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October 29, 2026

Ambassador Jamieson Greer
United States Trade Representative
Office of the U.S. Trade Representative
600 17th St. NW
Washington DC, 20508

Re: Request for Comments on Significant Foreign Trade Barriers for the 2027 National Trade Estimate Report (Docket Number: USTR-2026-0498)

Dear Ambassador Greer:

The Consumer Technology Association (CTA) appreciates the opportunity to identify foreign trade barriers that threaten American technology leadership, restrict U.S. exports, and make it harder for American companies to compete in global markets.

As North America's largest technology trade association, CTA is the tech sector. Our members are the world's leading innovators – from startups to global brands – helping support more than 17 million American jobs. Our members include over 1200 companies from every facet of the consumer technology industry, including manufacturers, distributors, developers, retailers, and integrators. CTA owns and produces CES – the most powerful tech event in the world – which showcases and serves as a forum for discussion of global policies, technology, trade and investment, and other innovation. Over 148,000 people attended CES 2026, with over 55,000 from outside the United States.[1]

American technology companies lead the world in artificial intelligence, software, digital services, and consumer electronics. That leadership supports millions of American jobs and gives U.S. businesses a competitive advantage around the world. But foreign governments are increasingly imposing discriminatory taxes, restrictions on data flows, local content requirements, and burdensome regulations that make it harder and more expensive for American innovators to reach customers overseas.

These barriers don't just affect the largest technology companies. They hit startups and smaller businesses especially hard. Eighty percent of CTA's members are startups and

[1] CES 2026 Attendance Audit Summary. https://www.ces.tech/media/kghbnaej/ces2026_auditsummary.pdf.

small or medium-sized companies. Unlike their larger competitors, they often lack the resources to navigate dozens of conflicting regulatory regimes. When foreign governments impose costly or discriminatory requirements, these businesses can effectively be shut out of overseas markets.

CTA urges USTR to make removing these barriers a priority in its trade negotiations and enforcement efforts. American companies should be able to compete on the strength of their products and services, not be disadvantaged by policies that favor local competitors.

At a high-level, CTA has five trade priorities for USTR to pursue:

1. Eliminate discriminatory digital services taxes that disproportionately target American companies.
2. Protect cross-border data flows and oppose forced data localization requirements that increase costs and limit access to U.S. cloud and digital services.
3. Challenge foreign AI regulations that impose unnecessary licensing, disclosure, copyright, or compliance requirements on American developers.
4. Remove tariffs, customs barriers, and local content requirements that make U.S. technology products more expensive and restrict exports.
5. Oppose discriminatory digital platform regulation, mandatory network usage fees, and other measures that favor domestic competitors.

USTR should make these issues central to its bilateral and multilateral trade negotiations, enforce existing commitments, and seek concrete commitments to remove barriers that disadvantage American technology companies.

CTA's comments for the 2027 NTE cover a wide range of trade and investment barriers that – if addressed – could facilitate faster and less costly supply chain resiliency and diversification. Our comments also concern barriers that the Administration should address to help U.S. companies operate and compete in other markets by creating a more level playing field for their products and services.

In this context, CTA has catalogued two categories of foreign trade barriers impacting technology and innovation to aid in USTR's analysis relating to: (1) digital services taxes (see **Annex 1**), and (2) other barriers. Barriers identified in Annex 2 include, including tariffs, trade facilitation and customs measures, restrictions on cross-border data flows, forced localization requirements, technical barriers to trade, good regulatory practices, digital regulatory measures, and measures concerning critical and emerging technologies, such as artificial intelligence (AI) (see **Annex 2**).

For instance, in Annex 2, CTA supports USTR's efforts to reduce trade barriers in the form of securing commitments on express shipments from several foreign trading partners. CTA requests USTR to monitor the implementation efforts on express

shipments to ensure trade facilitation. CTA would likewise support a similar reduction of trade barriers in the United States in the form of the de minimis tax exemption.

CTA has included AI measures because restrictive AI rules can function as trade barriers, even when they are not explicitly discriminatory. AI innovation depends on the ability of companies of all sizes to develop and compete. Trade rules should not let foreign governments impose licensing requirements that effectively favor established companies over American startups.

American leadership in technology is one of our country's greatest economic and strategic advantages. But that leadership cannot be taken for granted. As foreign governments increasingly impose discriminatory taxes, restrictive regulations, and barriers to digital trade, the United States must stand up for the ability of American innovators to compete globally.

CTA urges USTR to prioritize these barriers in its trade negotiations, seek enforcement of existing commitments, and work with industry to ensure that American companies of every size can reach customers around the world. Removing these barriers will strengthen American competitiveness, support U.S. jobs, and help ensure that the next generation of technology innovation continues to be led by the United States.

Sincerely,



Ed Brzytwa
Vice President of International Trade
Consumer Technology Association



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Annex 1 – Digital Services Taxes

Austria

Austria imposes a five percent digital services tax (DST) on revenues from online advertising directed at Austrian users, including banner ads, search engine ads, and comparable services. The tax applies to companies with annual global revenues of at least €750 million and Austrian revenues from online advertising of at least €25 million. These thresholds disproportionately burden large U.S. providers while excluding most domestic competitors.

Belgium

Belgium is considering a three percent DST on revenues from targeted online advertising, digital intermediation, and the monetization of user data attributable to Belgian users. The proposal would apply to groups with annual consolidated global revenues exceeding €750 million and Belgian revenues from covered services exceeding €3 million. If enacted as currently drafted, the tax would take effect January 1, 2027. Its scope and thresholds risk disproportionately burdening U.S. technology companies while excluding many domestic competitors. Belgium's parliamentary record currently lists the bill as pending. CTA urges USTR to engage Belgium to prevent discriminatory taxation of U.S. digital service providers.

Colombia

Colombia's Significant Economic Presence (SEP) regime, which took effect in January 2024, subjects qualifying nonresident providers to income taxation on revenues from sales of goods and digital services to Colombian customers. The regime allows covered providers to elect to pay a three percent tax of their gross revenues. A tax reform bill introduced in July 2026 would increase this rate to five percent. CTA is concerned that both the regime and the proposed rate increase could disproportionately raise costs for U.S. suppliers potentially placing them at a competitive disadvantage. CTA urges USTR to assess the regime's consistency with Colombia's obligations under the U.S.–Colombia Trade Promotion Agreement.

France

France imposes a three percent DST on revenues from digital intermediation and targeted advertising services attributable to French users. The tax applies to companies or groups with annual revenues from covered services exceeding €750 million globally and €25 million in France. France has also called for an EU-wide digital services tax, raising concerns about the expansion of unilateral digital taxation and additional burdens on U.S. providers.

Germany

Germany is considering a levy on large online platforms that use media content, with proceeds intended to support the domestic media and creative sectors. Germany's Minister of State for Culture and the Media Wolfram Weimer has advocated a levy on digital advertising revenues, but the government has not yet finalized the design or scope of the proposal. In July 2026, the Finance Minister stated that he was awaiting a concept from Minister Weimer. CTA urges USTR to engage Germany to discourage the adoption of any discriminatory levy that would disproportionately burden U.S. digital services providers.

Italy

Italy imposes a three percent DST on gross revenues from digital advertising, multilateral digital interfaces, and the transmission of user data. The tax applies to companies or groups with annual global revenues of at least €750 million. Italy's 2025 Budget Law removed the €5.5 million domestic revenue threshold, expanding the tax's reach. It also introduced an advance payment due November 30 equal to 30 percent of the previous year's DST liability, with the balance due May 16 of the following year. These changes expand exposure to the tax and accelerate payment obligations for covered U.S. providers.

Kenya

Kenya's Significant Economic Presence (SEP) tax imposes an effective three percent levy on qualifying gross turnover earned by nonresident service providers. It applies a 30 percent tax rate to deemed profits equal to 10 percent of gross turnover, with monthly filing and payment obligations. Changes effective July 2025 broadened the tax's scope to internet and electronic-network services and removed the minimum turnover exemption, which would place additional burdens on U.S. providers.

The Philippines

The Philippines imposes a 12 percent value-added tax (VAT) on digital services consumed in the country, whether supplied by resident or nonresident digital services. Republic Act No. 12023, enacted in October 2024, covers online search engines, media, advertising, platforms, digital marketplaces and goods, and cloud services. The law requires covered providers to assess, collect, and remit the tax. Although the 12 percent VAT applies to both resident and nonresident digital service providers, the law prohibits nonresident providers from claiming input VAT credits. This difference may disadvantage U.S. suppliers that incur Philippine VAT on business purchases. CTA urges USTR to examine this restriction and seek equal treatment for U.S. providers.

Poland

Poland has proposed a three percent “compensatory” tax on revenues from targeted digital advertising, multilateral digital interfaces such as marketplaces, and paid transfers of user data. The tax would apply to companies or consolidated groups with global revenues exceeding €1 billion and taxable Polish revenues exceeding PLN 25 million. The proposal also provides for an offset for corporate income tax paid by the taxpayer. Its scope and revenue thresholds disproportionately burden U.S. providers while excluding many domestic competitors.

Spain

Spain imposes a three percent DST on revenues from digital advertising, digital intermediation, and the sale of user data. The tax applies to companies with annual global revenues exceeding €750 million and Spanish revenues from covered services exceeding €3 million. Its scope and revenue thresholds disproportionately burden U.S. providers while excluding many domestic competitors.

Turkey

Turkey imposes a five percent DST on gross revenues from covered digital services, including digital advertising, digital content sales, and platform operations. The tax applies to providers with annual revenues from covered services of at least €750 million globally and TRY 20 million in Turkey. The rate is scheduled to fall to 2.5 percent on January 1, 2027. CTA welcomes the reduction, but the tax continues to burden U.S. digital service providers and raise concerns about discriminatory treatment.

United Kingdom

The United Kingdom imposes a two percent DST on revenues from social media platforms, internet search engines, and online marketplaces attributable to UK users. The tax applies to groups with annual revenues from covered activities exceeding £500 million globally and £25 million in the United Kingdom. The first £25 million of taxable UK revenues is exempt. The tax disproportionately burdens U.S. technology companies, increasing the cost of serving the UK market.

Annex 2 – Other Measures

Argentina

Personal Data Transfer Restrictions

Argentina does not currently list the United States as an adequate jurisdiction for personal data transfers. Transfers to U.S. recipients therefore require an alternative legal basis, such as approved contractual clauses, binding corporate rules, express consent, or an applicable statutory exception. These additional steps can increase compliance costs and complicate U.S. suppliers' delivery of cloud, technical support, and other cross-border services.

The U.S.–Argentina Agreement on Reciprocal Trade and Investment (ARTI), signed on February 5, 2026, includes a commitment to provide certainty for transfers to the United States, including by recognizing it as a jurisdiction providing adequate data protection under Argentine law.

CTA urges USTR to encourage USTR to prioritize implementation of this commitment. USTR should also encourage Argentina's Agency for Access to Public Information (AAIP) to advance U.S. adequacy recognition through its established procedures. Pending recognition, Argentina should maintain clear, accessible transfer mechanisms and avoid unnecessary administrative burdens on legitimate cross-border data flows.

Express Shipments

Argentina's small-shipment courier regime restricts access to simplified clearance through limits on shipment value, weight, quantity, and frequency. Eligible noncommercial shipments may contain no more than three units of the same type, weigh no more than 50 kg per package, and have a value not exceeding $3000 per shipment. The regime may be used only five times per calendar year per person.

Qualifying shipments receive an exemption from customs duties and the statistical fee on the first $400 FOB, while VAT and applicable internal taxes remain payable. Duties and the statistical fee apply to the excess value.

These limits complicate U.S. sellers' ability to predict clearance procedures and landed costs, particularly when eligibility depends on a customer's prior purchases from other suppliers. Although recipients can check quota usage through ARCA, sellers may lack equivalent visibility.

