CLIENT ALERTS & INSIGHTS

Tariff Refunds Update - IEEPA Recovery Process "Knowns" and "Unknowns"

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Featured Industries: Transportation & Logistics, International Trade & Supply Chain Management

Key Takeaways

- U.S. Customs declared a basic framework for the tariff refund administrative process in a filing with the Court of International Trade on March 6, 2026. The process is anticipated to go live within 45 days.
- This process declaration follows an Order from the Court of International Trade issued on March 4, 2026, directing U.S. Customs to immediately liquidate or reliquidate entries removing IEEPA tariffs. The Order was stayed on March 6 following the Customs declaration outlining the refund process. These events serve to implement Supreme Court's February 2026 decision striking down IEEPA tariffs.
- Importers can prepare by staying up-to-date on these developments, ensuring adequate records and compliance, registering for ACH refunds from U.S. Customs, protesting liquidated entries, and considering legal action in the Court of International Trade.

The $170 billion dollar tariff refund question is beginning to receive answers. U.S. Customs and Border Protection ("CBP") has ended its collection of International Emergency Economic Powers Act ("IEEPA") tariffs and committed to development of an administrative process for refunds. A framework of the new proposed system in CBP's ACE platform was announced on March 6, 2026. This client bulletin explains what is known and what remains unknown at this time regarding the path forward for IEEPA tariff refunds. Our immediate impact assessment of the Supreme Court decision is available HERE. Our prior summary describing the range of options available for seeking refunds is available HERE.

CBP Refund Process Emerges

The CBP declaration recognizes the need to accomplish refunds for collected IEEPA duties, plus interest, in response to the Supreme Court decision. CBP is developing a new functionality in its ACE platform to streamline and consolidate refund payments on an importer basis. Essentially, importers will file declarations in ACE listing all entries on which IEEPA duties were paid. CBP will then validate the data, automatically liquidate or reliquidate those entries, and ultimately issue electronic refunds. This validation process will likely involve confirmation of compliance for those entries. The timeline for how quickly declarations will be processed remains unknown. CBP has committed to delivering periodic status updates and guidance on the filing process prior to the 45-day launch date.

Steps to Take (the "Knowns")

First, any importer wishing to receive refunds must register for CBP's new ACH program. This new electronic refund system became effective on February 6, 2026. It was launched as a modernization effort independent from the IEEPA refund issue, but CBP is now clear that registration in the system is required for any recovery. Second, filing of a declaration with ACE will require accurate details on customs entries and IEEPA duties paid. This information must be available to successfully submit any claim and guard against allegations of non-compliance. Third, it remains possible that filing Protests for liquidated entries is required to guard against arguments that CBP cannot accomplish refunds on finally liquidated entries. An importer's good relationship with its customs broker is always important. This is especially true now to assist with registering for ACH, preparing data for submissions in ACE, and, as appropriate, filing Protests on liquidated entries.

Factors to Consider (the "Unknowns")

Timing is the greatest unknown right now. No one in America knows precisely when the new program will launch, what exactly will be required to file, whether there will be filing deadlines and how quickly any refund will be received. Some even weightier unknowns are not completely resolved, including whether the United States will challenge the availability of refunds, whether technical arguments will bar payment of refunds for all IEEPA tariffs paid, and whether filing lawsuits will be required for recovery. Second order effects are also beginning to emerge, with a number of importers drawing lawsuits from customers seeking recovery of duty expense that was passed on as part of their purchase prices. Every supply chain is unique, as is every importer's situation. We see importers every day who are handling this range of questions and strategic options differently depending on the magnitude of recovery, risk tolerance for incomplete recovery and willingness to draw public scrutiny.

Benesch attorneys are available to counsel through strategic options for recovery as well as customs compliance, enforcement defense and disputes with vendors or customers. Our client alerts on tariffs and related supply chain issues are available for you to receive by signing up HERE. Jonathan R. Todd is a Partner and Vice Chair of the Transportation and Logistics Practice Group at Benesch. He can be reached at 216.363.4658 or jtodd@beneschlaw.com.