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I. TRADE REMEDIAL INVESTIGATIONS UPDATES

TRADE REMEDIAL ACTIONS BY INDIA

During February 2026, the Directorate General of Trade Remedies (**DGTR**) initiated one anti-dumping investigation and issued one final finding in a countervailing duty investigation. Further details are provided below:

PRODUCT	SUBJECT COUNTRIES IN THE INVESTIGATION	TYPE OF INVESTIGATION	TYPE OF NOTIFICATION	DATE OF THE NOTIFICATION
Monoisopropylamine	China PR	Anti-dumping	Final Finding	Feb 23, 2026
PVC Suspension Resins	China PR	Countervailing Duty	Initiation	Feb 26, 2026

TRADE REMEDIAL ACTIONS AGAINST INDIA

During February 2026, trade remedy actions affecting Indian exports were observed in the United States of America (**USA/U.S.**). In particular, the USA issued thirteen determinations comprising eight in anti-dumping investigations and five in countervailing duty investigations. In addition, the USA instituted four anti-dumping and four countervailing duty investigations. Further details of the individual cases are provided below:

PRODUCT	COUNTRY	TYPE OF INVESTIGATION	TYPE OF NOTIFICATION ¹	DATE OF THE NOTIFICATION ²
Certain Preserved Mushrooms	USA	Anti-dumping Duty, Review	Institution	Feb 02, 2026
Oil Country Tubular Goods	USA	Countervailing Duty, Review	Institution	Feb 04, 2026
Oil Country Tubular Goods	USA	Anti-dumping Duty, Review	Institution	Feb 04, 2026
Certain Frozen Warmwater Shrimp	USA	Anti-dumping Duty, Administrative Review	Determination	Feb 09, 2026

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

Polyethylene Terephthalate Film	USA	Countervailing Duty, Review	Determination	Feb 10, 2026
Sodium Nitrite	USA	Anti-dumping Duty, Administrative Review	Determination	Feb 12, 2026
Polyethylene Terephthalate Film	USA	Anti-dumping Duty, Review	Determination	Feb 12, 2026
Citric Acid and Certain Citrate Salts	USA	Anti-dumping Duty	Institution	Feb 17, 2026
Citric Acid and Certain Citrate Salts	USA	Countervailing Duty	Institution	Feb 17, 2026
Hard Empty Capsules	USA	Countervailing Duty	Determination	Feb 17, 2026
Hard Empty Capsules	USA	Anti-dumping Duty	Determination	Feb 17, 2026
Stainless Steel Bar	USA	Anti-dumping Duty, Administrative Review	Determination	Feb 18, 2026
Overhead Door Counterbalance Torsion Springs	USA	Countervailing Duty	Determination	Feb 20, 2026
Overhead Door Counterbalance Torsion Springs	USA	Anti-dumping Duty	Determination	Feb 20, 2026
Certain Frozen Warmwater Shrimp	USA	Countervailing Duty, Administrative Review	Institution	Feb 20, 2026

Hard Empty Capsules	USA	Countervailing Duty	Order	Feb 23, 2026
Hard Empty Capsules	USA	Anti-dumping Duty	Order	Feb 23, 2026
Granular Polytetrafluoroethylene Resin	USA	Anti-dumping Duty, Administrative Review	Determination	Feb 24, 2026
Sodium Nitrite	USA	Countervailing Duty, Administrative Review	Determination	Feb 24, 2026
Organic Soybean Meal	USA	Countervailing Duty, Administrative Review	Determination	Feb 26, 2026
Certain New Pneumatic Off- the-Road Tires	USA	Anti-dumping Duty, Administrative Review	Determination	Feb 26, 2026
Large Diameter Graphite Electrodes	USA	Countervailing Duty	Institution	Feb 27, 2026
Large Diameter Graphite Electrodes	USA	Anti-dumping Duty	Institution	Feb 27, 2026

II. REGULATORY DEVELOPMENTS IN TRADE IN INDIA

A. MINISTRY OF FINANCE (MOF)

During February 2026, the MoF issued one key notification effecting the continuation of anti-dumping duties. A summary of the update is set out below:

PRODUCT	HSN	CHANGE IN DUTY	DATE
Toluene Di-Isocyanate (TDI) having isomer content in the ratio of 80:20	2929 10 20	Continuation of Fixed anti-dumping duty on goods originating in or exported from European Union and Saudi Arabia	February 10, 2026

ELP COMMENT:

Regulatory developments have remained limited during the early part of the quarter, as investigations in India are generally initiated towards its close. Multiple investigation initiations and key milestones are expected under the Indian trade remedial framework in March / April.

B. DIRECTORATE GENERAL OF FOREIGN TRADE (DGFT)

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

Public Notices

Public Notice 46/2025-26 dated February 05, 2026 – Extension of deadline for filing Annual RoDTEP Return (ARR) for FY 2023-24 from November 30, 2025, to March 31, 2026, with a composition fee of Rs. 15,000, with non-filing to attract denial of RoDTEP benefits and scroll-out of scrips.

Public Notice 47/2025-2026 dated February 11, 2026 – Amendment of Para 4.73(19) of HBP 2023 to change the suffix of “GIA Laboratory, DMCC, Dubai, UAE” to “GIA Laboratory, FZCO, Dubai, UAE”.

Public Notice 48/2025-26 dated February 24, 2026 – Prescribes modalities for authorisations to export an additional 5 Lakh MT of wheat flour and related products under HS Code 1101, including monthly application windows, minimum quantity of 2,500 MT, validity, non-transferability, allocation/re-allocation criteria, and reporting; authorisations to be issued and processed as per these modalities.