The signed ARTI identifies removal of certain express-shipment limits as an intended reform. It also provides for pre-arrival processing and immediate release of low-risk U.S. shipments without transfer to bonded facilities. CTA urges USTR to ensure that

Argentina prioritizes these improvements, simplifies eligibility rules, and encourages predictable clearance procedures for U.S. exports.

Australia

Audiovisual Services

Australia enacted local content investment requirements for major subscription video-on-demand services in December 2025, implementing a commitment under its National Cultural Policy. Services with at least one million Australian subscribers must invest at least 10 percent of their total program expenditure for Australia, or 7.5 percent of their Australian revenue, in eligible new Australian programs. CTA is concerned that these requirements constrain U.S. providers' investment decisions and favor Australian productions over competing U.S. content. CTA urges USTR to address mandatory local content investment requirements that burden U.S. audiovisual service suppliers.

Digital Competition Ex-Ante Requirements

Australia continues to develop a proposed ex ante competition regime for digital platforms following a Treasury consultation that closed in February 2025. On June 23, 2025, the ACCC released its final Digital Platform Services Inquiry report, which maintained its recommendation for a new digital competition regime and called for continued monitoring of emerging digital markets.

The framework would allow the government to designate digital platform providers and impose broad obligations concerning self-preferencing, data use, interoperability, and manipulative design practices, alongside service-specific requirements.

The proposal identifies app marketplaces, advertising technology services, and social media as initial priorities for designation. Other services could be considered in the future, including online marketplaces, virtual assistants, and potentially cloud services. The ACCC would advise on designation and recommend service-specific obligations.

CTA is concerned that the regime could disproportionately burden U.S. companies, particularly if designation focuses exclusively or primarily on U.S.-headquartered providers. Such an approach would raise trade concerns similar to those associated with the EU's Digital Markets Act (DMA), including unequal treatment and increased compliance costs for U.S. suppliers.

Proposed Digital Duty of Care

On September 8, 2026, Australia released an exposure draft of the Online Safety Amendment (Digital Duty of Care) Bill. The proposal would require covered providers to ensure, so far as reasonably practicable, a safe online environment. Its broad scope

includes social media, search engines, hosting and app distribution services, and certain services enabling users to generate and share AI content.

Providers would conduct written risk assessments addressing content, design features, and other systems or processes, review those assessments at least annually, and take measures to address identified risks. The proposal also provides substantial civil penalties and regulatory powers to direct remedial action.

CTA is concerned that broad coverage and uncertain compliance expectations could increase costs, require significant service changes, and discourage U.S. suppliers from introducing products in Australia. Obligations should reflect each provider's functions, control over risks, and scale of Australian operations.

CTA urges USTR to engage Australia for clear definitions, proportionate obligations and penalties, meaningful consultation, and adequate implementation periods. Australia should provide predictable exemptions for low-risk services and avoid requirements that unnecessarily restrict innovation or market access.

Data Center Frameworks and Proposed AI Infrastructure Standards

Australian governments are developing new frameworks for data center investment. New South Wales released a Data Centre Policy Framework in August 2026, and Victoria issued a Sustainable Data Centre Action Plan. These initiatives address planning, energy, water, and community impacts.

In September 2026, the Australian Government consulted on mandatory national standards for large data centers and separate conditions for frontier AI training. Proposed data center standards include community engagement, workforce training, and use of local suppliers and content where possible. The consultation also considers requiring contributions to Australian research and innovation, including through reserved compute capacity, local research partnerships, or financial contributions.

CTA is concerned that mandatory local sourcing or research contributions could restrict U.S. suppliers' commercial choices and increase investment costs. Overlapping federal and state requirements could also create uncertainty, particularly for projects already under development.

CTA urges USTR to encourage Australia to avoid local content and disproportionate investment conditions, coordinate requirements across jurisdictions, and provide clear transition arrangements. Standards should address demonstrated infrastructure and community impacts while preserving predictable market access for U.S. cloud and AI providers.

Brazil

Internet Speech

Brazil's expanded intermediary liability framework raises significant concerns for U.S. digital service providers. Broader liability for third-party content can increase litigation exposure and compliance costs, create uncertainty about removal obligations, and encourage the removal of lawful content. Where Brazilian courts require worldwide content removal, those orders can also affect services and lawful expression outside Brazil and create conflicting obligations across jurisdictions. CTA urges USTR to seek clear, proportionate liability rules, adequate procedural safeguards, and limits on the extraterritorial reach of content-removal orders.

Unfair, Preferential Tariffs

Brazil imposes relatively high tariffs on imports including information technology and electronics. CTA urges USTR to seek reductions in these tariffs and encourage Brazil to join the WTO Information Technology Agreement and its 2015 expansion. Accession would eliminate tariffs on covered products, expand opportunities for U.S. technology exporters, and lower costs for Brazilian businesses and consumers.

In addition, Brazil's taxes and tariffs on imported data center equipment increase costs for U.S. technology providers. In September 2026, Brazil enacted Law No. 15.504, establishing the Special Taxation Regime for Data Center Services (ReData). The regime provides conditional tax relief for qualifying equipment purchases, but import-duty relief applies only to listed products without equivalent Brazilian production. Eligibility also requires commitments concerning domestic service availability, sustainability, and investment in Brazilian research and innovation.

CTA welcomes efforts to reduce the tax burden on digital infrastructure but remains concerned that domestic-market and investment conditions could restrict providers' commercial flexibility and increase compliance costs. Conditioning import-duty relief on the absence of equivalent domestic production also limits access to U.S. equipment and may distort purchasing decisions.

CTA urges USTR to encourage Brazil to reduce tariffs on digital infrastructure equipment and ensure transparent, predictable, and nondiscriminatory access to tax incentives. Implementation should avoid burdensome domestic-market conditions and investment requirements that discourage U.S. exports or investment.

Digital Trade and Electronic Payment Services

Digital Ex Ante Competition Regulations

Brazil is considering several proposals to impose ex ante regulation on digital platforms, drawing on elements of the EU's DMA and other European regulatory frameworks. These proposals could expand regulators' discretion, increase compliance costs, and disproportionately burden U.S. technology companies.

Bill No. 2768/2022 would grant Brazil's National Telecommunications Agency (ANATEL) broad authority to regulate digital platforms, including powers to temporarily suspend or prohibit their activities in Brazil. CTA is concerned that broadly defined obligations and extensive rulemaking discretion would make it difficult for U.S. providers to anticipate compliance requirements and could require costly changes to their business operations.

Bill No. 4675/2025 would create a Digital Markets Unit within the Administrative Council for Economic Defense (CADE) and authorize CADE to designate companies as having "systemic relevance" in digital markets and impose special obligations on them. The bill remains pending before the Chamber of Deputies under expedited procedures. CTA is concerned that designation criteria and broad regulatory discretion could disproportionately subject U.S. providers to additional requirements without adequately linking those requirements to demonstrated competition concerns.

A substitute bill submitted by the rapporteur on July 8, 2026 would permit CADE to designate economic groups as "systemically relevant" where annual revenue exceeds R$50 billion globally or R$5 billion in Brazil and certain qualitative factors are met. Such designations could remain in effect for up to six years. The bill further provides that special obligations tied to specified products or services, potentially including interoperability and data portability, transparency concerning commercial terms and ranking, restrictions on self-preferencing and tying, and notification of acquisitions for informational purposes, would be imposed through a separate administrative proceeding and could take effect within 90 days of the relevant decision. Designated firms would also be required to maintain a legal presence in Brazil.

Bill No. 4691/2024 would establish additional digital platform obligations, including requirements concerning content moderation and removal, with regulatory responsibilities assigned to ANATEL and CADE. These provisions raise related concerns about intermediary liability, overlapping oversight, and uncertainty for U.S. suppliers.

CTA urges USTR to engage Brazil to prevent discriminatory digital platform regulation and seek clear, proportionate requirements grounded in evidence of market power and competitive harm. Any framework should provide transparent designation criteria,

meaningful opportunities to challenge regulatory decisions, and equal treatment for U.S. suppliers.

Preferential Treatment of Local Content

Brazil is considering legislation to impose new taxes and local content requirements on audiovisual streaming services. Bill No. 2331/2022, as amended by the Chamber of Deputies and pending before the Senate, would extend the Contribution for the Development of the National Film Industry (CONDECINE) to covered streaming providers, including platforms that host user-generated audiovisual content. As proposed, the tax would be four percent for video-on-demand and internet television services and 0.8 percent for content-sharing services. It would also require video-on-demand services to meet minimum quotas for Brazilian content in their catalogs. CTA is concerned that these measures would increase costs for U.S. providers and favor Brazilian content over competing U.S. productions. CTA urges USTR to engage Brazil to prevent discriminatory taxation and local content requirements that restrict digital trade.

Proposed AI Regulation

Brazil's Bill No. 2338/2023, approved by the Senate in December 2024 and pending before the Chamber of Deputies, could create significant barriers for U.S. AI developers and exporters of AI-related products and services. Restrictive AI rules can function as a trade barrier even when they do not distinguish between domestic and foreign companies.

CTA is concerned that the bill's broad high-risk classifications could impose obligations that do not reflect the risks of particular applications. The allocation of responsibilities among developers, providers, and users also requires greater clarity to prevent overlapping requirements and uncertainty across the AI supply chain.

The bill's copyright provisions raise additional concerns. They would require developers to disclose summaries of protected content used in AI development and remunerate eligible rights holders for its use in mining, training, and development. The text also preserves potential liability where rights holders prohibit use after training. These provisions could increase costs, create uncertainty for previously trained models, and limit the availability of U.S. AI products and services in Brazil.

CTA is also concerned that broad regulatory discretion and obligations for general-purpose and generative AI could impose disproportionate burdens, including when systems support low-risk applications. CTA urges USTR to seek clear, proportionate, risk-based requirements that distinguish responsibilities across the AI supply chain, protect confidential business information, and avoid unnecessary barriers to U.S. AI exports.

Proposed Network Usage Fees

ANATEL is considering regulatory changes concerning large users of telecommunications networks, including potential mandatory payments by digital content and application providers to telecommunications operators. In March 2026, ANATEL launched an additional request for information covering network traffic, content delivery networks (CDNs), interconnection arrangements, and the costs and benefits of exchanging traffic within Brazil. The consultation forms part of an ongoing regulatory review.

CTA is concerned that mandatory network usage fees could disproportionately burden U.S. digital service providers, increase the cost of supplying services in Brazil, and discourage investment in digital infrastructure. Such requirements could also fail to account for providers' existing investments in CDNs, caching, and interconnection infrastructure that improve service quality and reduce network costs.

CTA urges USTR to encourage Brazil to reject mandatory network usage fees and preserve commercially negotiated interconnection arrangements. Any regulatory changes should be transparent, proportionate, and nondiscriminatory, and should recognize the infrastructure investments made by digital service providers.

Data Center Conformity Assessment Requirements

ANATEL's Resolution No. 780/2025 established conformity assessment requirements for data centers integrated into telecommunications networks, covering operational resilience, physical security, cybersecurity, energy efficiency, and sustainability. In 2026, ANATEL suspended the enforceability of the data center provisions pending further review. The provisions remain in the resolution, creating uncertainty regarding their future application.

CTA is concerned that, if reinstated without clear scope and proportionate implementation requirements, these obligations could impose duplicative assessments and costly infrastructure changes on U.S. cloud and data center providers. CTA urges USTR to encourage Brazil to clarify the framework's scope, recognize equivalent international standards and independent assessments, and provide adequate transition periods that protect service continuity.

Separately, ANATEL's proposed 6 GHz spectrum auction includes commitments to support regional data centers and edge infrastructure. These proposed obligations concern the auction framework and do not themselves establish that all cloud services or data centers are regulated telecommunications services. CTA urges USTR to engage Brazil to ensure transparent implementation that preserves fair competition and avoids duplicative obligations on digital infrastructure providers.

