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Editor's note

Missing the boat - again?

The risks of the latest technology revolution overlooking customs

Much has been written, for decades, about the stubbornly paper-based and manual processes in the cross-border movement of products.

That is not for lack of trying. When BOLERO ("Bill of Lading Electronic Registry Organization", a joint venture between S.W.I.F.T. – the global financial messaging network – and the TT Club, a specialist insurer in international transport and logistics) was launched in the late 1990s, it talked about a change of paradigm in international trade.

Despite its objectives being limited to providing electronic communications that allowed paperless negotiable bills of lading, adoption remained limited, and about five years later the TT Club wrote off its investment. Bills of Lading, for the time being at least, continued to be stubbornly made of paper.

Meanwhile, following the introduction of TradeNet in Singapore in 1989, the 2000s were all about Single Windows – large automated systems to facilitate the electronic interaction between private sector operators and government regulators, with some additional services to facilitate interactions between private sector operators thrown in for good measure. Yet although there have been clear advancements and improvements in what Single Windows can support, they have not fully lived up to their original aims. Electronic interchange of information may be far more commonplace, but its centralisation and the elimination of paper documents or duplication remain, in many jurisdictions, incomplete realities.

By the 2010s, attention turned to Blockchain. After a period of strong early enthusiasm, an [article](#) published by the World Trade Organization in 2018 eloquently addressed both the promise and the limitations of Blockchain in the space of international trade. Indeed, although there are many examples of successful implementation of blockchain technology, their practical impact has so far remained limited in scope and impact.

Meanwhile, successful automation of many business processes and interactions has proceeded apace, seemingly achieving effortlessly the type of progress and success that continues to elude the world of international trade in goods.

Now, in 2026, the focus is on the promise of Artificial Intelligence ("AI"). Surely, this time all bets are off, and managing the cross-border movement of products will finally join the rest of the world in a technology enabled bonanza of efficiency and productivity improvements, as well as full compliance with all regulations.

Or maybe not? Although there is scope for optimism, it is important not to forget the main lessons of past underachievement and disappointment. Without claiming to be comprehensive, here are a few.

First and foremost is the risk of overpromise. AI promises significant potential for streamlining processes, but moving products across borders is a very operational and transactional business, subject to a seemingly endless string of practical challenges and roadblocks. What matters most to economic operators is the effective and efficient management or – better still – elimination of those roadblocks. Using an AI tool to determine tariff codes does not mean they are always right, nor does it mean that such codes will not be challenged by customs authorities, if the underlying rationale lacks credibility.



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Similarly, AI tools that promise comprehensive market access intelligence may struggle with the unpredictable and variable interpretation and implementation of the published regulations and practices deployed by border officials. In some cases, AI tools are not necessary, as more basic technology could do the job. In other cases, tools that are positioned as AI solutions actually may in practice rely on more conventional technologies, with the term "AI" applied somewhat broadly.

Moreover, valuable AI tools for customs practitioners require good and reliable data that are often lacking. AI developers tend to brush over this, saying that they can handle all types of structured and unstructured data. But that is generally not the real challenge. Required data are spread over various unrelated parties, which are loath to share (or prohibited to share by their governments). They can be real time (arrival time of a ship, for example). They may not exist at all (how many companies may know or be able to find out the tensile strength of the string they import in order to classify it? Which overheads can be allocated to which products for FTA qualification purposes?) Creating or adapting such data is often like nailing the proverbial Jell-O to a wall.

Separately, many AI tools available off-the-shelf appear to be solutions that are so narrowly deployable that they are essentially looking for problems rather than developed with a particular problem statement in mind. Such tools could be excellent at what they do, but do not help business deal comprehensively with the challenges they face.

Such tools in particular, but also more broadly usable tools, often provide limited tangible benefit relative to their costs. Many companies have found the outcomes underwhelming, leaving them hesitant to reinvest even when the business case is strong.

Regulators also do not always make things easier. Cooperation on regulations is rare, and their interpretation and implementation can vary widely across jurisdictions. Practical requirements for AI tools (or human operators, for that matter) are often not published in sufficient detail, and differing data needs, limited data-sharing frameworks, and caution towards black-box processes all add layers of complexity.

The above list of lessons from prior experience is not comprehensive. And not all of the lessons are unique to the field of cross border trade. But our experience is that it has been too easy for senior management of organisations to push automation of customs and trade processes on the back burner because it seems to be so hard and because its benefits are not very visible. With a bit of luck, the increased visibility of, and concern about, trade policies and barriers mean that the time for a technological breakthrough in international trade, that elusive shift of paradigm, is finally upon us. But don't hold your breath just yet.