Public Notice 49/2025-26 dated February 24, 2026 – Prescribes modalities for authorisations to export 25 Lakh MT of wheat, including monthly application windows, minimum quantity of 10,000 MT, validity, non-transferability, allocation/re-allocation criteria, and reporting; applications for wheat export authorisations will be invited and processed as per these modalities.

Public Notice 50/2025-26 dated February 24, 2026 – Extends the last date for filing TRQ applications for specified products under the India-Sri Lanka FTA, India-Mercosur PTA, India-Mauritius CECPA, India-Nepal Treaty and India-UAE CEPA for FY 2026-27 from 28.02.2026 to 15.03.2026.

Notifications

Notification 57/2025-26 dated February 05, 2026 – Revision of import policy for finished umbrellas under HS 66019100 and 66019900 from “Free” to “Restricted”, with imports remaining “Free” where CIF value is Rs. 100 and above per piece, and Advance Authorisation/EOU/SEZ imports exempted from the MIP condition.

Notification 58/2025-26 dated February 05, 2026 – Revision of import policy for items under ITC HS 71141920 (Articles of platinum) from “Free” to “Restricted”, subject to Policy Condition No. 6 of Chapter 71, with immediate effect.

Notification 59/2025-26 dated February 09, 2026 – Expansion of the list of notified countries (by adding 20 specified countries) for mandatory Halal Certification under the I-CAS framework for export of specified meat and meat products, with a two-week transition (six months for Egypt).

Notification 60/2025-26 dated February 23, 2026 – Rationalisation of RoDTEP benefits by restricting all RoDTEP rates and value caps in Appendix 4R and 4RE to 50% of the earlier notified levels with immediate effect.

Notification 61/2025-26 dated February 24, 2026 – Export of wheat flour and related products under HS Code 1101 remains “Prohibited”, but an additional 5 Lakh MT (over and above 5 Lakh MT already allowed) is permitted subject to modalities to be notified separately by DGFT.

Notification 62/2025-26 dated February 24, 2026 – Export of wheat under HS Codes 10011900 and 10019910 remains “Prohibited”, but 25 Lakh MT of wheat is permitted subject to modalities to be notified via separate Public Notice, in addition to case-by-case permissions for foreign governments’ food security needs under Notification 06/2015-2020.

Trade Notices

Trade Notice 23/2025-26 dated February 06, 2026 – Implementation of NPCI-based workflow for real-time bank account validation in IEC issuance and modification applications, requiring declaration of all active PAN-linked accounts and accurate matching of PAN, name and account details with bank records.

Trade Notice 24/2025-26 dated February 09, 2026 – Request for comments on the draft of ‘The Digital Trade Facilitation Bill, 2026’ was issued.

Trade Notice 25/2025-26 dated February 20, 2026 – Launch of Support for Alternative Trade Instruments under Export Promotion Mission (EPM) – NIRYAT PROTSAHAN.

Trade Notice 26/2025-26 dated February 20, 2026 – Launch of Trade Regulations, Accreditation & Compliance Enablement (TRACE) under Export Promotion Mission (EPM) – NIRYAT DISHA.

Trade Notice 27/2025-26 dated February 20, 2026 – Launch of Support for Integrated Support for Trade Intelligence & Facilitation (INSIGHT) under Export Promotion Mission (EPM) – NIRYAT DISHA.

Trade Notice 28/2025-26 dated February 20, 2026 – Launch of Facilitating Logistics, Overseas Warehousing & Fulfilment (FLOW) under Export Promotion Mission – NIRYAT DISHA, implemented prospectively with immediate effect to support overseas logistics, warehousing and fulfilment infrastructure for MSMEs.

Trade Notice 29/2025-26 dated February 20, 2026 – Launch of Logistics Interventions for Freight & Transport (LIFT) under Export Promotion Mission – NIRYAT DISHA, implemented prospectively with immediate effect to provide partial reimbursement of inland freight costs to eligible MSME exporters from specified hinterland districts.

Policy Circulars

Policy Circular No. 09/2025-26 dated February 06, 2026 – Clarification that the exclusion of “hazardous chemicals” in Para 2.36(a) of FTP 2023 was intended to prevent unregulated warehousing of hazardous waste and similar prohibited items, and that warehousing of industrial chemicals in public and private bonded warehouses is permitted subject to compliance with all applicable import, FTP and customs conditions.

Policy Circular No. 10/2025-26 dated February 26, 2026 – Provides relief in Average Export Obligation (EO) under the EPCG Scheme by directing RAs to re-fix the Annual Average EO for 2024-25 for product groups where sectoral exports declined by more than 5% over 2023-24, as per the annexed HS-wise list, and to factor earlier policy circulars before raising EO shortfall demands.

III. GLOBAL TRADE REGULATORY DEVELOPMENTS

A. EUROPEAN UNION

EU De Minimis: New Customs Duty Rules for Small Parcels

- The European Council has approved new EU customs duty rules for low-value consignments. These rules cover small parcels of up to 150 euros, which are largely e-commerce exports.
- These rules eliminate the earlier threshold-based customs duty relief for parcels under 150 euros and introduces an interim flat customs duty.
- From 1 July 2026 to 1 July 2028, a fixed customs duty of 3 euros applies per item category (tariff subheading) contained in a small parcel sent directly from a non-EU country to a consumer in the EU, rather than per parcel.
- Once the new EU customs data hub is operational (likely by 2028), the customs duty exemption for consignments below 150 euros will be completely abolished and normal customs tariffs will apply on all imports irrespective of their value.

Consultation on secondary legislation for UK CBAM

- The UK Government has launched a consultation on secondary legislation for CBAM.
- It covers the legislative requirements associated with the administration of UK CBAM. The covered secondary legislations would cover the following aspects:
 - administrative requirements relating to registration for CBAM
 - tax returns and required content
 - reimbursement arrangements
 - weight of CBAM goods
 - record keeping
- The deadline for submission of comments is 24 March 2026.

