Insights: Alerts

IEEPA Refund Process Has Begun and The New Temporary 10% Tariffs Struck Down

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On April 20, 2026, U.S. Customs and Border Protection (CBP) launched Phase 1 of the Consolidated Administration and Processing of Entries (CAPE) portal, the new electronic mechanism for refunding International Emergency Economic Powers Act (IEEPA) tariffs invalidated by the U.S. Supreme Court in *Learning Resources, Inc. v. Trump*. For more context regarding the CAPE Portal Launch, refer to our previous client alert: Want a Tariff Refund? Your Essential Checklist for the CAPE Portal Launch This Monday.

The scale of the refund process is significant. CBP must refund approximately $166 billion across 53 million entries filed by more than 330,000 importers. Interest is accruing at roughly $650 million per month while the refund queue builds.

Importers of record (IORs) must submit a CAPE Declaration through the Automated Commercial Environment (ACE) Portal. CAPE will validate the submission and provide feedback to the filer. The file validation includes checking whether the submitter is the IOR for the listed entries or the customs broker that filed the entry summaries on the IOR's behalf, the declaration contains a list of entry numbers, and if the information is properly formatted. If the submission is successful, the CAPE Declaration will then be checked for entry-specific validations, including whether the entry summary number listed in the submitted CSV file exists in ACE.

On April 28, 2026, the Court of International Trade (CIT) issued an order addressing CBP's most recent declaration to the court in which it provided an update on the progress of the refund process. CBP indicated that, as of April 20, approximately 21% of total entries that were entered subject to IEEPA duties have been accepted for the removal of IEEPA duties through CAPE, and roughly 3% have been liquidated through CAPE and are in the refund stage of the process. The first refunds are expected to be issued from the U.S. Department of the Treasury by on or about May 11.

CBP also informed the CIT that, as of April 26, almost 63% of CAPE declarations submitted by importers had passed the file validation stage, accounting for more than 13.3 million imports. Two million entries in CAPE that passed file validation had failed to pass the entry-level validations. Out of the 11 million accepted entries that passed entry-specific validation, approximately 1.7 million entries had been liquidated and are in the refund process.

Importers that paid IEEPA-related tariffs should consider their next steps during Phase 1 of the refund process. Here are some takeaways:

- Only the IOR and authorized customs broker may submit the CAPE Declaration to request a refund of IEEPA duties. This must be done through an ACE Portal account. The ACE Portal account must include the bank information for refunds. Refunds will not be processed without this information.
- Ensure that the CAPE Declaration is properly formatted and verify that the information submitted will pass the two stages of validation.
- CBP has indicated valid IEEPA refunds will generally be issued within 60-90 days following acceptance of the CAPE Declaration. This includes 45 days for CBP review as well as time for Treasury Department to send the refund.

On the same day (February 20) that the Supreme Court invalidated the IEEPA tariffs, the Administration imposed 10% temporary tariffs on all imports (with some exceptions) into the US under the balance of payments authority (BOP) in Section 122 of the Trade Act of 1974. Legal challenges were filed not long after those tariffs were implemented.

On May 7, the CIT issued an order ruling in favor of a group of plaintiffs who had challenged the new tariffs, effectively striking down the Section 122 10% tariffs based largely on the fact that the Administration has not properly identified a “balance-of-payments” deficits within the meaning of the BOP authority granted in Section 122. The CIT found that the conditions for imposing a tariff under Section 122 were not met under the current economic condition. The court issued a permanent injunction against the collection of the tariffs only from the direct importers that filed suit with proper standing and for those plaintiffs to be made whole by refunds, with interest, for any Section 122 duties paid before the injunction takes effect. The court did not enter a universal injunction against the new tariffs. The Administration will more than likely appeal the CIT's decision.

Importers who have paid the Section 122 duties should consider their options for pursuing relief and possible refunds based on the CIT's most recent ruling.

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