



ECONOMIC
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TRADE NEWSLETTER:
JANUARY 2026



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I. TRADE REMEDIAL INVESTIGATION UPDATES

TRADE REMEDIAL ACTIONS BY INDIA

During January 2026, the Directorate General of Trade Remedies (**DGTR**) initiated only one anti-dumping investigation and issued one preliminary findings. Further details are provided below:

PRODUCT	SUBJECT COUNTRIES IN THE INVESTIGATION	TYPE OF INVESTIGATION	TYPE OF NOTIFICATION	DATE OF THE NOTIFICATION
Phthalic Anhydride	China PR, Korea RP and Thailand	Anti-dumping, sunset review	Initiation	Jan 27, 2026
Ethambutol Hydrochloride	China PR and Thailand	Anti-dumping	Preliminary Findings	Jan 30, 2026

TRADE REMEDIAL ACTIONS AGAINST INDIA

During January 2026, trade remedy actions affecting Indian exports were observed in the United States of America (**USA**) and European Union (**EU**) among India's major trading partners, namely the USA, the EU, and the United Kingdom (**UK**). During the month, the USA issued five determinations, comprising three final determinations in anti-dumping investigations and two final determinations and orders in countervailing duty investigations. In addition, the USA instituted four anti-dumping and two countervailing duty investigations. The EU also imposed definitive duties in an anti-dumping investigation concerning Indian exports during the month. Further details of the individual cases are provided below:

PRODUCT	COUNTRY	TYPE OF INVESTIGATION	TYPE OF NOTIFICATION ¹	DATE OF THE NOTIFICATION ²
Stainless Steel Flanges	USA	Anti-dumping, administrative review	Institution	Jan 05, 2026
Stainless Steel Flanges	USA	Countervailing, administrative review	Institution	Jan 05, 2026

¹ The information is based on notifications published in the Federal Register during January 2026. 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.

Hexamethylenetetramine	USA	Anti-dumping	Order	Jan 07, 2026
Hexamethylenetetramine	USA	Countervailing	Order	Jan 07, 2026
Certain Oil Country Tubular Goods	USA	Countervailing, review	Determination	Jan 08, 2026
Certain Oil Country Tubular Goods	USA	Anti-dumping, review	Determination	Jan 09, 2026
Chromium Trioxide	USA	Countervailing	Determination	Jan 12, 2026
Chromium Trioxide	USA	Anti-dumping	Determination	Jan 12, 2026
Barium Carbonate	EU	Anti-dumping	Imposition	Jan 12, 2026
Certain Quartz Surface Products	USA	Countervailing, review	Order	Jan 15, 2026
Certain Quartz Surface Products	USA	Anti-dumping, review	Order	Jan 15, 2026
Organic Soybean Meal	USA	Anti-dumping, administrative review	Determination	Jan 23, 2026
Citric Acid and Certain Citrate Salts	USA	Countervailing	Institution	Jan 26, 2026
Citric Acid and Certain Citrate Salts	USA	Anti-dumping	Institution	Jan 26, 2026
Paper File Folders	USA	Anti-dumping, administrative review	Institution	Jan 27, 2026

Welded Stainless Pressure Pipe	USA	Anti-dumping, administrative review	Institution	Jan 27, 2026
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II. REGULATORY DEVELOPMENTS IN TRADE IN INDIA

A. MINISTRY OF FINANCE (MOF)

During January 2026, the MoF issued two key notifications effecting the continuation of anti-dumping duties. A summary of the updates is set out below:

DATE	PRODUCT	HSN	CHANGE IN DUTY
Jan 02, 2026	Flexible Slabstock Polyol of molecular weight 3000-4000	3907 29	Continuation of Fixed anti-dumping duty on goods originating in or exported from Saudi Arabia and United Arab Emirates
Jan 08, 2026	Normal Butanol or N-Butyl Alcohol	2905 13 00	Continuation of Fixed anti-dumping duty on goods originating in or exported from European Union, Malaysia, Singapore, South Africa and United States of America

Additionally, the DGTR had recommended anti-dumping duties only on 'Fluoroelstomer' (**FKM**) in October 2025, the statutory window for the MoF to implement lapsed in January 2026 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
'Fluoroelstomer' (FKM)	China PR	Anti-dumping, sunset review	Oct 29, 2025

ELP COMMENT:

It may be noted that the first month of each quarter generally reflects limited regulatory developments, as most investigations are typically initiated towards the end of each quarter. Consequently, key milestones such as the issuance of final findings and the imposition of duties also tend to occur later in the quarter. More substantive updates are therefore expected in the latter part of this quarter.