Canada

Online Streaming Act

Canada's Online Streaming Act, enacted in April 2023, expanded the Canadian Radio-television and Telecommunications Commission's (CRTC) authority to regulate online streaming services. In June 2024, the CRTC required covered streaming providers to contribute five percent of their annual Canadian broadcasting revenues to designated Canadian funds. In May 2026, the CRTC adopted a broader Canadian programming expenditure requirement of 15 percent for covered audiovisual streaming services, including the base contribution.

The Canadian government subsequently directed the CRTC to "review" its decision to triple those mandatory financial contributions and eliminate the original five percent base contribution. CTA welcomes this commitment and urges USTR to seek its full implementation. CTA also urges USTR to address local content and discoverability requirements that could disproportionately burden U.S. providers, constrain programming decisions, and limit opportunities for U.S. content in Canada.

Québec's French-Language Content Requirements (Bill 109)

Québec enacted Bill 109 in December 2025 to promote access to and discoverability of original French-language cultural content online. The law covers audiovisual and audio streaming platforms, as well as manufacturers of televisions and connected television devices. It authorizes the Québec government to establish registration, reporting, content availability, discoverability, and interface requirements through regulations. It also establishes the Bureau de la découvrabilité des contenus culturels within the Ministry of Culture and Communications to oversee compliance.

CTA is concerned that these requirements could increase compliance costs for U.S. streaming providers and device manufacturers, require changes to product interfaces and content offerings, and fragment the Canadian market. CTA urges USTR to seek transparent, proportionate implementation that avoids discriminatory treatment of U.S. suppliers and unnecessary barriers to North American digital trade.

Customs Barriers

Although the Canada Border Services Agency's (CBSA) Assessment and Revenue Management system (CARM) supports mass adjustments, its submission requirements can complicate annual customs adjustments involving large numbers of entries. Electronic mass adjustments require retransmission of each affected declaration, and current rules restrict the changes that can be combined in a single case. CTA urges USTR to encourage CBSA to streamline these procedures and ensure that importers can efficiently complete annual adjustments under agreed-upon adjustment regimes.

Chile

Cybersecurity Incident Reporting Requirements

Chile's cybersecurity framework requires covered providers of essential services to report cyberattacks or cybersecurity incidents that may have significant effects within three hours of becoming aware of them. This short deadline can create operational challenges for U.S. technology providers managing incident response across multiple jurisdictions.

CTA is concerned that accelerated reporting requirements may require additional staffing and Chile-specific procedures while companies are still assessing and containing an incident. Overlapping reporting obligations could further increase compliance costs without improving cybersecurity outcomes.

CTA urges USTR to encourage Chile to adopt proportionate reporting timelines, clearly define reportable incidents, and limit initial notifications to information reasonably available at the time. Chile should also coordinate reporting procedures across authorities and avoid duplicative submissions.

Cloud Outsourcing Regulations for Financial Institutions

Pursuant to Chapter 20-7 of Chile's banking regulations (RAN 20-7), Chile's Financial Market Commission (CMF) permits both domestic and offshore cloud outsourcing but maintains in-country contingency infrastructure requirements for certain significant or strategic processing activities. Amendments adopted in 2019 allow bank boards to waive the local contingency requirement, subject to specified safeguards. CTA remains concerned that the requirement and conditions for using the exception can increase costs and limit financial institutions' access to U.S. cloud services.

In April 2026, CMF consulted on proposed amendments that would expand oversight of subcontractors, introduce additional reporting, and strengthen contractual exit-planning requirements. These obligations could add compliance burdens across cloud supply chains if implemented without clear limits and proportionate requirements.

CTA urges USTR to encourage Chile to allow financial institutions to meet contingency requirements through equivalent, geographically distributed cloud resilience arrangements. CMF should establish clear criteria for exceptions, recognize international standards and independent assessments, and tailor subcontractor oversight and exit requirements to the risks of the outsourced service.

China

U.S. Entities on the Anti-Foreign Sanctions Law

China's Ministry of Commerce designated the Responsible Business Alliance (RBA) and five other U.S. organizations under the Anti-Foreign Sanctions Law on August 5, 2026, prohibiting entities and individuals in China from transacting or cooperating with them. RBA administers widely used labor, environmental, and ethics audit programs. Its Responsible Minerals Initiative (RMI) supports due diligence through assessments of mineral smelters and refiners.

These restrictions create an unfair trade barrier by denying U.S. companies access to established supply chain verification services in China that support compliance with U.S. law. Companies sourcing from China must assess and document compliance with forced labor import restrictions and conflict minerals disclosure requirements. China's designation obstructs the cooperation needed to conduct that work, making it more difficult and costly for U.S. companies to import goods, maintain supplier relationships, and operate manufacturing facilities.

CTA urges USTR to seek removal of the restrictions on RBA and related due diligence activities and encourage China to refrain from imposing countermeasures on organizations that support lawful supply chain compliance.

Data Restrictions

China's data localization requirements and restrictions on cross-border data transfers impose significant compliance costs and operational burdens on U.S. companies. The Data Security Law (DSL), Personal Information Protection Law (PIPL), and Cybersecurity Law (CSL) establish a broad regulatory framework governing data storage, processing, and transfers. Covered cross-border transfers of personal information generally require a government security assessment, personal information protection certification, or a standard contract.

The Cyberspace Administration of China's (CAC) security assessment requirements apply to certain transfers of personal information and "important data," including transfers by critical information infrastructure operators. Companies subject to these requirements must conduct a risk self-assessment before applying for government approval. These procedures increase compliance costs and require extensive documentation concerning data processing and transfers, raising concerns about the protection of confidential business information and trade secrets.

Although China's Network Data Security Management Regulations, which has been in effect since January 1, 2025, define "important data," uncertainty surrounding sector-specific classifications and their application can make it difficult for U.S. companies to

determine which transfers require government approval. Broad classifications may subject additional commercial data to security assessments and restrict companies' ability to support operations across borders.

On March 22, 2024, CAC adopted rules that narrowed certain cross-border transfer requirements. The rules exempt qualifying transfers necessary for individual contractual transactions, cross-border human resources management, and certain other activities from security assessments, standard contracts, and certification requirements. They also clarify that companies need not seek a security assessment solely on "important data" grounds unless relevant authorities have notified them or publicly designated the data as important. These exemptions do not eliminate underlying personal information protection obligations.

CTA welcomes these targeted exemptions, but China's broader data localization and transfer restrictions continue to create barriers for U.S. suppliers of digital products and services. USTR should urge China to eliminate unnecessary localization requirements, narrowly define the scope of restricted data, provide transparent and predictable transfer procedures, and safeguard confidential business information submitted during regulatory reviews.

Colombia

Trade Facilitation

Under the U.S.–Colombia Trade Promotion Agreement (USCTPA), Colombia committed to facilitate customs clearance through electronic processing, pre-arrival submission of shipment information, and automated risk analysis. The agreement also requires expedited procedures for express shipments, including pre-arrival processing and acceptance of a single manifest, through electronic means where possible.

However, gaps in Colombia's customs modernization continue to burden U.S. exporters. Colombia continues to require physical invoices rather than electronic copies and notes that its digital customs system remains under development as of December 31, 2025. Paper-based procedures delay customs clearance and increase costs for companies trading with Colombia. CTA urges USTR to ensure Colombia fully implements its trade facilitation commitments, accepts electronic customs documentation, and ensures efficient pre-arrival processing and expedited clearance for express shipments.

Restrictive Broadband Definition

Colombia's Communications Regulation Commission (CRC), through Resolution No. 8307 of 2026, increased the minimum speeds required to market fixed internet services as "broadband." Since October 1, 2026, the thresholds are 300 Mbps download and 150 Mbps upload in municipalities with more developed markets. Other municipalities begin

at 100/50 Mbps and progressively reach 300/150 Mbps in October 2028. The resolution also defines “ultra broadband” as services providing at least 1000/500 Mbps.

CTA is concerned that these thresholds, particularly the upload requirements, could disadvantage U.S. satellite and fixed wireless providers whose services meet consumer needs but cannot qualify for the broadband designation. Restricting that designation could impair their ability to compete and discourage investment in rural and underserved areas.

CTA urges USTR to encourage Colombia to adopt proportionate, technology-neutral broadband definitions that reflect consumer needs and preserve competition across delivery technologies. Colombia should consider a 100/20 Mbps broadband benchmark and assess how its marketing restrictions affect satellite and wireless services.

Dominican Republic

Proposed Extension of Telecommunications Regulation to Cloud and Digital Services

The Dominican Republic’s draft General Law on Telecommunications, Digital Infrastructure and Connectivity raises concerns about extending telecommunications regulation to cloud computing, data centers, content delivery networks, and other digital services. CTA is concerned that the proposed “functional linkage” criterion could capture providers that do not themselves supply public telecommunications services, leaving the scope of their obligations uncertain.

Applying telecommunications obligations to these services could increase compliance costs for U.S. providers and discourage investment and digital adoption. Requirements should also reflect the division of responsibilities between cloud providers and their customers, including which party controls the infrastructure, applications, and data involved.

CTA urges USTR to encourage the Dominican Republic to clearly distinguish public telecommunications services from cloud and other digital services. The final law should expressly exclude computing, storage, hosting, database, analytics, AI, content-delivery, and managed-DNS services from telecommunications-specific obligations when they do not themselves provide a regulated telecommunications service.

Ecuador

Artificial Intelligence and Data Protection Requirements

Ecuador’s Superintendency of Personal Data Protection (SPDP) adopted binding requirements for personal data processing in AI systems, effective March 10, 2026. The measure applies to covered AI systems processing Ecuadorian personal data

regardless of the location of the system or provider and imposes risk management, impact assessment, recordkeeping, and audit obligations. CTA is concerned that overly broad implementation could increase compliance costs and limit U.S. companies' ability to provide AI products and services in Ecuador. CTA urges USTR to seek clear, proportionate requirements that protect personal data while avoiding unnecessary barriers to digital trade.

EU and EU Member States

Digital Markets Act

The DMA, which entered into force on November 1, 2022, imposes extensive obligations on designated "gatekeepers." These include restrictions on data use and self-preferencing, data access and portability obligations, and interoperability requirements. CTA is concerned that applying prescriptive obligations across services with different business models can increase compliance costs, limit product development, and hamper innovation.

The European Commission currently designates seven gatekeepers covering 23 core platform services. Six have U.S.-headquartered parent companies. This concentration raises concerns about the DMA's disproportionate impact on U.S. technology suppliers.

Designated gatekeepers generally must comply with the DMA's substantive obligations within six months of designation. The Commission can impose fines of up to 10 percent of worldwide annual turnover for violations and up to 20 percent for repeat violations. These penalties, combined with extensive compliance requirements, create significant financial and operational risks for affected U.S. companies.

CTA urges USTR to press the EU for proportionate, transparent, and nondiscriminatory implementation of the DMA that accounts for differences among services and protects innovation, privacy, security, and intellectual property.

Private Copying Levies

The EU's private copying levy framework rests on Directive 2001/29/EC. Article 5(2)(b) allows Member States to introduce exceptions for private, noncommercial copying, provided rightsholders receive fair compensation. However, national differences in levy rates, covered devices, exemptions, and reimbursement procedures create a fragmented system that increases costs and administrative burdens for U.S. manufacturers and importers operating across multiple Member States.

CTA is particularly concerned about burdensome procedures for exempting business purchases or recovering levies charged on devices used for purposes unrelated to private copying. EU case law requires effective exemptions or reimbursement

mechanisms, but complex national procedures can make these protections difficult to use. These burdens can distort pricing and impede cross-border trade.

Levy calculations should also reflect changes in how consumers access digital content. In April 2026, the Court of Justice of the European Union ruled that offline streaming copies fall outside the private-copying exception where they remain technically confined to the streaming service and under rightsholder control. CTA urges USTR to press the EU and its Member States to reflect this ruling in national levy schemes, avoid charges for uses outside the exception, and establish transparent, proportionate rates and practical exemption and reimbursement procedures.

