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## OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

### Notice of Implementation of Action: Nicaragua's Acts, Policies, and Practices

#### Related to Labor Rights, Human Rights and Fundamental Freedoms, and the Rule of Law

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Notice of implementation of action.

**SUMMARY:** Pursuant to Section 305(a) of the Trade Act (19 U.S.C. 2415(a)(1)), this notice implements action determined by the United States Trade Representative (U.S. Trade Representative) in this investigation and announced on December 10, 2025.

**DATES:** As set out in the Annex to this notice, tariff increases in 2026, 2027, and 2028 are applicable with respect to products that are entered for consumption, or withdrawn from warehouse for consumption, on or after January 1 of the corresponding year.

**FOR FURTHER INFORMATION CONTACT:** Philip Butler, Chair of the Section 301 Committee, Leigh Bacon, Chief Counsel for Negotiations, Legislation, and Administrative Law, or Nathaniel Halvorson, Deputy Assistant U.S. Trade Representative for Monitoring & Enforcement, at (202) 395-5725.

## **SUPPLEMENTARY INFORMATION:**

### **I. Proceedings in the Investigation**

On December 10, 2024, the U.S. Trade Representative initiated an investigation regarding Nicaragua's acts, policies, and practices related to labor rights, human rights, and the rule of law pursuant to 302(b)(1) of the Trade Act of 1974, as amended (Trade Act) (19 U.S.C. 2412(b)(1)). *See* 89 FR 101088 (December 13, 2024).

On October 20, 2025, USTR announced the U.S. Trade Representative's determination that Nicaragua's acts, policies, and practices under investigation are unreasonable and burden or restrict U.S. commerce, and are thus actionable under sections 301(b) and 304(a) of the Trade Act (19 U.S.C. 2411(b) and 2414(a)). *See* 90 FR 48511 (October 23, 2025) (October 23 notice).

In the October 23 notice, the U.S. Trade Representative proposed a range of actions including the suspension, withdrawal, or prevention of application of benefits of the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) benefits to Nicaragua, and additional duties of up to 100 percent on some or all products of Nicaragua. *See* 90 FR 48511. USTR requested public comments regarding the proposed actions and in response received 2,006 written comments. Commenters included representatives from numerous manufacturing and agricultural sectors as well as a submission from the Nicaraguan government.

On December 10, 2025, USTR announced the U.S. Trade Representative's determination that action is appropriate, and that appropriate and feasible action in this investigation includes the imposition of a tariff that is phased-in over two years on all imported Nicaraguan goods that are not originating under CAFTA-DR. *See* 90 FR 57807 (December 12, 2025) (the December 12 notice). Specifically, all imported Nicaraguan goods that are not originating under CAFTA-DR will be subject to a 15 percent tariff that is phased-in, with the tariff set at zero percent on January 1, 2026, 10 percent on January

1, 2027, and 15 percent on January 1, 2028. Pursuant to Section 305(a) of the Trade Act (19 U.S.C. 2415(a)(1)), USTR announced that it would issue a subsequent notice to implement this action.

## **II. Implementation of Action**

In order to implement the U.S. Trade Representative's determination, subchapter III of chapter 99 of the Harmonized Tariff Schedule of the United States (HTSUS) is modified by the Annex of this notice, effective January 1, 2026.

Products of Nicaragua that are provided for in the new HTSUS heading 9903.89.01, as established by the Annex of this notice, shall continue to be subject to antidumping, countervailing, or other duties, fees, exactions and charges that apply to such products. Any product covered by the Annex to this notice, except any product that is eligible for admission under 'domestic status,' as defined in 19 CFR 146.43, which is subject to the additional duty imposed by this determination, and is admitted into a U.S. foreign trade zone on or after the effective date of the additional duties, only may be admitted as 'privileged foreign status,' as defined in 19 CFR 146.41. Such products will be subject upon entry for consumption to any *ad valorem* rates of duty or quantitative limitations related to the classification under the applicable HTSUS subheading.

As provided in the December 12 notice, the U.S. Trade Representative will continue to monitor the effects of the trade action and the progress made toward resolution of this matter. Additionally, the U.S. Trade Representative will continue to examine the efficacy of these actions. If it is determined that additional leverage is needed to encourage Nicaragua to eliminate the investigated acts, policies, and practices, the U.S. Trade Representative will consider taking additional action.

## **ANNEX**

- A. Effective with respect to articles of Nicaragua entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern time

on January 1, 2026, subchapter III of chapter 99 of the Harmonized Tariff Schedule of the United States (HTSUS) is modified:

1. by inserting new heading 9903.89.01 in numerical sequence, with the material in the new heading inserted in the columns of the HTSUS labeled “Heading/Subheading”, “Article Description”, “Rates of Duty 1-General”, “Rates of Duty 1-Special” and “Rates of Duty 2”, respectively:

Heading/ Subheading	Article Description	Rates of Duty		2	
		1			
		General	Special		
“9903.89.01	Articles the product of Nicaragua, as provided for in U.S. note 29 to this subchapter . . . . .	The duty provided in the applicable subheading + 0%	No change”.		

2. by inserting new additional U.S. note 29 in numerical sequence:

“29. (a) Heading 9903.89.01 imposes additional duties on imports of articles the product of Nicaragua, as provided in this note. The additional duties apply to products of Nicaragua that are subject to the rates of duty provided for in column 1-general. The additional duties do not apply to originating goods of Nicaragua under the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR), as defined in general note 29 to the HTSUS. Notwithstanding U.S. note 1 to subchapter III of chapter 99 of the HTSUS, the articles of Nicaragua that are subject to the additional duties imposed by heading 9903.89.01 shall also be subject to the additional duties imposed on articles the product of Nicaragua by heading 9903.02.47.

The additional duties imposed by heading 9903.89.01 do not apply to goods for which entry is properly claimed under a provision of chapter 98 of the HTSUS, except for goods entered under subheadings 9802.00.40, 9802.00.50, and 9802.00.60, and heading 9802.00.80. For subheadings 9802.00.40, 9802.00.50, and 9802.00.60, the additional duties apply to the value of repairs, alterations, or processing performed abroad, as described in the applicable subheading. For heading 9802.00.80, the additional duties apply to the value of the article less the cost or value of such products of the United States, as described in heading 9802.00.80.

Products of Nicaragua that are provided for in heading 9903.89.01 shall continue to be subject to antidumping, countervailing, or other duties, fees, exactions and charges that apply to such products.

(b) The additional rates of duty that apply to articles the product of Nicaragua under column 1-general of heading 9903.89.01 shall be phased-in as follows:

If entered during the period from January 1, 2026, though December 31, 2026, . . . 0%

If entered during the period from January 1, 2027, though December 31, 2027, . . . 10%

If entered on or after January 1, 2028, . . . 15%".

- B. Effective with respect to articles of Nicaragua entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern time on January 1, 2027, the rate of duty 1-general column of heading 9903.89.01 is modified by deleting "0%" and by inserting "10%" in lieu thereof.
- C. Effective with respect to articles of Nicaragua entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern time on January 1, 2028, the rate of duty 1-general column of heading 9903.89.01 is modified by deleting "10%" and by inserting "15%" in lieu thereof.

**Jennifer Thornton,**

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*Office of the United States Trade Representative.*

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