B. DIRECTORATE GENERAL OF FOREIGN TRADE (DGFT)

Key trade policy changes issued by the DGFT in January 2026 are summarized below:

Export Credit & Financial Support Measures (NIRYAT PROTHSAHAN)

***Trade Notice 20/2025-26 dated
January 02, 2026 –***

Launch of Interest Subvention for Pre- and Post- Shipment Export Credit under EXPORT PROMOTION MISSION – NIRYAT PROTHSAHAN.

***Trade Notice 21/2025-26 dated
January 02, 2026 –***

Launch of Collateral Support for Export Credit under Export Promotion Mission (**EPM**) – NIRYAT PROTHSAHAN.

***Trade Notice 22/2025-26 dated
January 16, 2026 –***

Amendments to Guidelines for Interest Subvention Support for Pre- and Post Shipment Export Credit under EXPORT PROMOTION MISSION – NIRYAT PROTHSAHAN.

Import–Export Regime Changes

***Notification No. 54/2025-26 dated
January 03, 2026 –***

Pursuant to the expiry of the quantitative restrictions imposed pursuant to the safeguard investigation, import of low ash metallurgical coke (ash content below 18%), including coke fines/coke breeze and ultra-low phosphorous metallurgical coke, under ITC(HS) codes 27040020, 27040030, 27040040 and 27040090, has been liberalized to “Free” import, with the earlier Policy Condition No. 8 of Chapter 27 deleted.

***Notification No. 55/2025-26 dated
January 16, 2026 –***

Export of wheat flour and related products under HS Code 1101 remains “Prohibited”; however, an additional quantitative window of 5 Lakh Metric Tons is permitted under DGFT Export Authorization, over and above the existing policy conditions, for exports of such products under HS 1101.

***Notification No. 56/2025-26 dated
January 29, 2026 –***

For one year from publication, imports of Penicillin G-potassium (PEN-G) under ITC HS 29411010, 6-APA under 29411050 and Amoxicillin Trihydrate under 29411030 having CIF value below INR 2,216/kg, INR 3,405/kg and INR 2,733/kg respectively are treated as “Restricted,” with this minimum-price-based restriction inapplicable to 100% EOUs, SEZ units and Advance Authorization imports, provided the inputs are not sold in the DTA.

Procedural / Implementation & Certification Framework***Public Notice No.
42/2025-26 dated
January 09, 2026 –***

Appendix 2U of the Handbook of Procedures, 2023, has been revised (updated eBRC/Statement of Bank Realization format and related fields), and the revised Appendix 2U will be operational with effect from January 13, 2026.

***Public Notice No.
43/2025-26 dated
January 09, 2026 –***

The India & Arab Countries Chamber of Commerce, Industry & Agriculture (**IACCIA**), New Delhi, has been enlisted under Appendix 2E (at Serial No. 20 – Delhi) of FTP 2023 as an authorized agency for issuing Certificates of Origin (Non-Preferential), with immediate effect.

***Public Notice No.
44/2025-26 dated
January 16, 2026 –***

Modalities have been prescribed for processing export authorization applications under Notification No. 55/2025-26, including detailed documentation (orders, self-declarations, CA certificate), eligibility filters (e.g., mandatory listing on “Source from India” portal, rejection for misdeclaration), non-transferability of authorizations, a minimum eligible quantity of 2,500 MT per application, and clarification that this window covers exports of wheat flour and related HS 1101 products manufactured from domestic wheat, while exports under Advance Authorization/EOU/SEZ using only imported wheat remain governed separately and are not counted against the 5 Lakh Metric Tons ceiling.

***Public Notice No.
45/2025-26 dated
January 23, 2026 –***

Procedure issued for second round of allocation of TRQ under tariff head 7108 (Gold Including Gold Plated with Platinum Unwrought or in Semi-Manufactured Forms, Or in Powder Form) under India-UAE CEPA for FY 2025-26.