Digital Services Act

The Digital Services Act (DSA) regulates intermediary services, including cloud hosting services, social networks, video-sharing platforms, and online marketplaces. The DSA imposes additional obligations on services designated as Very Large Online Platforms (VLOPs) or Very Large Online Search Engines (VLOSEs), based on a threshold of at least 45 million average monthly active users in the EU. These obligations include systemic risk assessments and mitigation measures, independent audits, data access requirements, and an option for recommender systems that does not rely on user profiling. CTA is concerned that using service size to trigger these extensive obligations can impose disproportionate compliance costs on U.S. companies without adequately distinguishing the risks associated with different services.

The Commission continues to expand the designation list. Of the 28 services currently designated under the DSA, 20 are operated by U.S.-based companies or organizations.

CTA urges USTR to seek transparent, proportionate, and nondiscriminatory implementation of the DSA, with obligations tied to demonstrated risks and safeguards for confidential business information, intellectual property, and lawful expression.

Data Act

The Data Act, which went into effect on September 12, 2025, regulates access to and sharing of data generated by connected products and related services. Its data-sharing obligations can require disclosure of commercially sensitive information, subject to confidentiality safeguards and limited grounds for withholding disclosure. CTA is concerned that these protections may not adequately prevent the loss of valuable trade secrets or protect companies' investments in developing connected products and services.

The Act excludes companies designated as "gatekeepers" under the DMA from receiving data as eligible third parties under its connected-product data-sharing provisions. This restriction limits users' choice of service providers and

disproportionately affects U.S. companies, which account for most designated gatekeepers.

The Act also requires cloud and other data processing service providers to take measures against access to EU-held non-personal data by third-country authorities where that access would conflict with EU or Member State law. CTA is concerned that these requirements could expose U.S. providers to conflicting legal obligations and uncertainty when responding to lawful government requests.

CTA urges USTR to seek implementation that protects trade secrets, avoids discriminatory restrictions on U.S. suppliers, and resolves conflicting legal obligations.

Artificial Intelligence Act

The AI Act establishes a broad regulatory framework for AI systems and general-purpose AI models offered in the European market. CTA is concerned that uncertainty over the scope of the AI definition, high-risk classifications, and compliance requirements could increase costs and limit market access for U.S. AI developers and suppliers. Broad or inconsistent interpretations could subject lower-risk applications to obligations that do not reflect their actual risks.

The AI Omnibus, which entered into force on July 27, 2026, amended the AI Act to simplify certain requirements, expand regulatory sandboxes, and extend compliance timelines. CTA welcomes these changes, but remains concerned about the costs and complexity of implementing the broader framework.

Implementation remains phased. General-purpose AI obligations began applying on August 2, 2025, subject to transitional provisions, and transparency requirements began applying on August 2, 2026. Following the Omnibus amendments, requirements for high-risk systems listed in Annex III apply from December 2, 2027, while those for high-risk AI embedded in regulated products covered by Annex I apply from August 2, 2028.

CTA urges USTR to seek transparent, proportionate, and nondiscriminatory implementation, with clear guidance on covered systems, obligations tied to demonstrated risks, and consistent enforcement across Member States. The EU should avoid requirements that unnecessarily restrict U.S. AI exports or hinder the development and deployment of innovative products and services.

Proposed Digital Networks Act

The European Commission’s Digital Networks Act (DNA), proposed in January 2026, raises concerns about extending telecommunications obligations to networks supporting cloud and digital services, including content-delivery infrastructure. Uncertainty over the treatment of private infrastructure could increase compliance costs for U.S. providers and create overlapping obligations under existing EU cybersecurity rules.

The proposal also introduces a voluntary conciliation mechanism for disputes involving participants in the digital ecosystem. CTA is concerned that this mechanism, particularly if expanded into mandatory arbitration, could facilitate compulsory network payments by U.S. content, application, and cloud providers. Such payments could increase service costs and discourage infrastructure investment.

Separately, the DNA proposes an EU-level framework for satellite authorization and spectrum access. CTA urges clear, proportionate, and nondiscriminatory requirements that simplify market entry and avoid duplicative licensing obligations for U.S. satellite providers.

CTA urges USTR to encourage the EU to clarify the DNA's scope, avoid unnecessary telecommunications regulation of cloud and digital services, preserve commercially negotiated interconnection arrangements, and reject mandatory network usage fees.

Corporate Sustainability Due Diligence Directive

The Corporate Sustainability Due Diligence Directive (CS3D), as amended by the Omnibus I package, creates human rights and environmental due diligence obligations for covered companies. Although the amendments narrowed its scope, the directive can still require covered U.S. companies to assess and address risks in their global operations, subsidiaries, and chains of activities, including outside the EU. CTA is concerned that this reach could impose substantial compliance costs and complicate supplier relationships beyond the European market.

The Omnibus I amendments provide important relief by narrowing coverage, allowing companies to focus assessments on areas where adverse impacts are most likely and severe, limiting information requests, and removing the mandatory climate transition plan. They also cap financial penalties at three percent of net worldwide turnover and remove the harmonized EU civil liability regime, while leaving liability under national law.

CTA welcomes these changes but remains concerned about the costs of assessing complex global supply chains, uncertainty over what constitutes sufficient due diligence, and potential differences in national enforcement and civil liability. These requirements could create significant operational and legal burdens for covered U.S. businesses and smaller suppliers responding to their requests.

CTA urges USTR to seek proportionate implementation, clear guidance on the scope and limits of due diligence obligations, consistent enforcement across Member States, and safeguards against unnecessary burdens on U.S. companies and their global suppliers.

Fragmented Extended Producer Responsibility Requirements

U.S. small businesses selling goods into the EU face extended producer responsibility (EPR) obligations that vary across Member States and product categories, including separate registration, reporting and compliance requirements. A particular concern is the requirement for producers established outside the EU to appoint a locally established authorized representative in each Member State where they sell covered products. The EU has proposed simplifying authorized representative requirements for producers established within the EU, while largely preserving Member States' ability to require them for third-country producers. This may leave U.S. small and medium-sized enterprises (SMEs) facing significant fixed compliance costs even when selling only small volumes cross-border. The forthcoming broader reform of EU EPR rules under the Circular Economy Act will therefore be important for addressing fragmentation, proportionality and the accessibility of compliance mechanisms for small foreign sellers.

CTA urges USTR to encourage the EU to align EPR registration and reporting, provide accessible compliance mechanisms proportionate to sales volumes, and extend simplification measures to U.S. producers on equal terms.

Customs Reform and Low-Value E-Commerce Charges

Since July 1, 2026, the EU has applied a flat €3 customs duty per line item to goods in consignments valued below €150, charged according to the categories of goods contained in the parcel. The new Union Customs Code also introduces an EU-wide handling fee of €2 per line item for all e-commerce shipments and a new "importer for distance sales" framework, under which either the seller or the platform facilitating the sale may assume the importer role depending on the arrangements between them. These changes create particular challenges for U.S. SMEs selling low-value, second-hand, vintage, collectible or unique goods, for which information such as manufacturing origin or detailed product classification may be difficult to obtain.

CTA urges USTR to encourage the EU to reduce disproportionate charges, clarify seller and platform responsibilities, and ensure an accessible transition to the Customs Data Hub.

Digital Product Passport Requirements

The EU is progressively introducing Digital Product Passport (DPP) requirements under the Ecodesign for Sustainable Products Regulation. The DPP Registry became operational in July 2026, with requirements applying first to certain batteries in 2027 and subsequently expanding to additional product groups. U.S. stakeholders have already raised concerns regarding implementation timelines and access to commercially sensitive information. Second-hand and legacy products present additional challenges because sellers may not have access to information held by the original manufacturer or

to an existing DPP, particularly for products manufactured before the relevant requirements applied. Depending on how product-specific rules are designed, requirements to provide or verify complete DPP information could therefore create barriers to legitimate cross-border trade in used and refurbished goods.

CTA urges USTR to encourage the EU to offer proportionate requirements, adequate transition periods, protection of confidential information, and workable compliance options for used and legacy products.

European Product Act

The European Commission is preparing a European Product Act to update EU product compliance and market surveillance rules. Early Commission draft proposals raise particular concerns for U.S. sellers of second-hand and refurbished goods, which could continue to be treated similarly to newly manufactured products entering the EU despite sellers often lacking access to original technical documentation or the manufacturer. This approach could also make marketplace distribution dependent on manufacturer-controlled credentials, potentially allowing manufacturers to restrict downstream or secondary-market circulation. Proposed systematic pre-listing verification requirements could create additional barriers for U.S. SMEs using marketplaces to reach EU consumers and risk undermining the intermediary limited-liability framework established by the DSA. In addition, the draft envisages a new EU market surveillance fee on products imported from third countries, with differentiated treatment depending on how goods enter the EU, adding a further cost specifically to cross-border trade. The future framework should provide proportionate compliance pathways for imported used goods, preserve downstream distribution and avoid imposing discriminatory or unnecessary costs on legitimate U.S. exports.

CTA urges USTR to encourage the EU to adopt proportionate compliance pathways for used and refurbished goods, preserve legitimate downstream distribution, and oppose discriminatory or unnecessary charges on U.S. exports.

Germany

Competition / Ex Ante Rules

Germany's Federal Cartel Office (FCO) has expanded oversight powers under Section 19a of the Act Against Restraints of Competition (ARC). The FCO has designated five U.S. technology companies as having "paramount significance for competition across markets." This designation allows the FCO to prohibit specified conduct by these companies.

CTA is concerned that the regime's concentration on U.S. providers could impose disproportionate compliance burdens and require changes to their business operations.

CTA urges USTR to monitor implementation and seek transparent, proportionate, and nondiscriminatory enforcement grounded in evidence of competitive harm.

Proposed Investment Obligations for Streaming Services

Germany's proposed Media Services Investment Obligation Act would require covered streaming services to invest at least eight percent of relevant German net revenues in European audiovisual works. Within that spending, at least 60 percent would support new European works, 70 percent would go to independent producers, and 80 percent would support works originally produced in German. Providers could depart from certain requirements through approved industry agreements involving investment commitments of at least 12 percent.

The proposal would also limit the duration of exclusive exploitation rights for qualifying productions. These limits depend on producers' financial contributions, which may include public funding. CTA is concerned that the rules could restrict U.S. streaming providers' ability to recover production costs even when they supply most of the financing and bear substantial commercial risk.

Taken together, the investment quotas and rights restrictions would constrain spending decisions and contractual flexibility. CTA urges USTR to encourage Germany to avoid burdensome investment mandates and preserve commercially negotiated rights arrangements that reflect each party's financing and risk.

Proposed Digital Media State Treaty

Germany's federal states are considering changes to the media regulatory framework through the Digital Media State Treaty (DMStV). The Part 2 discussion draft would expand media concentration oversight, revise content discoverability requirements, and introduce specific obligations for AI information systems serving German users.

CTA is concerned that broadly defined obligations could increase compliance costs and constrain how U.S. platforms and AI providers design and deliver their services. Revenue-based concentration thresholds may inadequately reflect a service's actual influence over opinion formation, while mandatory content prominence requirements could interfere with user choice. AI-specific rules should also distinguish providers' responsibilities according to their control over the content and services involved.

CTA urges USTR to encourage Germany to adopt clear, proportionate, and nondiscriminatory requirements grounded in demonstrated risks. The final framework should preserve user choice, avoid unnecessary overlap with EU digital regulation, and provide meaningful consultation and adequate implementation periods.

India

Unfair, Preferential Tariffs

India has imposed tariffs on certain information and communications technology (ICT) products despite its WTO commitments to provide duty-free treatment. These measures affect products, such as mobile phones, base stations, telecommunications equipment, and related components, increasing costs and restricting market access for U.S. exporters.

