



Q3 2026

Regulatory Updates/Quarterly Report

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2 BLUECIRCLE ADVISORS

Our mission is to help you make safer products, build ethical supply chains, and protect your company's revenues by meeting global regulatory requirements, so that you can sell your products anywhere and at any time. We provide answers to your biggest compliance challenges and connect you with the right training, tools, and teams to make product compliance part of your everyday business.

The BCA Advantage!

- Compliance experts with more than 20 years in the compliance industry
- Managed solutions for building compliance programs, collecting data from suppliers, and training
- Consulting retainers for immediate answers to your compliance challenges
- Compliance training – live, online, on-site, webinars, and seminars
- World class data collection partners
- Ability to use API software to transfer supplier data from our system to yours
- Affiliations with industry associations to share compliance best practices

Services – How We Help

Helping you manage continuously changing regulations with industry expertise.



Gap Assessments

Review product lines, suppliers, and materials at risk and receive a go-forward compliance plan



Data Collection

Acquire material declarations, full material disclosures, and certifications for standard and custom parts



Supplier Risk Management

Identify and work with high-risk suppliers to meet compliance requirements



Regulatory Consulting

Develop risk mitigation strategies and implement compliance programs



Supplier & Manager Training

Keep team members and suppliers up-to-date on global product regulations



Due Diligence Documentation

Build documented processes, policies, and procedures meeting client and regulatory compliance

Our projects help you prevent stop shipments, fines, and fees enforced by customs. With the right subject matter expertise, we show you how to answer customer compliance questions and close that sales deal you have been working on for months!

As always, we thank you for your business!

3 BUILD AMERICA BUY AMERICA

3.1 UNDERSTANDING THE BABA CALCULATION

Here's a practical 2026 discussion of Build America, Buy America (BABA) calculations, especially where people get tripped up.

The key points:

There is not one universal “**BABA calculation**.” The calculation depends on the product category:

- **Iron and steel products** – generally an all-manufacturing processes test in the U.S.
- **Construction materials** – also generally an all-manufacturing processes test in the U.S. for the listed material categories.
- **Manufactured products** – this is where the cost calculation matters most. Under the government-wide rule, the domestic cost of components must be **greater than 55% of the total cost of all components** for the manufactured product. [[ecfr.gov](https://www.ecfr.gov)], [[ecfr.gov](https://www.ecfr.gov)]

For manufactured products: the basic formula

For a manufactured product, the core test is:

$$\text{Domestic component cost percentage} = \frac{\text{Cost of U.S. components}}{\text{Total cost of all components}} \times 100$$

To qualify under the standard rule, the result must be **greater than 55%**. The government-wide rule for determining the cost of components is set out in [2 CFR 184.5](https://www.ecfr.gov). [[ecfr.gov](https://www.ecfr.gov)]

What counts as “cost of components”

Under [2 CFR 184.5](https://www.ecfr.gov):

- If the component is purchased by the manufacturer, use:
 - acquisition cost
 - plus transportation cost to the place where it is incorporated
 - plus any applicable duty

- If the component is made by the manufacturer, use:
 - all manufacturing costs for that component
 - plus allocable overhead
 - plus transportation to the place of incorporation
 - **excluding profit**

A very important nuance: **the cost of components does not include the costs of manufacturing the final manufactured product itself.** [ecfr.gov]

Example calculation

Suppose a manufacturer builds a control cabinet for an infrastructure project.

- U.S. enclosure: \$1,800
- U.S. wiring harness: \$700
- U.S. mounting hardware: \$300
- Foreign controller board: \$1,400
- Foreign display module: \$600
- Freight and duty allocable to components: \$200

Total cost of all components = \$5,000

Cost of U.S. components = \$2,800

So:

$$\frac{2800}{5000} \times 100 = 56\%$$

That product would clear the **greater-than-55%** threshold. If it came out to exactly 55.0%, you would want to read the applicable agency rule carefully because the government-wide text uses “greater than 55 percent” wording. [ecfr.gov]

Why May 2026 is tricky

In May 2026, the biggest calculation issue is not the general OMB framework—it is the **Federal Highway Administration (FHWA)** transition for manufactured products.

The FHWA final rule rescinded the old, manufactured products waiver and created a phased rollout:

- For projects obligated on or after October 1, 2025: manufactured products must be **finally assembled in the U.S.**
- For projects obligated on or after **October 1, 2026**: manufactured products must satisfy final assembly in the U.S. **and** the 55% component-cost threshold. [highways.dot.gov], [federalregister.gov], [aashtojour...tation.org]

In **May 2026**, many highway-funded projects are in the **interim phase**:

- final assembly matters now for newer FHWA obligations,
- but the 55% cost-of-components test may not yet apply unless the specific funding/program timing or agency rule says otherwise. [[highways.dot.gov](https://www.highways.dot.gov)], [[federalregister.gov](https://www.federalregister.gov)]

The most common mistake

A common mistake is to assume every BABA question is answered by doing a 55% math exercise. That is not always true.

You first need to ask:

1) What category is the item?

Is it:

- an iron or steel product,
- a construction material,
- or a manufactured product? [[ecfr.gov](https://www.ecfr.gov)]

That classification drives the analysis.

2) Which agency's funds are involved?

Agency-specific implementation still matters even under the common framework in 2 CFR Part 184. [[law.cornell.edu](https://www.law.cornell.edu)], [[ed.gov](https://www.ed.gov)]

3) When was the project obligated?

For FHWA work especially, the obligation date determines whether you are dealing with:

- no manufactured-product content calculation yet,
- final assembly only,
- or final assembly plus 55% component cost. [[highways.dot.gov](https://www.highways.dot.gov)], [[federalregister.gov](https://www.federalregister.gov)]

Construction materials: different calculation mindset

For **construction materials**, the analysis is usually **not** a 55% domestic component-cost test. Instead, the question is whether **all manufacturing processes** for the listed construction material occurred in the United States, subject to the definitions and exceptions in the regulation. The listed categories include items like non-ferrous metals, glass, fiber optic cable, optical fiber, lumber, engineered wood, drywall, and plastic/polymer-based products. [[ecfr.gov](https://www.ecfr.gov)]

If someone asks how to “calculate” a construction material’s compliance, the better answer is often: classify the item correctly and map its manufacturing process, rather than building a cost spreadsheet. [[ecfr.gov](https://www.ecfr.gov)], [[law.cornell.edu](https://www.law.cornell.edu)]

Iron and steel: different again

For **iron and steel products**, the focus is again generally **not** a 55% cost test. The core issue is whether the required manufacturing processes happened in the United States under the applicable standard. That is why misclassification can lead to the wrong compliance method entirely. [[ecfr.gov](https://www.ecfr.gov)], [[law.cornell.edu](https://www.law.cornell.edu)]

A practical 2026 checklist

If you are evaluating BABA compliance in May 2026, I would use this order:

- Identify the funding agency and program
- Confirm the project obligation date
- Classify the item correctly
- If it is a manufactured product, build the component-cost schedule
- Include transportation and duty where required
- Exclude final-product manufacturing cost and profit where required
- Retain supplier certifications and backup cost support

That is the safest way to avoid doing the wrong calculation for the wrong category. [\[ecfr.gov\]](https://ecfr.gov), [\[law.cornell.edu\]](https://law.cornell.edu), [\[highways.dot.gov\]](https://highways.dot.gov)

3.2 BUILD AMERICA, BY AMERICA CALCULATION

The first step is to identify the product category, because the compliance method changes depending on whether the item is iron and steel, construction material, or a manufactured product. The table below shows where a calculation matters most and how the timing affects the analysis.

