

U.S. Signs Trade Deals with Taiwan and Indonesia

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Last week and today, the U.S. issued text of Agreement on Reciprocal Trade (“ART”) with Taiwan and Indonesia, respectively.

| Taiwan | Indonesia |
|---------------------------------|---------------------------------|
| Text | Text |
| Tariff Schedule | Tariff Schedule |
| Fact Sheet | Fact Sheet |

The two agreements share some common features.

- The date of entry into force is TBA, as detailed in Article 7.5 of each ART. For Taiwan, the ART will enter into force “the day following” the written notification of both parties that “internal procedures required for entry into force of this Agreement have been completed.” For Indonesia, the ART will enter into force “90 days after” the exchange of written notifications from each party “certifying completion of their applicable legal procedures or on such other date as the Parties may decide.”
- Each ART includes a tariff schedule specifying how each party shall modify various duties and tariffs rates for imports of goods of the other party.
 - Taiwan
 - General Note 5 to Schedule 2 (in the Text) provides that for Taiwan-originating goods other than those specifically listed on Schedules 2A or 2B (discussed below), the total duties paid shall be either 15%, inclusive of the IEEPA Reciprocal Tariff rate, or the MFN (general) duty rate, whichever is greater (currently 20%). For example, if an imported good has an MFN rate of 6.5%, the IEEPA Reciprocal Tariff rate will be 8.5%. If the general MFN duty is 15% or higher, the Reciprocal Tariff rate will be zero. Note: this is structured in the same way as the U.S. reciprocal tariff agreements with the EU and Japan.
 - Annex I, Schedule 1 lists the agreed-upon preferential Taiwanese rates for U.S.-origin goods going to Taiwan. The rates reductions are scheduled to take effect at different times, which are “staged” in categories. For example, HS codes marked “EIF” will be reduced to zero when the agreement goes into effect.
 - Annex I, Schedule 2A reduces to zero the IEEPA Reciprocal Tariff rate for certain Taiwan-origin goods entering the United States. This is a relatively limited list of select products derived from the “[Potential Tariff Adjustments for Aligned Partners](#)” Annex

issued by Executive Order 14346 of September 5, 2025. Most, but not all, Reciprocal Tariff exemptions on this list carry various scope limitations, meaning the imported merchandise must meet the specific limitation to be eligible for the tariff exemption.

- Annex I, Schedule 2B reduces to zero the IEEPA Reciprocal Tariff rate for certain Taiwan-origin agricultural products entering the United States, consistent with the standalone [agricultural product Reciprocal Tariff exemptions](#) in Executive Order 14360 of November 14, 2025.
- Indonesia
 - General Note 4 to Schedule 2 (in the Text) provides that for Indonesia-originating goods except those specifically listed on Schedules 2A or 2B (discussed below), the IEEPA Reciprocal Tariff rate shall be “no higher than” 19% (currently 19%).
 - Annex I, Schedule 1 lists the agreed-upon preferential Indonesian rates for U.S.-origin goods going to Indonesia. The rates reductions are scheduled to take effect at different times, which are also “staged” in categories.
 - Annex I, Schedule 2A reduces to zero the IEEPA Reciprocal Tariff rate for certain Indonesia-origin goods entering the United States. This is a relatively limited list of select products derived from the “[Potential Tariff Adjustments for Aligned Partners](#)” Annex issued by Executive Order 14346 of September 5, 2025. Many of these Reciprocal Tariff exemptions on this list carry scope limitations.
 - Annex I, Schedule 2B reduces to zero the IEEPA Reciprocal Tariff rate for certain Indonesia-origin agricultural products entering the United States, consistent with the standalone [agricultural product Reciprocal Tariff exemptions](#) in Executive Order 14360 of November 14, 2025.

Beyond tariff reductions, these ARTs cover many topics seen in more traditional free trade agreements, including – on the part of Taiwan and Indonesia – the elimination of non-tariff barriers affecting U.S. exports. Additionally, both Taiwan and Indonesia committed to a number of policy changes to better align with existing U.S. policy, such as implementation of a forced labor import ban and enhanced intellectual property protections. But that also means the “internal procedures” to approve the agreements, triggering their entry into force, may be long and complex (particularly in Taiwan and Indonesia as those countries’ commitments are somewhat more substantial). In the United States, the internal or legal procedures required also remain undefined; while the Administration contends the ARTs do not require Congressional approval, many Members of Congress disagree.

Finally, the tariffs that the United States has agreed to modify in Schedule 2 of each of these ARTs inherently rely on IEEPA authority. The Supreme Court just [issued an opinion](#) finding that law does not provide the President with the necessary authority (more on that soon). Thus, the concessions the United States has made to reduce or eliminate those tariffs are likely rendered moot to the extent the tariffs themselves evaporate in whole or in part. This also raises a question about the survival of the other terms reached by the United States and its trading partners in exchange for those Reciprocal Tariff rate reductions (*e.g.*, auto quotas, purchase and investment commitments, import licensing, regulatory acceptance, agricultural barriers to trade, intellectual property, labor, taxes, environment, etc.). Taiwan or Indonesia may seek to abrogate their respective agreements under those circumstances, but we should expect the United States to use other points of leverage,

both tariff-related and otherwise, to ensure the rest of the deal stays in place.