III. GLOBAL TRADE REGULATORY DEVELOPMENTS

A. EUROPEAN COMMISSION

Carbon Border Adjustment Mechanism (CBAM)

- The Directorate-General for Taxation and Customs Union of European Commission stated that the CBAM officially entered into force on January 1, 2026, marking a major milestone in the European Union's climate and trade framework. The launch saw seamless integration of the CBAM Registry with national customs systems across all Member States, enabling real-time validation of declarants and uninterrupted import procedures at EU borders. In its first week of operation, over 12,000 economic operators submitted CBAM authorisation applications. Early trade data shows that iron and steel accounted for 98% of CBAM-covered imports between 1 and 6 January 2026, with Türkiye, China, India, and Canada among the top exporting countries. The successful rollout underscores the EU's readiness to operationalise complex climate instruments while maintaining smooth trade flows.

Amendments in the EU Taxonomy Delegated Regulations (2021/2178, 2021/2139, 2023/2486)

- On January 7, 2026, Delegated Regulation (EU) 2026/73 introduces targeted amendments to the EU Taxonomy framework to reduce administrative burden and enhance clarity for both companies and financial institutions. The Regulation establishes a uniform 10% materiality threshold for Taxonomy assessments, requires transparent disclosure of non-material activities, and streamlines KPI templates across sectors. It also updates the 'do no significant harm' criteria for pollution prevention by aligning chemical-related obligations strictly with existing EU chemicals legislation, eliminating previously onerous information-gathering requirements. The revised framework applies from January 1, 2026, with transitional flexibility allowing undertakings to continue using the prior rules for financial years beginning in 2025.

Possible future standardisation requests to the European standardisation organisations

- The Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs of the European Commission issued a notification for the following -
 - Draft standardisation request to the European Committee for Standardisation as regards doors, windows and other related products in support of Regulation (EU) 2024/3110 of the European Parliament and of the Council.
 - Draft standardisation request to the European Committee for Standardisation as regards digital building logbooks.

Foreign Subsidies Regulation Guidelines (FSR Guidelines)

- On 9 January 2026, the Commission adopted Guidelines under the Foreign Subsidies Regulation. The Guidelines bring further predictability and ensure transparency for companies. They clarify several aspects of the FSR:
 - The assessment of distortions (Article 4(1) FSR);
 - The assessment of distortions specifically in public procurement procedures (Article 27 FSR);
 - The balancing test (Article 6 FSR); and
 - The use of call-in mechanism for concentrations and public procurement procedures (Articles 21(5) and 29(8) FSR).

B. USA

US Presidential Proclamation of January 14, 2026: Adjustment of Imports of Semiconductors, Semiconductor Manufacturing Equipment, and Derivative Products

- Measures Implemented Pursuant to the January 14, 2026 Proclamation:
 - The US President determined that imports of semiconductors, semiconductor manufacturing equipment, and derivative products threaten to impair US national security under Section 232.
 - A 25% ad valorem tariff on designated advanced computing chips and derivative products became effective January 15, 2026.
 - Specified exemptions apply for uses in U.S. data centers, R&D, repairs, startups, consumer and civil-industrial non-data-center products, public-sector applications, and other uses that strengthen domestic technology supply chains.
 - No drawback is available; products admitted into U.S. Foreign Trade Zones must enter under privileged foreign status.
 - Commerce, USTR, and DHS/CBP are authorized to issue regulations, guidance, and administrative measures necessary to implement the tariff regime.
- Measures Directed for Future Implementation Under the Proclamation:
 - Commerce and USTR are directed to pursue negotiations with foreign jurisdictions to address the national-security threat from semiconductor imports, with an update due within 90 days from January 14, 2026.
 - A broader second-phase tariff action may be adopted, potentially imposing significant additional tariffs and introducing a tariff offset program to support domestic manufacturing.
 - The Secretary may propose HTSUS revisions, end-use certification requirements, and other administrative adjustments through Federal Register notices.
 - Ongoing monitoring of semiconductor imports will continue. A formal assessment of semiconductors used in U.S. data centers is required by July 1, 2026, to evaluate whether tariff adjustments are appropriate.
 - Agencies may issue further regulatory actions or guidance as necessary to implement and effectuate the proclamation.

