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## IEEPA Tariff Refunds: Phase 1

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U.S. Customs and Border Protection (“CBP”) launched Phase 1 of its new Consolidated Administration and Processing of Entries (“CAPE”) functionality on April 20, 2026, to process refunds of duties paid under the International Emergency Economic Powers Act Tariffs (“IEEPA Tariffs”). CAPE provides a streamlined administrative pathway for importers to recover IEEPA duties, with interest, through the Automated Commercial Environment (“ACE”). Notably, importers need to set up electronic payments in ACE to receive the refunds. Phase 1 is limited, time-sensitive, and not automatic. Importers, or their customs brokers, will need to affirmatively identify eligible entries and submit a CAPE Declaration through the ACE Portal.

### Background

CBP’s launch of CAPE follows the Supreme Court’s decision in *Learning Resources, Inc. v. Trump* finding that President Trump’s IEEPA Tariffs were unconstitutional. The Court’s decision did not itself resolve the mechanics or even discuss refunds, leaving that issue to the Court of International Trade (CIT).

After *Learning Resources*, CIT moved quickly, ordering CBP to refund IEEPA Tariffs for all entries that incurred IEEPA Tariffs, to liquidate unliquidated entries subject to IEEPA Tariffs without regard to those duties, and to reliquidate non-final liquidated entries that had paid IEEPA Tariffs. Following testimony by CBP on the difficulty of automatic refunds, CIT allowed CBP to develop a refund tool capable of handling the volume of refund claims.

### What Is CAPE?

CBP responded by developing CAPE within ACE. Phase 1 deployed on April 20, 2026, and is intended to streamline and consolidate refunds and interest payments for entries on which IEEPA duties were paid, rather than issuing refunds entry by entry.

CAPE is a new ACE functionality that allows an importer of record or the customs broker that filed the relevant entry to submit a single “CAPE Declaration” identifying entries for which refunds are requested. The declaration is a CSV file containing entry numbers, with each declaration capped at 9,999 entries. Importers and brokers may submit multiple CAPE Declarations, provided that a specific entry may not be included in multiple declarations. Once CBP validates a CAPE declaration, ACE removes the

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\* Not Yet Admitted in Florida

applicable IEEPA Tariffs from the entry summary lines, recalculating the duties as though they had not been owed. Accepted claims are refunded with interest.

### Phase 1: Scope and Limitations

CAPE Phase 1 is generally limited to unliquidated entries and liquidated entries within the preceding 80 days. This covers approximately 63% of entries for which IEEPA duties were paid or deposited.

For unliquidated entries accepted through CAPE, CBP generally will set liquidation 45 days after CAPE acceptance. Liquidated entries accepted through CAPE will reliquidate the next business day. Warehouse and warehouse-withdrawal entries, and entries in suspended, extended, or under-review status, will remain on their ordinary liquidation track, with IEEPA refunds processed when liquidation occurs.

Phase 1 excludes entries more than 80 days past liquidation entirely. CBP has indicated that later CAPE phases are expected to address additional categories, including entries with final liquidation, entries under open protest, reconciliation entries, drawback entries, entries not filed in ACE or without liquidation status in ACE, and certain AD/CVD entries. CBP has not provided a timeline for those later phases.

### How Importers Can Claim Refunds

Importers should first identify all entries on which IEEPA duties were paid or deposited, organized by importer of record (IOR), customs broker, entry number, liquidation status, liquidation date, and any special status such as protest, reconciliation, drawback, AD/CVD, warehouse, or post summary correction activity.

The IOR or the customs broker that filed the entry summaries must then access the CAPE tab in the ACE Portal. Only the IOR associated with the entries or the customs broker that filed the entry summaries may submit the CAPE Declaration. The filer downloads CBP's CAPE template, enters eligible entry numbers, saves the file in CSV format, certifies authority to submit, and uploads the file through ACE.

CBP will validate the file and the individual entries. File validations confirm that entry numbers are complete and properly formatted, that the submitter is the IOR or authorized customs broker, and that the CSV file is not corrupted. Entry-level validations confirm, among other things, that the entry exists in ACE and includes at least one IEEPA Chapter 99 HTSUS number. If the request fails validation, ACE rejects the declaration and identifies errors. Corrected entries may be resubmitted in a separate CAPE Declaration. Refunds are issued electronically only to the IOR's or customs broker's bank account provided that they are set up in ACE to receive electronic refunds.

### Current Refund Status

As of early May, importers are beginning to report that they are receiving refunds from CBP. Reports indicate that these refunds come with interest, and sometimes in as little as ten calendar days after the refund claim was made. This suggests that a wave of refund checks may be coming soon. According to court filings, 1.74 million entries had cleared validation by the end of April and were slated for refunds.<sup>1</sup> This number, however, is still a tiny fraction of the estimated 53 million entries eligible for refunds, indicating that most importers have yet to file. CBP's next update is due in court on May 12.

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<sup>1</sup> See "Trump Tariff Refunds Start Hitting Importers' Bank Accounts," Bloomberg Law (May 6, 2026) [here](#).

## Practical Recommendations

**Move quickly on Phase 1-eligible entries.** CBP has not announced a separate universal filing deadline for Phase 1, but liquidated entries become ineligible for Phase 1 once they are more than 80 days past liquidation. Importers should prioritize entries approaching that cutoff, particularly because entries may require cleanup before submission. IEEPA Tariffs first went into effect on March 4, 2025. Entries typically liquidate within 314 days after the entry date.

**Create a separate strategy for entries not eligible in Phase 1.** Entries more than 80 days past liquidation, including entries where liquidating has become final, and entries blocked by protest, reconciliation, drawback, AD/CVD, or other statuses are not recoverable in Phase 1. For those entries, importers should consider protective protests, monitoring of later CAPE phases, and, where appropriate, litigation to preserve refund rights. Judge Eaton has noted that no resolution had been reached for reliquidation through CAPE of entries for which liquidation has become final, and CBP has not provided a timeline for future phases.

**Review protests before withdrawing them.** CAPE Phase 1 rejects entries with open or suspended protests. If a protest was filed solely to recover IEEPA Tariffs, consider whether to withdraw the protest and submit a claim through CAPE. But where a protest includes unrelated substantive claims, withdrawal could waive valuable rights and should be evaluated carefully. Consult with your counsel before withdrawing a protest.

**Complete unrelated PSCs before CAPE.** CBP has stated that filers may not use Post Summary Corrections to initiate IEEPA duty refund requests. Address unrelated PSCs to avoid complications for entries submitted through CAPE.

**Offsets and cash management.** CBP will check for unpaid debts to CBP before issuing refunds and will reduce refunds by those unpaid amounts. Distressed companies, companies in bankruptcy, and companies with legacy customs bills should account for potential offsets when forecasting refund recoveries.

## Going Forward

CAPE is a significant step toward recovery of IEEPA duties, but it does not eliminate the need for active management of refund claims. Importers should consider promptly filing Phase 1 claims for eligible entries, preserve rights for entries outside Phase 1, and monitor CBP guidance as additional CAPE functionality is deployed.

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If you have questions concerning the contents of this alert, or would like more information, please speak to your regular contact at Weil or to the authors:

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