

The U.S. Court of Appeals for the Federal Circuit (CAFC) ruled on Friday, August 29th <u>Case 25:1812</u>, that the unlimited authority under the International Emergency Economic Powers Act's (IEEPA) grant of presidential authority to "regulate" imports does not authorize the tariffs imposed by the Executive Orders. This ruling covers the IEEPA reciprocal tariffs, IEEPA fentanyl tariffs (China), and the IEEPA fentanyl border tariffs (Canada and Mexico).

The CAFC also sent the matter back to the Court of International Trade (CIT) to consider whether the relief should be limited only to those parties that went to Court and whether the CIT can issue a "universal" injunction (enjoining the Government from applying IEEPA tariffs to any U.S. imports). If the CIT were to change the nature of the relief, it could mean that the tariffs would remain in effect and/or refunds would be delayed or even avoided, for those parties not in Court. To implement this, the CAFC issued a <u>separate order</u> pausing the remand back to the CIT until October 14th, allowing time for the Administration to appeal to the Supreme Court.

Note that if the tariffs are ultimately struck down, it could also only be for those specific importers that are in court.

As advised previously, importers should monitor liquidation dates closely on entries subject to IEEPA tariffs, file a protest timely on liquidated entries, seek an extension of liquidation to buy time, etc.

You may wish to consult with the KWE Corporate Compliance team at customs compliance group@kwe.com or your attorney in this regard and preserve your opportunity for duty refunds. Informational document brought to you by KWE-USA Corporate Compliance.



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