Australia

Radioactive substances eligible for post-importation permission

Effective 2 December 2025, radioactive materials and substances became eligible for post-importation permission under the Customs Act 1901, following [amendments to section 120 of the Customs Regulation 2015](#). Previously classified as prohibited imports under regulation 4R of the Customs (Prohibited Imports) Regulations 1956, these goods required permits before entering Australia.

The change allows Customs officers to grant necessary permissions or licenses after arrival, reducing administrative burdens. Importers of radioactive substances may wish to update their processes to utilise post-importation permissions from December 2025.

Bill to waive customs duties for goods imported under Geelong Treaty with UK now law

The [Customs Tariff Amendment \(Geelong Treaty Implementation\) Act 2025 \(No. 78 of 2025\)](#) has come into effect on 19 December 2025, following royal assent on 4 December 2025. This Act amends the Customs Tariff Act 1995 to waive customs duties on goods imported under the Nuclear-Powered Submarine Partnership and Collaboration Agreement between Australia and the UK, signed at Geelong on 26 July 2025.

Specifically, the Act introduces concessional Item 58A, granting a free rate of duty for eligible goods. Importers seeking duty-free importation of treaty-related goods should ensure treatment code 858 is entered on the import declaration.

Federal Court case: Appeal allowed in warehouse accounting dispute

The [Full Federal Court](#) has held that the Administrative Appeals Tribunal (“Tribunal”) did not deny procedural fairness when it refused a warehouse operator’s request to inspect goods under section 37 of the Customs Act 1901.

The operator had been required to account for dutiable alcohol and tobacco, following a stocktake and a statutory demand for duty on goods not accounted for. The Tribunal declined to inspect the warehouses, finding no benefit. The Federal Court initially ruled that this refusal was procedurally unfair.

On appeal, the Full Federal Court disagreed. It found the Collector was not “unable to sight” the goods merely because it chose not to revisit the warehouses, that the request to account was valid, and that any shortfall supported the Collector’s conclusions. The refusal to inspect did not prejudice the operator’s ability to present its case.

Bill on customs and tax gun reform amendments now law

The [Combating Antisemitism, Hate and Extremism \(Firearms and Customs Laws\) Act 2026 \(No. 1 of 2026\)](#) received assent on 21 January 2026. The Act prohibits the import and exports of prohibited symbols and violent extremist material. Additionally, the definition of “commercial quantities” (25 or more items) was removed from the Customs Regulation 2015, which mean stricter penalties now apply to any amount of prohibited material (given the penalties under the prior regulations applied to “commercial quantities” only).

Updates UN sanctions framework

Australia expanded its [Charter of the United Nations \(Sanctions – Iran\) Regulations 2025](#) to impose broad prohibitions on specified goods, services, and sensitive activities, along with asset freezes and travel bans for designated individuals and entities. This follows the United Nations (UN) listing of 43 individuals and 78 entities, making dealings without ministerial approval an offence.

New asbestos protection measures for at-risk sand products

Effective 4 December 2025, importers and brokers must respond to a [new community protection question \(CPQ\) concerning asbestos risk in specific sand products](#) in the Integrated Cargo System (ICS). This requirement applies to goods classified under tariff codes 2505.10.00, 2505.90.00, 3407.00.00, 9503.00.99, and 9503.00.30 originating from certain countries.

Previously, these at-risk sand products were not subject to asbestos-related CPQs. Given recent findings of asbestos contamination in coloured sand products under these codes, the updated CPQ aims to mitigate health risks by ensuring that imported sand products are verified as asbestos-free before clearance.



China

State Council Tariff Commission announces 2026 Tariff Adjustment Plan

On 29 December 2025, the State Council Tariff Commission released the [2026 Tariff Adjustment Plan](#), effective 1 January 2026. The plan applies provisional import duty rates to 935 items, covering key industrial components, resource-based commodities and medical products. Previously applicable to fewer tariff lines, the expanded scope aims to support technological self-reliance and green development.

The Commission will also introduce new tariff subheadings, including those for intelligent bionic robots and bioaviation kerosene, increasing the tariff schedule to 8,972 lines in total.

China will continue to apply preferential rates under existing Free Trade Agreements (FTAs) and maintain zero tariff treatment across 100% of tariff lines for 43 least developed trading partners.

GACC updates customs credit management mechanism

On 13 January 2026, the General Administration of Customs of the People's Republic of China (GACC) issued [Order \[2026\] No. 282](#), updating the customs credit management system for enterprises, which will take effect on 1 April 2026. The revised framework expands the enterprise credit classification system from three tiers to five: Advanced Certified Enterprise, Certified Enterprise, General compliance Enterprise, Discredited Enterprise and Seriously Discredited Enterprise.