B. UNITED STATES

U.S. Supreme Court clarifies limits of Presidential Tariff Authority under IEEPA

- *In Learning Resources, Inc. v. Trump President of the United States*, the U.S. Supreme Court has held that the International Emergency Economic Powers Act (**IEEPA**) cannot be used by the U.S. President to impose broad peacetime tariffs. This invalidated the earlier IEEPA based additional tariffs that had been imposed by the U.S. President through issuance of several Executive Orders.
- Consequently, the additional tariff lines and duty rates that were imposed solely under IEEPA authority have been declared unlawful.
- It also noted that the U.S. President retains the ability to impose tariffs under alternative instruments such as Section 232 of the Trade Expansion Act of 1962, Sections 122, 201 and 301 of the Trade Act of 1974, and Section 338 of the Tariff Act of 1930.

Ending of Certain Tariff Actions

- After the U.S. Supreme Court's decision in *In Learning Resources, Inc. v. Trump President of the United States*, the U.S. President issued an Executive Order that ended collection of the additional ad valorem duties imposed under prior Executive Orders that relied on IEEPA.
- The revoked measures include those issued for addressing illicit drugs across the northern border, the southern border situation, the PRC synthetic opioid supply chain, imports of Venezuelan oil, reciprocal tariffs linked to large U.S. goods trade deficits, and threats posed by the governments of Brazil, Russia, Cuba, and Iran.
- Agencies have been directed to cease collecting duties from 12:00 a.m. Eastern Time on 24 February 2026, for goods entered for consumption or withdrawn from warehouse for consumption on or after that time.

Imposition of Temporary Import Surcharge for Fundamental International Payments Problems

- For 150 days starting 24 February 2026, most articles entered for consumption in the U.S. are subject to an extra 10% ad valorem duty, on top of normal customs duties, taxes, and fees. This duty has been imposed through a temporary import surcharge under section 122 of the Trade Act of 1974.
- Section 122 can be invoked by the U.S. President based on findings of a large and serious U.S. balance of payments deficit and related international payments problems.
- Certain products including critical minerals, certain energy and natural resources, selected agricultural products, pharmaceuticals and ingredients, some electronics, autos and certain vehicle parts, aerospace products, certain information materials, donations, and baggage, are excluded from these tariffs.

Continued Suspension of Duty-Free De Minimis Treatment

- On 20 February 2026, the U.S. President issued an Executive Order continuing the suspension of de minimis treatment for low value imports from all countries.
- All non-postal shipments, irrespective of their value, shall be subject to all applicable duties, taxes, fees, and charges.
- Postal shipments are subject to a duty equal to the temporary import surcharge rate (10% ad valorem duty) until that surcharge ends or U.S. CBP's new postal entry process begins.

ELP COMMENT:

- The interim duty and the planned removal of the de minimis exemption on low value imports by the European Commission will materially change the landed cost calculations for low value exports to the EU. This would especially affect the e-commerce exports which are dominated by China. In 2024, the EU imported 4.6 billion low-value parcels, 91% of which were from China.
- The U.S. Supreme Court ruling in *Learning Resources*, the Executive Order ending IEEPA-based tariffs, and the temporary 10% import surcharge under Section 122, collectively reshape U.S. tariff exposure for Indian exporters. Following these developments, the U.S. Court of International Trade, on March 4, 2026, ordered U.S. Customs and Border Protection to calculate and refund duties imposed under IEEPA. Exporters should therefore reassess pricing and contractual allocation of duties and evaluate the possibility of obtaining refunds on invalidated IEEPA duties.

IV. TECHNICAL REGULATIONS & STANDARDS

A. AMENDMENT TO THE BIS CONFORMITY REGULATIONS

On February 25, 2026, the Bureau of Indian Standards (BIS) amended the BIS (Conformity Assessment) Regulations, 2018 (**Regulations**), which govern the certification process under various schemes implemented through the Quality Control Orders (**QCOs**) regime.

The key changes introduced are outlined below:

- The validity period for the initial grant of licence or certification under certain schemes has been extended up to five years. A summary of the amendments is provided in the table below:

SCHEME	REVISION IN THE PERIOD FOR INITIAL GRANT OF LICENSE/CERTIFICATION
Scheme I – Grant of licence to use or apply Standard Mark on goods and articles as per Indian Standard.	The validity period for the initial grant of licence has been extended to up to five years, as against the earlier two-year period.
Scheme II - Conformity assessment scheme for Grant of licence to use or apply Standard Mark through registration based on self-declaration of conformity for goods and articles as per Indian Standard	The initial grant of certification period has been extended to up to five years, compared to the earlier two-year validity.
Scheme IV - Conformity assessment scheme for Grant of certificate of conformity for goods and articles as per any standard	The validity of the initial certificate of conformity has been increased to up to five years, from the earlier maximum of two years.
Scheme VII - Conformity assessment scheme for grant of certificate of conformity for type approval of goods and articles	The initial grant of certificate of conformity will now be valid for up to five years, instead of the earlier two-year period.
Scheme IX - Conformity Assessment Scheme for Grant of licence to use or apply Standard Mark for goods and articles conforming to Indian Standard combined with conformity of management system to Indian Standard and conformity of process requirements	The validity period for the initial licence has been extended to up to five years, whereas it was earlier normally granted for up to three years.
Scheme X - Conformity assessment scheme for grant of licence to use or apply Standard Mark for goods and articles as per the specified requirements	The initial licence may now be granted for up to five years. Earlier, it was granted for a period ranging from three to six years.