In April 2023, WTO panels examining complaints brought by the EU, Japan, and Taiwan found that India's tariff treatment of certain ICT products violated its scheduled tariff commitments under the General Agreement on Tariffs and Trade. India appealed the reports in the Japanese and EU disputes. With the WTO Appellate Body unable to hear the appeals, those proceedings remain unresolved.

CTA urges USTR to press India to provide duty-free treatment for all ICT products covered by its WTO tariff commitments and resolve the outstanding disputes. Tariff reductions on individual products should not substitute for full compliance with those commitments.

Import Management System

India requires import authorizations for certain IT hardware, including laptops, tablets, all-in-one personal computers, ultra-small form factor computers, and servers under HS heading 8471. India announced the restrictions in August 2023 and, following a delay, introduced its Import Management System (IMS) in November 2023. The system has been extended several times, most recently through December 31, 2026.

The authorization requirements create uncertainty and administrative burdens for U.S. suppliers. CTA urges USTR to press India, through the Trade Policy Forum and other bilateral discussions, to remove unnecessary import authorization requirements and avoid quotas or conditions tied to domestic production. Any remaining procedures should be transparent, predictable, and administered promptly.

Restrictions on Multi-Brand Retail and E-Commerce

India's foreign investment restrictions limit U.S. retailers' and e-commerce providers' ability to compete in the Indian market. In multi-brand retail, India caps foreign ownership at 51 percent, requires government approval, and allows individual states to decide whether to permit such investment. Additional conditions include a minimum investment of $100 million, investment of at least half of the first $100 million in back-end infrastructure, and sourcing at least 30 percent of manufactured or processed product purchases from specified Indian enterprises. These requirements constrain business decisions and increase market entry costs.

These FDI-specific restrictions disadvantage U.S. companies relative to domestic competitors without foreign investment. They limit business models, complicate sourcing and fulfillment, and constrain companies' ability to serve Indian consumers efficiently.

CTA urges USTR to press India to remove discriminatory foreign investment and operating restrictions, permit inventory-based e-commerce on equal terms, and eliminate unnecessary sourcing and investment conditions.

Digital Competition Bill

In 2024, India released a draft Digital Competition Bill modeled after the EU's DMA, aimed at regulating "Systemically Significant Digital Enterprises" ex ante. After significant stakeholder opposition, the government withdrew the draft and commissioned a market study, now underway, examining revised designation thresholds that stakeholder reporting suggests could be set high enough to exclude major Indian platforms while capturing primarily large U.S. firms. A revised bill could emerge as early as December 2026. Such a discriminatory framework would raise serious national treatment and market access concerns while imposing prescriptive obligations without any demonstrated finding of anticompetitive harm.

Potential Data Localization Under Data Protection Rules

India's Digital Personal Data Protection (DPDP) framework generally permits cross-border personal data transfers, subject to restrictions specified by the Central Government. However, Rule 13(4) of the DPDP Rules, 2025 provides for restrictions requiring Significant Data Fiduciaries to retain specified personal data—and traffic data relating to its flow—within India, based on recommendations from a government-appointed committee. The rules provide for phased implementation.

CTA is concerned that broadly defined data categories could impose significant localization burdens on U.S. technology providers, increase infrastructure costs, and disrupt cross-border services. Uncertainty about the scope of future restrictions also complicates investment and system design decisions.

CTA urges USTR to encourage India to preserve cross-border data flows and avoid unnecessary localization requirements. Any restrictions should be narrowly tailored, transparent, and subject to meaningful consultation, with clear definitions and adequate implementation periods.

Indonesia

Customs Requirements for Electronic Transmissions

Indonesia established tariff classifications for electronically transmitted digital products, including software and audiovisual content, with duties initially set at zero percent.

Ministry of Finance Regulation No. 190/PMK.04/2022 subsequently established customs procedures for intangible goods. USTR has already identified significant administrative burdens arising from requirements to declare commercial electronic transmissions purchased from abroad and retain supporting records under unclear rules. These procedures increase costs and create uncertainty for U.S. digital suppliers and their customers.

Under the U.S.–Indonesia Agreement on Reciprocal Trade signed in February 2026, Indonesia committed to eliminate the relevant tariff lines and associated declaration requirements. The agreement also includes a commitment not to impose customs duties on electronic transmissions, including their content, and to support a permanent WTO moratorium.

CTA welcomes these commitments and urges USTR to ensure their full implementation. Indonesia should remove unnecessary customs requirements for electronic transmissions, provide clear guidance confirming their removal, and maintain duty-free digital trade.

Unfair, Preferential Tariffs

Indonesia's tariff treatment of certain technology products raises concerns about compliance with its commitments under the WTO Information Technology Agreement (ITA). Duties on covered products increase costs and restrict market access for U.S. technology suppliers.

CTA is concerned that customs classification and reclassification practices can subject covered technology products to duties despite Indonesia's duty-free commitments. Unpredictable classifications also complicate customs clearance, disrupt supply chains, and make it harder for U.S. companies to price products and plan shipments.

CTA urges USTR to press Indonesia to honor its WTO tariff commitments, ensure consistent and transparent classification of technology products, and provide effective procedures for challenging incorrect duty assessments.

Restrictions on Cross-Border E-Commerce

Indonesia's Ministry of Trade Regulation No. 19/2026, effective June 8, 2026, maintains restrictions on cross-border e-commerce previously established under Regulation No. 31/2023. It requires platforms facilitating cross-border sales to enforce a minimum price of $100 per unit, measured on a free-on-board basis, for finished goods sold directly from abroad to Indonesian consumers, subject to ministerially authorized exceptions. This restriction limits market access for lower-priced U.S. exports and shields domestic products from competition.

The regulation also imposes business licensing requirements and requires foreign platforms meeting specified transaction, shipment, or user thresholds to appoint a representative in Indonesia. Additionally, it prohibits marketplace and social-commerce platforms from acting as producers. These requirements increase compliance costs and constrain the business models available to U.S. companies serving Indonesian consumers.

In addition, Indonesia's Government Regulation No. 80/2019 on e-commerce restricts transfers of personal data outside Indonesia unless the Ministry of Trade recognizes the destination as providing equivalent protection. The Ministry continues to identify this restriction in its guidance to e-commerce businesses.

CTA is concerned that uncertainty over recognized destinations and available transfer mechanisms could effectively require U.S. e-commerce providers to store and process customer data locally. Such restrictions could increase infrastructure and compliance costs and disrupt integrated cross-border operations. Businesses also need clarity on how these sector-specific requirements interact with transfer mechanisms under Indonesia's Personal Data Protection Law.

CTA urges USTR to press Indonesia to seek removal of the minimum import price and unnecessary local presence requirements, and to encourage transparent, nondiscriminatory rules that enable U.S. exporters and e-commerce providers to compete in Indonesia.

Personal Data Protection Implementing Regulation

Indonesia's Government Regulation No. 33/2026, scheduled to take effect January 16, 2027, introduces additional obligations under the Personal Data Protection Law, including requirements concerning data protection officers, impact assessments, breach notifications, and safeguards for international data transfers. Its extraterritorial reach and uncertain recognition of internationally accepted transfer mechanisms could create significant compliance burdens for U.S. technology providers. CTA urges USTR to encourage Indonesia to provide clear, proportionate implementing guidance and recognize workable mechanisms for secure cross-border data transfers.

Import Restrictions on Used and Refurbished Products

Indonesia generally requires imported goods to be new, subject to specified exceptions. This framework restricts market access for U.S. sellers of used and refurbished consumer electronics, including businesses serving customers through cross-border marketplaces.

These restrictions can limit access to affordable, repaired, and warrantied products while impeding legitimate secondary-market trade. They can also restrict access to

replacement products and components that are no longer available as new, while discouraging reuse and extending product life.

CTA urges USTR to encourage Indonesia to provide clear import pathways for safe, functional used and refurbished electronics. USTR should also press for implementation of Indonesia's commitment under the signed bilateral trade agreement to remove import restrictions and licensing requirements on U.S. remanufactured goods and their parts.

Import Inspection and Surveyor Report Requirements

Indonesia requires surveyor reports for imports of specified technology products. These requirements involve verification by government-designated surveyors and can add inspection costs, documentation burdens, and delays to shipments supporting U.S. technology providers' operations. Earlier industry submissions identified burdens affecting servers and other data center equipment, as well as uncertainty in obtaining exemptions for capital goods.

CTA is concerned that duplicative inspections and unpredictable exemption procedures increase supply chain costs and complicate investment in digital infrastructure. The scope and administration of these requirements under Indonesia's updated import framework warrant continued attention.

CTA urges USTR to encourage Indonesia to eliminate unnecessary surveyor requirements for technology products and adopt streamlined, risk-based verification. Where inspections remain necessary, Indonesia should publish clear product coverage, fees, exemption criteria, and processing deadlines, and recognize equivalent documentation where appropriate.

Direct Oversight of Technology Providers Supporting Payment Services

Bank Indonesia's Regulation No. 10/2025 and implementing Regulation No. 32/2025, effective March 31, 2026, establish regulatory requirements for third-party providers supporting payment system participants. The framework classifies supporting operators as Critical, Important, or Standard based on service criticality and coverage. Critical and Important operators must register within three years of the framework's effective date and meet minimum requirements concerning personnel, processes, and technology.

CTA is concerned that broad classification criteria and direct oversight could impose obligations on U.S. cloud providers disproportionate to their role in payment services. Unclear thresholds and registration requirements could increase compliance costs and complicate financial institutions' access to these providers.

CTA urges USTR to encourage Indonesia to clarify classification thresholds and registration procedures, tailor oversight to providers' actual functions and risks, and recognize internationally accepted standards and independent assessments.

Requirements should avoid duplicative supervision and preserve access to competitive U.S. technology services.

Potential Ex-Ante Competition Regulation

Indonesia's competition authority (KPPU) is advocating a digital markets law and considering ex-ante approaches to regulating large digital platforms. In May 2026, KPPU presented its proposal to Parliament, and in July, it identified platform-specific conduct requirements as an approach under consideration.

CTA is concerned that broadly defined designation criteria or prescriptive obligations could disproportionately burden U.S. technology providers, increase compliance costs, and constrain innovation. The potential trade effects will depend on the scope and design of any legislative proposal.

CTA urges USTR to encourage Indonesia to ground any new framework in demonstrated competition concerns, apply clear and nondiscriminatory criteria, and provide meaningful stakeholder consultation. Requirements should be proportionate and avoid unnecessary overlap with existing competition and digital regulation.

Proposed Copyright Restrictions on AI Training

Indonesia is considering amendments to Law No. 28 of 2014 on copyright that would introduce provisions addressing AI development and training. Industry analysis of the draft identifies a licensing requirement for using copyrighted works to train AI models, subject to a narrow fair-use exception that may exclude many commercial applications.

CTA is concerned that restricting exceptions for commercial AI training, without a workable text and data mining framework, could increase costs and legal uncertainty for U.S. developers. Licensing requirements that are impractical to satisfy at scale could discourage AI development and related cloud investment in Indonesia.

Requiring AI developers to obtain licenses for large volumes of training material could make it prohibitively expensive for smaller companies to develop competitive models. These restrictions would favor companies with the resources to negotiate extensive licensing agreements while shutting out startups, researchers, and independent developers. They could also prevent U.S. companies from offering AI technologies lawfully developed in the United States to customers overseas.

CTA urges USTR to encourage Indonesia to adopt clear, innovation-supporting copyright exceptions that accommodate legitimate AI training and text and data mining, including commercial research. The framework should also respect the territorial limits of copyright law and avoid imposing Indonesian requirements on training lawfully conducted abroad.

Japan

Low-Value Imports and Customs De Minimis

Japan plans to introduce a marketplace-based consumption tax regime for certain low-value imported goods beginning in April 2028, creating new collection and compliance obligations for covered platforms. Separately, Japan is considering reform of its customs duty exemption for low-value imports. Eliminating the customs de minimis threshold could impose disproportionate administrative and customs costs on legitimate low-value shipments, particularly affecting U.S. small businesses and individual exporters. CTA urges USTR to encourage Japan to preserve an appropriate customs de minimis threshold and provide clear rules and sufficient implementation time for any changes to low-value import taxation.