Under the new mechanism, certification procedures for Advanced Certified Enterprises and Certified Enterprises are refined, providing compliant operators with clearer pathways to enhance their credit status. Prior to this update, the three-tier structure offered less differentiation and fewer mechanisms for credit restoration.

Export controls strengthened on dual-use items destined for Japan

On 6 January 2026, China's Ministry of Commerce (MOFCOM) issued [Announcement \[2026\] No. 1](#), which took effect immediately, introducing stricter export controls on dual-use items destined for Japan.

The announcement prohibits the export of all dual-use items under the following conditions:

- export to Japanese military users;
- export for Japanese military purposes; or
- export to any end users or for any end uses that may enhance Japan's military capabilities.

The announcement also introduces third-party liability, holding organisations and individuals legally liable if they are found to transfer Chinese-origin dual-use items to users in Japan in breach of these provisions.

India

Conclusion of negotiations for the India and European Union FTA

On 27 January 2026, India and the European Union (EU) concluded their [Free Trade Agreement](#) (FTA) negotiations.

The key highlights of the FTA are as follows:

- over 99% of exports (by value) will have reduced or eliminated tariffs for India exports to EU;
- over 96% of exports (by value) will have eliminated or reduced tariffs for EU exports to India;
- India will phase out tariffs for up to 44% of machinery, 22% of chemicals, and 11% of pharmaceuticals; and
- both sides will protect sensitive agri-food sectors by excluding such products from tariff commitments.

Conclusion of negotiations for the India and New Zealand FTA

On 22 December 2025, the negotiations for the [India-New Zealand FTA](#) were concluded, allowing 100% duty-free access for Indian exports while safeguarding India's sensitive agricultural and dairy sectors and securing a USD20 million investment commitment.

The key highlights of the FTA are as follows:

- Indian originating exports to New Zealand will benefit from immediate zero duty for 100% of tariff lines (8,284 tariff lines) from the date of entry into force. This includes the elimination of pre-FTA tariffs, which cover 10% of key Indian export products such as textiles and apparel, chemicals and automobiles;
- New Zealand originating exports to India will benefit from reduced or eliminated tariff for 70% of tariff lines. 30% of tariff lines will receive immediate elimination of tariffs while the remaining lines will have a phased tariff reduction over three to ten years; and
- Sensitive sectors critical to India's interests have been excluded, including dairy, key agricultural products, arms and ammunition etc.

Signing of the India and Oman CEPA

On 18 December 2025, India and Oman signed their [Comprehensive Economic Partnership Agreement](#) (CEPA).

The key highlights of the CEPA are summarised below:

- Indian originating exports to Oman will benefit from eliminated tariffs for 98% of tariff lines;
- Oman originating exports to India will benefit from reduced or eliminated tariff for 78% of tariff lines, which covers 95% of Oman exports to India by value;
- The Tariff-Rate Quota (TRQ) will be applied to key Oman exports which are sensitive for India; and
- Oman will offer market access across 127 service sectors, including computer related services, business and professional services, research and development, and health

Implementation of Import Management System for restricted IT hardware

On 17 December 2025, the Directorate General of Foreign Trade (DGFT) issued [Policy Circular No. 08/2025-26](#), introducing the operational procedures under the Import Management System (IMS) for restricted IT hardware under Harmonised System (HS) heading 8471 for 2026.

The new circular outlines the scope of restricted imports and new procedures for the application for import authorisation for restricted imports, effective from 1 January 2026. The key highlights of the procedure are as follows:

- specific IT hardware items classified under HS heading 8471 remains classified as restricted imports as per previous DGFT notifications;
- applications can be made on the DGFT portal from 22 December 2025 to 15 December 2026;
- import authorisations will be valid only until 31 December 2026; and
- users will be able to make multiple applications within a year and may opt to make amendments to authorisations valid in 2026.

Issuance of QCOs for certain products

In December 2025 and January 2026, Quality Control Orders (QCOs) were issued to cover certain products, mandating compliance with specific Indian Standards. Products covered under QCOs require BIS licencing to import and manufacture the product in India. The products are as follows:

- [Aluminium cans for beverages](#) (issued on 15 January 2026);
- Textile [High Density Polyethylene \(HDPE\)/ Polypropylene \(PP\) Woven Sacks for Packaging of 50 kg Cement](#) (issued on 5 January 2026);
- Textile [Polypropylene \(PP\) Woven, Laminated, Block Bottom Valve Sacks for Packaging of 50 kg Cement](#) (issued on 5 January 2026);
- Textile [Polypropylene \(PP\)/ High Density Polyethylene \(HDPE\) Laminated Woven Sacks for Mail Sorting, Storage, Transport and Distribution](#) (Issued on 5 January 2026); and
- [Hand Tools](#) (issued on 4 December 2025).