- The amendment now formally defines all ten schemes under the Regulations wherein, seven schemes pertain to product conformity assessment, while the remaining three relate to system, service, and process certification. The amendment further clarifies which schemes require on-site assessment and which do not.³
- In addition to the above, the BIS has introduced specific amendments to Scheme II of the Regulations. Apart from the extension in the validity period, mentioned above, the key changes include:
 - The requirement under the Regulations has been reworded from “conformity to the Indian Standard” to “conformity to the Indian Standard or the essential requirements notified for the product, or both, as applicable to the product for which the licence is sought.”, wherever applicable.
 - The application fee for grant and renewal of licence has been reduced from INR 50,000 each to INR 25,000 each.

B. ISSUANCE OF REVISED GUIDELINES UNDER SCHEME I

On February 25, 2026, the BIS also issued revised guidelines under Scheme I. The key guidelines issued are as follows:

- Guidelines for Grant of Licence (GoL) as per the conformity assessment Scheme – I: *A significant change is that these guidelines are no longer applicable to foreign manufacturers. The revised guidelines clarify that foreign manufacturers must follow separate guidelines issued by the Foreign Manufacturers Certification Department (FMCD) of BIS.*
- Guidelines for dealing with non-conformity of product(s) observed during operation of licence under Scheme – I.
- Guidelines for dealing with unsatisfactory performance (other than matters related to non-conformity of the product) during operation of licence under Scheme-I.
- Guidelines for factory surveillance during operation of licence for the conformity assessment Scheme – I.
- Guidelines for market surveillance during operation of licence for the conformity assessment Scheme – I.

³ Schemes II and VII do not require on-site assessment, whereas Schemes I, IV, V, IX, and X mandate on-site assessment as part of the certification process

C. EXEMPTION TO QCOS ISSUED BY DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE

a. Exemption to Imports

On February 12, 2026, the Department for Promotion of Industry and Internal Trade (DPIIT) issued two notifications granting limited relaxation to importers of goods in the following circumstances:

- Where the purchase order for the goods/articles was placed prior to the date of implementation of the relevant QCO, and the corresponding Bill of Entry is dated on or before 180 days from the date on which the QCO came into force;
- Where the goods/articles were shipped prior to the date of implementation of the QCO (as evidenced by the Bill of Lading), and the Bill of Entry is filed on or before 180 days after the date of implementation of the QCO.

The above relaxation applies to goods covered under the following QCOs:

- Aluminium and Aluminium Alloy Products (Quality Control) Order, 2025
- Electrical Appliances for Commercial Dispensing and Vending (Quality Control) Order, 2025
- Flashlight (Quality Control) Order, 2025
- Hinges (Quality Control) Order, 2025
- Electric Fence Energizers (Quality Control) Order, 2024
- Air Cooler and Air Filters (Quality Control) Order, 2025
- Electrical Appliances for Domestic Clothes Washing (Quality Control) Order, 2024
- Electrical Appliances for Skin or Hair Care (Quality Control) Order, 2023
- Electrical Appliances for Domestic Water Heating (Quality Control) Order, 2023
- Plywood and Wooden flush door shutters (Quality Control) Order, 2024
- Wood Based Boards (Quality Control) Order, 2024
- Resin treated compressed wood laminates (Quality Control) Order, 2024
- Telescopic Ball Bearing Drawer Slide (Quality Control) Order, 2024
- Copper Products (Quality Control) Order, 2024
- Self-Contained Drinking Water Cooler (Quality Control) Order, 2023
- V-Belt (Quality Control) Order, 2024
- Water Meters and Accessories (Quality Control) Order, 2023
- Electrical Appliances for Kitchen (Quality Control) Order, 2023
- Electrical Appliances Fans (Quality Control) Order, 2023
- Gypsum based Building Materials (Quality Control) Order, 2024
- Asbestos or Fibre Cement based Products (Quality Control) Order, 2024
- Footwear made from Leather and other Materials (Quality Control) Order, 2024
- Footwear made from All Rubber and all Polymeric Material and its Components (Quality Control) Order, 2024
- Electrical Accessories (Quality Control) Order, 2023
- Laboratory Glassware (Quality Control) Order, 2023
- Bottled Water Dispenser (Quality Control) Order, 2024

b. Exemption to MSMEs

In addition, the DPIIT has issued an exemption for Micro, Small and Medium Enterprises (MSMEs) manufacturing goods or articles covered under the specified QCOs. This exemption is available to enterprises registered on the Udyam Portal, subject to the condition that the investment in plant and machinery or equipment (at original cost) does not exceed INR 1 crore and the turnover does not exceed INR 5 crore in the previous financial year, as certified by a Chartered Accountant. This exemption applies to the following QCOs:

- Flame-Producing Lighters (Quality Control) Order, 2023
- Potable Water Bottles (Quality Control) Order, 2024
- Welding Rods and Electrodes (Quality Control) Order, 2023
- Insulated Flask, Bottles and Containers for Domestic Use (Quality Control) Order, 2024
- Electric Ceiling Type Fans (Quality Control) Order, 2023
- Laboratory Glassware (Quality Control) Order, 2023
- Furniture (Quality Control) Order, 2025

D. AMENDMENT TO THE FURNITURE QUALITY CONTROL ORDER

DPIIT has issued amendments to the Furniture Quality Control Order (QCO), which came into effect on February 14, 2026. The key changes are as follows:

- Up to 200 units per financial year may be imported for research and development (R&D) purposes without BIS certification, provided the applicant has already applied for BIS certification. Such goods cannot be sold commercially.
- Goods manufactured or imported prior to the date of implementation of the QCO may continue to be sold for up to 12 months from the date of implementation, subject to the condition that the manufacturer has applied for BIS certification.
- Goods imported specifically for the purpose of export are exempt from the requirements of the QCO.
- MSME manufacturers are exempt, provided their investment in plant and machinery or equipment (at original cost) does not exceed ₹1 crore and their turnover does not exceed ₹5 crore.