Korea

Targeted Enforcement by the Korea Fair Trade Commission

U.S. companies have raised concerns about the predictability, proportionality, and procedural fairness of enforcement by the Korea Fair Trade Commission (KFTC). These concerns include unannounced inspections, broad investigative requests, potential criminal referrals, and the application of competition rules to commercial practices used in other major markets. Such practices can increase compliance costs and create uncertainty for companies investing and operating in Korea.

The KFTC's renewed emphasis on large-scale investigations, including through its Key Investigation Planning Unit, underscores the importance of clear enforcement priorities and procedural safeguards. Investigations should have a clearly defined scope, protect confidential business information, and provide companies meaningful opportunities to respond to allegations and seek independent review.

CTA is concerned about the substantial penalties imposed on U.S. companies in abuse-of-dominance cases. The concentration of significant fines on U.S. firms warrants careful examination of whether enforcement standards are applied consistently to comparable conduct by domestic and foreign companies. Two recent studies have analyzed available data and reached the same conclusion: South Korea levies disproportionately high surcharge penalties against U.S. companies vis-à-vis their Korean and Chinese counterparts. Across a ten-year period (2016-2025), U.S. companies did less than five percent of the business in Korea but paid nearly one in every four dollars of fines, or $1.3 billion of $5.6 billion.[2]

[2] Computer & Communications Industry Association (CCIA), "CCIA Study Finds South Korea Fines U.S. Companies Up to Seven Times More Than Korean Firms Relative to Business Activity," October 2026.

Effective competition enforcement can support innovation and consumer welfare. However, broadly interpreted standards and unpredictable procedures can also create trade barriers, even when the underlying rules do not expressly distinguish between domestic and foreign suppliers. These conditions can discourage investment, delay the introduction of new services, and limit U.S. companies' ability to compete in Korea.

CTA is deeply concerned that Korea's competition enforcement practices disproportionately target American technology companies while imposing significantly lighter burdens on domestic and Chinese competitors. This unequal treatment undermines confidence in Korea's regulatory system, discourages American investment, and raises serious concerns about Korea's commitments to nondiscriminatory competition enforcement. USTR should make fair treatment of American technology companies a priority in its engagement with Korea and insist on transparent enforcement, meaningful due process, and equal treatment for U.S. businesses. Addressing these concerns would strengthen confidence in Korea's investment climate and support the broader U.S.–Korea economic relationship.

Online Platform Legislation

Despite explicit commitments under the Korea Strategic Trade and Investment deal to refrain from pursuing online platform regulations that discriminate against U.S. firms, the KFTC under Chairman Ju's leadership and allies in the National Assembly continue to advance discriminatory platform legislation.

The Online Platform Fairness Act (OPFA)

A leading effort is the OPFA, which is designed to look neutral but functionally captures only large U.S. companies. Though the legislation lowers thresholds found in the original Online Platform Monopoly Act (PMA) – a virtual carbon copy of the EU's DMA, which stoked bilateral friction during trade negotiations – it remains de facto discriminatory given the sectoral focus on online platforms – where U.S. companies are market leaders.

The OPFA imposes intrusive, banking-style operational mandates under the guise of competition law that would restrict working capital flexibility, penalize integrated logistics models, and force U.S. investors to tailor operations specifically for the Korean market. Furthermore, the bill grants the KFTC unchecked discretion to penalize vague "unfair practices" through severe administrative sanctions, including fines up to 10 percent of sales. It would also violate Korea's trade commitments under KORUS Article 16.1 (Non-discrimination), Article 16.2 (Procedural Fairness), as well as broader National Treatment obligations, which require competition enforcement to be non-discriminatory, transparent, and grounded in rigorous economic proof of consumer harm.

Food Delivery Platform Act

The KFTC and National Assembly are likewise accelerating the Food Delivery Platform Act. This legislation would impose government-mandated price controls and fee caps on marketplace transactions, undermining free-market competition and the ability to engage in market-based contracts.

Like the PMA, the leading version of this bill relies on arbitrary, EU DMA-style ex-ante thresholds engineered to capture foreign market leaders, while explicitly shielding domestic competitors. By pairing strict fee caps with broad administrative discretion, fines up to 10 percent of revenue, and explicit threats of criminal prosecution, it would establish a dangerous precedent for government price-setting across foreign-led digital sectors.

Mobile OS Interoperability Bill

U.S. operators of application marketplaces are also disincentivized to operate in Korea given continued uncertainty over how app distributors could recover the costs of maintaining a mobile application marketplace. In May 2026, Representative Lee Jeong-Heon introduced Bill No. 2219036, an amendment to the Telecommunications Business Act that would require designated mobile operating system providers to provide third parties with technical access necessary for interoperability with device hardware and software functions and would prohibit unjustified refusal or restriction of such access. The bill was introduced on May 21, referred to the National Assembly's Science, ICT, Broadcasting and Communications Committee on May 22, and taken up by the Committee on September 8, 2026; it remains pending. Because the proposal advances closely with the EU's DMA Article 6(7), it risks reproducing similar harms to user privacy, security, and device integrity, and because the obligation is likely to scope in U.S. mobile OS providers while excluding Korea's largest domestic smartphone manufacturer, the measure raises concerns of discrimination against U.S. suppliers.

Competitive Asymmetry & Strategic Market Distortion

The KFTC's regulatory enforcement falls disproportionately on U.S. companies while taking a light-touch approach with Chinese companies just as Chinese platforms are growing fastest in the Korean market. Chinese companies have received fines far lower than comparable ones assessed to U.S. companies. If the KFTC proceeds with its proposed digital platform regime, it will create even more severe market distortions that penalize U.S.-headquartered firms while giving Chinese competitors a free pass.

Further, the problem extends beyond China. These proposals intentionally ignore industries controlled by domestic conglomerates. Korean firms maintain dominant positions across key sectors domestically – including consumer electronics,

telecommunications, and department store retail. Yet they face no comparable ex-ante restrictions or sectoral price controls.

Cross-Border E-Commerce Customs and Data Requirements

South Korea has introduced a dedicated e-commerce customs clearance platform and registration requirements for covered cross-border e-commerce businesses. Access to the dedicated declaration process requires registration and submission of customer and transaction information through an electronic interface.

According to carrier guidance, shipments from businesses unable to meet these requirements may require formal import declarations and face additional inspections after the transition period ends on December 31, 2026.

CTA is concerned that technical integration costs and loss of simplified clearance could disproportionately burden U.S. SMEs and impede low-value exports. CTA urges USTR to encourage South Korea to clarify coverage and required data, provide accessible submission options, protect confidential information, and avoid duplicative reporting. Businesses should receive sufficient testing and transition time, with workable clearance alternatives for smaller sellers.

Network Usage Fees

Korea's interconnection rules, amended in 2016, impose a "sending party network pays" settlement model among internet service providers (ISPs). Industry stakeholders report that this framework increases interconnection costs and places pressure on U.S. content and cloud providers to make additional payments to Korean ISPs.

CTA is concerned that these costs burden U.S. digital service suppliers, discourage infrastructure investment, and undermine commercially negotiated interconnection arrangements. Proposals to mandate payments directly from digital service providers would compound these concerns.

The November 2025 U.S.–Korea Joint Fact Sheet commits both countries to ensuring that U.S. companies do not face discrimination or unnecessary barriers concerning digital services, expressly including network usage fees.

CTA urges USTR to prioritize implementation of this commitment, encourage South Korea to remove mandatory sending-party-pays settlement requirements, and oppose compulsory network usage fees on digital service providers. South Korea should preserve voluntary, commercially negotiated interconnection, including settlement-free peering where appropriate.

Domestic Agent Requirements for Foreign E-Commerce Operators

South Korea's amended E-Commerce Act requires qualifying foreign online sellers and marketplace operators without an address or place of business in Korea to appoint a domestic agent beginning January 21, 2027. The agent must handle specified consumer complaints and disputes and respond to regulatory information requests.

Coverage includes businesses meeting global revenue or Korean visitor thresholds, as well as certain businesses subject to regulatory requests concerning significant consumer harm. CTA is concerned that reliance on global revenue could impose fixed compliance costs on U.S. suppliers with limited Korean sales.

CTA urges USTR to encourage South Korea to apply clear, proportionate criteria reflecting activity in the Korean market, avoid duplicative agent requirements, and provide predictable guidance on responsibilities and enforcement.

Malaysia

Import Restrictions on Refurbished Communications Equipment

Malaysia requires approval for imports of regulated communications equipment through SIRIM QAS International, the certification body appointed by the Malaysian Communications and Multimedia Commission. SIRIM's published certification and special-approval materials list used, refurbished, reconditioned, and second-hand communications equipment as prohibited, creating a market access barrier for U.S. suppliers.

These restrictions limit cross-border sales of functional refurbished electronics, reduce access to affordable replacement products, and impede legitimate secondary-market trade. They can particularly affect customers seeking replacements for discontinued devices while discouraging reuse and extending product life.

CTA urges USTR to encourage Malaysia to establish a clear approval pathway for refurbished communications equipment that meets applicable safety and technical standards. USTR should also press for implementation of Malaysia's bilateral commitment concerning imports of U.S. remanufactured and refurbished goods.

Mexico

Customs Barriers and Trade Facilitation

U.S. exporters report persistent challenges at the U.S.-Mexico border, including increased inspections, overlapping information requests from multiple agencies, and customs system outages that delay clearance. Mexico's limited notice and short transition periods for customs changes disrupt shipments and increase compliance costs for U.S. exporters. Companies also report customs audits involving substantial

payment demands and threatened suspension of importer registrations, as well as security incidents near the border that endanger employees and disrupt operations. These conditions increase costs and reduce predictability for U.S. businesses.

CTA welcomes Mexico's recent efforts to improve its single window and streamline customs operations but urges continued action to address barriers affecting U.S. exporters.

Mexico is also introducing the Electronic Value Declaration (Manifestación de Valor Electrónica, MVE) through its foreign trade single window. Under the latest announced schedule, implementation will begin in phases on November 1, 2026, with definitive imports covered beginning January 15, 2027. CTA is concerned that additional valuation documentation and discrepancies between exporters' records and importers' declarations could cause clearance delays.

CTA urges USTR to seek full implementation of USMCA Chapter 7, including commitments on expedited release, transparent procedures, communication with traders, information technology, and the single window. Mexico should coordinate agency requests, maintain reliable customs systems, provide clear guidance and adequate transition periods, and ensure transparent audit procedures and effective opportunities to challenge adverse decisions.

Customs Charges and Documentation for Low-Value Shipments

Mexico's amended Customs Law changes the framework for calculating charges on shipments cleared through simplified courier procedures. Article 88 bis provides for a combined rate calculated using VAT, customs processing fees, and the highest tariff within the relevant tariff chapter. CTA is concerned that applying chapter-level maximum tariffs could increase costs for lower-duty products and reduce the benefits of simplified clearance for U.S. exporters, particularly small businesses.

Mexico has also expanded documentation and verification requirements for customs transactions. These burdens can increase compliance costs, delay clearance, and make brokers less willing to handle smaller shipments.

CTA urges USTR to ensure Mexico preserves efficient clearance for low-value shipments and honors USMCA commitments on duty and tax thresholds and preferential tariff treatment. Mexico should provide clear guidance on applicable charges and require only proportionate documentation needed to verify transactions.

Customs Reference Prices and Guarantee Requirements

Mexico applies estimated reference prices to certain imported products. When an importer declares a customs value below the applicable reference price, Mexico generally requires a financial guarantee covering duties and other applicable charges

attributable to the difference. These requirements can tie up working capital and increase costs even when the declared transaction value is legitimate.