Rescindment of Quality Control Orders for certain products

In December 2025 and January 2026, Quality Control Orders (QCOs) for certain products were rescinded with immediate effect. The products are as follow:

- [Toluene](#) (issued on 1 December 2025);
- [Ethyl Acrylate](#) (issued on 1 December 2025);
- [Vinyl Acetate Monomer](#) (issued on 1 December 2025);
- [Ethylene Dichloride](#) (issued on 1 December 2025);
- [p-Xylene](#) (issued on 1 December 2025);
- [Vinyl Chloride Monomer](#) (issued on 1 December 2025); and
- [Flux Cored Solder Wire](#) (issued on 12 January 2026).

Export promotion to enhance MSME competitiveness

On 31 December 2025 and 2 January 2026, the Director General of Foreign Trade (DGFT) introduced multiple benefits to enhance Micro, Small, and Medium Enterprises' (MSMEs) export competitiveness following the launch of the [India's Export Promotion Mission](#). The benefits are as follows:

- **Market Access Support (MAS) program:** This program provides structured assistance for buyer-seller networking session, trade fairs and overseas outreach;
- **Interest subvention support:** this support facilitates improved access to pre- and post-shipment rupee export credit for MSME exporters by reducing the cost of such credit; and
- **Collateral support for export credit:** this support aims to improve access to formal export credit for MSMEs, particularly for exporters facing constraints in providing collateral security. Credit guarantee coverage offered will extend to 85% for micro and small exporters and 65% for medium exporters, subject to the maximum guaranteed limit of INR 10 crores per exporter for FY 2025-26.

Further tariff concessions under India-EFTA TEPA

On 30 December 2025, the Central Board of Indirect Taxes and Customs (CBIC) issued the second tranche of tariff concessions under the India–European Free Trade Association (EFTA) Trade and Economic Partnership Agreement (TEPA). The tariff concessions include revised customs duty exemptions, Agriculture, Infrastructure and Development Cess (AIDC), and Health Cess, across various tariff lines for imports from [Switzerland](#), [Norway](#), and [Iceland](#).

Fifth tranche of tariff concessions under ECTA

On 30 December 2025, the Central Board of Indirect Taxes and Customs (CBIC) issued [Notification No. 50/2025-Customs](#) to implement the fifth tranche of tariff concessions under the India-Australia Economic Cooperation and Trade Agreement (ECTA), effective from 1 January 2026. Revised customs duty rates will apply to agricultural, marine, chemical, textile, mineral, and industrial tariff lines.



Indonesia

Updates to the import declaration procedures in CEISA

On 28 January 2026, the Directorate General of Customs and Excise implemented changes to the Import Declaration (Pemberitahuan Impor Barang (PIB)) process in the Customs Excise Information System and Automation (CEISA).

Previously, importers were not required to declare product brand and type for all goods. Under the revised framework, importers must now provide this information or select the “tanpa merek” (no brand) and/or “tanpa tipe” (no type) options when applicable. CEISA has also removed the unit codes CT (carton), BX (box), and PK (pack), requiring importers to apply the smallest relevant unit. An optional photo upload feature has also been introduced.

These enhancements aim to improve duty and tax accuracy, mitigate risks of under-invoicing, and strengthen Indonesia’s customs valuation databases and TradeAI reliability.

More information on the new import declaration procedures can be found in this [link](#).

Import prohibition on hydrochlorofluorocarbon-123-based cooling electronics

Effective 1 January 2026, the Ministry of Trade (MoT) introduced [Regulation Number 47 Year 2025](#) (MoT Regulation 47/2025), tightening import prohibitions on environmentally sensitive goods. The regulation newly prohibits the import of cooling-system-based electronic products that use hydrochlorofluorocarbon-123 (HCFC-123), a substance classified as an ozone-depleting material in Indonesia. Under previous MoT regulations, such products were regulated but not comprehensively prohibited.

The regulation simultaneously revokes Ministry of Trade Regulation Number 18 Year 2021, as amended by Regulation Number 40 Year 2022, and revokes HCFC-123-related provisions under Regulation Number 21 Year 2025.

Japan

2026 Tax Reform Proposal released

On 19 December 2025, the Japanese government released the 2026 Tax Reform Proposals. Key points are listed below.