US Presidential Proclamation of January 14, 2026: Adjusting Imports of Processed Critical Minerals and Their Derivative Products into the United States

- Measures Implemented Pursuant to the January 14, 2026 Proclamation on Processed Critical Minerals and Their Derivative Products:
 - The President has determined, under Section 232, that imports of processed critical minerals and their derivative products (**PCMDPs**) are being imported in such quantities and under such circumstances as to threaten to impair the national security of the United States.
 - The Proclamation directs the Secretary of Commerce and the United States Trade Representative to pursue negotiations of agreements (including those under 19 U.S.C. § 1862(c)(3)(A)(i)) with any country, to address this national security threat relating to PCMDP imports.
 - The Secretary of Commerce is required to continue monitoring PCMDP imports and to review, from time to time, their status with respect to national security, informing the President if further Section 232 action is warranted.
 - The Proclamation authorizes the Secretary of Commerce, the USTR and the Secretary of Homeland Security to issue regulations, rules, guidance and procedures, and to take other measures within their jurisdiction to implement and effectuate the Proclamation.
 - Any provisions of earlier proclamations or executive orders that are inconsistent with this Proclamation are superseded to the extent of such inconsistency.

- Measures Directed for Future Implementation Under the Proclamation Concerning Imports of Processed Critical Minerals and Their Derivative Products:
 - The Proclamation directs the Secretary of Commerce and the USTR to negotiate agreements with foreign trading partners on PCMDPs, considering price floors and other trade-restricting measures, and to provide an update on the negotiations within 180 days from January 14, 2026.
 - Depending on the status or outcome of these negotiations, the President may consider alternative remedies, including minimum import prices for specific critical minerals and other measures to adjust PCMDP imports to address the national security threat.
 - The Proclamation contemplates that, if negotiations under Section 232(c)(3)(A)(i) are not concluded within 180 days, are not carried out, or are ineffective, the President may use additional Section 232 powers to eliminate the threat posed by PCMDP imports.

US Presidential Memorandum of January 7, 2026 on the Withdrawal of the United States from Specified International Organizations, Conventions, and Treaties

- The United States has announced a significant realignment of its participation in global institutions following a presidential memorandum directing withdrawal from a wide range of international organizations, conventions, and treaties deemed contrary to U.S. interests. This action follows a comprehensive review mandated under Executive Order 14199, issued on February 4, 2025, through which the Secretary of State evaluated all international bodies receiving U.S. membership, funding, or support. Based on the Secretary's findings, the President has determined that continued engagement with several entities no longer aligns with U.S. national priorities, prompting immediate executive action.
- The memorandum directs federal agencies to implement a wide range of withdrawal actions, including:
 - Initiating immediate withdrawal from the listed organizations "as soon as possible," with agencies required to cease participation and, where permitted by law, end financial contributions.
 - Disengaging from key United Nations bodies such as the Economic and Social Council (**ECOSOC**) regional commissions, the International Trade Centre (**ITC**), the UN Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation (**UN-REDD**), and the UN Conference on Trade and Development (**UNCTAD**).
 - Ending participation in critical non-UN international initiatives across climate, biodiversity, migration, cyber governance, and development cooperation—part of a larger list of 35 non-UN organizations and 31 UN entities identified for withdrawal.
 - Acting in full compliance with applicable law, budgetary constraints, and treaty-specific withdrawal procedures, supported by further guidance from the Secretary of State, who is also directed to publish the memorandum in the Federal Register.
- The US administration's broader review remains ongoing, signalling the possibility of additional withdrawal decisions.

ELP COMMENT:

- The U.S. proclamation initiating negotiations to adjust imports of processed critical minerals and their derivative products under Section 232 signals an intent to exert tighter control over supply chains that are critical to defense, energy, electronics, and high-tech sectors. While the proclamation does not single out any country, U.S. plans to negotiate trade-restrictive arrangements and potentially adopt minimum import prices suggest that processors in key supplier jurisdictions, including India, could face more demanding compliance expectations and upward cost pressures if further measures are implemented. At the same time, the United States' explicit goal of diversifying sources of critical minerals and strengthening secure, reliable supply chains creates an opportunity for India to position itself as a trusted alternative supplier, balancing the risk of future trade frictions against the prospect of deeper integration into U.S.-aligned critical-mineral supply chains.
- The U.S. has ordered withdrawal from 66 bodies as "contrary" to its interests, covering both non-UN and UN entities, including UNCTAD and the International Trade Centre (ITC). The UN-related exits span development, trade, climate, and governance mechanisms, widening operational gaps across these agendas. India responded by reaffirming that it "stands for multilateralism," pledging continued support for the 125-member International Solar Alliance and to keep advancing its goals despite the U.S. exit. New Delhi's assessment flags funding and leadership vacuums that could be filled by China, prompting India to work with like-minded partners to safeguard rules, climate objectives, and global health governance while protecting strategic autonomy and economic security.

