

## Insights

### March 19 CBP Hearing Shows Progress on IEEPA Refund System, but Key Questions Remain

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By: Kendall A. Schnurpel and Alex C. Wimmer

At a March 19, 2026 status hearing before the U.S. Court of International Trade, U.S. Customs and Border Protection ("CBP") updated the court on its efforts to implement a centralized mechanism for refunding unlawfully collected IEEPA tariffs. The March 19 hearing suggested that CBP has made meaningful progress toward that system, but it also underscored that significant operational and procedural questions remain unresolved. Most notably, CBP did not commit to a firm refund start date. Important questions remain unanswered regarding the degree of automation at launch, the treatment of certain categories of entries, and whether importers may still need to take affirmative steps to avoid delay. What was new from the March 19 update was not a refund start date, but greater operational detail regarding how CBP expects the ACE/CAPE refund process to function and where important limitations remain. The hearing did not produce a complete roadmap for all affected entries.

#### Background

As discussed in our prior alerts available [here](#) and [here](#), the Supreme Court's February 20, 2026 decision held that IEEPA does not authorize the imposition of tariffs, and the Court of International Trade subsequently ordered CBP to liquidate and reliquidate affected entries without regard to IEEPA duties. The court has since stayed immediate implementation while it continues to oversee CBP's development of a centralized refund process through new ACE/CAPE functionality.

#### What Came Out of the March 19 Status Update Hearing

During the March 19 hearing and in related public reporting on CBP's status update, the following importer- and broker-relevant points emerged:

**System development status.** CBP reported continued progress on its centralized refund mechanism, which is being developed through new functionality within CBP's Automated Commercial Environment ("ACE"), commonly referred to as the Consolidated Administration and Processing of Entries ("CAPE") system. Public reporting on CBP's March 19 update indicates that different CAPE components remain at different stages of completion, rather than a single uniform completion percentage, and that testing, validation, integration, and court oversight remain ongoing before refunds can be issued at scale.

**Timing considerations.** CBP reiterated that refunds will not begin until the system is sufficiently operational and the court authorizes the refund process to proceed. CBP did not commit to a firm refund start date and emphasized the unprecedented volume of affected entries and the administrative burden associated with issuing refunds of unlawfully collected IEEPA duties. The court's March 20 follow-up order indicates that the court remains in a supervisory posture and expects another status update from CBP on March 31, 2026.

**Role of automation versus importer action.** CBP indicated that it intends to rely heavily on automated processing through ACE/CAPE, rather than traditional entry-by-entry reliquidation procedures. At the same time, current reporting suggests that the process will still depend heavily on importer-specific ACE data, refund-routing infrastructure, and the ability to validate affected entries. Certain categories of entries, including those with atypical liquidation histories, potential finality issues, or other complexities, may not fit neatly within an automated first-phase process. As a result, importers and brokers should not assume that every refund will be issued immediately or without further review, and they should expect operational readiness and entry-level organization to matter once the process opens.

**Scope limitations and unresolved entry categories.** CBP's update also suggests that the initial process may not cleanly cover every affected entry. Public reporting on the March 19 filing indicates that certain categories of entries may present added complications, including entries affected by suspension of liquidation and entries raising finality concerns. Relief for finally liquidated entries remains a particularly important unresolved issue.

**Ongoing court oversight.** The court confirmed that it will continue to require periodic status updates from CBP and may issue additional orders addressing refund timing, implementation details, or unresolved procedural issues as development of the refund system progresses. The March 20 order continuing the stay reinforces that the court is allowing CBP additional time to complete and refine the process, rather than requiring immediate operational rollout.

### **Practical Action Steps for Importers**

While CBP has not yet issued formal instructions for seeking refunds, importers can take several preparatory steps now to reduce friction once the process opens:

- **Inventory affected entries.** Identify entries on which IEEPA duties were paid, including entry numbers, entry dates, ports, amounts paid, and current liquidation status.
- **Confirm ACE readiness.** Review importer-of-record information, broker coordination, ACH or other electronic refund-routing information, and other ACE account details that may affect the processing or receipt of refunds.
- **Preserve documentation.** Maintain entry summaries, proof of payment, liquidation and reliquidation notices, broker communications, protest materials, and other records that may help support or reconcile any refund claims.
- **Review potentially time-sensitive entries.** Entries with unusual liquidation histories, protest issues, or possible finality concerns may warrant separate attention before CBP finalizes its mass-processing procedures.
- **Monitor developments closely.** The timing, scope, and mechanics of the refund process remain subject to further court supervision and additional CBP guidance.

### **How We Can Help**

Kendall Schnurpel and Alex Wimmer continue to monitor the litigation and CBP's implementation efforts closely. Importers should consider reviewing affected entries now, particularly where liquidation status, refund routing, broker coordination, or protest timing may affect recovery. Importers with questions about refund eligibility, the status of specific entries, liquidation timing, or strategies for maximizing recovery of unlawfully collected IEEPA duties are encouraged to contact Kendall A. Schnurpel, Alex C. Wimmer, or their regular Krieg DeVault attorney.



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