- **Introduction of new consumption tax collection rules at the point of sale for Specified Low Value Goods:** The 2026 Tax Reform Proposals introduce a new category of “Specified Low Value Goods,” referring to goods supplied from overseas by distance sale that are treated as domestic taxable supplies for Japanese consumption tax purposes. Overseas businesses supplying such goods to customers in Japan with annual transactions exceeding JPY 10 million are required to register with the Japan Tax Authority and collect and remit Japanese Consumption Tax (JCT). As a result, the previous import consumption tax exemption for low-value goods priced at JPY 10,000 or less is effectively removed, with tax instead collected at the point of sale.
- **Abolition of the 60% special valuation for personal use imports:** This rule previously allowed persons in Japan to purchase goods from overseas for personal use to declare them at 60% of the purchase price. The amendment aims to address misuse of the system and align the treatment of personal imports with that of commercial imports, which are required to be declared at their full value.
- **Establishment of platform taxation for physical goods:** E-commerce Platform Operators whose annual transaction value exceeds JPY 5 billion for covered supplies will assume the obligation to collect and remit Japanese Consumption Tax (JCT). Covered supplies include goods supplied in Japan by foreign businesses (including incidental transactions) and Specified Low Value Goods supplied by any business. For these transactions, when payment is processed through applicable Platform Operator, the supply will be deemed to be made by the Platform operator.
- **Strengthening of antidumping circumvention measures:** An additional duty equivalent to the applicable anti-dumping duty will be imposed on companies found to be circumventing anti-dumping measures through third-country routing, minor modifications, or final processing conducted in Japan.

Most measures are expected to apply from 1 April 2028, subject to legislative procedures.

For further details, refer to [PwC Japan’s Newsletter](#) on this matter.

Korea

New guidelines on the issuance of revised import VAT invoices

Effective since 1 January 2026, the Korea Customs Service (KCS) implemented its [Guidelines on Revised Import VAT Invoices](#) to clarify the circumstances in which revised import VAT invoices cannot be issued by customs offices. Revised import VAT invoices will not be issued in the following situations:

- Requests for valuation materials related to related-party imports are not submitted within 60 days or are falsified;
- Repetition of the same error after official notice from KCS as defined in KCS “error-type classification table”, except for minor negligence or errors with low recognizability; and
- Material defects in price declarations e.g. undisclosed related-party status, non-recognized transaction value, false valuation method or documents.

‘Customs Assurance Plan’ launched

On 9 January 2026, the Korea Customs Service (KCS) announced its [Customs Assurance Plan](#) to support accurate self-declarations. KCS plans to offer the following enhanced services:

- **Expansion of expedited processing for advance product classification rulings.** When rapid classification is required, the advance ruling period will be shortened from 30 working days to 15 working days. Penalties will be waived for amendments made based on the ruling result;
- **Support for companies under the Advance Customs Valuation Arrangement (ACVA).** Companies with an ACVA ruling will be excluded from valuation reviews during audits for the relevant goods. KCS also plans to extend the annual report submission deadline by up to two months; and
- **Strengthened incentives for Authorized Economic Operator (AEO) self-verification.** When companies conduct self-inspection and submit results that are verified by a customs broker or Certified Public Accountant (CPA), they can enjoy shorter customs compliance review periods and conversion from on-site audits to desk audits.

Intensified scrutiny of Foreign Exchange Transactions

On 13 January 2026, the Korea Customs Service (KCS) announced that it will be inspecting and taking strict action against [unlawful foreign exchange \(FX\) transactions](#), which undermine exchange rate stability. The KCS will prioritise scrutiny for the following violations:

- **Non-repatriation of export proceeds:** This includes scenarios where there is a prolonged failure to receive payments for exports into Korea without the required regulatory filings, as well as sham transactions designed to evade repatriation requirements;
- **Atypical trade settlements:** This includes scenarios involving the use of underground remittance or virtual assets instead of bank payment channels; and
- **Overseas diversion of assets:** This includes under-invoicing exports to retain the difference abroad, or over-invoicing imports to drain excessive foreign currency overseas.

KCS will focus its investigative resources on trade-linked FX crimes, including illegal remittances used to hide transnational crime proceeds.

Malaysia

Customs Duties Orders updated across multiple FTAs

Effective since 16 December 2025, Malaysia has implemented new or amended Customs Duties Orders covering several free trade agreements (FTAs).