IV. TECHNICAL REGULATIONS & STANDARDS

A. WITHDRAWAL OF THE MACHINERY AND ELECTRICAL EQUIPMENT SAFETY (OMNIBUS TECHNICAL REGULATION) ORDER, 2024)

On January 14, 2026, the Central Government withdrew the Machinery and Electrical Equipment Safety (Omnibus Technical Regulation) Order, 2024 (**OTR Order**). The withdrawal notification has been issued under Section 16 of the Bureau of Indian Standards Act, 2016, citing public interest as the rationale for such withdrawal. As a result, machines and electrical equipment covered under the OTR Order will no longer require mandatory BIS certification for import into India.

The OTR Order applied to a wide range of industrial machinery and electrical equipment, including pumps, compressors, material-processing and packaging machinery, construction and mining equipment, textile and metal-working machines, power transmission systems, generators, transformers, power converters, and low- and high-voltage switchgear. The coverage extended not only to finished machinery but also to their assemblies, sub-assemblies, and components, bringing a broad spectrum of industrial products within the BIS mandatory safety and certification framework. For a detailed understanding of the products that were covered under the OTR Order prior to its withdrawal, reference may be made to the [First Schedule](#) to the OTR Order.

B. EXTENSION TO BIS CERTIFICATION COMPLIANCE TO CERTAIN ALUMINIUM UTENSILS AND ALUMINIUM CANS

On January 15, 2026, the DPIIT issued an amendment to the Cookware, Utensils and Cans for Foods and Beverages (Quality Control) Order, 2025, extending the enforcement timeline for Wrought Aluminium Utensils (IS 1660) and Aluminium Cans for Beverages (IS 14407). The revised enforcement date for these products is indicated below:

- Date of implementation in general (other than micro and small enterprises): October 01, 2026.
- Date of implementation for small enterprises: January 01, 2027.
- Date of implementation for micro enterprises: April 01, 2027.

ELP COMMENT:

- The sudden withdrawal of the OTR Order reflects a recalibrated approach towards the QCO regime. This is because during November 2025, the Ministry had initially deferred the implementation of the OTR Order to an undefined future date, with an apparent intent to operationalise it in subsequent years. However, on January 14, 2026, the Ministry withdrew the OTR Order altogether, notwithstanding the fact that the BIS had already issued guidelines for the grant of licences under the OTR Order, as well as product-specific guidelines intended to assist manufacturers in obtaining such licences.
- Further, the DPIIT's decision to specifically extend the implementation timelines for Aluminium Cans and Wrought Aluminium Utensils appears to be in consonance with the reported shortage of aluminium cans in India, as highlighted in media reports.

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

During the month of January 2026, India was involved in various trade negotiations. The following developments highlight the progress and outcomes of these engagements:

India-EU Free Trade Agreement (FTA)

- On January 27, 2026, India and the European Union announced the conclusion of negotiations on a FTA at the 16th India–EU Summit in New Delhi.
- **Concessions by EU.** Public fact sheets indicate that the European Union has agreed to provide duty-free or substantially duty-reduced access for over 99 per cent of India's merchandise exports by value. Sectors expected to gain commercially meaningful benefits include textiles and apparel, leather and footwear, gems and jewellery, marine products, engineering goods, chemicals and petrochemicals, and pharmaceutical and medical products. These sectors are labour-intensive and export-oriented in India.
- **Concessions by India.** According to the European Commission, India has offered tariff elimination or reduction on approximately 96.6 percent of European Union goods exports. Tariff reductions for high-value industrial products, including machinery, electrical equipment, chemicals, plastics, and most industrial goods, are expected to be phased in over implementation periods of up to ten years. Sensitive items such as automobiles and alcoholic beverages are subject to calibrated liberalisation, including quota-linked tariff reductions for a limited volume of vehicles.
- **Service sector.** Services are an important component of the agreement. Government statements refer to improved access for Indian services in 144 European Union subsectors, including IT and IT-enabled services, professional services, education, financial services, tourism and construction.
- **Non-trade barriers.** The FTA provides measures to tackle non-tariff barriers through strengthened regulatory cooperation, greater transparency, and streamlined customs, Sanitary and Phytosanitary procedures, and Technical Barriers to Trade disciplines.

