



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-124, C-570-125]

Certain Vertical Shaft Engines Between 99cc and 225cc, and Parts Thereof, from the People's Republic of China: Affirmative Final Determinations of Circumvention of the Antidumping and Countervailing Duty Orders-5C65M0 and BC70M0 Engines

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) determines that imports of model numbers 5C65M0 and BC70M0 of small vertical shaft engines produced by Chongqing Zongshen General Power Machine Co., Ltd. (Zongshen) in the People's Republic of China (China) constitute later-developed merchandise that, when imported into the United States, circumvent the antidumping duty (AD) and countervailing duty (CVD) orders on certain vertical shaft engines between 99cc and up to 225cc, and parts thereof (small vertical engines), from China.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]

FOR FURTHER INFORMATION CONTACT: Zachary Shaykin, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-2638.

SUPPLEMENTARY INFORMATION:

Background

On May 4, 2021, Commerce published in the *Federal Register* the AD and CVD orders on small vertical shaft engines from China.¹ On July 7, 2025, Commerce initiated a circumvention inquiry of the *Orders* pursuant to section 781(d) of the Tariff Act of 1930, as

¹ See *Certain Vertical Shaft Engines Between 99cc and Up To 225cc, and Parts Thereof from the People's Republic of China: Antidumping and Countervailing Duty Orders*, 86 FR 23675 (May 4, 2021) (*Orders*).

amended (the Act), and 19 CFR 351.226(k) to determine whether engines with a model numbers 5C65M0 and BC70M0 produced by Zongshen are later-developed merchandise that are circumventing the *Orders*, such that they should be subject to the *Orders*.² On May 18, 2026, Commerce published in the *Federal Register* its *Preliminary Determination*³ that imports of model 5C65M0 and BC70M0 engines produced by Zongshen in China constitute later-developed merchandise that when imported into the United States circumvent the AD and CVD orders on small vertical engines from China.⁴ On June 15, 2026, and September 3, 2026, Commerce extended the final determination of this circumvention inquiry. The deadline to issue the final determination is September 17, 2026.⁵ For a summary of events that occurred since the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for consideration in the final determination, *see* the Issues and Decision Memorandum.⁶

The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/frnotices>.

Scope of the *Orders*

The products subject to the *Orders* are small vertical shaft engines from China. For a complete description of the scope of the *Orders*, *see* the Issues and Decision Memorandum.⁷

² See *Certain Vertical Shaft Engines Between 99cc and 225cc, and Parts Thereof, from the People's Republic of China: Initiation of Circumvention Inquiry on the Antidumping and Countervailing Duty Orders*, 90 FR 30874 (July 11, 2025) (*Initiation Notice*), and accompanying Initiation Decision Memorandum.

³ See *Certain Vertical Shaft Engines Between 99cc and 225cc, and Parts Thereof, From the People's Republic of China: Affirmative Preliminary Determination of Circumvention of the Antidumping and Countervailing Duty Orders*, 91 FR 28555 (May 18, 2026) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).

⁴ See *Orders*.

⁵ See Memoranda, "Extension of Deadline for the Final Determination," dated June 15, 2026; "Extension of the Deadline for the Final Determination," dated September 3, 2026.

⁶ See Memorandum, "Issues and Decision Memorandum for the Final Affirmative Determination in the Circumvention Inquiry – 5C65M0 and BC70M0 Engines," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁷ *Id.* at 2-3.

Merchandise Subject to the Circumvention Inquiry

The merchandise subject to this circumvention inquiry are engine models 5C65M0 and BC70M0 produced by Zongshen in China (inquiry merchandise).

Methodology

Commerce is conducting this circumvention inquiry pursuant to section 781(d) of the Act, and 19 CFR 351.226(k).

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in these inquiries are addressed in the Issues and Decision Memorandum. A list of the issues raised is attached as an appendix to this notice. Based on our analysis of the comments received from interested parties, we made no changes to the *Preliminary Determination*.

Affirmative Final Circumvention Determination

Consistent with the *Preliminary Determination*, Commerce continues to determine that engine models 5C65M0 and BC70M0 small vertical shaft engines produced by Zongshen in China, constitute later-developed merchandise that, when imported into the United States, are circumventing the *Orders*, pursuant to section 781(d) of the Act.

Suspension of Liquidation and Cash Deposit Requirements

Based on the affirmative final determination of circumvention, in accordance with 19 CFR 351.226(l)(3)(i), Commerce will direct U.S. Customs and Border Protection (CBP) to continue the suspension of liquidation of previously suspended entries and apply the applicable cash deposit rate. Further, in accordance with 19 CFR 351.226(l)(3)(ii), Commerce will direct CBP to suspend liquidation and require a cash deposit of estimated AD and CVD duties for each unliquidated entry of engine models 5C65M0 and BC70M0 produced by Zongshen in China not yet suspended, are entered, or withdrawn from warehouse, for consumption on or after July 11,

2025, the date of publication of the *Initiation Notice* of this circumvention inquiry in the *Federal Register*.

Administrative Protective Order (APO)

This notice will serve as the only reminder to all parties subject to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

This determination is published in accordance with section 781(d) of the Act and 19 CFR 351.226(g)(2).

Dated: September 17, 2026.

Steven Presing,
Executive Director
for Policy and Negotiations.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Orders*
- IV. Merchandise Subject to the Circumvention Inquiry
- V. Period of Circumvention Inquiry
- VI. Changes Since the *Preliminary Determination*
- VII. Discussion of the Issues
 - Comment 1: Whether Judicial Precedent and Prior Commerce Decisions Allow Merchandise Meeting the Description of a Scope Exclusion
 - Comment 2: Whether Merchandise Similar to the Models 5C65M0 and BC70M0 Engines from Zongshen Was Available at the Time of the Underlying Less Than Fair Value and CVD Investigations
 - Comment 3: Whether Merchandise with Previously Available Features Can Be Found to Be Later-Developed
 - Comment 4: Commerce's Application of Section 781(d) of the Act in this Circumvention Finding
- VIII. Circumvention Determination
- IX. Recommendation

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