The new orders are as follows:

- [Regional Comprehensive Economic Partnership \(RCEP\) Agreement](#); and
- [ASEAN Trade in Goods Agreement](#)

The amended orders are as follows:

- [Comprehensive Economic Partnership among ASEAN and Japan](#);
- [ASEAN–Australia–New Zealand Free Trade Area](#);
- [Malaysia–United Arab Emirates Comprehensive Economic Partnership Agreement](#);
- [Framework Agreement on Trade Preferential System among Organisation of Islamic Cooperation \(OIC\) Member States](#); and
- [Preferential Trade Agreement among Developing Eight \(D-8\) Member States](#).

Similarly, Malaysia has implemented new Customs Duties Order for the following FTA, effective since 1 February 2026:

- [Comprehensive and Progressive Agreement for Trans-Pacific Partnership \(CPTPP\)](#).

These Orders align the affected tariff lines with the recently issued Customs Duties Order 2025. In addition, several FTAs including RCEP and CPTPP, now reflect updated preferential import duty reductions, which differ from the previous schedules and with an extended period.



Duty changes for high-value motor vehicles imported into Labuan and Langkawi

Effective 1 January 2026, the Government introduced new duty rates for high-value motor vehicles, in line with proposals announced during Budget 2026. Previously, completely built-up (CBU) motor vehicles under headings 87.03 and 87.11 with a CIF value above RM300,000 were not subject to import duty, excise duty or sales tax. Under the respective orders, they are now subject to all those duties and taxes.

Motor vehicles manufactured in the Principal Customs Area (PCA) and transported into Labuan or Langkawi under the same HS headings will be subject to import duty, excise duty and sales tax when their sales price exceeds RM300,000, excluding excise duty, sales tax, licence fees and insurance.

The Orders are as follows:

- [Customs duties \(Labuan\) \(Amendment\) Order 2025](#)
- [Customs duties \(Langkawi\) \(Amendment\) Order 2025](#)
- [Sales tax \(Imposition of Sales Tax in Respect of Designated Areas\) \(Amendment\) Order 2025](#)
- [Excise duties \(Labuan\) \(Amendment\) Order 2025](#)
- [Excise duties \(Langkawi\) \(Amendment\) Order 2025](#)

Payment of excise duties for motor vehicles

Effective since 1 February 2026, the Government has introduced the [Excise \(Payment of Excise Duties for Motor Vehicles\) Order 2026](#), replacing the 2022 Order. The 2026 Order updates the tariff codes for motor vehicles subject to excise duty, aligning these classifications with the Excise Duties Order 2025. The revised list provides clearer direction on which categories of motor vehicles require excise duty payment before release from customs control.

New Zealand

No updates for December 2025 and January 2026.

Philippines

Guidelines on re-export and reassignment of strategic goods

In December 2025, the Department of Trade and Industry – Strategic Trade Management Office (DTI-STMO) issued [Memorandum Circular No. 25-20](#). This circular establishes rules for the re-export and reassignment of strategic goods. The circular defines the covered activities as follows:

- reassignment refers to the reallocation of strategic goods previously exported from the Philippines from one person to another within a single foreign country by any means, including the electronic transmission of software and technology; and
- re-export refers to the export to a foreign country of strategic goods either previously imported into or exported from the Philippines.

The circular applies to all entities engaged in, or intending to engage in, the export of strategic goods where there is an intention or knowledge that such goods may later be reassigned or re-exported. Exporters are not required to obtain a separate authorisation, provided they hold a valid Export Authorisation covering the same item, end-use, end-user, destination country, consignee, and third parties.

Covered persons without an existing Export Authorisation must apply to the STMO accordingly. Any approval for re-export or reassignment must be expressly stated as a condition in the issued Export Authorisation.

Key compliance requirements include recordkeeping, documentary submission, end-use control, STMO compliance monitoring, including site visits, and periodic reporting through the e-licensing system. Any suspension, revocation, limitation, or modification of the authorization is governed by the provisions of the existing STMA rules.

Excise tax increases on alcohol and tobacco products

Effective 15 January 2026, the Bureau of Customs (BOC) began applying the annual excise tax increases on alcohol, tobacco, and vapor products through the updated rates integrated into the Electronic to Mobile (E2M) System, as directed by [MISTG Memo No. 012026](#). The updated schedule now reflects the 2026 excise tax rates with higher specific taxes and retains the 22% ad valorem tax for distilled spirits. The 2026 rates are tabulated below.

Commodity	HS Code	2026 Excise Tax Rate
Distilled Spirit	2204.21.14; 2204.22.13; 2204.29.12	22% of Net Retail Price (NRP); Php 74.16/Proof Liter
Still Wine	2204.22.13; 2204.29.12	Php 70.92/Liter
Unmanufactured Tobacco	2403.99.90	Php 2.92/kg
Heated Tobacco	2403.99.90	Php 37.63/Pack of 20 units
Nicotine Salt or Salt Nicotine	2403.99.50; 2404.11.00; 2404.12.10	Php 69.46/10 Milliliter
Conventional Freebase or Classic Nicotine	2404.12.90; 2404.19.10; 2404.19.20	Php 60.20/Milliliter

Due to system limitations, BOC will compute ad valorem taxes for distilled spirits and cigars manually. Customs declarations should reflect the 2026 excise tax that will be applied during customs clearance.