ELP COMMENT:

- The amendments to the Conformity Assessment Regulations largely formalise processes that were previously set out in the applicable guidelines and already being followed in practice.
- It is pertinent to note that the newly revised Guidelines for Grant of Licence appear to exclude foreign manufacturers from their scope and indicate that separate guidelines issued by the FMCD will apply to them. At present, no such guidelines have been issued by the FMCD, which creates ambiguity and may require foreign manufacturers to await further clarification.
- The extension of the validity period for the initial grant of licence to five years is a welcome development, as it reduces the frequency of renewals and overall compliance burden under the BIS and QCO framework. Additionally, the clearer classification of schemes, distinguishing between product and system/service/process certifications and specifying which schemes require on-site inspection, provides greater regulatory clarity and makes it easier for businesses to identify the appropriate certification pathway.

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

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

India-Gulf Cooperation Council ("GCC") Free Trade Agreement ("FTA"):

- On February 5, 2026, India and GCC signed the Terms of Reference ("ToRs") for India-GCC FTA.
- The ToRs will guide the negotiations for the GCC-India FTA by defining its scope and modalities.
- India's trade with GCC stood at USD 178.56 billion (Exports: USD 56.87 billion; Imports: USD 121.68 billion) in FY 2024-25, accounting for 15.42% of India's global trade.
- Key exports from India to GCC include engineering goods, rice, textiles, machinery, gems and jewelry. Key sectors of imports from GCC primarily comprise crude oil, LNG, petrochemicals, and precious metals such as gold.
- The GCC region is also a significant source of FDI for India, with cumulative investments exceeding USD 31.14 billion as on September 2025.

U.S.-India Bilateral Trade Agreement ("BTA"):

- India and U.S. issued a statement on February 7, 2026, announcing that they have reached a framework for an Interim Agreement regarding reciprocal and mutually beneficial trade.
- India has agreed to eliminate / reduce tariffs on all U.S. industrial goods and a wide range of U.S. food and agricultural products, including dried distillers' grains (DDGs), red sorghum for animal feed, tree nuts, fresh and processed fruit, soybean oil, wine and spirits, and additional products
- India has further agreed to address long-standing barriers to the trade in U.S. medical devices; eliminate restrictive import licensing procedures that delay market access for, or impose quantitative restrictions on, U.S. Information and Communication Technology (ICT) goods.
- The ruling of the U.S. Supreme Court on reciprocal tariffs does not alter the broader framework of the proposed U.S.-India BTA, except in relation to the commitment on reciprocal tariffs by the United States. It was earlier agreed that the U.S. would reduce reciprocal tariffs to 18%. However, following the ruling, the reciprocal tariff applicable to India currently stands at 10%, which, according to media reports, may be increased to 15%..

U.S.-India Bilateral Trade Agreement ("BTA"):

- India and U.S. issued a statement on February 7, 2026, announcing that
- The U.S. will also remove tariffs on certain aircraft and aircraft parts of India imposed to eliminate threats to national security found in Proclamation 9704 of March 8, 2018 (as amended).
- Contingent on the findings of the U.S. Section 232 investigation of pharmaceuticals and pharmaceutical ingredients, India will receive negotiated outcomes with respect to generic pharmaceuticals and ingredients.
- The United States and India will expand market access through BTA negotiations, with the U.S. considering India's request for lower tariffs, while both sides deepen economic security coordination (including on supply chains, investment screening, and export controls); India aims to purchase \$500 billion in U.S. goods over five years (energy, aircraft, tech, metals, coking coal), boost technology trade (including GPUs), and jointly develop stronger, mutually beneficial digital trade rules.
- On February 9, 2026, USA released a factsheet on the interim agreement. However, on February 10, 2026, USA revised the factsheet, making several changes.
- References to tariff reductions on certain agricultural products—most notably pulses—have been removed. Language stating that India “committed” to purchase over \$500 billion of U.S. goods has been diluted to “intends” to purchase, and agricultural products are no longer specifically mentioned in that section. Similarly, explicit language that India would remove its digital services tax and prohibit customs duties on electronic transmissions has been deleted; the revised version now states only that both sides will negotiate digital trade rules addressing barriers and discriminatory practices.

India-Israel FTA Negotiations:

- The first round of India-Israel FTA negotiations concluded successfully in New Delhi (23–26 February 2026), following the signing of the Terms of Reference in November 2025
- Indian Union Minister Piyush Goyal highlighted the need for a modern, comprehensive, and future-ready trade pact. Discussions covered goods and services, rules of origin, SPS and TBT measures, customs procedures, IPR, and digital trade. The next round will be held in Israel in May 2026.
- With bilateral merchandise trade at USD 3.62 billion in FY 2024–25, the proposed FTA aims to unlock untapped potential in sectors such as machinery, chemicals, textiles, agriculture, medical devices, and advanced technologies, strengthening overall economic partnership.

India-EU FTA draft text released:

- On February 27, 2026, the draft text of the India-EU FTA, which concluded on January 27, 2026, was released. As per the Government of India, the India-EU FTA is expected to substantially scale up trade, enhance export competitiveness, and integrate Indian businesses more deeply into the European and global value chains.
- The draft text stipulates detailed provisions for digital trade, food security, CBAM, trade in services, TBT and sustainable development. It further introduces a rapid reaction mechanism providing an expedited process in resolving questions or concerns that may disrupt trade between India and EU.
- In addition to this, it also introduces a mediation mechanism under the dispute settlement chapter, which requires the parties to reach a solution in an expedited mechanism. However, details on trade in goods, rules of origin, and tariff concessions remain unavailable at this stage.
- At present, the legally scrubbed final text has not been released. The precise scope of concessions, staging, exclusions, rules of origin, regulatory disciplines and cooperation mechanisms will become clear only after the final text and associated schedules are published.

