



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-235]

N-Cyclohexylbenzothiazole-2-Sulfenamide from the People's Republic of China:

Preliminary Affirmative Countervailing Duty Determination, Preliminary Affirmative Critical Circumstances Determination, and Alignment of Final Determination with Final Antidumping Duty Determination

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of N-Cyclohexylbenzothiazole-2-Sulfenamide (CBS) from the People's Republic of China (China). The period of investigation is January 1, 2025, through December 31, 2025. Interested parties are invited to comment on this preliminary determination.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Brendan Santschi, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4141.

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 703(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the notice of initiation of this

investigation on June 2, 2026.¹ On July 8, 2026, Commerce postponed the preliminary determination of this investigation and the revised deadline is now October 5, 2026.²

For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.³ A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary 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), which is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/frnotices>.

Scope of the Investigation

The product covered by this investigation is CBS from China. For a complete description of the scope of this investigation, *see* Appendix I.

Scope Comments

In accordance with the *Preamble* to Commerce's regulations,⁴ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).⁵ No interested party commented on the scope of the investigation as it appeared in the *Initiation Notice*.

Methodology

Commerce is conducting this investigation in accordance with section 701 of the Act. For each of the subsidy programs found countervailable, Commerce preliminarily determines

¹ *See N-Cyclohexylbenzothiazole-2-Sulfenamide from the People's Republic of China: Initiation of Countervailing Duty Investigation*, 91 FR 32946 (June 2, 2026) (*Initiation Notice*), and accompanying Initiation Checklist.

² *See N-Cyclohexylbenzothiazole-2-Sulfenamide from the People's Republic of China: Postponement of Preliminary Determination in the Countervailing Duty Investigation*, 91 FR 42176 (July 8, 2026).

³ *See* Memorandum, "Decision Memorandum for the Preliminary Affirmative Determination in the Countervailing Duty Investigation of N-Cyclohexylbenzothiazole-2-Sulfenamide from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁴ *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

⁵ *See Initiation Notice*.

that there is a subsidy, *i.e.*, a financial contribution by an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific.⁶

Commerce notes that, in making these findings, it relied on facts available and, because it finds that Shandong Derek New Materials Co., Ltd (Derek), Shandong Yanggu Huatai International Co., Ltd (Huatai), and the companies that did not respond to Commerce’s quantity and value questionnaire, which include Alchemy Trading Shanghai Limited, Kemai Chemical Company Limited, SAIC Motor Corporation Limited, Shandong Sunsine Chemical Co., Ltd., and Yingtai International Trading Co. (collectively, non-responsive companies), did not act to the best of their ability to respond to Commerce’s requests for information, it drew an adverse inference where appropriate in selecting from among the facts otherwise available.⁷ For further information, *see* the “Use of Facts Otherwise Available and Adverse Inferences” section in the Preliminary Decision Memorandum.

Preliminary Affirmative Determination of Critical Circumstances

In accordance with section 703(e)(1) of the Act, Commerce preliminarily determines that critical circumstances exist with respect to imports of CBS from China for Derek, Huatai, the non-responsive companies, and all other exporters or producers not individually examined. For a full description of the methodology and results of Commerce’s analysis, *see* the Preliminary Decision Memorandum.

Alignment

As noted in the Preliminary Decision Memorandum, in accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4), Commerce is aligning the final countervailing duty (CVD) determination in this investigation with the final determination in the companion antidumping duty (AD) investigation of CBS from China based on a request made by LANXESS Corporation

⁶ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁷ *See* sections 776(a) and (b) of the Act.

(the petitioner).⁸ Consequently, the final CVD determination will be issued on the same date as the final AD determination, which is currently scheduled to be issued no later than January 11, 2027, unless postponed.

All-Others Rate

Sections 703(d) and 705(c)(5)(A) of the Act provide that in the preliminary determination, Commerce shall determine an estimated all-others rate for companies not individually examined. This rate shall be an amount equal to the weighted average of the estimated subsidy rates established for those companies individually examined, excluding any zero and *de minimis* rates and any rates based entirely under section 776 of the Act.

Pursuant to section 705(c)(5)(A)(ii) of the Act, if the individual estimated countervailable subsidy rates established for all exporters and producers individually examined are zero, *de minimis*, or determined based entirely on facts otherwise available, Commerce may use any reasonable method to establish the estimated subsidy rate for all other producers or exporters.

Commerce has preliminarily determined the individually estimated subsidy rate for the individually examined respondent under section 776 of the Act. Thus, this rate is the only rate available in this proceeding for deriving the all-others rate. Consequently, pursuant to sections 703(d)(1)(A)(i) and 705(c)(5)(A)(ii) of the Act, Commerce has established the all-others rate by using the countervailable subsidy rate assigned to the companies listed below. For a full description of the methodology underlying Commerce's analysis, *see* the Preliminary Decision Memorandum.

Preliminary Determination

Commerce preliminarily determines that the following estimated countervailable subsidy rates exist:

⁸ See Petitioner's Letter, "Request for Alignment of the Countervailing Duty Investigation with the Concurrent Antidumping Duty Investigation," dated September 16, 2026.

Company	Subsidy Rate (percent <i>ad valorem</i>)
Shandong Derek New Materials Co., Ltd	107.57*
Shandong Yanggu Huatai International Co., Ltd	107.57*
Alchemy Trading Shanghai Limited	107.57*
Kemai Chemical Company Limited	107.57*
SAIC Motor Corporation Limited	107.57*
Shandong Sunsine Chemical Co., Ltd.	107.57*
Yingtai International Trading Co.	107.57*
All Others	107.57

* Rate is based on facts available with adverse inferences.

