, 2025 – Partly modifies Notification No. 36/2023 to allow export of Organic Sugar under HS codes 1701 14 90 and 1701 99 90, which remains under “Restricted” export policy but is now permitted subject to an overall ceiling of 50,000 MT per financial year and compliance with procedures under FTP 2023 and modalities separately prescribed by APEDA.

Notification No. 52/2025-26 dated Dec 31, 2025 – Extends the existing Minimum Export Price (MEP) of USD 1400 FOB per metric ton on exports of Natural Honey (ITC HS 04090000) from Dec 31, 2025, up to Mar 31, 2026; export policy remains “Free” subject to this revised MEP validity.

Notification No. 53/2025-26 dated Dec 31, 2025 – Amends the import policy for Low Ash Metallurgical Coke (HS 27040020, 27040030, 27040040, 27040090) by (i) introducing Policy Condition 8 to “Restrict” imports, from Jan 1, 2026 to Jun 30, 2026, of low-ash metallurgical coke (ash < 18%, including coke fines/breeze and ultra-low phosphorous coke up to 0.030% P, size up to 30 mm with 5% tolerance) for ferro-alloy manufacturing; and (ii) changing the import policy entries for these codes from “Free” (with a conditional restriction) to “Restricted”, with only such low-ash metallurgical coke covered by the restriction while imports of metallurgical coke with ash content above 18% and other products under these codes remain “Free”.

- **PROCEDURAL / COMPLIANCE & ADMINISTRATIVE FRAMEWORK UPDATES**

Public Notice No. 34/2025-26 dated Dec 01, 2025 – By amending Para 6.34 of Chapter 6 of the Handbook of Procedures 2023, DGFT has modified the procedural framework to provide greater clarity and to streamline the administrative processes relating to extension of LOP/LOI for EOU/BTP/EHTP/STPs.

Public Notice No. 35/2025-26 dated Dec 10, 2025 – The amendments to Chapter 7 of the HBP 2023 and the revised ANF-7A clarify jurisdiction between RAs and Development Commissioners for deemed-export claims, streamline and digitise the TED/drawback claim procedure (including online filing and document upload), align cross-references to the FTP, and require each ANF-7A application to cover only a single supply category, so as to facilitate smoother administration of the deemed-export benefits scheme.

Public Notice No. 36/2025-26 dated Dec 10, 2025 – Appendix-2G has been comprehensively revised to (i) incorporate 27th IMC approvals (including enlistment of two new Pre-Shipment Inspection Agencies, approvals for additional instruments for 11 existing PSIAs, and one head-office address change), (ii) consolidate and update the list and format for empanelled PSIAs and their validity (generally three years), and (iii) formalise that both handheld radiation survey meters and radionuclide identifiers are valid parameters for allotment of operational areas, while reiterating ongoing obligations on calibration, bank guarantees, Indian office/bank accounts, and equipment-area mapping.

Public Notice No. 41/2025-26 dated Dec 31, 2025 – Amends Chapter 6 of the Handbook of Procedures 2023 by inserting new para 6.41 and notifies Appendix 6N, thereby standardising formats of various letters/permissions issued by Jurisdictional Development Commissioners to Export Oriented Units (EOUs) (e.g., acceptance of LUT, broad-banding, capacity enhancement, DTA sale permissions, location change, exhibition permission, ad-hoc norms, exit orders), while allowing DCs to modify formats or add conditions as needed in line with FTP/HBP.

Trade Notice No. 19/2025-26 dated Dec 31, 2025 – Launches the Market Access Support (MAS) intervention under the Export Promotion Mission – Niryat Disha to provide structured financial and institutional support (via the Trade Connect e-platform) for B2B/B2C buyer-seller meets, reverse buyer-seller meets, trade fairs, exhibitions and trade delegations in goods and services, with a strong MSME focus and detailed operational guidelines on eligibility, activities supported, cost-sharing, ceilings, airfare support, joint events, monitoring and outcome reporting.

- **TECHNICAL NORMS / SION & SCHEME-SPECIFIC OPERATIONAL TWEAKS**

Public Notice No. 37/2025-26 dated Dec 11, 2025 – With immediate effect, the Unit of Measurement for the import items “Dicyanodiamide” and “DMF” under SION A-290 (Metformin HCL) has been corrected from “kg/kg” to “kg,” without changing the underlying quantities, thereby standardising UOM presentation for these inputs.