Singapore

Singapore and China extend electronic origin data exchange under RCEP

On 5 December 2025, Singapore Customs announced the extension of the [Electronic Origin Data Exchange System \(EODES\)](#) to cover Regional Comprehensive Economic Partnership (RCEP) Preferential Certificates of Origin (PCOs) between Singapore and China. With effect from 11 December 2025, Singapore-based exporters and importers can electronically transmit and retrieve RCEP PCOs via the Networked Trade Platform (NTP), eliminating reliance on hard-copy certificates. Previously, EODES supported certificates only under the ASEAN-China Free Trade Area (ACFTA) and the China-Singapore Free Trade Agreement (CSFTA). This extension aligns Singapore procedures with China's full enforcement of electronic PCO transmission, which the General Administration of Customs of China (GACC) has applied since 1 May 2020.

Singapore Customs introduces electronic service for payments related to customs violations

On 19 January 2026, Singapore Customs launched a new [electronic service](#) for traders and Declaring Agents (DAs) who receive a Letter of Offer of Composition or recovery and payment letters for customs duty and Goods and Services Tax (GST) for any customs offences. Previously, affected parties that accepted an offer of composition and payment of outstanding duties and GST settled payments through a manual process directly with Singapore Customs. The new electronic service centralises these processes by enabling traders and DAs to electronically accept composition offers, make payments, and view outstanding customs offences pending settlement through a single digital platform.

MCSFTA enters into force for Singapore and Paraguay

The [MERCOSUR–Singapore Free Trade Agreement \(MCSFTA\)](#) entered into force for Singapore and Paraguay on 1 February 2026. The agreement was signed on 7 December 2023 and provides preferential tariff treatment for qualifying goods traded between Singapore and MERCOSUR member states, namely Argentina, Brazil, Paraguay and Uruguay.

From 1 February 2026, goods qualifying as Singapore-originating will be eligible for preferential tariff treatment when imported into Paraguay, in addition to the MERCOSUR members that have already acceded to the FTA.

The MCSFTA will enter into force for Uruguay on 1 March 2026 following the completion of Uruguay's ratification procedure. Ratification procedures remain ongoing for Argentina and Brazil. Additional details on preferential rates, claims, documentation, Rules of Origin and accumulation are outlined in Singapore Customs Circulars [02/2026](#) and [03/2026](#). The full text of the agreement can be found [here](#).

Taiwan

Taiwan and the United States conclude tariff negotiations and sign MOU

On 15 January 2026, Taiwan and the United States (US) concluded nine months of tariff negotiations with the signing of a [Memorandum of Understanding \(MOU\)](#). A Taiwan-US [Agreement on Reciprocal Trade \(ART\)](#) is expected to be signed in the coming weeks.

Under the MOU, Taiwan becomes the first US trading partner to receive most preferential tariff treatment under Section 232 for semiconductors and related products, as well as preferential tariffs on steel, aluminium, copper automotive components, lumber furniture, and aircraft parts.

Additionally, the forthcoming ART is expected to:

- reduce US punitive tariff rates from 20% to 15%, with such tariffs exempt from stacking with existing Most Favoured Nation (MFN) rates. This will align Taiwan's trade treatment with that of other major US trade-deficit partners, including the European Union, Japan, and South Korea; and
- exempt specific products – including generic pharmaceuticals, aircraft components, and natural resources – from punitive tariffs.

Expansion of the Strategic High-tech Commodities Entity List

On 19 December 2025, Taiwan expanded its Strategic High-tech Commodities Entity List by adding 213 entities linked to weapons proliferation activities. The latest expansion incorporates entities primarily located in Russia, Iraq, Iran, Mexico, China and Yemen, and aligns with sanctions lists maintained by the United Nations Security Council and international partners.

Any export from Taiwan to entities on the list will require an export permit issued by the Taiwan International Trade Administration. Otherwise, Customs will not release the shipment.

Anti-dumping investigation initiated on certain steel products from Korea and China

On 15 December 2025, the Ministry of Finance (MOF) announced the initiation of anti-dumping investigations concerning cold-rolled and flat-rolled non-oriented electrical steel products originating or imported from Korea and China following the application for investigation by the domestic steel industry.

