

Tariff Fact Sheet – February 2026, Update

This fact sheet provides a concise overview of major U.S. trade and tariff developments as of February 2026, including the recent U.S. Supreme Court Case decision, new Section 122 tariffs, and new reciprocal tariff frameworks.

U.S. Supreme Court Litigation

On February 20, 2026, the Supreme Court of the United States [ruled](#) that U.S. President Trump’s tariff actions imposed under the International Emergency Economic Powers Act (IEEPA) were unconstitutional.

The decision covered several categories of IEEPA-based measures, including tariffs imposed on Canada, Mexico, and China under fentanyl and migration justifications. It also encompassed the baseline 10 percent tariff applied to imports from nearly all U.S. trading partners through an Executive Order issued on April 2, 2025, as well as higher, country-specific rates imposed in certain cases.

The Court did not address whether—or how—the federal government should provide refunds to importers that paid these tariffs, which are estimated to have exceeded \$200 billion in 2025.

Additional Tariff Action Under Section 122 of the Trade Act of 1974

On February 20, 2026, following the U.S. Supreme Court’s decision on IEEPA, U.S. President Trump signed an [Executive Order](#) invoking Section 122 of the Trade Act of 1974, applying a 10 percent tariff effective February 24, 2026.

On February 21, the President quickly posted on social media that he intends to increase the tariff to 15 percent effective immediately. At this time, we have no official information about the proposed 15 percent. Accordingly, the details below reflect the existing 10 percent Executive Order.



The Executive Order provides exemptions for:

- USMCA-compliant goods, including productions originating in Canada and Mexico that qualify for duty-free treatment under the agreement,
- Products subject to Section 232 tariffs including steel, aluminum, and related derivatives, and
- Product specific exemptions similar to those under IEEPA previously including fresh produce such as bananas, pineapples, and oranges.

A complete list of product exemptions is provided in [Annex II](#).

Background on Section 122 – Permits short-term tariffs (capped at 15 percent for up to 150 days) to address balance-of-payments issues or prevent sharp dollar depreciation, with congressional approval needed for extensions. This is the first time this authority has been used.

Negotiated U.S. Trade Agreements include:

- [U.S.-India](#): Reciprocal tariff reduced to 18%; 25% additional tariff on Indian goods removed; agreement to eliminate or reduce tariffs on select U.S. agricultural products, including fresh and processed fruit.
- [U.S.-Bangladesh](#): Reciprocal tariff reduced to 19% on Bangladeshi goods with select goods to receive a zero percent reciprocal tariff rate; Bangladesh to purchase \$3.5 billion of U.S. agriculture products, including wheat, soy, cotton, and corn.
- [U.S.-Taiwan](#): Tariffs on Taiwanese goods lowered to 15%; 99% of tariff barriers to be eliminated or reduced on U.S. exports; commitment to expanded access to U.S. agriculture in Taiwan including horticultural products.
- [U.S.-UK](#): 10% tariff on up to 100,000 vehicles; duty-free quota for U.S. beef.
- [U.S.-Japan](#): Tariffs reduced to 15%; \$550B in Japanese investments.
- [U.S.-Indonesia](#): 19% tariff on Indonesian goods; 99% tariff elimination on U.S. exports. In addition, Indonesia is expected to meet minimum import volumes of apples, citrus fruit, and grapes.



- U.S.–Philippines: 19% tariff on Philippine goods; zero tariffs on U.S. exports.
- [U.S.–EU](#): 15% tariff on EU goods; \$750B in U.S. energy purchases; U.K. to give preference to U.S. agri-food products
- [U.S.–South Korea](#): 15% tariff on Korean goods; \$350B in investments.

For more information, please visit [IFPA's Commentary Page](#).

Latin American Trade Frameworks Announced

In mid-November, the U.S. Trump administration announced four trade framework agreements with [El Salvador](#), [Argentina](#), [Ecuador](#), and [Guatemala](#). These agreements broadly aim to reduce non-tariff barriers, promote sound regulatory practices, and safeguard digital trade, among other priorities.

A key feature of each agreement is the U.S. commitment to remove reciprocal tariffs on certain qualifying imports including products that cannot be grown, mined, or naturally produced in sufficient quantities within the United States.

ASEAN Trade Agreements Announced

During the meeting of the Association of Southeast Asian Nations (ASEAN) summit in October, the United States announced new reciprocal trade agreements with Cambodia and Malaysia, as well as framework pacts with [Thailand](#) and [Vietnam](#). Collectively, these deals cover over 65% of U.S. two-way trade with ASEAN nations. The [Cambodia](#) and [Malaysia](#) agreements lower tariffs on U.S. goods and address longstanding trade barriers, such as stringent sanitary and phytosanitary (SPS) measures.

U.S. reciprocal tariffs on those four countries remain as part of the agreements reached.

- Cambodia, Malaysia and Thailand – 19 percent tariff on exports to the U.S.
- Vietnam – 20 percent tariff on exports to the U.S.