Public Notice No. 38/2025-26 dated Dec 17, 2025 – Standard Input Output Norms (SIONs) for specified Chemical and Allied Products (SIONs K18, K34, K58, K65, K117, A1569, A1576, A1579, A1766, A1806, A3696 and A3697) and Serial No. 8 of the General Notes for All Export Product Groups have been revised as per Annexures A and B, so that the applicable SIONs and the general note now stand amended with immediate effect.

Public Notice No. 39/2025-26 dated Dec 17, 2025 – A tender-based procedure has been prescribed for the first round of allocation of the Gold TRQ under tariff head 7108 pursuant to the India-UAE CEPA for FY 2025-26, restricting this round to BIS-registered, GST-registered Micro and Small Enterprises with per-bidder quantity caps (10 kg for micro, 25 kg for small), setting an initial 30 MT tendered quantity (extendable by 50%), and detailing bid, evaluation and payment conditions through the MSTC e-auction platform.

III. REGULATORY DEVELOPMENTS IN TRADE IN THE WORLD

A. EUROPEAN COMMISSION

Carbon Border Adjustment Mechanism (CBAM)

- On 17 December 2025, the European Commission unveiled a major proposal to amend the CBAM and published implementing acts for its definitive phase starting 1 January 2026. The proposal seeks to expand CBAM's coverage to 180 downstream products including machinery, vehicle components, and domestic appliances. If adopted, the extended scope will apply from 1 January 2028, marking a significant shift in European Union (EU) trade and climate policy.
- Due to the recent amendment, Indian exporters of steel- and aluminium-intensive goods will face higher compliance costs and will not have a transition period to adapt, as CBAM charges will apply to embedded emissions in precursors. This could challenge competitiveness in EU markets unless firms invest in low-carbon technologies, and certification systems. To stay ahead, Indian businesses must prepare for stringent emissions reporting and verification standards as the EU tightens its climate objectives.

EU Deforestation Regulation (EUDR)

- On November 26, 2025, Parliament backed a delay and simplification proposal which was adopted by the Council on December 18, 2025
- A one-year extension has been granted, pushing the deadline to December 2026 for large and medium operators, and to June 2027 for non-timber small and micro primary operators.
- The obligation and responsibility to submit the required due diligence statement will rest exclusively with operators who first place the product on the market.
- Downstream operators and traders will no longer need to submit separate due diligence statements; only the first downstream operators will need to keep and pass on the reference number of the initial declaration.
- The new category of small and micro primary operators, proposed by the European Commission (defined as small producers established in low-risk countries who place or export their own products), would only need to submit a one-time simplified declaration instead of full due diligence.
- Small and micro primary operators will only need to update the declaration if major changes occur. Instead of precise GPS coordinates, they may also use a verifiable postal address when reporting plots or establishments, lowering the technical barrier for compliance
- Books, newspapers, and other printed materials will no longer be subject to EUDR requirements.
- The European Commission is required to assess the effectiveness of the simplifications and submit a report by 30 April 2026. This means that further easing of EUDR requirements may be considered in 2026.

IV. TECHNICAL REGULATIONS & STANDARDS

A. WITHDRAWAL OF VARIOUS QUALITY CONTROL ORDERS (QCOS)

<i>Ministry of Chemicals and Fertilizers</i>	<i>p-xylene</i>
	<i>Toluene</i>
	<i>Methyl Acrylate, Ethyl Acrylate</i>
	<i>Vinyl Acetate Monomer</i>
	<i>Ethylene Dichloride</i>

B. EXTENSION OF A QCO

The Ministry of Commerce and Industry has notified a renewed Hand Tools (Quality Control) Order, 2025, dated December 04, 2025 (“**Hand Tools QCO**”). This QCO replaces a previous QCO on hand tools issued in July 2025. The Hand Tools QCO will come into force in a staggered manner for different types of enterprises:

- For enterprises other than small and micro: October 01, 2026.
- For small enterprises: January 01, 2027.
- For micro enterprises: April 01, 2027.

Once the QCO comes into force, both domestic and foreign manufacturers of hand tools will only be able to sell these products in India while mandatorily using the prescribed Standard Mark under a valid license issued by the BIS.