India-EFTA Trade and Economic Partnership Agreement (TEPA)

- Indian Union Minister of Commerce and Industry visited Liechtenstein and reviewed the India-EFTA TEPA implementation.
- The ministerial visit reflects India's commitment to accelerate the implementation of the India–EFTA TEPA and translate it into sustained trade, investment, and manufacturing partnerships.
- The visit concluded with a call to intensify India-Liechtenstein and wider India-EFTA engagement in the months ahead.
- The minister encouraged greater participation of EFTA companies in key trade and investment events in India and invited closer collaboration through business dialogues and delegations.
- As part of India's commitment to phase its tariffs on certain products under India-EFTA TEPA, India has issued customs Notification No. 51/2025-Customs (Switzerland), 52/2025-Customs (Norway), and 53/2025-Customs (Iceland), dated December 30, 2025. The notifications came into force on January 1, 2026.

India–Myanmar Joint Trade Committee

- The Ninth Meeting of the India-Myanmar Joint Trade Committee (**JTC**) was held on January 21, 2026.
- The meeting deliberated on a wide range of issues, including improving connectivity, expanding market access, streamlining financial transactions, upgrading border infrastructure, re-opening border trade posts, promoting the Rupee-Kyat trade settlement mechanism, and maximizing the benefits of the ASEAN–India Trade in Goods Agreement.
- Discussions were also held on potential areas of cooperation to drive mutual growth, with emphasis on sectors such as Textiles, Transport and Connectivity, Capacity Building, Customs and Border Management, Shipping, Power, Information and Communication Technology, Micro, Small and Medium Enterprises, Health, Pharmaceuticals, and Agriculture.
- Bilateral trade between India and Myanmar reached USD 2.15 billion during 2024–25, reflecting a strong and positive growth trajectory. Recognizing the significant potential for further expansion, both sides agreed on a shared vision to scale bilateral trade to USD 5 billion by 2030.
- Both sides reaffirmed their commitment to the expeditious completion of the review of the ASEAN–India Trade in Goods Agreement, with a view to making it simpler, balanced, mutually beneficial, and more trade-facilitative.

India-Australia Economic Cooperation and Trade Agreement (ECTA)

- India notified fifth tranche of tariff concessions under India-Australia ECTA vide Notification No. 50/2025-Customs which came into force on January 1, 2026.
- It amends an earlier customs exemption notification issued in December 2022.

VI. WORLD TRADE ORGANISATION (WTO) & RECENT DEVELOPMENTS

A. WTO DISPUTES

India - Measures Concerning Trade in the Automotive and Renewable Energy Technology Sectors

- At a meeting of the Dispute Settlement Body on January 27, 2026, China submitted its first request for the establishment of a dispute panel.
- India stated that it engaged with China in good faith during the consultations with a view to reaching a mutually satisfactory resolution. It remains committed to upholding WTO rules, and that there appeared to be an inaccurate understanding of the facts.
- In light of this, India said it is not in a position to accept China's request for the establishment of a panel.

Australia launches safeguard investigation on fabricated structural steel

- On January 23, 2026, Australia notified the WTO's Committee on Safeguards that it had initiated a safeguard investigation on imports of fabricated structural steel on January 23, 2025.

Türkiye launches safeguard investigation on "other paper and paperboard"

- On January 6, 2026, Türkiye notified the WTO's Committee on Safeguards that it had initiated a safeguard investigation on imports of other paper and paperboard on December 31, 2025.

Türkiye launches safeguard investigation on terephthalic acid

- On January 6, 2026, Türkiye notified the WTO's Committee on Safeguards that it had initiated a safeguard investigation on imports of terephthalic acid on December 31, 2025.

Türkiye launches safeguard investigation on polyethylene terephthalate resin

- On January 6, 2026, Türkiye notified the WTO's Committee on Safeguards that it had initiated a safeguard investigation on imports of polyethylene terephthalate (**PET**) resin on December 31, 2025.

Madagascar launches safeguard investigation on plastic pipes and tubes and accessories

- On January 6, 2026, Madagascar notified the WTO's Committee on Safeguards that it had initiated a safeguard investigation on imports of plastic pipes and tubes and accessories thereof on December 24, 2025.

Madagascar launches safeguard investigation on dry pastries and breakfast cereals

- On January 6, 2026, Madagascar notified the WTO's Committee on Safeguards that it had initiated a safeguard investigation on imports of dry pastries and breakfast cereals on December 24, 2025.