As of the time of publication, the Ministry of Economic Affairs (MOEA) has postponed the preliminary injury determination to mid-February to allow for the processing of additional information.



Thailand

Import duty to apply to most Low Value Goods

On 14 December 2025, Thai Customs issued Notification No. 219/2568, abolishing import duty exemption for goods with a customs value of between THB 1 and THB 1,500. From 1 January 2026, all imports with a customs value above THB 1 are subject to import duty. Customs has issued guidance on customs procedures for postal and courier consignments entering by land and air.

The regulations issued are as follows:

- Updated customs procedures of goods imported and exported via postal services;
- Amendments to customs clearance procedures under express courier;
- Amendments to customs clearance procedures at the Suvarnabhumi Airport Free Zone;
- Amendments to customs clearance procedures for land transport; and
- Amendments to customs clearance procedures for passenger-carried goods.

For postal imports consignees can settle duty payments through a QR code or cash upon delivery. If the delivery is unsuccessful, a notice will be issued for payment and collection of goods at the post office. Customs will return affected parcels to the senders if they are not collected within 15 days of the notice date.

For courier imports, a standard import declaration will be required. The highest tariff rate applicable to the goods declared will apply to all items in the shipment. The goods will be subject to X-ray inspection prior to release.

Update on Electric Vehicle schemes and measures

On 30 December 2025, it was announced that the Excise Department amended Electric Vehicle (EV) schemes EV3.0 and EV3.5 to increase flexibility for the EV industry.

Key updates include:

- Extending domestic-production registration to 31 January 2026 for EV3.0 and 31 January 2028 for EV3.5;
- Updating the substitute-production ratio for EV3.0 to one imported vehicle for every two locally produced vehicles by 31 December 2026 or one imported vehicle for every three locally produced vehicles by 31 December 2027;
- Discontinuing subsidy payments when substitute-production ratio targets are missed;
- Permitting factories under EV3.5 to produce EVs that count towards the production obligations of factories under EV3.0;
- For purposes of calculating the substitute production ratio, each exported vehicle is counted as 1.5 units rather than one unit toward local production; and
- Allowing companies to withdraw from the scheme by repaying the excise duty difference arising from the subsidy, which may also be subject to penalties.



Vietnam

MOF introduced new customs procedures

On 18 December 2025, the Ministry of Finance (MOF) issued [Circular 121/2025/TT-BTC](#), amending [Circulars 38/2015](#) and [39/2018](#) and changing [Law 90/2025/QH15](#) and [Decree 167/2025](#). Effective since 1 February 2026, the Circular introduced several notable changes:

- Customs now allows online virtual customs value consultations through its electronic system for enterprises with high compliance ratings;
- Additional guidance has been introduced on the destruction procedures for excess materials, goods, scrap, defective products and waste;
- Customs has tightened Export Processing Enterprises (EPEs) “opt-in/opt-out” customs procedures (e.g., bought, sold, leased or lent between EPEs);
- Transactions between EPEs and domestic Vietnamese enterprises are no longer treated as in-country import–export; and
- Enterprises engaging in contract and toll manufacturing activities, including EPEs, must establish separate norms for re-imported repaired or recycled products.

For further details, refer to [PwC Vietnam’s News Brief](#) on this matter.

Vietnam issues an implementation plan for its FTA with Israel

On 5 January 2026, the Prime Minister issued a [Decision](#) approving the Implementation Plan for the Vietnam-Israel Free Trade Agreement (VIFTA). The plan includes:

- Broad dissemination of VIFTA commitments through media, training and workshops;
- Updates to domestic legal frameworks; and
- Capacity-building on tax, rules of origin, customs, trade remedies and market access for Israel. A dedicated VIFTA contact point will be established at the Ministry of Industry and Trade.

Further guidance on tariff schedules and rules of origin is expected to be released in the coming months. However, no specific date is set.

MOIT issues guidance on the new legal framework for chemical product import requirements

On 17 January 2026, the Ministry of Industry and Trade (MOIT) issued a [guidance](#) on the new [Law on Chemicals](#), [Law 69/2025/QH15](#), which took effect on 1 January 2026. The implementation package to update the import requirements of chemicals includes:

- [Decree 24/2026/ND-CP](#) on the list of chemicals governed by the Law on Chemicals;
- [Decree 25/2026/ND-CP](#) on chemical safety and security;
- [Decree 26/2026/ND-CP](#) on managing chemical activities and hazardous chemicals in products;
- [Circulars 01/2026/TT-BCT](#) and [02/2026/TT-BCT](#) on the implementation of articles and procedures.

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Thank you

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