

Recent U.S. Tariff Changes: What Sri Lankan Exporters Need to Know

February 2026

The administration of Donald Trump had previously imposed broad “reciprocal tariffs” on imports from many countries, including Sri Lanka, using emergency economic powers.

However, on 20th February 2026, the Supreme Court of the United States recently ruled that the President did not have the legal authority to impose those sweeping tariffs under the law used. This decision effectively invalidated the earlier tariff framework.

What has replaced the Old Tariffs?

Immediately after ruling, the White House announced a new temporary import duty with the following features:

Rate 10% Ad valorem (on most imports)	Duration 150 Days (A Temporary measure)	With effect from 24th Feb 2026	Coverage Broad Applies most trading partners
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This replaces the earlier country-specific reciprocal tariff rates (including those negotiated by Sri Lanka)

Important Exemptions

Some products are not subject to the new 10% duty, including:

- Pharmaceuticals
- Certain Critical minerals
- Certain Agricultural goods
- Aerospace related products
- Selected vehicle categories
- Goods covered under specific regional trade agreements (ex: North America)

Exporters must check product-level classifications carefully.

Product Codes exempted from the Surcharge:

<https://www.whitehouse.gov/wp-content/uploads/2026/02/2026Section122.prc .ANNEX2 .Final .pdf>

Key Takeaways for Sri Lankan Exporters

- IEEPA-based additional duties will be lifted as of 24th February 2026 and this removes the 20% additional duties on Sri Lanka’s exports to US.
- New “Section 122”: The additional duty is 10% and is added to the current MFN rate (increased to 15%, but not officially published yet). It is valid from 24th February 2026 for 150 days, until 24th July 2026.
- In-transit rule: “Goods in transit” are goods that were loaded onto a vessel at the port of loading by 24th February 2026, were on the final leg of transport prior to import into the US, and are entered for consumption (or withdrawn from a bonded warehouse for entry for consumption), before 28th February 2026. Such goods are not subjected to section 122.
- Continued suspension of “de minimis”: Duty free de minimis treatment remains suspended for all countries.

Refunds and Next Steps

- It is currently unclear whether the US Government will introduce a refund process or require companies to file claims with US Court of International Trade (CIT).
- Volatility in the US Trade Policy continues to be a key factor that requires close monitoring.

Important Links for you

- [Announcements by the Whitehouse](#)
- [Check your Duty Rates](#)

Sources:

- US Supreme Court Ruling : https://www.supremecourt.gov/opinions/25pdf/24-1287_4gcj.pdf
- Proclamation 20.02.2026 Section 122: [Imposing a Temporary Import Surcharge to Address Fundamental International Payments Problems – The White House](#)
- U.S. Custom Boarder Protection: [Ending Collection of International Emergency Economic Powers Act Duties](#)
- Executive Order 20.02.2026: [Ending Certain Tariff Actions – The White House](#)
- Executive Order 20.02.2026: [Continuing the Suspension of Duty-Free De Minimis Treatment for All Countries – The White House](#)

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