ELP COMMENT:

- In the DS 642 dispute against India, a panel is likely to be established at the next DSB meeting should China submit a further request. Under Article 6.1 of the DSU, once a request for panel establishment has appeared on the DSB agenda, the panel must be established at the latest at the following DSB meeting, unless the DSB decides by consensus not to do so.
- January 2026 saw an increased number of safeguard investigations initiated by WTO Members, especially Türkiye and Madagascar.

B. WTO REFORM

On January 22, 2026, the EU submitted a paper which calls for a Work Programme on WTO reform centred on three pillars – predictability, fairness and flexibility:

- **Predictability:** the reformed system should remain rules-based and underpinned by a fully functioning and effective dispute settlement to enforce the agreed rules. It also needs to address today's pressing trade policy challenges (e.g. industrial policy, digital trade, climate, biodiversity, resilience etc.).
- **Fairness:** the reformed system needs to reflect the changed economic realities and address imbalances in the rights and commitments of Members and ensure level playing field.
- **Flexibility:** a reformed system needs to offer a more flexible framework of rules, including variable geometry approaches underpinned by a revisited governance structure.

The proposed Work Programme would begin in April 2026.

Members would initiate discussions on the appropriateness of the 1995 balance of rights and commitments in the current global context, including reflections on MFN and reciprocity, Members' respective levels of openness, and possible links between commitments and tariff liberalisation.

Members would identify gaps and shortcomings in existing rules on subsidies, safeguards, state interventions not covered by the ASCM, trade effects of state-owned enterprises, competitive neutrality, and development/industrialisation dimensions, and consider improvements or new disciplines.

Members would assess the effectiveness and use of existing S&DT provisions, consider shifting from open-ended exemptions to more granular and time-bound S&DT based on demonstrated needs and links to commitments, and explore objective and transparent differentiation criteria.

Members would explore tools such as constructive abstention, opt-outs, reservations and accountability measures in cases of blocking, and review decision-making practices from other international organisations.

Members would develop options for a small body with a steering function under the General Council, balancing representativeness, geographical balance and efficiency.

Members would explore pathways to accommodate different types of plurilateral agreements.

VII. EXPORT CONTROL IN INDIA

Handbook on India's Strategic Trade Control System, 2026

On January 15, 2026, the DGFT released the Third Edition of the *Handbook on India's Strategic Trade Control System*, providing an updated overview of India's strategic trade control framework, particularly exports regulated under the SCOMET list. The handbook notes that the SCOMET list was last updated in 2025 and now comprises nine categories, as against eight categories in the 2025 edition, with Category 7 newly designated as "Certain Emerging Technologies and related items."

The 2026 handbook also reflects the implementation of several policy measures that were earlier identified as proposed changes in the 2025 edition. These include revisions to the General Authorization Policy for Export after Repair in India (GAER) with an expanded scope, revisions to the General Authorization for export of Chemicals and Related Equipment (GAEC) permitting exports to additional countries, formal notification of a Standard Operating Procedure for Voluntary Disclosure of Non-Compliance, and the update of the SCOMET list effective September 23, 2025.

ELP COMMENT:

- The "Way Forward" outlined in the 2026 handbook signals DGFT's continued intent to engage closely with industry to streamline SCOMET policies and procedures, expand the use of General Authorisations for select SCOMET items, and adopt a more sector-specific, risk-based approach that balances effective enforcement with ease of doing business and alignment with global standards.

In this evolving regulatory framework, companies should prioritise establishing or strengthening robust Internal Compliance Programmes (ICP) and progressing towards Authorised Economic Operator (AEO) certification, as ICP/AEO status has emerged as a key prerequisite for access to several bulk licensing schemes (including GAICT, GAED, GAET and GAEIS) and as an important enabler for availing general licence and authorisation mechanisms under the SCOMET regime.