Suspension of Liquidation

In accordance with section 703(d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise as described in the scope of the investigation section entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. Further, pursuant to section 703(d)(1)(B) of the Act and 19 CFR 351.107(e), Commerce will instruct CBP to require a cash deposit equal to the estimated company-specific countervailable subsidy rate or the estimated all-others rate, as follows: (1) the cash deposit rate for the respondents listed above will be equal to the company-specific estimated individual countervailable subsidy rate determined in this preliminary determination; (2) if both the producer and exporter of the subject merchandise have company-specific estimated subsidy rates determined in this preliminary determination, and their rates differ, then the applicable cash deposit rate will be the higher of these two rates; (3) if either the producer or the exporter, but not both, of the subject merchandise have a company-specific estimated subsidy rate determined in this preliminary determination, the applicable cash deposit rate will be that company's company-specific rate; and (4) the cash deposit rate for all other producers and exporters will be equal to the estimated all-others subsidy rate.

Section 703(e)(2) of the Act provides that, given an affirmative determination of critical circumstances, any suspension of liquidation shall apply to unliquidated entries of merchandise

entered, or withdrawn from warehouse, for consumption on or after the later of: (a) the date which is 90 days before the date on which the suspension of liquidation was first ordered; or (b) the date on which notice of initiation of the investigation was published. Commerce preliminarily finds that critical circumstances exist for imports of subject merchandise produced and/or exported by Derek, Huatai, the non-responsive companies, and all other producers and/or exporters. In accordance with section 703(e)(2)(A) of the Act, the suspension of liquidation shall apply to unliquidated entries of merchandise from the exporters/producers identified in this paragraph that were entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the publication of this notice.

Disclosure

Normally, Commerce discloses to interested parties the calculations performed in a preliminary determination within five days of any public announcement, or if there is no public announcement, within five days of the date of publication of the notice of preliminary determination in the *Federal Register*, in accordance with 19 CFR 351.224(b). However, because Commerce preliminarily applied adverse facts available to the individually-examined companies Derek and Huatai, in this investigation, in accordance with section 776 of the Act, there are no calculations to disclose.

Verification

Because the examined respondents in this investigation did not provide information requested by Commerce and Commerce preliminarily determines each of the examined respondents to have been uncooperative, it will not conduct verification.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than 30 days after the date of publication of the preliminary determination. Rebuttal briefs, limited to issues raised in the case briefs, may be

filed not later than five days after the date for filing case briefs.⁹ Interested parties who submit case briefs or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.¹⁰ All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time on the established deadline.

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.¹¹ Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We intend to use the executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final determination in this investigation. We request that interested parties include footnotes for relevant citations in the executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).¹²

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce within 30 days after the date of publication of this notice. Requests should contain 1) the party's name, address, and telephone number; 2) the number of participants, whether any participant is a foreign national; and 3) a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

⁹ See 19 CFR 351.309(d); see also *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Final Rule*).

¹⁰ See 19 CFR 351.309(c)(2) and (d)(2).

¹¹ We use the term "issue" here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

¹² See *APO and Service Final Rule*.

U.S. International Trade Commission (ITC) Notification

In accordance with section 703(f) of the Act, Commerce will notify the ITC of its determination. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether imports of CBS from China are materially injuring, or threaten material injury to, the U.S. industry.

Notification to Interested Parties

This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act, and 19 CFR 351.205(c).

Dated: October 5, 2026.

Scot Fullerton,
Acting Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations.

Appendix I

Scope of the Investigation

The product subject to this investigation is N-Cyclohexylbenzothiazole-2-sulfenamide (CBS), an organic compound also known as N-cyclohexyl-2-benzothiazolesulfenamide, N-(1,3-benzothiazol-2-ylsulfanyl) cyclohexanamine and N-cyclohexylbenzothiazol-2-sulphenamide. It may additionally be termed Accelerator CZ, CBTS, Thiohexam, HIP4, Curax, DURAX, Conaca, Conach, Conacs, or Celacs. A CBS assay or sample most commonly reflects a concentration of 94 to 99 percent.

CBS is most commonly in the form of an off-white or light gray powder, oiled powder, or granule, though CBS imported in a different color or form is included in the scope. CBS typically has a melting point of 90 to 110°C and a molecular weight of 264.4 g/mol. CBS may be imported in a solution of benzene, ethanol, or acetone. CBS has the chemical formula C₁₃H₁₆N₂S₂ and is assigned the Chemical Abstract Service (CAS) registry No. 95-33-0.

The scope also includes CBS that is commingled with CBS from sources not subject to this investigation.

CBS powder, oiled powder, and granules are classified under subheading 2934.20.8000, Harmonized Tariff Schedule of the United States (HTSUS). Imports of CBS may also be classified under subheadings 3812.10.1000 and 3812.10.5000, HTSUS. Although the HTSUS and CAS numbers are provided for convenience and customs purposes, the written description of the scope is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Injury Test
- IV. Analysis of China's Financial System
- V. Diversification of China's Economy
- VI. Use of Facts Otherwise Available and Adverse Inferences
- VII. Critical Circumstances
- VIII. Recommendation

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