Category	Is there a cost calculation?	Main test in May 2026	What to check
Iron and steel products	No standard 55% component-cost test	Manufacturing processes for the iron or steel product generally must occur in the United States	Correct classification, manufacturing location, and agency-specific requirements
Construction materials	No standard 55% component-cost test	All manufacturing processes for the listed construction material generally must occur in the United States	Whether the item fits a listed construction material category and where processing occurred
Manufactured products	Yes, this is the main category where the component-cost calculation applies	Government-wide rule: final assembly in the United States and domestic component cost greater than 55% of total component cost; FHWA timing may phase these requirements in based on obligation date	Final assembly location, component origin, transportation and duty, and project obligation date

3.3 EXAMPLE: MANUFACTURED PRODUCT 55% TEST

Component	Origin	Cost included in calculation
Enclosure	United States	\$1,800
Wiring harness	United States	\$700
Mounting hardware	United States	\$300
Controller board	Foreign	\$1,400
Display module	Foreign	\$600
Transportation and duty allocable to components	Mixed	\$200
Total cost of all components		\$5,000
Cost of U.S. components		\$2,800
Domestic component percentage		56%

Under the government-wide rule, this example clears the greater-than-55% threshold for manufactured products. But in May 2026, FHWA-funded highway projects may still be in a phase where final assembly in the United States is already required while the 55% component-cost threshold does not apply until projects obligated on or after October 1, 2026. That is why category, agency, and obligation date must all be checked before relying on a single calculation.

3.4 EXAMPLE: CONSTRUCTION, IRON, AND STEEL

Formula-Style Tests for Construction Materials and Iron and Steel

Construction materials and iron and steel products generally do not use a percentage-based domestic content formula under the general Build America, Buy America rule. Instead, the practical test is whether the required manufacturing processes occurred in the United States for the correctly classified product.

Category	Formula-style test	Pass condition
Iron and steel products	Compliance result = Confirm whether all required manufacturing processes for the	Pass if the applicable manufacturing processes occurred in the United States

	iron or steel product occurred in the United States	
Construction materials	Compliance result = Confirm whether all manufacturing processes for the listed construction material occurred in the United States	Pass if all manufacturing processes for the listed construction material occurred in the United States
Manufactured products	Domestic component percentage = $(\text{Cost of U.S. components} \div \text{Total cost of all components}) \times 100$	Pass if final assembly occurred in the United States and the domestic component percentage is greater than 55%, subject to agency timing rules

When classifying construction materials, iron, and/or steel, there needs to be confirmation based on where the manufacturing processes occur.

4 ANTI-TRAFFICKING & FORCED LABOR ENFORCEMENT

What is human trafficking? Human trafficking involves the recruitment, transportation, or harboring of persons for the purpose of exploitation, typically in the sex industry or for forced labor.

This can include physical violence, sexual assault, and emotional abuse used to control a victim. Human trafficking can occur within a specific country or cross borders globally. Prostitution and forced servitude are two forms of trafficking. Often victims suffer when they try to escape or refuse to comply. Organized crime is often involved with trafficking.

4.1 CBP UPDATES UFLPA DASHBOARD

Following up on last quarter's introduction of the new UFLPA Dashboard, we can discuss what has been captured on the dashboard and new statistics.

What the 2026 enforcement data is signaling

A February 2026 legal review of CBP dashboard data found that CBP had checked more than 18,000 shipments worth about \$3.81 billion through early 2026. The same review said roughly 7,325 shipments were stopped for UFLPA review in fiscal 2025. That was more than 50% above fiscal 2024. Only about 6.5% were let into U.S. trade. ¹

¹ <https://www.certaintysoftware.com/uflpa-compliance-2026-cbp-dashboard-importers/>

That release rate should grab every importer's eye. Even if some releases reflect scope findings rather than winning rebuttals, the trend still points to a high proof bar. It also hints at a low margin for weak supplier records.²

A trade group review of DHS's 2025 UFLPA Strategy update showed the same trend. From June 2022 to July 2025, CBP held 16,755 shipments worth \$3.69 billion. It denied entry to 10,274 of them and released 5,783 after review.³

Put together, those figures show that UFLPA compliance is getting harder, not easier. The 2026 story is not a one-off spike. It is a maturing program with better data, better targeting, and a wider reach across sectors.⁴

Which industries are most exposed

In the past, most UFLPA holds have hit electronics, mainly solar products. Next come apparel, footwear and textiles, and factory materials. But CBP is also holding goods shipped from countries other than China. That is a reminder: final assembly location does not remove upstream risk.⁵

By early 2026, CBP also began to focus on high-volume, lower-value items such as auto castings and parts. Electronics still hold the largest share of holds. Yet auto and aerospace parts are among the fastest-growing groups.⁶

The sector list is also growing upstream. The 2025 UFLPA Strategy update added caustic soda, lithium, steel, red dates, and copper as top focus areas. These joined prior targets such as aluminum, apparel, cotton, PVC, seafood, silica-based products like polysilicon, and tomatoes.⁷

For sourcing leaders, that mix matters. It pushes risk beyond clear finished goods. Products that use batteries, minerals, resins, metal inputs, or parts sourced through many middlemen may carry hidden upstream risk. So forced labor due diligence must start earlier and go deeper than a Tier 1 supplier form.⁸

The updated Dashboard and user guide are available at:

<https://www.cbp.gov/newsroom/stats/trade/uyghur-forced-labor-prevention-act-statistics>

A link to the current UFLPA Entity List: <https://www.dhs.gov/uflpa-entity-list>

² <https://aaei.org/u-s-updates-strategy-to-combat-forced-labor/>

³ <https://aaei.org/u-s-updates-strategy-to-combat-forced-labor/>

⁴ <https://aaei.org/u-s-updates-strategy-to-combat-forced-labor/>

⁵ <https://www.afslaw.com/services/international-trade-investment/forced-labor/uyghur-forced-labor-prevention-act-uflpa>

⁶ <https://www.troutman.com/insights/high-voltage-enforcement-uflpa-turns-up-the-heat-on-lithium-ion-and-energy-storage-imports/>

⁷ <https://aaei.org/u-s-updates-strategy-to-combat-forced-labor/>

⁸ <https://www.troutman.com/insights/high-voltage-enforcement-uflpa-turns-up-the-heat-on-lithium-ion-and-energy-storage-imports/>

4.2 FINCEN LAUNCH HUMAN TRAFFICKING DUE TO FIFA WORLD CUP

The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) issued a Notice urging increased vigilance by financial institutions located in and around cities hosting the 2026 Fédération Internationale de Football Association (FIFA) World Cup.

While human trafficking is an ever-present threat in the United States, major events can create a concentrated demand for licit and illicit services. The 2026 FIFA World Cup is expected to draw millions of foreign and domestic visitors, and individuals visiting or residing near host cities may be vulnerable to sex or labor trafficking by perpetrators seeking to exploit the surge in economic activity. Financial institutions should exercise vigilance to detect and report suspicious activity connected to potential human trafficking.

"Financial institutions are essential partners in the fight to counter human trafficking," said FinCEN Director Andrea Gacki. "Timely reporting on suspicious activity potentially connected to human trafficking, regardless of threshold, is crucial in helping law enforcement aid possible victims and prosecute their traffickers."