VI. WORLD TRADE ORGANISATION (WTO) & RECENT DEVELOPMENTS

A. WTO DISPUTES

Philippines launches safeguard investigation on ceramic tiles

- On February 10, 2026, Philippines notified the WTO's Committee on Safeguards that it had initiated a safeguard investigation on imports of ceramic tiles on February 05, 2026.

Dispute Settlement Body (DSB) agrees to establish panel in India - Measures Concerning Trade in the Automotive and Renewable Energy Technology Sectors (DS 642)

- On February 24, 2026, China submitted its second request for the establishment of a dispute panel to rule on Indian measures in the automotive and renewable energy sectors which include incentives for the production of advanced chemistry cell batteries, automobile and auto components, and electric vehicles in India.
- India regretted that China requested the establishment of a panel. India said it remains confident its measures are fully compatible with WTO rules.
- The United States, a third party, explicitly called on China to address its own non-market policies and excess capacity, saying these policies harm global supply chain.
- Further, 13 countries namely Canada, Colombia, the European Union, Indonesia, Japan, Korea, Norway, Russia, Singapore, Thailand, Türkiye, the United Kingdom and the United States reserved their third-party rights to participate in the proceedings.

United States appeals panel report in United States - Certain Tax Credits under the Inflation Reduction Act (DS 623)

- On February 24, 2026, the DSB noted that decision of the U.S. to appeal panel ruling dated January 30, 2026 in DS 623.
- The EU, a third party, supported the U.S. and mentioned that the dispute demonstrated the need for an appeal review.

European Union submits request to establish panel in China - Worldwide Licensing Terms for Standard Essential Patents (SEPs) (DS 632)

- On February 24, 2026, the European Union submitted its first request for the establishment of a dispute panel with respect to Chinese patent licensing measures.
- The dispute relates to the authority of Chinese courts to issue binding and enforceable decisions fixing the worldwide licensing conditions for portfolios of patents.
- China said the issue of SEPs is highly complex and lacks any international resolution. It further expressed its disappointment that the EU chose to raise this matter at the WTO instead of pursuing constructive discussions in a more suitable forum.
- China said it is not in a position to accept the EU's request for the establishment of a panel. The DSB took note of the statements and agreed to revert to the matter if requested by a member.

United States raises European Union - Countervailing and Anti-Dumping Duties on Stainless Steel Cold-Rolled Flat Products from Indonesia (DS 616)

- The United States, a third party, raised this item to highlight an interpretive issue concerning the Agreement on Subsidies and Countervailing Measures (SCM) and transnational subsidies.
- The United States described the panel report as troubling, stressing that the injury suffered by an affected member is identical regardless of whether a subsidy originates from the exporting member or a third country. It cautioned against an interpretation of the SCM Agreement that could encourage unfair competition and undermine efforts to address genuine harm to businesses and workers. Other members such as the EU similarly voiced concern but noted that it does not expect the panel's findings to shape future disputes.
- China disagreed with the interpretations advanced by the United States and others, warning that attributing cross-border subsidies to third parties would upset the negotiated balance of WTO rules and introduce legal uncertainty.
- Indonesia stated it would consult with its capital regarding the issue.

B. WTO COMMITTEES

Committee on Trade Facilitation

- At the Committee on Trade Facilitation meeting on February 25, 2026, WTO members advanced work on the second review of the Trade Facilitation Agreement (TFA) and reiterated that the process should be member-driven, open, transparent, inclusive and mindful of different levels of development and implementation capacity.
- Tonga ratified the TFA on January 26, 2026, which brings the total number of ratifications to 162 out of 166 WTO members that is, nearly 98% of the WTO membership.
- Members highlighted interest in strengthening understanding of the implementation and impact of the TFA and in identifying areas where further guidance could support effective implementation. Various members also expressed interest in expanding experience-sharing sessions, including through thematic or peer-to-peer formats, incorporating private sector perspectives, and strengthening dialogue with national trade facilitation committees (NTFCs) and regional group.

Committee on Trade and Development

- On February 17, 2026, WTO Members draft a decision for approval at the Fourteenth Ministerial Conference on improving the integration of small economies into the world trading system. The draft decision calls for WTO members to address how to integrate small economies more effectively into the digital trade economy, and into the multilateral trading system more generally. It calls on the WTO Secretariat to map the challenges small, vulnerable economies face in trade logistics, connectivity and border processes, promote the adoption of trade facilitation and digital tools, while also improving transparency and traceability.
- The decision also encourages the sharing of best practices on policies and regulatory frameworks, among other things, to increase the participation of micro, small, and medium-sized enterprises (MSMEs) in small economies' digital trade. The decision also requests the ministers to take note of the work undertaken to date in the work programme on small economies. .

Informal Working Group on Trade and Gender

- The informal working group shared their joint statement with working group on MSMEs for Ministerial Conference 14 (MC 14) which proposes a new compendium titled "Empowering Women to Trade through Digitalisation: Policy Insights" which will include trade policies that support women in digitalisation, such as export preparedness and support programmes and e-commerce and gender chapters in Free Trade Agreements (FTAs)..

