

Tariff Refunds Raise New Commercial and Contract Considerations Across the Supply Chain

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On February 20, 2026, the Supreme Court issued a decision concerning tariffs imposed under the International Emergency Economic Powers Act ("IEEPA"). Shortly thereafter, the administration terminated effective February 24, 2026, all tariffs imposed under that authority, including so-called "fentanyl tariffs" imposed on goods from Canada, Mexico, and China, so-called "reciprocal" tariffs imposed at different rates on all countries, and additional IEEPA tariffs assessed on goods from Brazil and India. On March 4, Judge Eaton of the Court of International Trade directed U.S. Customs and Border Protection ("CBP") to begin implementing a process to refund IEEPA duties (plus interest) to importers of record.

While CBP works to implement the refund process through its ACE platform over the next several weeks when it's expected to go live, importers and customers are left questioning what their respective obligations and rights are with respect to IEEPA refunds. Because there is currently no general obligation under U.S. customs law requiring importers to automatically distribute IEEPA refunds to downstream customers, the answer will depend on the contractual arrangement between the parties. We recommend that all parties in the supply chain impacted by the Supreme Court decision assess their agreements, purchase orders, invoices and any other statements made with respect to IEEPA duties to mitigate potential risks of litigation.

A growing number of lawsuits related to IEEPA tariff refunds have been filed alleging claims such as breach of contract, deceptive practices, and unjust enrichment. Even if suits are not formally filed, we expect retailers, consumers, logistics companies, and other buyer parties along with politicians to pressure importers to pass down the refund benefit and prompt negotiations before the refunds are issued.

We'd be happy to help you evaluate your obligations to pass through IEEPA refunds, as well as your rights to receive them. We can also work with you to develop a strategy for navigating anticipated negotiations with consumers, customers, and importers in response to this decision.

Click [here](#) to view our recent webinar, "Preparing for IEEPA Tariff Refunds: What Companies Should Know."