Financial Institutions are Key Partners in Combating Human Trafficking

FinCEN strongly encourages financial institutions to notify law enforcement of suspected human trafficking-related activity via the National Human Trafficking Hotline, in addition to filing Suspicious Activity Reports regarding potential human trafficking activity related to the FIFA World Cup as soon as possible regardless of threshold.

FinCEN also encourages voluntary information sharing by financial institutions and associations of financial institutions under applicable law to help identify, report, and prevent possible terrorist activity or money laundering related to human trafficking.

In accordance with FinCEN guidance, FinCEN also strongly encourages appropriate voluntary cross-border information sharing between and among financial institutions, including appropriate foreign financial institutions.

It is critical that customer-facing financial institution staff are aware of transactional and behavioral indicators that may indicate human trafficking, as victims may have no contact with people outside of their traffickers other than when visiting financial institutions. This Notice identifies transactional and behavioral red flags, in addition to those identified in FinCEN Advisory products issued in 2014 and 2020.

Labor Trafficking During Major Events

- Seemingly legitimate businesses in major event locations may use exploitative employment of victims to meet the increased demand for labor and services during these events.
- A victim's wages may be withheld entirely or partially by their traffickers, indicated by an absence or deviation of expected payroll expenses, or wages may be transferred from a victim's account to their trafficker's account.
- Victims of trafficking may also have minimal, or no transactions associated with maintaining essential needs, given a trafficker's financial control over a victim.

FinCEN is committed to countering human trafficking in all its forms. Today's Notice aims to aid in the dismantling of cross-border human trafficking networks, an objective of Executive Order 14159, Protecting the American People Against Invasion.⁹

4.3 EU FORCED LABOR REGULATION UPDATES

Europe moves against forced labor in the products it markets. The European Commission has adopted the first regulation implementing EU legislation against forced labor, marking a key operational step in the deployment of the legislative framework that will ban these products from the European market.

The text, published in the Official Journal of the European Union (EU), defines the functioning of the information system that will connect the Commission, the competent national authorities and the customs authorities for the application of the regulation.

Specifically, the regulation provides for the creation of a specific module on forced labor within the Information and Communication System for Market Surveillance (Icsm), which will serve as a central tool for managing investigations, decisions and enforcement measures.

This module will enable the structured exchange of data on ongoing investigations, decisions taken and products concerned, as well as facilitating coordination between Member States and the follow-up of possible infringements.

The standard against forced labor in the EU will enter into force on **May 18th, 2026**, and is part of the development of the regulation adopted in 2024.

According to the regulation, the system will also be used to conduct risk assessments and to identify products or product groups likely to be linked to forced labor, thus strengthening the preventive capacity of the European framework.

The text also sets out detailed criteria on the type of information to be shared between authorities, **including data on economic operators, product characteristics and measures taken**, as well as the mechanisms for cooperation in cross-border investigations.

The regulation will enter into force on May 18th, 2026, and is part of the development of the regulation approved in 2024, which will prohibit the marketing and export from the European Union of products manufactured with forced labor.

Although this act is of a technical and operational nature, it represents a step forward in the control architecture prior to the **full implementation of the regulation, scheduled for December 14th, 2027**, when the market bans will begin to apply.¹⁰

⁹ <https://ieu-monitoring.com/editorial/2026-fifa-world-cup-u-s-fincen-issues-notice-on-threat-of-human-trafficking/1214482>

¹⁰ <https://www.modaes.com/global/markets/eu-activates-first-enforcement-regulation-against-forced-labor-products>

5 MINERALS AND MINING

5.1 DFARS UPDATES FOR CRITICAL MINERALS – 2027 DEADLINES

Overview of DFARS Updates for Critical Minerals

In May 2026, significant updates to the Defense Federal Acquisition Regulation Supplement (DFARS) were announced, particularly concerning critical minerals. These changes are part of the broader implications of the Fiscal Year 2026 National Defense Authorization Act (NDAA).

Key Changes in DFARS

The updates include:

- **Expanded Sourcing Restrictions:** New critical minerals have been added to the Department of Defense's (DoD) list of covered materials. This means that procurement of these materials will be subject to stricter regulations.
- **Phased Procurement Restrictions:** The NDAA introduces phased restrictions on DoD procurement of advanced batteries and other materials linked to foreign entities deemed as concerns.

Compliance Strategies for Companies

To adapt to these changes, companies involved in defense contracting should consider the following actions:

- **Map Supply Chains:** Identify all stages of the supply chain, from mining to refining, to ensure compliance with the new DFARS restrictions.
- **Evaluate Materials:** Assess which materials are subject to the new sourcing restrictions and develop strategies to comply with these regulations.
- **Engage in Stakeholder Initiatives:** Participate in industry groups and compliance certification programs to stay informed and aligned with the new requirements.

Timeline for Implementation

2027 Expansion: The full implementation of these restrictions is set to take effect in 2027, giving companies time to prepare and adjust their supply chains accordingly.

These updates reflect the federal government's ongoing efforts to secure reliable supplies of critical minerals while reducing dependence on foreign sources.¹¹

¹¹ <https://www.pillsburylaw.com/en/news-and-insights/fy2026-ndaa-sourcing-restrictions-critical-minerals-advanced-batteries.html>

5.2 NEXT STEPS PROJECT VAULT – CRITICAL MINERALS

On February 2nd, President Trump announced Project Vault, a landmark initiative led by the Chairman of the Export-Import Bank of the United States (EXIM), which marks an unprecedented step in U.S. industrial policy by establishing a domestic strategic reserve for critical minerals. The EXIM Board of Directors approved a Direct Loan of up to \$10 billion for Project Vault, more than double the largest financing in EXIM’s history, designed to shield domestic manufacturers from supply shocks, expand U.S. production and processing of critical raw materials, and fundamentally strengthen America’s critical minerals sector.

US Project Vault represents a paradigm shift in addressing critical minerals strategy vulnerabilities, *moving beyond traditional stockpiling to create dynamic supply chain solutions*. Market disruptions in critical minerals supply chains have exposed fundamental weaknesses that extend far beyond traditional inventory shortages. While emergency stockpiles represent one layer of protection, the underlying structural problems—insufficient capital, limited creditworthy counterparties, and inflexible processing arrangements—require more sophisticated solutions.

These market failures have created a strategic vulnerability that threatens manufacturing resilience across multiple sectors, from electronics to renewable energy infrastructure. The complexity of modern supply chains demands intervention mechanisms that can address both immediate material availability and longer-term market functionality.

Traditional approaches focused solely on static reserves fail to capture the dynamic nature of industrial demand and the interconnected challenges facing producers, processors, and manufacturers throughout the value chain.

Beyond Basic Stockpiling: A Dynamic Supply Chain Solution

US Project Vault aims to close first funding tranche with a fundamentally different approach to critical minerals security than conventional government reserves. According to EXIM Bank president John Jovanovic, the initiative addresses market problems that run deeper than simple material stockpiling. The system incorporates processing capability integration, allowing materials to move through various stages of refinement whilst maintaining systematic tracking and commodity exposure within the reserve framework.

Unlike static warehousing models, Project Vault enables real-time inventory management responding to manufacturer demand signals. This operational philosophy represents a shift from passive accumulation to active market participation. The reserve system functions as a dynamic intermediary between supply and demand rather than an emergency-only resource.

The \$12 Billion Public-Private Partnership Structure

The funding architecture combines \$10 billion in EXIM Bank lending with \$2 billion in private sector commitments, creating a hybrid financing model that leverages government credit capacity whilst incorporating private sector operational expertise. This structure emerged from February 2026 policy announcements and was nearing its first funding tranche closure as of **April 20, 2026**.