CTA urges USTR to ensure Mexico applies valuation methods consistent with the WTO Customs Valuation Agreement and does not use reference prices as mandatory minimum customs values. Mexico should provide transparent procedures for substantiating transaction values and promptly releasing guarantees, while addressing suspected undervaluation through targeted, evidence-based enforcement.

Judicial Reform and Access to Legal Remedies

Mexico's September 2024 constitutional reform introduced popular elections for judges and replaced key judicial governance institutions. The first judicial elections took place in June 2025, with the remaining federal circuit and district judicial positions scheduled for election in 2027. CTA is concerned that these changes could weaken judicial independence, disrupt commercial disputes, and reduce legal certainty for U.S. companies operating in Mexico.

Separately, the October 2025 Amparo Law amendments changed standing requirements and conditions for obtaining temporary suspension of government actions while legal challenges proceed. CTA is concerned that these changes could limit U.S. companies' access to effective remedies when challenging tax assessments, permit decisions, and other regulatory actions, increasing business costs and investment risks.

U.S. businesses depend on independent courts and effective legal remedies to enforce contracts, protect investments, and challenge government actions. USMCA Article 14.6 requires treatment of covered investments consistent with customary international law, including protection against denial of justice. CTA urges USTR to engage the Mexican government to safeguard judicial independence, preserve effective access to legal remedies, and uphold Mexico's USMCA investment obligations. These protections are essential to maintaining investor confidence and strengthening North American supply chain integration.

Regulatory Independence in Competition and Telecommunications

Mexico's December 2024 constitutional reform and July 2025 implementing laws replaced its autonomous competition and telecommunications regulators with bodies within the executive branch. The National Antimonopoly Commission, affiliated with the Secretariat of Economy, replaced the Federal Economic Competition Commission and assumed the Federal Telecommunications Institute's competition functions. The Telecommunications Regulatory Commission, within the Digital Transformation and Telecommunications Agency, assumed telecommunications oversight.

CTA is concerned that the loss of constitutional autonomy could weaken impartial enforcement, increase political influence over regulatory decisions, and reduce predictability for U.S. companies. In telecommunications, effective oversight is essential to address dominant suppliers and ensure fair treatment of U.S. providers.

CTA urges USTR to ensure Mexico upholds its USMCA commitments on regulatory independence, impartial decision-making, and nondiscriminatory treatment. USTR should also press for transparent competition enforcement and continued application of measures addressing dominant telecommunications suppliers, so U.S. companies can compete on fair terms.

Barrier to Electronic Payment Services

Mexico's 2021 regulations impose complex approval and business continuity requirements on electronic payment fund institutions using cloud services. Institutions meeting specified size or transaction thresholds, whose primary cloud services could be interrupted by a foreign government order, must maintain an independent backup provider subject to a different jurisdiction, their own infrastructure outside the jurisdiction presenting the risk, or another continuity arrangement approved by regulators. These requirements can increase costs and constrain institutions' choice of cloud providers.

The approval process administered by the National Banking and Securities Commission (CNBV) and Bank of Mexico also creates barriers to using U.S. cloud services. CTA is concerned that these practices disadvantage U.S. providers and encourage unnecessary localization.

CTA urges USTR to seek transparent, timely, and nondiscriminatory approval procedures and proportionate business continuity requirements. Mexico should allow institutions to use secure U.S. cloud services without unnecessary local infrastructure or duplicative provider requirement.

Article 30-B / Platform "Kill Switch" and Real-Time Access

Article 30-B of Mexico's Federal Tax Code requires covered digital service providers to give tax authorities permanent, online, real-time access to information held in their systems or records that is necessary to verify tax compliance. Noncompliance can trigger temporary blocking of access to the digital service under the Value-Added Tax Law – widely referred to as the "kill switch." The provision also requires coordination with the Digital Transformation and Telecommunications Agency on technology management or data analysis.

CTA is concerned that continuous access requirements could impose substantial technical and compliance costs on U.S. providers and create risks to data security and confidential business information. Blocking an entire service over a tax compliance

dispute could disrupt market access and harm businesses and consumers that depend on that service.

CTA urges USTR to assess these requirements against Mexico's USMCA commitments and seek narrowly tailored, secure alternatives for verifying tax compliance. Mexico should clearly limit the information authorities may access, protect confidential data, and provide effective notice and opportunities to resolve disputes before imposing disproportionate service-blocking penalties.

Tax Registration Barriers Affecting U.S. SMEs

U.S. SMEs seeking to store inventory and sell products in Mexico face burdensome procedures to obtain a Mexican tax identification number, known as the Registro Federal de Contribuyentes (RFC).

Mexico's Tax Administration Service's (SAT) registration requirements for foreign companies include documentation establishing the company's legal existence, proof of address, and a legal representative registered with the RFC. Foreign corporate documents must be apostilled or legalized, formalized before a Mexican notary, and, where necessary, translated into Spanish by an authorized translator. The process also requires an appointment at a SAT office.

Companies report that document preparation, professional fees, and appointment delays create substantial costs and postpone market entry. These burdens fall particularly heavily on SMEs with limited resources to manage foreign tax compliance.

CTA urges USTR to work with Mexico to simplify RFC registration for foreign SMEs, expand remote registration options, reduce duplicative documentation requirements, and provide clear guidance on applicable tax and reporting obligations. These improvements would help U.S. small businesses reach Mexican customers and participate in North American trade.

VAT Credit Denials and IMMEX Tax Treatment

U.S. companies report that Mexico's SAT has retroactively challenged previously accepted VAT credits for payments to third-party suppliers. These challenges have resulted in demands to repay previously claimed amounts, accompanied by penalties and other charges. Retroactive changes in tax treatment undermine legal certainty and expose companies to substantial, unexpected liabilities.

Companies also report additional VAT demands involving transactions under Mexico's Manufacturing, Maquiladora and Export Services Industry (IMMEX) program. They contend that these demands impose overlapping VAT liabilities on goods already subject to import VAT. CTA is concerned that disputed tax treatment, delayed refunds,

and the resulting financial burdens weaken the predictability of North American manufacturing operations and discourage investment in integrated supply chains.

CTA urges USTR to engage Mexico to ensure transparent and consistent VAT administration, address retroactive assessments that overturn previously accepted treatment, and prevent unrecoverable double taxation. Mexico should also provide timely refunds and effective opportunities for companies to challenge disputed assessments.

Copyright Levy

Mexico's Ministry of Culture, with Collective Management Organizations, is developing a compensatory remuneration scheme for private copying on electronic devices, potentially including smartphones, tablets, laptops, and computers, under which manufacturers and importers would pay up to two percent of a device's value upon its introduction into the Mexican market, regardless of whether the device is actually used to make private copies; the United States applies no comparable levy. Authorities have presented elements of the proposal to industry but, despite requests, have withheld the full text, leaving companies unable to assess its scope, methodology, or economic impact, and raising transparency concerns that could implicate Mexico's Good Regulatory Practices commitments under USMCA Chapter 28. More broadly, the levy could create an additional market-access barrier for electronic devices imported into Mexico and raise the cost of placing them in the market.

Proposed Price Transparency Requirements for Digital Commerce

Mexico is considering amendments to Article 76 Bis of the Federal Consumer Protection Law requiring providers conducting electronic transactions to display the total price from the outset, disclose additional charges before purchase, and clearly identify advertising or promotional offers on digital platforms.

CTA supports clear pricing information for consumers but is concerned that requirements lacking implementation guidance or adequate transition periods could create unnecessary burdens for U.S. e-commerce providers. Businesses need clarity on charges that depend on information supplied during checkout, such as delivery location or optional services.

CTA urges USTR to encourage Mexico to provide meaningful consultation, clear guidance, and sufficient implementation time. Requirements should apply consistently to comparable transactions and accommodate charges that cannot reasonably be calculated before customers provide the necessary information.

Peru

Tax Registration Requirements for Express Shipments

Peru generally requires importers to hold a taxpayer registration number (RUC). Individuals importing occasionally without a RUC may make up to three imports per calendar year, each valued at no more than US$1000 FOB, subject to applicable exceptions. These limits can complicate personal-use purchases from U.S. sellers and create additional registration burdens for consumers who otherwise do not need a RUC.

Article 5.7 of the U.S.–Peru Trade Promotion Agreement requires expedited customs procedures for express shipments, including simplified documentation and timely clearance. CTA is concerned that shipment-frequency limits tied to tax registration reduce access to simplified procedures and impede legitimate low-value trade.

CTA urges USTR to encourage Peru to remove unnecessary frequency limits for noncommercial imports and allow individuals to use national identification documents for personal-use express shipments, with appropriate safeguards against commercial abuse.

Taiwan

Double Taxation

The absence of a comprehensive U.S.–Taiwan agreement to address double taxation creates barriers to cross-border trade and investment. U.S. businesses operating in Taiwan face potential overlapping tax obligations and lack the certainty and relief that a bilateral agreement could provide. These burdens can increase operating and financing costs and discourage investment, particularly by SMEs.

A comprehensive agreement could reduce withholding taxes on cross-border dividends, interest, and royalties; clarify permanent establishment rules and the taxation of temporary cross-border workers; and establish mechanisms to resolve tax disputes. These improvements would support U.S. technology exports, investment, and supply chain collaboration with Taiwan.

CTA urges USTR to coordinate with the Department of the Treasury and Congress and encourage Taiwan to prioritize the negotiation and implementation of reciprocal double-taxation relief alongside ongoing bilateral trade initiatives.

Thailand

Digital Platform Services Decree

Thailand’s Digital Platform Services (DPS) Decree took effect on August 21, 2023, and is administered by the Electronic Transactions Development Agency (ETDA). The

decree establishes notification and reporting requirements for covered digital intermediary services to protect users and promote transparency in digital transactions. ETDA interprets its scope broadly, extending beyond e-commerce marketplaces, ride-hailing services, and food delivery applications to other digital services, including social media and cloud services.

Covered providers face recurring reporting obligations, including disclosures of user statistics and revenue information. CTA is concerned that applying these requirements across services with substantially different functions and risk profiles creates unnecessary compliance costs and uncertainty for U.S. suppliers. Requirements to disclose commercially sensitive information also raise concerns about confidentiality, while overlapping obligations can compound administrative burdens.

CTA urges USTR to encourage Thailand to clarify the decree's scope, tailor obligations to demonstrated consumer protection risks, protect confidential business information, and eliminate duplicative reporting requirements.

E-Commerce Competition Guidelines

The Trade Competition Commission of Thailand (TCCT) issued e-commerce competition guidelines that took effect on March 25, 2026. The guidelines address conduct by multi-sided e-commerce platforms in their relationships with sellers, logistics providers, advertisers, and payment service providers. They cover pricing practices, product visibility, preferential treatment, and restrictions on the use of service providers.

CTA is concerned that broad standards governing these practices could create legal uncertainty and increase compliance costs for U.S. e-commerce providers. Without clear enforcement criteria, the guidelines could discourage business practices that improve efficiency, service quality, and consumer choice. Platform-specific requirements also risk imposing disproportionate burdens on online businesses relative to competing retail channels.

CTA urges USTR to encourage Thailand to clarify enforcement standards, account for legitimate commercial justifications and consumer benefits, and avoid duplicative or disproportionate obligations. Enforcement should be transparent, evidence-based, and nondiscriminatory.

Digital Platform Economy Act

Thailand is developing a Digital Platform Economy Act to expand regulation of digital services. Earlier versions drew on EU platform regulation, but in August 2026, the Digital Economy and Society Minister directed officials to slow the legislative process and revisit the proposed approach. As a result, the review has cast doubt on the previously announced target of parliamentary submission around September 2026.

Official discussions have contemplated broad coverage of digital services, registration and revenue disclosures, platform responsibilities for third-party providers, and controls on platform fees. The scope, enforcement arrangements, and final obligations remain under development.

