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Insights

Trade Court Pauses Immediate IEEPA Tariff Refunds Pending CBP Implementation Plan

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During a March 6 settlement conference, U.S. Customs and Border Protection ("CBP") advised the U.S. Court of International Trade ("CIT") that CBP is developing a centralized system to process refunds of tariffs imposed under the International Emergency Economic Powers Act ("IEEPA") but recently determined by the US Supreme Court to be unlawful.[1]

As discussed in our earlier alert (available here), Judge Richard K. Eaton of the CIT ruled that importers who paid IEEPA tariffs are entitled to the benefit of the Supreme Court's February 20, 2026 decision holding that IEEPA does not authorize the imposition of tariffs.[2]

On March 6, 2026, Judge Eaton convened a closed-door settlement conference with representatives of the U.S. Department of Justice and CBP to address how the agency will implement the court's March 4 refund order.[3] Reporting following the conference indicates that CBP informed the court it is developing a centralized mechanism for processing refunds and expects that a system capable of issuing refunds could be operational within approximately 45 days, subject to court approval.[4] The refund mechanism will likely rely on CBP's Automated Commercial Environment ("ACE") platform, including new functionality being developed by CBP, with potentially minimal submissions required from importers

Implementation Issues Discussed

Reporting following the conference indicates that CBP emphasized the unprecedented administrative scale of the refund process.[5] The agency informed the court that refunds could involve hundreds of thousands of importers and tens of millions of entries, with total duties collected under IEEPA estimated between $160 billion and $175 billion.[6]

CBP also reportedly advised that processing refunds through traditional entry-by-entry reliquidation procedures would require substantial resources and time, prompting the agency to propose a more streamlined electronic approach.[7]

At the conclusion of the March 6 conference, Judge Eaton temporarily paused the portion of his earlier order directing CBP to immediately begin issuing refunds while the court considers CBP's proposed refund framework.[8] The court did not disturb its underlying ruling that importers are entitled to refunds but suspended immediate compliance pending further proceedings.

CBP has been directed to provide status updates to the court regarding the development of the proposed refund system, and additional orders from the CIT are expected addressing the structure and timing of the refund process.

Expected Developments in the Refund Process
With immediate refunds temporarily paused, the next phase of the refund process will turn on a series of court and agency actions that will determine when refunds begin and what, if anything, importers will need to submit to receive them. In particular, the following developments are expected to shape the timing and mechanics of refunds.

- Additional CIT orders addressing how the refund process will be implemented.
- CBP administrative guidance describing any required submissions through ACE.[9]
- Potential government appeals or motions for a stay that could affect the timing of refunds.[10]

In the meantime, importers should continue identifying entries on which IEEPA duties were paid, gathering entry summaries and proof of duty payments, and monitoring liquidation timelines, confirming the liquidation status of affected entries, and ensuring ACE accounts and electronic refund authorization are in place while awaiting further instructions from CBP and the court.[11]

Importers and other affected businesses with questions about potential refund eligibility, the status of specific entries, liquidation timing, practical strategies for seeking recovery of IEEPA duties, or for managing exposure under newly imposed or proposed tariff measures, are encouraged to contact Kendall A. Schnurpel, Alex C. Wimmer, or their regular Krieg DeVault attorney.

[1] Declaration of Brandon Lord, Executive Director, Trade Programs, U.S. Customs and Border Protection, filed Mar. 6, 2026, *Atmus Filtration, Inc. v. United States* (Ct. Int'l Trade).

[2] Atmus Filtration, Inc. v. United States, Order (Ct. Int'l Trade Mar. 4, 2026); Learning Resources, 2026 WL 477534.

[3] Lawder, supra note 2.

[4] *Id*.

[5] Chris Stein, US Preparing System to Process Refunds on Billions in Illegal Trump Tariffs, Guardian (Mar. 6, 2026), https://www.theguardian.com.

[6] Lord Decl., *supra* note 1, ¶¶ 7–9.

[7] *Id*. at ¶¶ 10–12.

[8] Atmus Filtration, Minute Order (Ct. Int'l Trade Mar. 6, 2026).

[9] Lord Decl., supra note 1.

[10] Lawder, supra note 2.

[11] Electronic Refunds, 91 Fed. Reg. 21, 21–36 (Jan. 2, 2026) (interim final rule) (to be codified at 19 C.F.R. pts. 24, 141, 159 & 174).

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