Major industrial participants include automotive manufacturers, aerospace companies, and technology firms that have historically faced supply chain constraints in critical minerals procurement. The risk-sharing arrangement reduces counterparty credit concerns whilst enabling long-term supply commitments that individual companies might struggle to secure through traditional commercial arrangements.

Furthermore, the private sector component serves multiple functions:

- Balance sheet augmentation for manufacturers requiring extended supply security
- Processing capacity coordination across multiple industrial sectors
- Infrastructure development incentives through creditworthy demand creation
- Market signal amplification to encourage upstream investment

Project Vault is the program to secure the future of critical minerals for U.S. manufacturers and government agencies.¹²

5.3 NEW EMRT 2.11 TEMPLATE

The Extended Minerals Reporting Template (EMRT) is a free, standardized reporting template developed by the Responsible Minerals Initiative to identify pinch points and collect due diligence information in the cobalt and mica supply chains. This is a template that was formally launched on October 20, 2021. The RMI recommends using EMRT v. 2.11 for the Reporting Year.

New changes to EMRT v.2.11 as of April 17, 2026:

- Enhancements which do not conflict with IPC-1755
- Updates to ISO short names for countries, states/provinces
- Corrected date input issue on Declaration Tab
- Updates to Smelter Reference List and Standard Smelter List

The next version of the EMRT is anticipated to be released in the Spring of 2027.¹³

5.4 NEW AMRT 1.31 TEMPLATE

The Additional Minerals Reporting Template (AMRT), formerly known as the Pilot Reporting Template (PRT), is a free, standardized reporting template developed by the Responsible Minerals Initiative to identify pinch points and collect due diligence information for minerals not covered by the Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT). This is a template that was formally launched on November 11, 2022. The RMI recommends using AMRT v. 1.31 or higher for the Reporting Year.

New changes to AMRT v.1.31 as of April 17, 2026:

- Updates to ISO short names for countries, states/provinces
- Corrected date input issue on Declaration Tab
- Updates to Smelter Reference List and Standard Smelter List

¹² <https://discoveryalert.com.au/us-project-vault-critical-minerals-supply-chain-2026/>

¹³ <https://www.bluecircleadvisors.com/templates/emrt-v-2-11-the-extended-minerals-reporting-tem>

The next version of the AMRT is anticipated to be released in the Fall of 2026.¹⁴

5.5 NEW CMRT 6.6 TEMPLATE

The Conflict Minerals Reporting Template (CMRT) is the industry-standard template for companies required to file a Conflict Minerals Report with the United States Securities and Exchange Commission on the use of tin, tantalum, tungsten, and gold in finished goods.

It was created by the Responsible Minerals Initiative (RMI) to help companies deliver accurate information to their customers about mineral country of origin, smelters, and refiners.

New changes to CMRT v.6.6 as of April 17, 2026:

- Changes to Product List to include “Requestor Product Number” and “Requestor Product Name”
- Enhancements which do not conflict with IPC-1755
- Updates to ISO short names for countries, states/provinces
- Corrected date input issue on Declaration Tab
- Updates to Smelter Reference List and Standard Smelter List

The next version of the CMRT is anticipated to be released in the Spring of 2027.¹⁵

5.6 MoU BETWEEN US AND EU ON CRITICAL MINERALS

On **April 24, 2026**, U.S. Secretary of State Marco Rubio and EU Trade Commissioner Maroš Šefčovič convened in Washington, D.C., to sign a Memorandum of Understanding formalizing transatlantic cooperation on critical minerals. The event represented the most substantive formal step in U.S.-EU critical minerals partnership negotiations to date, though its immediate operational significance should be assessed carefully.

Secretary Rubio publicly stated that the agreement would lead to concrete actions and emphasized that the combined purchasing power and economic productivity of the United States and European Union constituted a significant global force. Critically, Rubio stressed that both sides must work to ensure access to raw materials is not subject to monopoly or excessive concentration in any single country's hands — a formulation that, while not naming China directly, is unmistakably directed at Beijing's current market position.

¹⁴ <https://www.bluecircleadvisors.com/templates/amrt-1-31>

¹⁵ <https://www.bluecircleadvisors.com/templates/cmrt-6-6-conflict-minerals>

The following table illustrates the distinction between what the MoU formally establishes and what remains under negotiation:

Dimension	MoU Provisions	What Remains Pending
Supply chain coordination	Joint investment frameworks	Binding procurement obligations
Trade facilitation	EU mineral access to IRA-linked U.S. subsidies	Full Critical Minerals Agreement (CMA)
Environmental standards	Alignment on sustainable sourcing criteria	Harmonised certification systems
Stockpiling	Exploratory joint reserve mechanisms	Operational stockpile agreements
Technical standards	Coordination on processing benchmarks	Unified regulatory frameworks

Importantly, no timeline was announced for concluding a binding Critical Minerals Agreement, and details of the specific discussions were not publicly disclosed. Bloomberg had reported in early April 2026 that the deal was imminent and expected to encompass investment coordination mechanisms and joint project development, but the precise architecture remains to be defined. For further context on the EU and US partnership announcement, reporting from Euronews outlines the strategic motivations driving both parties.¹⁶

5.7 FOCUS ON COBALT REGULATIONS INCREASES

Governments around the world are increasingly focusing on the use of cobalt in consumer and industrial products. The European Chemicals Agency has opened two consultations on the use of cobalt oxide and cobalt Bis (2-ethylhexanoate) for classification as a carcinogen and as containing reproductive toxicity. In addition to toxicity issues, the U.S. is also reviewing cobalt due to the potential for forced labor in mining. More specifically, Bulgaria has opened a consultation regarding the use of cobalt in children’s toys and has put emphasis on manufacturers and importers to review stainless steel parts, electrical components, and neodymium magnets ahead of the August 2026 application date.¹⁷

See the chart below for specific countries and decrees:

¹⁶ <https://discoveryalert.com.au/us-eu-critical-minerals-partnership-china-africa-2026/>

¹⁷ <https://www.useforesight.io/topics/cobalt-and-its-compounds>

20 May 2026, 04:29

Bulgaria Adopts Decree No. 60/2026 Implementing EU Cobalt Rules in Toy Safety Ordinance

In May 2026 Bulgaria adopted Decree No. 60/2026 to amend its toy safety ordinance and implement new EU cobalt requirements in toys. This tightens control of cobalt-classified CMR uses in children's toys, requiring manufacturers and importers to review stainless steel parts, electrical components and neodymium magnets for compliance ahead of an August 2026 application date.

 dv.parliament.bg  Bulgaria

13 May 2026, 05:20

ECHA Opens CLH Consultations On Cobalt Oxide And Cobalt Bis(2-Ethylhexanoate)

ECHA has launched CLH public consultations under the CLP Regulation on proposed strengthened carcinogenicity and reproductive toxicity classifications for cobalt oxide and cobalt bis(2-ethylhexanoate), with comments due by 10 July 2026. If adopted, these higher classifications would tighten CLP labelling and risk management requirements and could affect downstream REACH duties and portfolio choices for EU users of cobalt-based substances.

 echa.europa.eu  European Union

13 May 2026, 05:20

ECHA Opens CLP Consultation On Carcinogenicity And Reproductive Toxicity Classification For Cobalt Oxide (1307-96-6)

ECHA has opened a CLP harmonised classification consultation proposing to classify cobalt oxide (CAS 1307-96-6) as a Category 1B carcinogen and reproductive toxicant, with comments due by 10 July 2026. If adopted, this would tighten labelling and mixture classification triggers for cobalt oxide uses such as coatings, catalysts, batteries and magnets, requiring reassessment of worker exposure, product portfolios and supply chain communications.

 echa.europa.eu  European Union

9 May 2026, 15:12

US House Introduces H.R. 8681 on Sanctions for Forced Labor in Cobalt Mining

In May 2026, a new US House bill (H.R. 8681) was introduced to impose sanctions on foreign persons that employ forced or child labor in cobalt mining abroad. If it advances, this proposal could materially raise sanctions and reputational risks for cobalt-linked supply chains, reinforcing expectations for human-rights due diligence and supplier screening.

 govinfo.gov  United States

We will continue to watch the status of cobalt legislation and update clients as soon as more is known.