C. ALL INDIA FIRST LICENCES

During the month of December 2025, following All India First Licences were granted:

INDIAN STANDARD	PRODUCT	COMPANY	VARIETY
IS 18256:2023	Solid Round Glass Fibre Reinforced Polymer (GFRP) Bars for Concrete Reinforcement	M/s MRG Composites India Private Limited	Solid Round Glass Fibre Reinforced Polymer (GFRP) Bars for Concrete Reinforcement, Straight Bars of designation G4,G6,G8,G10,G12, surface pattern: Spiral wound ribbed surface

IS 9685:2002	Textiles - Sand Bags	M/s Sureka International	Textiles SAND BAGS, Optional Requirements- Without Rot-proofing
IS 17636:2022	Bunk Beds	M/s Royal Safe Company KB	Bunk Beds. Design/Model number: Farmilia
IS 14810:2000	Copper Tubes for Plumbing	M/s Mehta Tubes Limited	<ul style="list-style-type: none"> ▪ Condition: (HB) Half Hard as per Table Y Size-Outside Diameter from 6mm to up to and including 108mm, Wall Thickness from 0.8mm to up to and including 2.5mm ▪ Condition: (HD) Hard Drawn as per Table Z Size-Outside Diameter from 6mm to up to and including 108mm, Wall Thickness from 0.5mm to up to and including 1.2mm ▪ Condition: (HB) Half Hard as per Table X Size-Outside Diameter from 6mm to up to and including 54mm, Wall Thickness from 0.6mm to up to and including 1.2mm

D. LITIGATION UPDATE

On December 4, 2025, a writ petition filed before the Madras High Court was withdrawn in relation to an order dated June 13, 2025 ("Input Order") issued by the Ministry of Steel.

The petition had challenged an order dated June 13, 2025 (**Input Order**) issued by the Ministry of Steel, which mandated Bureau of Indian Standards (**BIS**) certification for raw materials used in the manufacture of imported finished goods covered under the Steel and Steel Products (Quality Control) Order, 2024.

The writ petition was filed on July 15, 2025, seeking a declaration that the Input Order was violative of Article 14 of the Constitution of India. The petitioner also contended that the order was inconsistent with the provisions of the BIS Act, 2016 and the BIS Rules, 2018. At an early stage of the proceedings, the Madras High Court granted a stay on the operation of the Input Order on July 18, 2025.

This stay was subsequently challenged before the Supreme Court through a Special Leave Petition. On July 30, 2025, the Supreme Court vacated the stay, observing that it had been granted without recording reasons. The Supreme Court remanded the matter to the Madras High Court and directed that the case be disposed of expeditiously.

Following the remand, the proceedings before the Madras High Court remained at a preliminary stage. Although several hearings took place and impleadment applications were filed, the court did not examine the substantive merits of the challenge to the Input Order. Ultimately, the petitioner withdrew the writ petition, and the proceedings before the Madras High Court came to an end.

ELP COMMENT:

- The outcome of this litigation underscores the continuing uncertainty created by the evolving regulatory approach in extension and modification of BIS certification requirements. Although the challenge raised serious questions relating to Article 14 and the statutory limits of the BIS Act, 2016, these issues remain unadjudicated, as the matter was ultimately withdrawn without a determination on merits.

V. DEVELOPMENTS IN INDIA'S REGIONAL TRADE AGREEMENTS (RTAs)

During the month of December 2025, India was involved in various trade negotiations. These discussions covered bilateral agreements, explored opportunities for expanding trade across key sectors, and focused on strengthening regulatory cooperation, and supply-chain resilience. The following developments highlight the progress and outcomes of these engagements:

India–Oman FTA

- On December 12, 2025, the Indian Union Cabinet approved a Free Trade Agreement (**FTA**) between India and Oman, while Oman's lower house, the Shura Council, approved the FTA with India on December 10, 2025.
- Oman will grant zero-duty access on 98.08% of tariff lines, covering 99.38% of India's exports, benefiting labour-intensive sectors such as textiles, leather, gems & jewellery, engineering goods, pharmaceuticals, medical devices, automobiles, agriculture, and MSMEs.
- Oman has made its first-ever extensive services commitments across 127 sub-sectors and allowed 100% FDI for Indian companies in major services sectors, opening new opportunities in IT, professional services, health, education, and R&D.
- The FTA provides improved Mode 4 commitments, including higher quotas and longer stays for intra-corporate transferees and service suppliers, and liberalised entry for professionals in accountancy, taxation, architecture, and medical fields.
- The agreement includes the world's first comprehensive commitment on Traditional Medicine, faster pharma approvals, mutual recognition of standards (including Halal and organic), and is expected to boost trade, jobs, exports, and India's strategic engagement with the Gulf region