CTA is concerned that broad coverage and burdensome obligations could increase compliance costs and restrict U.S. suppliers' ability to offer services in Thailand. Any enhanced competition obligations should reflect evidence of market power and demonstrated competition concerns, rather than relying solely on company size. Overlapping requirements could also compound burdens under Thailand's existing platform and competition rules.

CTA urges USTR to encourage meaningful consultation, clear regulatory responsibilities, and transparent, proportionate, and nondiscriminatory requirements that protect competition and support innovation.

Turkey

Proposed Ex-Ante Competition Regulation

Turkey is considering amendments to its Competition Act that would introduce obligations modeled on the EU's DMA, including restrictions on designated digital providers and data-sharing requirements. The proposal was circulated in 2022 and revised in 2024. Available 2026 analysis continues to describe it as a draft.

CTA is concerned that broad designation criteria and prescriptive obligations could disproportionately burden U.S. technology providers, increase compliance costs, and constrain innovation. Mandatory data sharing could also raise concerns about privacy, security, and confidential business information.

CTA urges USTR to encourage Turkey to adopt clear, nondiscriminatory criteria grounded in demonstrated competition concerns. Any obligations should be proportionate, protect sensitive information, and provide meaningful consultation and adequate implementation periods.

United Kingdom

Digital Markets, Competition and Consumers Act

The United Kingdom's digital markets competition regime under the Digital Markets, Competition and Consumers Act (DMCCA) took effect on January 1, 2025. It authorizes the Competition and Markets Authority (CMA) to designate firms with "Strategic Market Status" (SMS) for specific digital activities and impose tailored conduct requirements and pro-competition interventions. Designation requires substantial and entrenched market power, a position of strategic significance, and annual turnover exceeding £25

billion globally or £1 billion in the United Kingdom. Designations generally last five years and may be renewed.

Since October 2025, the CMA has designated certain search, search advertising, and mobile platform services operated by U.S. technology companies as having Strategic Market Status. These designations subject the covered services to ongoing regulatory oversight and potential conduct requirements.

CTA is concerned that broad regulatory discretion and evolving obligations could increase compliance costs, require changes to business models, and delay the introduction of innovative services in the UK market. CTA urges USTR to encourage transparent, nondiscriminatory implementation, with obligations grounded in evidence, proportionate to identified competition concerns, and attentive to consumer benefits, security, and innovation.

Online Safety Act

The United Kingdom's Online Safety Act imposes duties on regulated user-to-user and search services, with additional obligations for services meeting specified categorization thresholds. Ofcom published its register on June 30, 2026, and updated it in September. Category 1 includes major social media, messaging, gaming, and video-sharing services; qualifying search services fall under Category 2A. Several online marketplaces are designated Category 2B, which carries fewer additional obligations than Category 1.

CTA is concerned that requirements insufficiently tailored to services' functions and risks could impose disproportionate compliance costs on U.S. providers. As Ofcom updates the register, categorization and implementation should reflect material differences among marketplaces, messaging services, and platforms distributing content widely.

CTA urges USTR to encourage the United Kingdom to apply clear, proportionate, and nondiscriminatory requirements, provide predictable implementation guidance, and preserve effective procedures for reviewing category designations.

Vietnam

Data Law and Implementing Decrees

Vietnam's Data Law, adopted in November 2024, and implementing Decrees No. 165/2025/ND-CP and No. 169/2025/ND-CP took effect on July 1, 2025. Together with Prime Minister's Decision No. 20/2025/QD-TTg, these measures establish classifications for "important data" and "core data" and impose requirements governing data processing, cross-border transfers, and the provision of certain data products and services.

Decree 165 establishes data verification and authentication obligations, as well as impact assessment requirements for cross-border transfers of covered data. Transfers of core data generally require prior approval, while important-data transfers generally require advance notification, subject to specified exceptions. These procedures can increase compliance costs and delay cross-border business operations.

Decree 169 establishes licensing, certification, and operating conditions for covered data intermediary, analysis, aggregation, and exchange services. Local establishment requirements for certain services create market access barriers for U.S. suppliers seeking to serve Vietnamese customers from abroad.

CTA urges USTR to encourage Vietnam to clarify the scope of covered data and services, streamline transfer procedures, avoid duplicative obligations across its data protection frameworks, and permit cross-border service delivery without unnecessary local establishment requirements.

E-Commerce Law and Implementing Decree

Vietnam's E-Commerce Law No. 122/2025/QH15 and implementing Decree No. 248/2026/ND-CP took effect on July 1, 2026. The framework expands regulation of online marketplaces, social media commerce, livestream sales, and affiliate marketing, including seller verification and consumer protection obligations.

Covered foreign platforms must register and meet local presence requirements that vary by business model. Certain platforms must establish a Vietnamese legal entity. Where treaty commitments preclude that requirement, the law instead requires an authorized Vietnamese legal entity and a security deposit. Decree 248 sets the deposit at a minimum of VND 20 billion for covered platforms using this alternative arrangement and generally freezes the funds throughout their operations.

The law also requires infrastructure, logistics, and payment providers to deny services to platforms publicly listed as violating the law. These restrictions can compound the consequences of regulatory enforcement for cross-border operations.

CTA is concerned that local presence requirements, fixed deposits, and extensive compliance obligations increase costs and impede U.S. suppliers' market access, particularly for smaller businesses. CTA urges USTR to encourage Vietnam to remove unnecessary establishment requirements, provide proportionate alternatives to fixed deposits, and ensure transparent enforcement with meaningful opportunities to challenge service restrictions.

Digital Transformation Law

Vietnam's Digital Transformation Law, effective since July 1, 2026, establishes a broad framework governing digital infrastructure, data, platforms, and security. Its

implementation warrants monitoring for requirements affecting U.S. cloud, AI, and digital platform providers.

CTA is concerned that broadly defined implementing obligations could overlap with Vietnam's existing data protection, cybersecurity, e-commerce, and competition rules, increasing compliance costs and legal uncertainty.

CTA urges USTR to encourage Vietnam to provide clear, proportionate, and nondiscriminatory implementing rules, avoid duplicative obligations, and preserve cross-border data flows and market access. Vietnam should provide meaningful consultation and adequate implementation periods for new requirements.

Customs Requirements for Cross-Border E-Commerce

Vietnam's amended Customs Law No. 11/2026/QH16 is scheduled to take effect on March 1, 2027. It expands the definition of customs declarants to include e-commerce platform operators and establishes requirements for goods traded across borders through digital platforms. Operators must connect with customs authorities' e-commerce data-processing system when conducting required electronic identification and authentication and provide information relating to traded goods.

CTA urges USTR to encourage Vietnam to clarify responsibilities among these parties, publish technical specifications well before implementation, protect confidential business information, and provide sufficient testing and transition periods. Implementation should facilitate clearance and avoid disproportionate burdens on U.S. platforms and SMEs.

Data Localization and Local Presence Requirements

Vietnam's Cybersecurity Law No. 116/2025/QH15 took effect on July 1, 2026. Decree No. 333/2026/ND-CP, effective August 19, 2026, establishes detailed requirements governing data storage and local presence for covered digital service providers.

The decree requires domestic enterprises to store specified Vietnamese user data in Vietnam. Covered foreign providers may be required to store such data locally and establish a Vietnamese branch or representative office when their services are used for cybersecurity violations and they fail to adequately respond to repeated written requests from the Ministry of Public Security's specialized cybersecurity authorities. These requirements cover a broad range of services, including cloud storage, e-commerce, payments, social media, and online communications.

Foreign providers subject to an order generally have 12 months to comply. Required data storage lasts at least 24 months, while the local presence obligation can continue until the provider ceases operating or providing the covered service in Vietnam.

CTA is concerned that these requirements can increase infrastructure and operating costs, constrain the use of global service networks, and deter U.S. suppliers from serving Vietnamese customers. CTA urges USTR to encourage Vietnam to remove unnecessary localization and local presence requirements and pursue cybersecurity objectives through transparent, proportionate measures that support cross-border digital trade.

Personal Data Protection Requirements

Vietnam's Personal Data Protection Law and implementing Decree No. 356/2025/ND-CP establish requirements for processing personal data and transferring it across borders. For covered transfers, businesses must prepare impact-assessment dossiers and submit them to the personal data protection authority within 60 days of commencing transfers. The decree provides exceptions for specified activities, including certain cross-border personnel management and contractual transactions.

CTA is concerned that extensive documentation and filing requirements could increase compliance costs for U.S. providers and complicate integrated cross-border services. Clear guidance is needed on covered activities, available exceptions, and responsibilities among data controllers, processors, and cloud providers.

CTA urges USTR to encourage Vietnam to streamline assessment and reporting requirements, protect confidential business information, and provide predictable mechanisms for cross-border transfers. Implementation should avoid duplicative obligations and preserve access to U.S. digital services while protecting personal data.

Data-Sector Administrative Sanctions

Vietnam adopted Decree No. 363/2026/ND-CP on September 19, 2026, establishing administrative sanctions for data-sector violations. The decree is scheduled to take effect on November 11, 2026.

For specified violations involving cross-border data transfers and processing, the decree authorizes suspensions lasting three to twelve months. Such restrictions could disrupt or prevent U.S. digital service providers from serving Vietnamese customers where their operations depend on global data processing, cloud infrastructure, or integrated service networks.

CTA is concerned that prolonged suspensions could impose disproportionate costs, undermine service continuity, and create significant uncertainty for U.S. suppliers. CTA urges USTR to encourage Vietnam to ensure that sanctions are narrowly tailored to identified violations, provide clear notice and meaningful opportunities for review, and allow timely restoration of cross-border data flows once violations are remedied.

Civil Cryptography Licensing and Certification Requirements

Vietnam requires business and import/export licenses for covered civil cryptography products. It also maintains technical conformity requirements for specified products using IPsec and TLS under Circular No. 23/2022/TT-BQP.

Companies report lengthy licensing processes, unclear requests for additional information, and inconsistent application decisions. These administrative burdens can delay imports of critical hardware, increase costs, and impede U.S. cloud providers' deployment of new infrastructure and services in Vietnam. Uncertainty about certification procedures can further complicate deployment planning.

CTA urges USTR to encourage Vietnam to streamline licensing and certification, publish clear product coverage and documentation requirements, and apply predictable processing deadlines. Vietnam should recognize equivalent international standards and assessments where appropriate, avoid duplicative reviews, and provide written explanations and effective review procedures for adverse decisions.

Proposed Digital Competition Rules

Vietnam is considering amendments to its Competition Law as part of a broader legislative package. Proposals discussed in June 2026 would revise criteria for assessing digital platforms' market power and introduce additional prohibited abuses of dominance in digital markets.

CTA is concerned that broadly defined prohibitions could increase compliance costs and constrain U.S. technology providers' business models without adequately accounting for differences among services or demonstrated competitive harm.

CTA urges USTR to encourage Vietnam to adopt clear, nondiscriminatory requirements grounded in sound competition analysis. Vietnam should provide meaningful opportunities to review and comment on the operative draft, assess its effects on innovation and market access, and allow adequate implementation periods.

Proposed Data Security Law

Vietnam's proposed Data Security Law would establish additional requirements governing data security, cross-border data flows, incident response, and AI-related data governance. The proposal addresses digital infrastructure and the security of data used in AI development, creating potential overlap with Vietnam's Data Law, Personal Data Protection Law, and AI Law.

CTA is concerned that overlapping requirements and broadly defined restrictions could increase compliance costs for U.S. cloud and AI providers, complicate cross-border operations, and expose sensitive technical or commercial information. Unclear

allocation of responsibilities among providers and customers could further undermine legal certainty.

CTA urges USTR to encourage Vietnam to harmonize its data-related laws, narrowly tailor transfer restrictions to demonstrated risks, and avoid duplicative approvals, assessments, and reporting. The final framework should protect confidential information, reflect providers' actual technical capabilities, and remain consistent with Vietnam's applicable international commitments.