6 EXTENDED PRODUCER RESPONSIBILITY

6.1 EU PPWR

EU Packaging & Packaging Waste Regulation (EU) 2025/40 Effective: 12 August 2026

What PPWR Is

The Packaging & Packaging Waste Regulation (PPWR) is the EU's new, directly applicable law governing all packaging placed on the EU market. It replaces Directive 94/62/EC and introduces harmonized, mandatory rules for packaging design, recyclability, reuse, labeling, and documentation.

Who Must Comply

Any company placing packaging on the EU market, including:

- Manufacturers
- Importers
- Distributors
- Ecommerce sellers
- Brand owners
- Fulfillment service providers

Key Requirements

1. Recyclability

- All packaging must be recyclable by design.
- Packaging is assigned a recyclability grade (A–E).
- Grades D–E will be phased out by 2030–2035.

2. Recycled Content

Mandatory minimum recycled content for plastic packaging, increasing in 2030 and 2040.

3. Reuse & Refill

Reuse targets apply to transport packaging, e commerce packaging, and food/beverage service packaging starting in 2030.

4. Waste Reduction

- Limits on empty space in e commerce shipments.
- Restrictions on single use formats.
- Ban on unnecessary packaging components.

5. Hazardous Substances

Strict limits on PFAS and heavy metals:

- PFAS: 25 ppb (individual), 250 ppb (total), 50 ppm total fluorine
- Heavy metals: 100 mg/kg

6. Labelling

- Harmonized EU recycling labels
- Material identification codes
- QR codes for additional information
- Clear marking for reusable packaging

7. Documentation

Every packaging type requires:

- EU Declaration of Conformity (DoC)
- Technical file with material data, recyclability assessment, and test reports Retention: 5 years (single use), 10 years (reusable)

Risks of Non-Compliance

- Operational: shipment delays, customs holds
- Financial: fines, redesign costs
- Market: inability to sell in the EU
- Legal: missing DoC, incorrect labels, PFAS exceedance
- Reputational: sustainability credibility loss

What Companies Should Do Now

1. Conduct a full packaging inventory and risk assessment.
2. Engage suppliers for material declarations and test reports.
3. Assign recyclability grades to all packaging.
4. Begin redesigning non-compliant formats.
5. Build technical documentation and DoCs.
6. Update labels and digital information.
7. Train internal teams on PPWR requirements.

The infographic below is a high-level approach to taking the first steps with EU PPWR compliance.

PPWR

EU PACKAGING & PACKAGING WASTE REGULATION

Effective 12 August 2026

WHO MUST COMPLY?



Manufacturers



Importers



E-Commerce



Brand Owners

KEY REQUIREMENTS



Recyclability

2 Grades
A-E



Recycled
Content

3 Plastic
Targets



Reuse & Refill

2 Reuse
Mandates



Hazardous
Substances

5 PFAS &
Heavy Metals



Documentation

6 DoC
& records

RISKS OF NON-COMPLIANCE



**FINES
PENALTIES**



**MARKET
RESTRICTIONS**



**LEGAL
ISSUES**



**REPUTATION
DAMAGE**

WHAT TO DO NOW

1.

**AUDIT
PACKAGING**

2.

**TEST
MATERIALS**

3.

**UPDATE
LABELS**

4.

**REDESIGN
& REUSE**

5.

**BUILD
DOC FILES**

7 EU ROHS

7.1 PACK 29: MERCURY AND LEAD RENEWALS

New review of mercury exemptions and lead exemptions launched

The European Commission has contracted the Öko-Institut e.V. Institute for Applied Ecology to perform a new EU RoHS exemptions assessment project – Pack 29. The study will assess ten Annex III renewal requests for mercury in special purpose gas discharge lamps and three Annex IV revocation requests related to leaded glass and lead in detectors and amplification devices. A stakeholder consultation is planned for May 2026.

The launch of **Pack 29** is significant because it targets several long-standing EU RoHS exemptions. Any changes to these exemptions could affect product design, material selection, and supply chain continuity across multiple industries.

Annex III exemption renewal requests under review

The Annex III renewal requests focus on mercury exemptions for various lamp types and specified mercury limits:

- 1(f) – I “Lamps emitting mainly light in the ultraviolet spectrum: 5 mg Hg”
- 2(b)(4)- II “Lamps emitting mainly light in the ultraviolet spectrum: 15 mg Hg”
- 2(b)(4)-III “Emergency lamps: 15 mg”
- 4(a)-I “Mercury in low pressure non-phosphor coated discharge lamps up to 15 mg Hg”
- 4(c) “Mercury in other High-Pressure Sodium (Vapour) Lamps (in 3 variants)”
- 4(f)-II: “Mercury in high pressure mercury vapour lamps (used in projectors)”
- 4(f)-III: “Mercury in high pressure mercury vapour lamps (used for horticulture lighting)”
- 4(f)-IV “Mercury ultraviolet lamps”

Annex IV exemption revocation requests under review

Annex IV revocation requests target lead exemptions and leaded glass in specialized applications:

- 1 “Lead, cadmium and mercury in detectors for ionising radiation”
- 1a “Lead and cadmium in ion selective electrodes including glass of pH electrodes”
- 3 “Lead in electromagnetic radiation amplification devices: micro-channel plate and capillary plate”

Stakeholder consultation and timeline

A stakeholder consultation will be launched in May 2026. Registered stakeholders will be notified when the consultation opens and can submit technical evidence, functional need justifications, and data on alternatives. Register here if you have not already done so to receive consultation materials and submission templates.

What Manufacturers can do now

RoHS exemption outcomes affect product design, procurement, and EU market access. Here are some actions manufacturers and compliance teams can take now to prepare:

- Register as a stakeholder to receive consultation notices.
- Prepare technical dossiers documenting functional need, performance requirements, and availability of alternatives.
- Assess supply chain risk for components relying on the listed exemptions and identify potential substitutes or redesign paths.
- Plan testing and qualification timelines in case exemptions are not renewed.¹⁸

If your company needs help collecting or analyzing supplier data regarding RoHS exemptions, reach out to our team. We can put a plan together to help you meet the regulatory requirements.

8 EU REACH

8.1 CANDIDATE UPDATES TO 253 SVHCs

On February 4, 2026, the European Chemicals Agency (ECHA) expanded the EU REACH SVHC Candidate List to 253 entries by adding two hazardous chemicals: n-hexane and Bisphenol AF (BPAF). This update triggers immediate legal obligations for companies whose products contain these substances above the stated threshold, including customer notification requirements and SCIP Database submissions.