Proposal for a new Committee on Digital Trade at MC 14

- On February 24, 2026, a group of 7 countries namely, Australia, Canada, Costa Rica, Japan, Norway, Peru and Switzerland circulated a communication proposing the creation of a Committee on Digital Trade through a ministerial decision taken by the Members at the upcoming MC 14.
- It is suggested that the proposed committee will assist in institutionalizing the work of Work Programme on Electronic Commerce that so far is being done at Council for Trade in Services, Council for Trade in Goods, TRIPS Council and Committee for Trade and Development.

VII. EXPORT CONTROL IN INDIA

A company has been levied a penalty of ₹15 lakhs pursuant to a voluntary self-disclosure.

- As per media reports, the DGFT, on February 16, 2026, issued an order imposing a penalty of ₹15 lakhs under Section 11(2) of the Foreign Trade (Development and Regulation) Act, 1992. The action followed a voluntary self-disclosure application submitted by an Indian company to the DGFT, seeking regularisation of certain inadvertent export control violations during the period FY21–23.
- Following the imposition of the penalty, the company disclosed the development on the National Stock Exchange of India pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company also clarified that the penalty would not have any material impact on its financial position, operations, or overall business activities.

ELP COMMENT:

- As per the information available in the public domain, the penalty order appears to be the first order issued by the DGFT in 2026 under the Voluntary Self-Disclosure (VSD) mechanism, and the second such order since the introduction of the VSD framework. It is likely that more companies may proactively come forward and file VSD applications to address instances of non-compliance with export control requirements.
- However, the order is currently not available on the DGFT's website. Once it is published, it may provide greater clarity on the dual use items involved, nature of the non-compliance and the basis on which the DGFT determined the penalty.

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

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

UNITED STATES –

- On **February 02, 2026**, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) designated four Rwandan individuals and the Rwanda Defence Force (RDF) to its Specially Designated Nationals (SDN) List in connection with the Democratic Republic of the Congo (DRC) sanctions programme, citing violations related to the Washington Peace Accords. Concurrently, OFAC issued DRC-related General License 1 authorizing the wind-down of transactions involving the Rwanda Defence Force.
- On **February 03, 2026**, the US OFAC announced that it is issuing Venezuela-related General License 47, under the Venezuela Sanctions Regulations, authorizing transactions ordinarily incident and necessary to the exportation, sale, supply, storage, marketing, delivery, or transportation of U.S.-origin diluents to Venezuela, including transactions involving the Government of Venezuela and Petróleos de Venezuela, S.A. or its majority-owned entities, subject to the condition that relevant contracts are governed by U.S. law and provide for dispute resolution in the United States.
- On **February 06, 2026**, the US OFAC, designated two individuals and multiple companies including from **India** to its SDN List under Executive Order 13846 for their alleged involvement in a network facilitating the transport and trade of Iranian petroleum and petrochemical products.
- On **February 06, 2026**, the US OFAC, launched a new online Voluntary Self-Disclosure (VSD) Portal to facilitate the submission of voluntary self-disclosures relating to potential violations of sanctions programs administered by OFAC. The portal is intended to provide a streamlined and secure submission process, improve communication with reporting parties, and enable faster acknowledgment and review of submissions.
- On **February 10, 2026**, the US OFAC announced that it is issuing three Venezuela-related general licenses: General License 48 authorizing the supply of certain goods and services for oil and gas operations in Venezuela; General License 30B authorizing certain transactions necessary for port and airport operations; and General License 46A authorizing certain activities involving Venezuelan-origin oil under the Venezuela Sanctions Regulations.
- On **February 10, 2026**, the US OFAC designated two individuals and four entities to the SDN List for their alleged links to Hezbollah and related financial and commercial networks. The action, taken under Executive Order 13224, also included the designation of two vessels associated with sanctioned maritime entities.
- On **February 12, 2026**, the U.S. Department of Commerce's Bureau of Industry and Security (BIS) announced a settlement with Applied Materials Inc. and Applied Materials Korea Ltd. for illegally exporting U.S. semiconductor manufacturing equipment to China via Korea without obtaining the required export license after the Chinese recipient was placed on the Entity List. The companies agreed to pay a penalty of approximately USD 252 million and implement compliance audits and certifications as part of the settlement.

- On **February 13, 2026**, the US OFAC announced that it is issuing Venezuela-related General License 49 authorizing the negotiation of and entry into contingent contracts for certain investments in Venezuela, and General License 50 authorizing certain transactions related to oil or gas sector operations in Venezuela involving specified entities.
- On **February 18, 2026**, the US OFAC announced that it is issuing amended Venezuela-related General License 50A authorizing certain transactions related to oil or gas sector operations in Venezuela involving specified entities under the Venezuela Sanctions Regulations.
- On **February 18, 2026**, the US BIS announced that a Bulgarian national was sentenced by a U.S. federal court to 38 months' time served for conspiracy to violate the International Emergency Economic Powers Act in connection with a scheme to illegally export U.S.-origin radiation-hardened electronic circuits to Russia via Bulgaria without the required export license following the imposition of U.S. export controls after Russia's invasion of Crimea.
- On **February 24, 2026**, the US OFAC added four individuals and three entities to the SDN List in connection with Russia-related cyber activities under the Ukraine-/Russia-Related Sanctions Regulations and CAATSA. The designations include individuals linked to Sergey Zelenyuk and entities engaged in computer programming activities allegedly supporting cyber operations associated with Russia.
- As per media reports, David Peters, Assistant Secretary of Commerce for Export Enforcement at the US BIS, has urged the US Congress to increase its max penalty amounts and double its statute of limitations for export violations from five to ten years.
- On **February 25, 2026**, the US OFAC added four individuals, sixteen entities, and twelve vessels to the SDN List in connection with Iran-related sanctions. The designated individuals are linked to Qods Aviation Industries, while several of the designated entities are associated with procurement networks and maritime companies involved in activities supporting Iran's weapons proliferation and petroleum shipping operations. The designations also include multiple shipping companies and vessels connected to Iran's oil and gas transport network, which were designated under various Iran-related authorities, including EO 13902 and non-proliferation sanctions authorities.
- On **February 25, 2026**, the US OFAC announced a \$3,777,000 settlement with a U.S. person to resolve potential civil liability for 20 apparent violations of Syria sanctions previously in effect. Between January 2018 and December 2021, the individual provided managerial services to Syria while serving as an officer and board member of four Syrian real estate companies involved in luxury real estate projects. OFAC determined the conduct to be egregious and not voluntarily self-disclosed.
- On **February 26, 2026**, the US OFAC issued Russia-related General License 131C authorizing certain transactions for the negotiation and entry into contingent contracts for the sale of Lukoil International GmbH and related maintenance activities. Additionally, OFAC issued amended Russia-related Frequently Asked Questions 1224 and 1225 and updated the Specially Designated Nationals list by adding five individuals from Nicaragua.
- On **February 26, 2026**, the US BIS issued a final order imposing a civil penalty of USD 1,000,000 on Teledyne FLIR LLC and its affiliates to resolve allegations of 19 violations of the Export Administration Regulations involving unauthorized exports and reexports of controlled thermal imaging camera components to China without the required BIS authorizations.
- On **February 27, 2026**, the US OFAC has removed four individuals from its SDN List, including one individual designated under the Lebanon sanctions programme and three Malian individuals previously listed under the Russia-related Executive Order 14024 for their links to the Wagner Group.