India–Chile FTA

- On December 05, 2025, the 4th Round of negotiations for the India–Chile Comprehensive Economic Partnership Agreement (**CEPA**) concluded successfully.
- Both sides reiterated their strong commitment to the timely conclusion of the CEPA negotiations, acknowledging the strategic significance of further strengthening bilateral economic ties. They underscored that the CEPA, once concluded, would play a pivotal role in boosting bilateral trade, deepening economic cooperation, enhancing market access and creating new opportunities for businesses in both countries.
- This new agreement is set to significantly broaden collaboration, covering not only a substantial portion of bilateral trade in goods but also critical minerals, services, digital services, MSMEs (Micro, Small, and Medium Enterprises), and investment.

India-New Zealand FTA

- On December 22 2025, India and New Zealand concluded negotiations on the FTA.
- As agreed in the negotiations, New Zealand will eliminate tariffs on 100% of its tariff lines, providing duty-free access for all Indian exports and boosting labour-intensive sectors and MSMEs.
- New Zealand has also committed to facilitating USD 20 billion in investments into India over the next 15 years, supporting manufacturing, infrastructure and innovation.
- On December 19, 2025, India and New Zealand announced the establishment of India-New Zealand Joint Trade and Investment Committee (JITC) through a Memorandum of Understanding (MoU). The JITC will serve as a dedicated mechanism to review bilateral trade relations, promote two-way investments, address investment and trade barriers, and explore collaboration in sectors of mutual interest.

India-Mexico PTA

- In mid-December 2025, India proposed a preferential trade agreement (PTA) with Mexico to help domestic exporters deal with the steep tariffs announced by the South American country.
- On December 11, 2025, Mexico decided to impose steep import tariffs - ranging from about 5 per cent to as high as 50 per cent on a wide range of goods (about 1,463 tariff lines) from countries that do not have free trade agreements with Mexico, including India, China, South Korea, Thailand and Indonesia.
- India-Mexico merchandise trade totalled USD 8.74 billion in 2024, with exports of USD 5.73 billion, imports of USD 3.01 billion, and a trade surplus of USD 2.72 billion.

VI. WORLD TRADE ORGANISATION (WTO) & RECENT DEVELOPMENTS

A. WTO DISPUTES

China seeks WTO consultations with India on solar cells and modules, and IT goods

- On December 19, 2025, China requested consultations with India, regarding the Indian tariff treatment for certain technology products and its National Programme on High Efficiency Solar photovoltaic (PV) Modules.
- China alleges that India applies custom duties or charges in excess of its bound rates set out in its Schedule commitments. Moreover, China alleges that the PLI schemes and imported duties covering solar PV cells and modules, smartphones, and semiconductors are contingent on the use of domestic over imported inputs or are otherwise discriminatory against Chinese products, and are inconsistent with various provisions under the SCM Agreement, TRIMs, and GATT 1994.

Chinese Taipei initiates dispute regarding Canadian measures on steel, derivative goods

- On December 18, 2025, Chinese Taipei requested consultations with Canada, regarding certain Canadian measures imposing tariff rate quotas (TRQs) and surtax on imports of certain steel goods and a global duty on imports of certain steel derivative goods.
- Chinese Taipei alleges that the concerned Canadian measures are inconsistent with various provisions under the GATT 1994 and the Agreement on Import Licensing Procedures.

India seeks WTO consultations with EU on ferroalloy safeguards

- On December 15, 2025, India requested consultations with the European Union (EU), under the WTO Safeguard Agreement against EU's decision to impose safeguarding measures on imports of certain ferroalloys.
- The concerned measures, which come into effect immediately, consist of country-specific TRQs per type of ferroalloy, limiting the volume of imports allowed to enter the EU duty-free and tariff increase for imports exceeding the quota volumes.
- Given India's trade interest in these products, India has proposed virtual consultations between 16-19 December 2025, or on a mutually convenient date and time.