ECHA's announcement of the SVHC additions and the full SVHC-253 list can be found on their website. The last prior addition to the SVHC list was SVHC-251 in November 2025.¹⁹

Substance Name	CAS # (EC #)	Reason for Inclusion	Product Uses
4,4'-[2,2,2-trifluoro-1-(trifluoromethyl)ethylidene]diphenol and its salts. Also known as Bisphenol AF (BPAF).	- (-)	Toxic for reproduction.	High-performance polymers, fluoroelastomers, specialty rubber processing, epoxy, or resin.
n-Hexane	110-54-3 (203-777-6)	Toxic to human health.	Formulation, polymer processing, coatings, and cleaning agents.

¹⁸ <https://greensofttech.com/blog-2026-eu-rohs-pack-29-assessment-project-started/>

¹⁹ <https://www.greensofttech.com/blog-2026-eu-rohs-exemption-updates/>

You can go directly to the Candidate table here: <https://echa.europa.eu/de/candidate-list-table>

Most of these parts fall into three categories:

- Power Line Filters
- Power Entry Connectors
- Switches

In these types of electronic components, the substances are not used to carry electrical signals or perform electronic functions. Instead, they are found in the non-electrical materials that hold the part together and protect it during use. Bisphenol AF (BPAF) is commonly used in epoxy resins and other high-performance plastics. In electronic parts, these resins are used in materials such as molding compounds, encapsulants, adhesives, die attach materials, and protective coatings. These materials give components their physical strength, provide electrical insulation, and protect sensitive circuits from heat, moisture, and chemical exposure over the life of the product.

n-Hexane plays a different role. It is not intended to remain in finished components but is often used during manufacturing processes rather than because it contributes to the performance or structure of the product.²⁰

8.2 EU REACH REVISION CANCELLED

Plans to revise the European Union's flagship chemical safety regulation have been shelved after 6 years of delays and opposition, thus putting plans for a tightening of legal requirements on hold indefinitely.

European environment commissioner Jessika Roswall confirmed that the revision has been canceled at a meeting of the European Parliament's Committee on the Environment, Public Health and Food Safety (Envi) on April 27. Roswall said "now is not the time" to revise the Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH) law, adding that Europe is "at a point where we need certainty and predictability."

After months of speculation that the European Commission is stepping back from the revision, the chemical industry showed some relief—and little surprise. The German Chemical Industry Association (VCI), which lobbied heavily against the project, says its message "has finally been received." In a statement, VCI managing director Wolfgang Große Entrup says that "competitiveness needs room to breathe, not another regulatory onslaught."

Europe's chemical industry has suffered from high energy costs and cheap global competition, although profits have spiked recently because of the Iran war. The government of Germany, home of Europe's largest chemical makers, strongly opposed any revision of REACH in a March 26 report, saying it would have "negative repercussions" on competitiveness in the current economic and geopolitical climate.

²⁰ <https://www.z2data.com/insights/echa-publishes-february-2026-reach-svhc-update-two-new-substances-added>

First proposed as part of the 2020 chemical strategy for sustainability under the EU's European Green Deal, the REACH revision envisaged sweeping changes, such as including the currently exempted, 80,000-substance-strong group of polymers under the law's registration rules.

Instead, lawmakers will now focus on "simplification and modernization" of the law's existing provisions, Roswall told the Envi meeting. The commission can make minor changes to REACH through comitology, a process that allows the EU executive to change laws without consulting its co-legislators: the European Parliament and Council of the EU.

In an email to C&EN, the VCI says it wants the commission to come up with ways to simplify policy without revising the legal text, such as through official guidance for integrating scientific risk assessment into regulatory decision-making. The commission is also expected to begin tweaking the REACH annexes, which address technical aspects of the legislation, including the detailed information requirements for registration of chemicals.²¹

8.3 DISCUSSIONS ON EXEMPTING INDUSTRIES FROM PFAS REACH

EU REACH: An EU Study Recommends Exempting Critical Industries From Upcoming PFAS Restrictions

A recent study commissioned by the European Parliament's Committee on Industry, Research and Energy (ITRE) highlights the complex trade-offs between regulating "forever chemicals" (PFAS) and maintaining Europe's industrial competitiveness.

The findings are stark:

- PFAS are currently essential in key sectors like aerospace, defense, and semiconductors.
- A full or partial ban on PFAS could cost over €560 billion in the first year and impact millions of jobs across the EU, with SMEs being the most vulnerable.

The EU's global competitiveness could be at risk if viable alternatives are not available.

Policy Recommendations Analysis

The study concludes that implementing blanket PFAS restrictions would be economically damaging and technically unfeasible across several critical sectors. Instead, it advocates a sector-specific approach with tailored derogations.

- For the aerospace and defense industry, permanent or long-term derogations are recommended, with reviews every 10 to 15 years. This reflects the lack of viable alternatives and the sector's paramount safety and security requirements. The study also calls for funding innovation and conducting supply chain studies.
- Regarding the semiconductor sector, a permanent derogation is proposed, highlighting the sector's essential role in the digital economy and artificial intelligence. The study suggests integrating PFAS management into the European Chips Act and funding abatement technologies.

²¹ <https://cen.acs.org/articles/104/web/2026/04/europe-reach-chemical-regulation-shelved.html>

- A detailed, case-by-case review of derogations is advised for green energy and clean technology, as the potential for substitution varies widely. The report recommends forming a dedicated task force to monitor alternatives and imposing strict emission controls on companies.

Lastly, the study suggests excluding F-gases from the PFAS restriction and regulating them solely under the existing F-gas Regulation. This would allow for a more gradual transition.²²

8.4 UK REACH TO ALIGN WITH EU REACH

UK confirms alignment of Substances of Very High Concern (SVHC) lists under UK REACH and EU REACH

On February 24, 2026, the United Kingdom's Department for Environment, Food & Rural Affairs (DEFRA) published a policy statement confirming their intent to more closely align the UK REACH Substances of Very High Concern (SVHC) list with the EU REACH SVHC list.

The UK will now systematically review substances added to the EU Candidate List since January 1, 2021, and going forward, and incorporate them into the UK list where appropriate.

According to DEFRA, "This approach aims to provide more certainty for industry, and to reduce business complexity – by ensuring that the UK candidate list is more closely aligned with the EU candidate list."

Under this "New Strategic Approach," the UK still retains the ability to propose its own potential SVHCs to be included in the UK's SVHC candidate list. This policy announcement does not signal an intent to have the UK SVHC list be a mirror the EU's SVHC list, but rather to harmonize with the EU SVHC list.

For electronics manufacturers - who face some of the most complex and globalized supply chains - this announcement provides welcome clarity on the UK's intention regarding alignment with UK and EU SVHC lists moving forward.²³

When UK REACH took effect following the UK's exit from the European Union, all substances on the EU REACH SVHC list at that time were carried over to the new UK list.

Afterward, DEFRA, together with Welsh and Scottish authorities, implemented a set of interim principles in 2021 to guide how new SVHCs would be added under UK REACH. These principles emphasized a more selective process that often resulted in delays compared to the EU's faster-moving SVHC updates, which occur twice per year.

²² <https://www.complianceandrisk.com/blog/the-biweekly-pulse-13th-february-eu-reach-china-rohs-2-and-eu-omnibus-regulatory-simplification-updates/>

²³ <https://greensofttech.com/blog-2026-uk-confirms-uk-reach-svhc-alignment-with-eu-reach/>

9 GLOBAL MATERIAL AND CHEMICAL REGULATIONS

9.1 CHINA ISSUES MANDATORY ROHS STANDARD - GB 26572-2025

On August 1, 2025, the State Administration for Market Regulation (SAC) issued an announcement officially approving the "Requirements for the Restriction of Hazardous Substances in Electrical and Electronic Products" (GB 26572-2025). The new national standard will be fully implemented on **August 1, 2027**, and the previous recommended standard, GB/T 26572-2011, will be repealed simultaneously.