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

The following key developments took place during the month of January 2026 pertaining to national security, sanctions and export controls around the globe:

US

- On **January 7, 2026**, the US Bureau of Industry and Security (**BIS**) reached a settlement with Exyte Management GmbH for violations of US export control regulations. The case involved unauthorized in-country transfers by its China-based group company of EAR99 items to an Entity List-designated semiconductor company, due to inadequate internal compliance controls. BIS imposed a civil penalty of USD 1.5 million, underscoring continued enforcement against export control compliance failures.
- On **January 13, 2026**, The US BIS has revised its licensing policy for exports of advanced semiconductors, including Nvidia H200 and AMD MI325X, to China, shifting from a presumption of denial to case-by-case review subject to strict security conditions.
- On **January 14, 2026**, the US Department of the Treasury's Office of Foreign Assets Control (**OFAC**) issued Russia-related General License 131B authorizing certain transactions for the negotiation and entry into contingent contracts for the sale of Lukoil International GmbH, along with related maintenance activities. OFAC also amended Russia-related FAQs 1224 and 1225 in connection with this update.
- On **January 16, 2026**, an Indian National was sentenced to federal prison for conspiring with others to export controlled aviation components and a navigation and flight control system to end users in Russia, in violation of the Export Control Reform Act.
- On **January 23, 2026**, OFAC issued Iran-related General License T authorizing limited safety, environmental, and cargo offloading transactions involving certain blocked persons or vessels. In parallel, OFAC updated the Specially Designated Nationals (**SDN**) List by designating 8 entities/companies linked to Iran-related activities. OFAC also added 9 vessels to the SDN List in connection with these designations.
- On **January 29, 2026**, OFAC has issued General License No. 46 under the Venezuela Sanctions Regulations, authorising established U.S. entities to engage in specified transactions involving Venezuelan-origin oil, including its lifting, export, sale, transport and refining, subject to strict conditions.
- News reports indicate that India's Ministry of External Affairs has confirmed that India is in discussions with the United States regarding the conditional extension of the sanctions waiver for Iran's Chabahar port, currently valid until April 26, 2026. The talks come amid heightened US pressure on Iran, including President Trump's threat of 25% tariffs on countries doing business with Tehran, and at a time when broader India-US trade negotiations remain stalled.

EU

- On **January 15, 2026**, the European Commission (**EC**) updated its Russia sanctions FAQs on the following Oil Price Cap under Council Regulation (EU) No. 833/2014 to reflect the reduced EU price cap on seaborne Russian crude oil. The update follows the adoption of Commission Implementing Regulation (EU) 2026/124, which formally lowered the applicable Oil Price Cap.
- On **January 22, 2026**, the EC updated its Russia sanctions FAQs concerning the prohibition on the provision of services under Council Regulation (EU) No. 833/2014. The update provides further clarification on the scope and application of EU restrictions on services related to Russia.
- On **January 23, 2026**, the EC issued new Russia sanctions FAQs clarifying the scope of the Nord Stream Infrastructure Ban under Article 5a of Council Regulation (EU) No. 833/2014.
- On **January 29, 2026**, the EC sanctioned 15 individuals and six entities for violent repression of protests, censorship, and internet surveillance, bringing the total to 247 individuals and 50 entities. Separately, four individuals and six entities linked to Iran's UAV and missile programmes were sanctioned, alongside expanded export bans on drone- and missile-related components and technologies.

UK

- On **January 15, 2026**, the UK Office of Financial Sanctions Implementation (**OFSI**) amended its General Licence on the Oil Price Cap, lowering the cap on seaborne Russian crude from USD 47.60 to USD 44.10 with effect from on January 31, 2026, and providing a wind-down period for existing compliant contracts until April 16, 2026.
- On **January 15, 2026**, UK OFSI also updated six related FAQs to clarify the application of the revised Oil Price Cap under the UK Russia sanctions regime.
- On **January 26, 2026**, UK OFSI sanctioned Bank of Scotland PLC for making funds available to a designated person without a licence under Regulation 11 and 12 of the Russia (Sanctions) (EU Exit) Regulations 2019 (**the "Russia Regulations"**).
- On **January 28, 2026**, the UK government moved to a single UK Sanctions List as the sole authoritative source for all UK sanctions designations, replacing the previous dual-list system that included the OFSI Consolidated List of Asset Freeze Targets.

ELP COMMENT:

- In January 2026, the US, EU and UK ramped up sanctions and export control enforcement, with penalties, criminal convictions, new designations and tighter restrictions linked to Russia, Iran, China and Venezuela. At the same time, regulators issued narrow, conditional licences and clarifications, underscoring a calibrated but increasingly compliance-intensive sanctions landscape for global businesses.
- The imprisonment of an Indian national by US authorities for violations of US export control regulations highlights the increasing enforcement focus in this area. This development serves as an important reminder for Indian entities and individuals dealing in US-origin controlled items to ensure compliance not only with Indian law, but also with applicable US export control requirements.

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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