



Trade Developments

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Hello and welcome to this edition of Trade Developments.

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New Tariffs Issued After Supreme Court Rules Against IEEPA Tariffs

In a 6-3 decision on February 20, 2026, the Supreme Court [ruled](#) against President Donald Trump's use of the International Emergency Economic Powers Act (IEEPA) underpinning many of the country-focused tariffs levied last year. Soon thereafter, the Trump administration issued new tariffs pursuant to Section 122 of the Trade Act of 1974.

In the ruling, the Supreme Court held in *Learning Sources Inc. v. Trump* that "IEEPA does not authorize the President to impose tariffs."

"The Framers gave that power [to impose tariffs] to 'Congress alone,'" Chief Justice John Roberts wrote in the majority opinion on the decision. "When Congress grants the power to impose tariffs, it does so clearly and with careful constraints. It did neither here [in IEEPA]."

The ruling effectively affirmed the decision of the Court of Appeals for the Federal Circuit (CAFC) in *V.O.S. Selections, Inc. v. Trump*, which agreed with the Court of International Trade (CIT) that Trump exceeded his authority by imposing tariffs under IEEPA.

While the CIT originally issued a permanent injunction on the collection of tariffs imposed under IEEPA on imports from Canada, Mexico and China as well as the so-called "Reciprocal Tariffs," the CAFC remanded the case to the CIT to reconsider the permanent injunction based on the requirements in the Supreme Court case, *Trump v. CASA, Inc.*

Whether refunds of the IEEPA tariffs will be available and made, and if so, when and how they will be made, now rests in the hands of the CIT and the Trump administration.

Hours following the Supreme Court's decision, President Trump issued an Executive Order (EO) and a Presidential Proclamation in response to the decision. The EO, titled [Ending Certain Tariff Actions](#), terminates all IEEPA-based tariffs immediately and ends collection of such tariffs "as soon as practical." The Presidential Proclamation, titled [Imposing a Temporary Import Surcharge to Address Fundamental International Payments Problems](#), imposes a new, temporary 10% tariff on imports from all countries effective February 24, 2026. The Proclamation imposes the tariff based on Section 122 of the Trade Act of 1974 and is applicable for 150 days. The Proclamation also provides for several exemptions from the Section 122 tariff, including US-Mexico-Canada Agreement qualifying goods, certain civil aircraft and parts, products subject to Section 232 tariffs, among others. In a briefing on February 20, 2026, and in a Truth Social [post](#), President Trump said he may also take further action under other authorities, such as Section 301 of the Trade Act of 1974 or Section 232 of the Trade Expansion Act of 1962.

President Trump also issued another EO, titled [Continuing the Suspension of Duty-Free De Minimis Treatment for All Countries](#). This EO adjusts the tariff rates applicable to low value shipments, which became subject to the suspension of duty-free treatment last year under EO 14324, to align with the Presidential Proclamation. Additional guidance on the impact of the Supreme Court's decision and what comes next will be provided in the coming days.

Deloitte Tax will also be hosting a Dbrief at noon ET on February 26, 2026, that will go into more details and analysis of the ruling and the way forward. Please find a link to the invitation here: [From ruling to readiness: IEEPA decision issued-what changes now, what's next: Dbriefs webcast | Deloitte US](#).

UK and US strengthen cooperation on critical minerals supply chains

The UK and the United States have signed a Memorandum of Understanding on critical minerals, signalling an intention to deepen bilateral cooperation on supply chain resilience and to attract private investment into mining and processing projects. The agreement aligns with the [UK's Critical Minerals Strategy](#) and broader efforts to diversify sources of strategic inputs, with the UK targeting a reduction in reliance on any single supplier country by 2035.

The partnership is expected to support key sectors including automotive, defence and clean energy, and forms part of a wider network of bilateral arrangements with like-minded partners such as Australia and Canada. For businesses, the initiative underscores the growing policy emphasis on supply chain security, geopolitical risk mitigation and the potential for increased government support for domestic critical minerals projects. The government's announcement can be found [here](#).

UK-China visit delivers export and investment announcements

The UK Prime Minister's visit to China concluded with announcements of export deals, market access commitments and inward investment, collectively valued in the billions of pounds. The UK government reported approximately £2.2 billion in export agreements, around £2.3 billion in market access gains over five years, and additional new investment commitments, alongside sector-specific outcomes including reduced tariffs on whisky exports.

The visit marked the first UK prime ministerial trip to China in eight years and reflects a renewed emphasis on pragmatic engagement with a key trading partner, while maintaining a stated focus on national security considerations. For businesses, the announcements highlight ongoing opportunities in sectors such as advanced manufacturing, energy storage, life sciences and consumer goods, as well as the potential for improved market access and regulatory cooperation in the Chinese market. The government's announcement can be found [here](#).

UK-Switzerland negotiations progress on enhanced free trade agreement

The UK and Switzerland concluded the ninth round of negotiations on an enhanced Free Trade Agreement in January 2026, with discussions focusing on expanding the scope of the existing goods-focused agreement to cover services, investment, digital trade and data. Switzerland is the UK's tenth largest trading partner, with bilateral trade valued at approximately £49 billion in the 12 months to September 2025 and services accounting for more than 60% of UK trade with Switzerland.

Provisional agreement was reached on environment and labour provisions, with both sides seeking to consolidate these into a Trade and Sustainable Development chapter. The enhanced agreement is intended to provide greater certainty for services firms, including through commitments on market access, data flows and business travel. For businesses, the negotiations highlight the UK's continued emphasis on modernising post-Brexit trade arrangements and improving access for services-led sectors such as finance, legal and consultancy services. The government's announcement can be found [here](#).

WTO moratorium on customs duties on electronic transmissions

The US Ambassador to the World Trade Organization (WTO), Joseph Barloon, indicated that the US would welcome a permanent extension of the WTO moratorium on customs duties on electronic transmissions. Speaking on a [webinar](#) with the WTO Ambassadors of Norway, Barbados and New Zealand, Barloon highlighted that another temporary extension would not provide certainty for businesses.

The moratorium was originally signed in 1998 and prohibits the application of duties on digital goods and cross-border data flows. However, the agreement is temporary and is set to expire at the WTO's next Ministerial Conference, due to take place in Cameroon on the 26-29 March 2026.

UK-India FTA debated in parliament

On 9 February, the House of Commons debated the UK-India free trade agreement, as part of the parliamentary scrutiny process before ratification can be completed. Sir Chris Bryant MP confirmed the government will continue to try and resolve market access issues that are not covered by the treaty and is open to continuing negotiations on a bilateral investment treaty with India. Bryant indicated that he hoped the FTA will enter into force by the end of summer however, the treaty text must complete the legislative scrutiny process in both the UK and India before an entry into force date can be confirmed. The House of Lords briefing on the UK-India FTA can be found [here](#).

Attitude to Trade Survey Industry Insights

Deloitte has published a series of industry insights, based on the findings of our Attitudes to Trade Survey 2026. The insights highlight industry-specific findings of the survey across Energy, Resources & Industrials (ER&I), Technology, Media & Telecommunications (TMT), Government & Public Services (GPS) and Consumer. Access the full report and the industry insights [here](#).

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