This marks the official transition of China's RoHS control system from a "voluntary + catalog" approach to a "mandatory + full-category" approach. The previous standard, GB/T 26572-2011, was a recommended standard, enforced only for products listed in the "Catalogue for Compliance with the Restriction of Hazardous Substances in Electrical and Electronic Products." The new version, GB 26572-2025, has been upgraded to a mandatory national standard, covering all complete devices, accessories, and components with a "design rated voltage ≤ 1000 V," eliminating catalogue restrictions and ensuring "compliance upon market launch."

Technology upgrade: **stricter limits and tighter exemptions**

The number of restricted substances has increased from 6 to 10. On the basis of lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls and polybrominated diphenyl ethers, four new phthalates have been added: di(2-ethylhexyl) phthalate (DEHP), butyl benzyl phthalate (BBP), dibutyl phthalate (DBP) and diisobutyl phthalate (DIBP). The limit for each of them is 0.1% (1000 mg/kg).

The cadmium limit remains unchanged at 0.01%.

The exemption list has been significantly slimmed down: it has been reduced from 39 items to 23 items, and 16 exemptions such as lead-containing glass and high-melting-point solder have been cancelled, which is in line with the draft revision of the international RoHS Directive 2024/0025.

Standardization of detection methods:

The new standard mandates the use of the GB/T 39560 series of standard methods (equivalent to the international standard IEC 62321), replacing the original GB/T 26125 methods. This requirement will significantly improve the accuracy and consistency of test results across institutions, avoiding compliance disputes caused by methodological differences.

Refined classification management:

Products are now categorized into **Category I** (included in the compliance management catalog) and **Category II** (other), implementing differentiated management. Redundant content (such as the product splitting example) has been removed, and new definitions for terms like "environmentally friendly use period" and "compliance management catalog" have been added to make implementation of the standard more operational.

II. The new standard reserves a critical buffer period for the industry:

January 1, 2026: GB/T 26572-2011 Amendment No. 1 and SJ/T 11364-2024 (new labeling requirements) will be implemented first.

August 1, 2027: GB 26572-2025 will be enforced, and the old standard will be abolished.

Before September 1, 2028: Products produced or imported before August 1, 2027 will be allowed to continue to be sold (transition period of 13 months), providing a window period for companies to digest their inventory.²⁴

9.2 STRENGTHENING KOREA ROHS

As of September 2025, South Korea is in the process of strengthening its RoHS regulations. Key updates include:

New Product Categories: The Korean Ministry of Environment has proposed to include 23 additional product categories under the RoHS framework. These include common household items like dehumidifiers, toasters, and electric kettles.

Expanded Substance Restrictions: The proposal aims to add four new hazardous substances—DEHP, BBP, DBP, and DIBP—to the existing list of restricted materials.

Compliance and Enforcement

- **Implementation Timeline:** The enforcement of these new provisions is expected to begin on January 1, 2026.
- **Regulatory Alignment:** The amendments are designed to align more closely with the European Union's RoHS directives, ensuring that South Korea's regulations meet international standards.

Importance of Compliance

Manufacturers and importers of electronic and electrical products in South Korea must prepare for these changes to ensure compliance. This includes understanding the new product categories and the substances that will be restricted under the updated regulations.

9.3 CHINA HAZARDOUS CHEMICAL REGISTRATION

In order to strengthen safety management of hazardous chemicals, to standardize the registration of hazardous chemicals and to provide technical and administrative support for emergency procedures and for the prevention of hazardous chemicals accidents, the Measures for Administration of Hazardous Chemicals Registration (hereinafter referred to as the "SAWS Order 53") was formulated according to the 'Regulations on the Control over Safety of Hazardous Chemicals (Decree No.591). The SAWS Order 53 establishes a powerful database of hazardous chemicals by adopting the internationally accepted registration system on hazardous chemicals and provides technical and informative support for management of hazardous chemicals, accident prevention and emergency response. Note: The State Administration of Work Safety has been repealed and replaced by the Ministry of Emergency Management.

Competent Authority

The registration of hazardous chemicals is a mandatory requirement in the Chinese mainland.

²⁴ <https://min.news/en/news/aec211f3e8a5d1379d66e15d18059319.html>

The registration of hazardous chemicals involves an application that is reviewed by two agencies in charge of the registration work:

- National Registration Center for Chemicals (NRCC)
- Local Registration Office at Provincial Level -Affected Companies

Affected Companies

- Domestic Manufacturers (prior to the final acceptance of a newly-built chemical plant)
- Domestic Importers (prior to any importing activities)
- Foreign Exporters are exempted from registration, and there is no “OR” (Only Representative) concept under the SAWS Order 53

Solutions for Foreign Exporters: They can resort to Chinese importers or appoint a reliable agency to provide technical support for CN importers.

Scope of Registration

- Chemicals listed on the Catalog of Hazardous Chemicals (2015)
- Chemicals that meet the determinative principle proposed by the Catalog of Hazardous Chemicals (2015)

Note: Both substances and mixtures are subject to registration.

Information Required for Registration

- Classification and labelling information
- Physicochemical properties of hazardous chemicals
- Main uses, including recommended uses, restricted uses and forbidden uses;
- Hazardous properties
- Conditions for safe storage, use and transport
- Emergency response measures²⁵

For more information about registering chemical when importing into China, please contact us directly.

10 PFAS CONCERNS (US, EU, CANADA, ASIA)

PFAS BACKGROUND

The per- and polyfluorinated substances (PFAS) were previously referred to as perfluorochemicals (PFCs). PFAS are a group of chemicals used to make fluoropolymer coatings and products that resist heat, oil, stains, grease, and water. Fluoropolymer coatings can be used in such varied products as clothing, furniture, adhesives, food packaging, heat-resistant non-stick cooking surfaces, and the insulation of electrical wire. Many chemicals in this group, including perfluorooctane sulfonic acid (PFOS) and perfluorooctanoic acid (PFOA), have been a concern because they do not break down in the environment, can move through soils and contaminate drinking water sources, and they build up

²⁵ <https://en.reach24h.com/service/chemical/china-hazardous-chemical-registration>

(bioaccumulate) in fish and wildlife. PFAS have been found in rivers and lakes and in many types of animals on land and in the water.²⁶

PFAS have a wide range of different physical and chemical properties. They can be gases, liquids, or solid high-molecular weight polymers. They are sometimes described as long-chain and short-chain to group PFAS that may behave similarly in the environment. PFAS are also grouped into subgroups in various other ways based on their structure.

PFAS are widely used as they have unique desirable properties. For instance, they are stable under intense heat. Many of them also have surfactant properties and functions, e.g., as water and grease repellents.

Some of the major industry sectors using PFAS include aerospace and defense, automotive, aviation, textiles, leather and apparel, construction and household products, electronics, firefighting, food processing, and medical articles.