EUROPEAN UNION –

- On **February 6, 2026**, the European Commission proposed a new package of sanctions against Russia, the 20th since the start of its war of aggression against Ukraine, targeting sectors including energy, financial services, and trade. However, on February 23, 2026, the adoption of the package was blocked after Hungary exercised its veto.
- On **February 23, 2026**, Council of the European Union imposed restrictive measures on eight individuals in Russia for their involvement in serious human rights violations, repression of civil society and democratic opposition, and undermining democracy and the rule of law. The designations target members of the judiciary and officials responsible for politically motivated prosecutions and the mistreatment of political prisoners, and impose asset freezes and travel bans on the listed individuals.

UNITED KINGDOM –

- On **February 2, 2026**, the UK Foreign, Commonwealth & Development Office (FCDO) imposed sanctions on ten individuals and one organisation in Iran for their alleged involvement in serious human rights violations, including the violent suppression of peaceful protests. The sanctions target senior officials, police chiefs, members of the Islamic Revolutionary Guard Corps (IRGC), and the Law Enforcement Forces of the Islamic Republic of Iran (FARAJA), and include asset freezes, travel bans, and director disqualifications.
- On **February 5, 2026**, the UK FCDO imposed sanctions on six individuals linked to the conflict in Sudan for allegedly committing atrocities, recruiting foreign fighters, and facilitating the supply of military equipment in support of the Rapid Support Forces and the Sudanese Armed Forces. The sanctions target military commanders and individuals involved in financing and recruiting mercenaries to support the conflict.
- On **February 10, 2026**, the UK Office of Financial Sanctions Implementation (OFSI) extended General Licence (GL) INT/2025/7895596 by six months until August 13, 2026, pursuant to the Russia (Sanctions) (EU Exit) Regulations 2019. In addition, OFSI amended FAQ 173 of the UK Financial Sanctions FAQs to confirm the extension of the GL. Capitalized terms not otherwise defined in this entry shall have the meanings given to such terms in the GL.
- On **February 24, 2026**, the UK OFSI issued GL INT/2026/8893924 under the Russia (Sanctions) (EU Exit) Regulations 2019. The licence authorises certain transactions necessary for the winding down of insurance and reinsurance policies written by Maritime Mutual entities and their subsidiaries prior to their designation.
- On **February 24, 2026**, the UK OFSI issued GL INT/2026/8889196 under Regulation 64 of the Russia (Sanctions) (EU Exit) Regulations 2019, permitting persons to wind down or divest from transactions involving PJSC Transneft or its subsidiaries.
- On **February 24, 2026**, the UK OFSI amended GL INT/2025/5635700, pursuant to regulation 64 of the Russia (Sanctions) (EU Exit) Regulations 2019. The GL allows for the continuation of business operations with the Relevant Subsidiary to the extent they are in relation to the Exempt Projects. Capitalized terms not otherwise defined in this entry shall have the meanings given to such terms in the GL.
- On **February 24, 2026**, the UK FCDO announced a major sanctions package targeting nearly 300 individuals, entities, and vessels, including two **Indian** entities, linked to Russia's energy revenues and military supply chains. The measures include sanctions on PJSC Transneft, over 175 companies associated with the '2Rivers' oil trading network, and 48 oil tankers linked to Russia's shadow fleet, aimed at curbing Russian oil exports and disrupting networks supporting Russia's war efforts in Ukraine.

ELP COMMENT:

- In February 2026, enforcement activity in the Western countries continued to intensify, with a marked focus on energy trade involving Iran and Russia, as well as export control violations in the semiconductor sector. High-value penalties, SDN designations and expansive transport-related restrictions reflect a sustained willingness by regulators to pursue both primary actors and associated management personnel across jurisdictions.
- The designation of India-based entities and persons by U.S. and UK authorities underscores the growing extraterritorial exposure of non-Western businesses operating in sensitive sectors such as energy logistics, shipping and advanced electronics. These developments serve as a significant compliance reminder for Indian companies and their directors that dealings involving Iranian petroleum, Russian strategic sectors or controlled semiconductor technologies may trigger sanctions or export control consequences under sanctions laws of Western countries, even where the conduct may occur outside their jurisdictions.

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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