

THE CARMICHAEL COMPASS

"WHEN THE TIDES OF TRADE SHIFT, WE'RE YOUR COMPASS."

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New Executive Order to Strengthen CBP Enforcement

President Trump has signed a new [Executive Order](#) in a bid to strengthen CBP enforcement capabilities. The order, which speaks of long overdue customs reform, seeks to make updates and revisions to importer eligibility regulations within 180 days of the order.

These revisions will include:

- (i) requiring an IOR maintain a minimum level of tangible domestic assets, bonding, or both, as determined by CBP to be necessary to ensure compliance, and increasing the minimum required bond coverage for an IOR;
- (ii) requiring that an IOR be designated and reported to CBP, and that a bond, or sufficient tangible domestic assets, or both, be required, for all formal entries under 19 U.S.C. 1484 and informal entries under regulations promulgated pursuant to 19 U.S.C. 1498; and
- (iii) requiring that an IOR provide to CBP additional data and identification information, including anticipated import volumes, year organized, ownership and beneficial ownership disclosures, business affiliation disclosures, and domestic asset disclosures, and any other data that CBP deems necessary.

Additionally, all IORs will be required to maintain good standing with CBP or be unable to import and foreign IORs will no longer be able to file informal entry. Foreign IORs will also no longer be able to rely on a continuous bond to meet the bond requirements for entry without demonstrating that the revenue would be fully protected and that compliance with the laws, regulations, and instructions enforced by CBP is assured. Foreign IORs seeking continuous bonds will be required to participate in CBP's Customs Trade Partnership Against Terrorism (CTPAT) to be eligible or use a CTPAT validated licensed customs broker to file entries. Heightened import disclosure and certification requirements will be established.

Penalties for wrongdoing will be enhanced including enforcing liquidated damages claims against bonds for noncompliance, restricting in-bond utilization, increasing audits, and imposing maximum penalties for brokers who fail to conduct due diligence and repeatedly represent noncompliant clients. CBP will also be taking heightened enforcement action against imports involving forced labor products, misclassifications, undervaluation, and illegal transshipment.

**Public Comments Requested for
Establishing U.S.-China Board of
Trade**

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In a separate Federal Register [notice](#) posted on June 2, the [USTR](#) has announced the establishment of a public comment process to help develop a U.S.-China Board of Trade intended to assist in management of bilateral trade between the two countries. Comments are also being requested for specific types of non-sensitive products that may benefit from future tariff modifications on each side to help achieve balanced reciprocal trade.

Comments are due by July 10 and any rebuttals or responses to those comments will be submitted to a separate public docket by July 27.

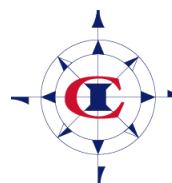
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More Section 301 Recommendations Released by USTR

On June 2 the U.S. Trade Representative (USTR) released its [findings](#) on the Section 301 investigation regarding Failures to Take Action on Forced Labor Goods. USTR found that 54 of the 60 countries being investigated had no forced labor prohibitions and the remaining six were failing to effectively enforce the bans they had implemented against goods made with forced labor.

According to the findings, this lack of action places unnecessary burdens on the US economy resulting in the proposed action of a 10% tariff on the six countries with forced labor bans and a selection of trading partners who have agreed to act against forced labor goods in agreements on reciprocal trade. The other forty-six countries would face a 12.5% tariff. Numerous exceptions to these tariffs would be granted including exceptions for USMCA compliant goods, goods entered under CAFTA-DR, tropical fruits/vegetables/spices, oil/gas/coal related products, numerous chemicals, minerals/ores, medicines, aerospace goods, goods subject to Section 232, metals in chapters 80 and 81, and semiconductor-related items.

Interested parties may view the Federal Register notice [here](#). Comments and requests to appear at the hearing may be made via USTR's [comments portal](#). Comments are due by July 6 and the hearing is scheduled for July 7.

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