Over the past decades, global manufacturers have started to substitute long-chain PFAS with shorter-chain PFAS or with non-fluorinated substances. This trend has been driven by the fact that the undesired effects of long-chain PFAS on human health and the environment were assessed and recognized first by scientists and authorities around the globe. Short-chain PFAS can also have similar or other properties of concern.²⁷

10.1 SCALING BACK EPA PFAS WATER RULING

On May 18, 2026, the U.S. Environmental Protection Agency announced two proposed rules that would significantly reshape the federal regulatory framework for per- and polyfluoroalkyl substances (PFAS) in drinking water. The first proposed rule, the PFOA and PFAS Compliance Extension Rule, would uphold enforceable drinking water limits for the two most common PFAS compounds (perfluorooctanoic acid (PFOA) and perfluorooctane sulfonic acid (PFOS)), but would allow water systems to request an extension of the compliance deadline an additional two years, to 2031, to comply with the enforceable limits. The second proposed rule, the PFAS Rescission Rule, would rescind federal drinking water regulations for the other PFAS compounds currently subject to drinking water standards (perfluorohexane sulfonic acid (PFHxS), perfluorononanoic acid (PFNA), hexafluoropropylene oxide dimer acid (HFPO-DA, or GenX), and mixtures of these three PFAS, plus perfluorobutane sulfonic acid (PFBS)), citing the need to correct prior procedural deficiencies under the Safe Drinking Water Act.

The proposed rules build on the regulatory framework first established in April 2024, by the prior administration, which set enforceable limits for six PFAS compounds. As we have reported previously, in April 2025, EPA announced its strategy to address PFAS contamination. Shortly thereafter, in May 2025, EPA announced its plan to scale back and extend compliance deadlines for federal PFAS drinking water regulations, stating that it intended to retain standards for PFOA and PFOS, and to reconsider regulations for the other four compounds: PFHxS, PFNA, HFPO-DA, and PFBS.

For affected parties, these developments mean that compliance with PFOA and PFOS standards remains mandatory, but water systems may have until 2031 to meet the enforceable limits if they request an extension. Entities currently

²⁶ https://www.cdc.gov/biomonitoring/PFAS_FactSheet.html

²⁷ <https://echa.europa.eu/hot-topics/perfluoroalkyl-chemicals-pfas>

preparing for compliance with PFHxS, PFNA, HFPO-DA, and PFBS should closely monitor the rescission rulemaking, as federal obligations for these compounds may be eliminated, though state-level requirements could still apply.

The EPA will hold a virtual public hearing on July 7, 2026, to receive verbal comments on both of the proposed regulations. EPA will present information on the proposed rules and exemption schedules before opening the hearing for public comment.²⁸

11 CALIFORNIA PROPOSITION 65

11.1 OEHHA MOVES TO LIST FOUR MORE CHEMICALS

On May 8, 2026, the California Environmental Protection Agency's Office of Environmental Health Hazard Assessment (OEHHA) announced its intent to list four substances known to the state to cause cancer under Proposition 65:

- Welding fumes
- Hydrochlorothiazide
- Voriconazole
- Tacrolimus

All four listings are being proposed pursuant the labor code mechanism. They follow International Agency for Research on Cancer (IARC) determinations that those substances are Group 1 carcinogens— meaning there is sufficient evidence of carcinogenicity in humans.

Comments on the proposed listing are due June 8, 2026. OEHHA has opened two separate comment portals: one for welding fumes and one for the other three substances.

According to IARC, exposure to hydrochlorothiazide, voriconazole, and tacrolimus occurs primarily through their use as medications. Hydrochlorothiazide is a diuretic prescribed for hypertension and edema; voriconazole is an antifungal used to treat or prevent invasive aspergillosis and other serious fungal infections; and tacrolimus is an immunosuppressant.

Should any of these listings be finalized, businesses that have significant exposures to the listed chemicals will have one year before Prop 65 warning requirements take effect.²⁹

Below is a link to the list:

<https://oehha.ca.gov/proposition-65/proposition-65-list>

²⁸ <https://natlawreview.com/article/epa-proposes-scale-back-pfas-drinking-water-regulations>

²⁹ <https://www.verdantlaw.com/oehha-moves-to-list-four-new-carcinogens-under-prop-65/>

12 TOXIC CONTROL SUBSTANCES ACT (TSCA)

The Toxic Substances Control Act became law on October 11, 1976, and had a recent update in 2016. The 2016 update is called the Frank R. Lautenberg Chemical Safety for the 21st Century Act (LCSA). This is commonly known as TSCA Reform. The act gives the Environmental Protection Agency (EPA) the authority to gather information on all new and existing chemicals that may pose unreasonable risk to public health or the environment. The EPA is tasked with creating an inventory, performing pre-manufacture reviews before commercial production, requiring testing of chemicals posing risk or in substantial quantities, record keeping and management requirements. There are 6 regulatory programs associated, and they fall under 40 CFR 710-799.

12.1 CHANGING THE REPORTING RULE FOR TSCA PFAS

The regulatory landscape for PFAS compliance in the United States is undergoing its most significant shift since the original rule was finalized. In November 2025, the EPA proposed a sweeping overhaul of the TSCA Section 8(a)(7) PFAS Reporting and Recordkeeping Rule — introducing six standard exemptions that could eliminate the TSCA PFAS reporting rule obligations for an estimated 127,000 businesses.

For compliance directors, supply chain leaders, and executive teams at global manufacturing organizations, this proposed revision demands immediate attention. The changes narrow the reporting universe but compress the submission timeline. Understanding whether your organization falls inside or outside the revised scope — and preparing accordingly — is now a board-level compliance priority.

This regulatory update breaks down every material detail from the EPA's proposed revision: who is exempt, who is not, what the new timelines look like, and how manufacturers should prepare for what comes next.

The original 2023 TSCA PFAS reporting rule was unprecedented in its breadth. It required virtually every entity that had ever manufactured, imported, or processed PFAS — or articles containing PFAS — at any point between 2011 and 2022 to submit detailed reports to the EPA. The rule offered almost no exemptions. For a detailed overview of the original federal requirements, see this breakdown of PFAS TSCA Section 8(a)(7) reporting deadlines and obligations.

The result was an enormous reporting universe that swept in retailers, consumer goods companies, automotive importers, and electronics firms alongside primary chemical producers. The compliance burden was massive and, critics argued, indiscriminate. Organizations that had never directly handled PFAS chemicals — but simply imported finished goods — were subject to the same reporting obligations as chemical producers.

⚠ The November 2025 proposed revision fundamentally changes this approach.

The EPA now proposes applying six standard TSCA exemptions — exemptions that have long existed in other chemical reporting contexts but were deliberately excluded from the original PFAS rule. The stated policy goal: focus the data collection on "primary" manufacturers and importers of PFAS chemicals, the entities most likely to possess detailed chemical identity, production volume, and safety data. Organizations tracking evolving U.S. chemical policy should also review how the current regulatory landscape under the Trump administration affects manufacturer obligations.

 Key figure: The EPA estimates these exemptions will remove approximately 127,000 businesses from the reporting universe, narrowing it to roughly 4,000 entities.

This is not deregulation. It is regulatory recalibration. For those 4,000 entities, the obligations remain intensive. And for the 127,000 potentially exempt businesses, confirming exemption status requires documented evidence — not assumptions. Understanding the TSCA framework requirements is critical for tracking where your organization falls under the revised scope.³⁰

We will update our clients, as decisions are made by the EPA.

Thank you for your attention to compliance! We look forward to keeping you up to date each quarter and adding regulations of concern to this review. Let us know if you have any questions or need help with compliance programming, reporting, or data collection.

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³⁰ <https://www.certivo.com/blog-details/tsca-pfas-reporting-rule-2026-what-epa-s-proposed-exemptions-mean-for-manufacturers-and-importers>