EU abandons WTO case against China over alleged coercion of Lithuania

- The EU has formally terminated its long-running dispute with China. The dispute was in regards to Beijing's alleged coercion of Lithuania in 2021.
- In a statement circulated to WTO members, EU stated that "*considering the key objectives behind this dispute have been met and relevant trade has resumed*", the EU will be abandoning the case.

Dispute Settlement Body grant EU authorization to impose countermeasures against US in olives dispute

- In November 2024, EU has sought authorization from the Dispute Settlement Body (**DSB**) to suspend concessions against the United States of America (**U.S.**) under Article 22.2 of the Dispute Settlement Understanding (**DSU**). The U.S objected to the proposed level of retaliation by the original panelists, triggering arbitration under the DSU. The arbitrator's decision was circulated to WTO Members on October 29, 2025.
- On December 19, 2025, the DSB authorized the EU to suspend the application of U.S. tariff concessions or other obligations consistent with the arbitrator's decision.

ELP COMMENT:

- India's request for WTO consultations comes amid ongoing India–EU FTA negotiations, indicating that safeguard-related concerns are being addressed through parallel multilateral channels. The move underscores a "dual-track" approach: cooperate on a long-term FTA but formally contest short-term EU restrictions that hit India's export interests via WTO safeguards disciplines.
- China's consultation request on solar PV modules and IT goods is the second WTO dispute initiated by China against India in the last quarter of 2025. Similar to DS642, the request raises concerns regarding domestic content-linked incentives under India's PLI schemes.

B. WTO REFORM

On December 15, 2025, US submitted a formal communication to the WTO General Council (WT/GC/W/984). The document sets out US views on WTO reform, reflects on recent reform discussions, and explains where the US believes the WTO can and cannot play a meaningful role. It covers decision-making, special and differential treatment, and the level playing field, while also raising broader concerns about MFN, the role of the Secretariat, essential security, and systemic global trade problems.

Most-Favored-Nation (MFN) principle: The US argues that the MFN principle was designed for an earlier era of convergence toward market-oriented policies and is ill-suited to today's environment of divergent economic systems. It contends that MFN can prevent mutually beneficial agreements among willing partners and pushes Members toward unrealistic, one-size-fits-all outcomes. The US notes that exceptions to MFN already exist and calls for greater flexibility to allow differentiated trade relationships.

Decision-making and plurilateral agreements: The US reiterates that no Member should be bound by obligations without consent, but stresses that willing Members should be free to negotiate new agreements among themselves.

According to the US, the current consensus-based approach among 166 Members makes meaningful negotiations nearly impossible. It argues that plurilateral agreements are essential for the WTO's future as a negotiating forum and warns that, without a clear path for such agreements, trade negotiations will increasingly take place outside the WTO.

Special and Differential Treatment (S&DT): The US calls for reform of S&DT eligibility, stating that it is no longer credible for large and competitive economies to claim developing-country flexibilities indefinitely. While acknowledging that least-developed countries may need targeted flexibilities, the US emphasizes that S&DT should be transitional and aimed at enabling Members to comply with common rules over time. It argues that widespread exemptions undermine the legitimacy of WTO rules and weaken confidence in the system.

Level playing field and transparency: The communication highlights concerns regarding non-market economic systems that distort competition and disadvantage market-oriented economies. The United States places strong emphasis on transparency, noting that chronic failure by some Members to meet notification obligations undermines trust and prevents effective monitoring and negotiation. It recalls earlier US proposals to improve compliance with notification requirements and stresses that WTO membership entails responsibilities as well as rights.

Role of the WTO Secretariat: The US expresses concern that the Secretariat has moved beyond a neutral, administrative role by advocating policy positions, influencing agendas, and undertaking research without explicit Member authorization. It argues that such actions erode trust and stresses that reform should reassert a member-led WTO with a transparent, objective, and fiscally disciplined Secretariat.

Essential security exception: The communication strongly defends the view that essential security is a sovereign, self-judging matter. The US criticizes recent WTO dispute settlement interpretations that allow panels to assess Members' security decisions, arguing that this risks politicizing the WTO and undermining confidence in the institution.

