

Trump Administration Issues 2025 UFLPA Strategy and Related Updates: Recommendations for Importers

September 8, 2025

KEY TAKEAWAYS

- On August 19, 2025, the U.S. Forced Labor Enforcement Task Force (the "FLETF") issued the "2025 Updates to the Strategy to Prevent the Importation of Goods Mined, Produced, or Manufactured with Forced Labor in the People's Republic of China" (the "2025 UFLPA Strategy"). This annual update identifies new high-priority goods for enforcement of the Uyghur Forced Labor Prevention Act ("UFLPA"), including caustic soda, lithium, steel, copper and jujubes. The update also specifies that Customs and Border Protection ("CBP") has examined more than 16,000 shipments and that the Department of Homeland Security ("DHS") will refer allegations of forced labor by entities in China to Homeland Security Investigations ("HSI") for criminal investigation and federal prosecution.
- In light of these developments, companies should consider assessing and enhancing
 their UFLPA compliance, including by establishing and enforcing standards that
 prohibit suppliers' use of forced labor. More broadly, such proactive compliance
 measures can also include inventorying supply chains, conducting due diligence of
 suppliers, and establishing active monitoring programs.

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On August 19, 2025, as required under the UFLPA, the FLETF issued its <u>2025 UFLPA</u> <u>Strategy</u>. The government's annual update to its UFLPA enforcement approach identifies new high-priority sectors, provides updated enforcement statistics and describes intentions to expand the UFLPA Entity List. This client alert addresses potential implications of these updates for companies with supply chains involving products potentially from, or incorporating inputs from, the Xinjiang Uyghur Autonomous Region ("Xinjiang Province") of China or from companies on the UFLPA Entity List.



The UFLPA. The UFLPA establishes a rebuttable presumption that goods produced in whole or in part in Xinjiang Province or by entities listed on the UFLPA Entity List ("Listed Entities") are prohibited from entering the United States. To overcome this presumption, the importer must prove, among other things, by the heightened standard of clear and convincing evidence that the goods were not produced using forced labor.

Under the UFLPA, companies may be designated as Listed Entities based on their alleged connection to forced labor in Xinjiang Province. Companies whose direct or indirect suppliers become Listed Entities face significant and sudden supply chain disruptions because the import ban on related goods takes immediate effect upon the Listed Entities' designations.

The 2025 UFLPA Strategy. The Trump Administration is yet to add any new entities to the UFLPA Entity List, though the 2025 UFLPA Strategy reports that 78 entities have been added to the list since 2024 (all under the Biden Administration). Amid the onagain, off-again trade war between China and the United States, some speculated that the Trump Administration may have been reluctant to focus on the UFLPA. However, the updated strategy suggests that UFLPA enforcement is more likely to continue expanding, regardless of the ongoing trade discussions.

Specifically, the 2025 UFLPA Strategy:

- Identifies new high-priority goods for enforcement to include caustic soda, lithium, steel, copper, and jujubes based on findings that these industries involve a higher risk than other goods of alleged forced labor in Xinjiang Province.² The FLETF will prioritize reviewing entities in these sectors for designation as Listed Entities, as well as consider deploying additional tools and authorities such as economic sanctions, visa restrictions, and export control measures.³
- Reports that, between June 2022 to July 2025, CBP has examined more than 16,000 shipments, valued at almost \$3.7 billion, and has denied entry to a significant number of shipments with violative goods.

See, e.g., Richard Vanderford, <u>Trump Has a China Trade War Weapon He Hasn't Picked Up</u>, wsj.com (Mar. 21, 2025)

² Previously designated high-priority goods include aluminum, apparel, cotton and cotton products, polyvinyl chloride, seafood, silica-based products (including polysilicon), and tomatoes and downstream products.

The Departments of Commerce, Homeland Security, Labor, State and Treasury, together with the Office of the U.S. Trade Representative, have published a July 2021 <u>business advisory</u> and a September 2023 <u>addendum</u> to the same that identify a wide range of risk considerations for businesses with exposure to entities engaged in alleged forced-labor human-rights abuses in Xinjiang Province.



- States that DHS's Center for Countering Human Trafficking will refer viable allegations of forced labor by entities in China to HSI for criminal investigation and federal prosecution.
- Describes how the Departments of Treasury and Labor have convinced multilateral development banks to (i) require traceability of metallurgical grade silicon for solar projects under financing consideration by the banks and (ii) exclude sourcing of products from Xinjiang Province and from Listed Entities.

Termination of *De Minimis* **Import Exemption**. Separately, President Trump recently issued a new <u>executive order</u> that suspends the duty-free *de minimis* import exemption for low-value shipments for all countries. As detailed in the <u>Debevoise National Security</u> <u>Update: Increased UFLPA Enforcement</u>, DHS had ratcheted up enforcement for potential UFLPA violations against *de minimis* package shipments, which generally enter the United States duty- and tariff-free and with fewer disclosures.

DHS's concern was that the diminished disclosure requirements made it more challenging for U.S. customs officials to identify UFLPA violations from *de minimis* imports. The suspension of the exception addresses a major enforcement issue for DHS and may also lead to heightened UFLPA scrutiny of shipments that previously would have been covered by the exemption.

Compliance and Mitigation Measures. Given these developments, companies (especially those in, or with a nexus to, high-priority sectors) should consider assessing their UFLPA risks, including determining whether they or their key suppliers contract with any Listed Entities. Significantly, there is no *de minimis* forced labor exception or intent requirement under the UFLPA. The presence of Xinjiang-sourced or a Listed Entity's goods in a company's supply chain therefore could trigger enforcement, regardless of whether the company is aware of alleged forced labor in its supply chain.

To mitigate such risks, possible controls for companies to consider include:

- **Inventory supply chains** to identify if and how they are exposed to forced labor risks from upstream suppliers, including risk-based supply chain mapping.
- **Establish enforceable standards for suppliers** in relevant counterparty agreements, including prohibiting forced labor both by direct suppliers and their upstream suppliers regarding any goods provided under the agreement.
- **Conduct risk-based due diligence of suppliers**, particularly Chinese-based suppliers, and audits of higher-risk supply chains.



- **Establish active supply chain monitoring programs** to track movements of goods and products throughout the supply chain.
- Develop a supply chain mitigation and response plan to reduce the risk of supply chain and operational disruption in case of UFLPA enforcement against a critical or key supplier.
- **Diversify suppliers that raise higher risks** of becoming listed on the UFLPA Entities List.

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Please do not hesitate to contact us with any questions.



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