Issues that the WTO cannot address as per the United States: The US argues that the WTO is ill-equipped to address critical challenges such as persistent global trade imbalances, severe overcapacity, and economic security concerns. It asserts that massive trade imbalances driven by subsidies, wage suppression, currency practices, and other distortions cannot be effectively resolved within the WTO framework, citing the record US goods trade deficit in 2024 as evidence of systemic failure. Furthermore, the US alleges that non-market policies have created dangerous overcapacity and concentration of production in key sectors like steel and manufacturing, while WTO committees and dispute settlement mechanisms have failed to provide timely or meaningful solutions. On economic security, the US maintains that the WTO lacks both the mandate and structure to handle issues requiring trust, confidentiality, and shared strategic interests. Finally, it argues that the WTO's traditional focus on liberalization and lowest-cost production undermines supply chain resilience, as building resilience may necessitate reshoring, friend-shoring, subsidies, and trade restrictions approaches which are incompatible within existing WTO norms.

The US concludes that the WTO must reform in ways that strengthen its core functions and recognize its limitations, while signalling its willingness to continue candid discussions and to work with like-minded partners both inside and outside the WTO framework.

C. WTO GENERAL COUNCIL

On December 23, 2025, India submitted a formal communication to the WTO General Council (**Communication**). The Communication outlines India's proposal for a Draft Ministerial Declaration aimed at enabling the transfer of relevant and advanced technologies for trade, with a particular focus on Environmentally Sound Technologies (**ESTs**). It reaffirms that existing WTO mandates under covered agreements such as the Agreement on Agriculture and Agreement on Trade-Related Aspects of Intellectual Property, emphasize equitable technology access for developing and least-developed Members to support sustainable development and trade growth.

The Communication identifies systemic barriers including restrictive export controls, high costs, inflexible intellectual property regimes, and capacity constraints that hinder technology transfer. The Communication thus, calls for operationalizing technology transfer provisions under WTO agreements. Furthermore, the Communication instructs the WTO Working Group on Trade and Transfer of Technology to identify technological gaps, propose practical measures, and develop a time-bound roadmap to address issues related to acquisition, adaptation, and diffusion of technology for developing and least-developed Members and present the same at the next Ministerial Conference through the General Council.

Finally, the Communication urges developed Members to share best practices, implement technology transfer measures, and collaborate with international organizations, while institutionalizing this agenda within the WTO framework.

VII. EXPORT CONTROL IN INDIA

India enacts Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India Act, 2025 (SHANTI Act)

On December 21, 2025, the SHANTI Act was enacted, repealing the Atomic Energy Act, 1962 and the Civil Liability for Nuclear Damage Act, 2010. The SHANTI Act, among other things, governs nuclear-related exports and the associated regulatory procedures that were earlier administered under the Atomic Energy Act, 1962. While several export control provisions under the SHANTI Act broadly mirror those under the earlier framework, the new legislation expressly states that:

- A mandatory licence is required for the export of any technology or software that may be used in the development, production, or use of prescribed substances³ or prescribed equipment⁴.

ELP COMMENT:

- The SHANTI Act, 2025 now explicitly incorporates processes, particularly technology/software licensing and mandatory safety authorisation, within the statutory framework, thereby providing clearer legislative backing and enhanced legal certainty. Until the rules, regulations and guidelines are issued under the SHANTI Act, the rules, regulations and guidelines issued under the Atomic Energy Act, 1962 concerning the export of nuclear items will continue to apply.

³ "prescribed substance" means any source material, fissile material and such other material which the Central Government may, by notification, specify, being a substance which in its opinion is or may be used for the production or use of nuclear energy or ionising radiation or matters connected therewith or incidental thereto.

⁴ "prescribed equipment" means any property which the Central Government may, by notification, specify, being a property which in its opinion is specially designed or adapted or which is used or intended to be used for the production or utilisation of any prescribed substance, or for the production or use of nuclear energy, radioactive substances, or ionising radiation, but does not include mining, milling, laboratory and other equipment not so specially designed or adapted and not incorporated in equipment used or intended to be used for any of the purposes aforesaid.

VIII. NATIONAL SECURITY, SANCTIONS & EXPORT CONTROLS AROUND THE GLOBE

The following key developments took place during the month of December pertaining to national security, sanctions and export controls around the globe:

US

- The US Department of the Treasury's Office of Foreign Assets Control (**OFAC**) issued Russia-related General License 128B, "Authorizing Certain Transactions Involving Lukoil Retail Service Stations Located Outside of Russia", extending and modifying the scope of GL 128A, and also issued FAQ 1225, which provides guidance on the scope of Lukoil-related GLs 128B and 131.
- **03 Dec 2025 - Siberian Airlines - Denial Order; No monetary penalty:** US Bureau of Industry and Security (**BIS**) renewed against Siberian Airlines a Temporary Denial Order originally issued on December 6, 2024, for a period of one year in relation to violations of the Export Administration Regulations.
- **05 Dec 2025 - Nordwind Airlines - Denial Order; No monetary penalty:** US BIS renewed against Nordwind Airlines a Temporary Denial Order originally issued on December 6, 2024, for a period of one year in relation to violations of the Export Administration Regulations.
- **09 Dec 2025 - One Individual - USD \$1,092,000:** Between April 2018 and June 2022, the individual served as the fiduciary of the U.S.-based family trust of a sanctioned Russian oligarch. In that capacity, the individual dealt in the blocked property of, and provided prohibited services to, the oligarch.
- **17 Dec 2025:** The U.S. Department of the Treasury's OAFC issued Russia-related General License (**GL**) 55E Russia-related GL 115C, and amended eight Russia-related FAQs.

EU

- **15 Dec 2025 (EU):** The Council of the EU adopted Council Decision 2025/2594 amending Decision 2014/145/CFSP and Council Implementing Regulation (EU) 2025/2588 implementing Regulation (EU) No 269/2014, sanctioning five individuals and four entities.
- **18 Dec 2025 (EU):** The Council of the EU added 41 vessels to Annex XLII to Regulation (EU) No. 833/2014, as amended by Council Regulation (EU) 2025/2618. The listed vessels are now subject to an EU port access ban, a prohibition on the provision of services related to maritime transport (e.g., crewing, operating, chartering etc.), as well as other forms of engagement.
- **17 Dec 2025 (EU):** The European Commission updated the Russia sanctions FAQs relating to EU restrictions on diamonds, pursuant to Article 3p of Council Regulation (EU) No. 833/2014.

UK

- **09 Dec 2025:** The UK Office of Financial Sanctions Implementation (**OFSI**) designated two individuals and five entities pursuant to the Russia (Sanctions) (EU Exit) Regulations 2019.
- **12 Dec 2025:** The OFSI amended General Licence INT/2022/1839676 ("GL INT/2025/8202932" or "GL"), pursuant to the Russia (Sanctions) (EU Exit) Regulations 2019, extending the date of the GL's applicability, and expanding the list of DPs within scope of the GL to include JSC Siberia Airlines (aka. S7 Airlines).
- **18 Dec 2025:** The OFSI issued General Licence INT/2025/8202932, pursuant to the Russia (Sanctions) (EU Exit) Regulations 2109. The GL allows for Persons to wind down from any transactions involving DPs or any Subsidiary (both defined in the GL) to which that Person is a party, including the closing out of any positions. Capitalized terms not otherwise defined in this entry shall have the meanings given to such terms in the GL.
- **18 Dec 2025:** The OFSI designated five individuals and 19 entities, pursuant to the Russia (Sanctions) (EU Exit) Regulations 2019.

China

- **26 Dec 2025:** Chinese Ministry of Foreign Affairs announced sanctions against twenty US entities and ten senior managers of the sanctioned entities, in relation to the US' sales of arms to Taiwan.
- **2 Dec 2025:** China has issued the first batch of new rare earth export licenses fulfilling a key outcome of the summit between US President Donald Trump and Chinese President Xi Jinping, news report suggests.

ELP COMMENT:

- Sanctions activity remains heightened. The US, E.U., and U.K have continued to designate entities and individuals across multiple countries. For companies with a multinational footprint, these trends reinforce the importance of maintaining a robust and well-structured Internal Compliance Programme to effectively identify, manage and mitigate sanctions and export control risks.
- China has resumed issuing rare-earth export licences, easing earlier supply-chain uncertainty. This development provides some respite for industries dependent on Chinese rare-earth inputs including the Indian automotive sector particularly in areas such as EV components, batteries, and advanced electronics. However, geopolitical risk in critical minerals remains elevated and warrants continued monitoring.

We hope you have found this information useful. For any queries/clarifications please write to us at insights@elp-in.com

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