



IIEPA Tariff Update - December 2025

IIEPA Tariff Rates by Country (as of Dec 2025)

- **Canada:** 35% tariff on most imports (excl. USMCA-qualifying goods) and 10% on energy resources; 40% on goods that attempt transshipment. Initially 25% in March 2025, the rate was raised to 35% effective Aug. 1, 2025. (USMCA-qualified imports remain exempt; potash imports tariff reduced to 10% on Mar. 7, 2025.) These tariffs remain active.
- **Mexico:** 25% tariff on most imports from Mexico (excl. USMCA-qualifying goods; potash at 10%). In July 2025, a planned increase to 30% was announced but subsequently put on hold for negotiations ¹. As of Dec 2025, the 25% tariff is still in effect (no higher rate implemented) pending ongoing discussions.
- **China:** A 10% tariff now applies to all imports from China under IIEPA actions ². (This encompasses the “fentanyl-related” tariff, which was reduced from 20% down to 10% effective Nov. 10, 2025 ², as well as the reciprocal trade-deficit tariff, which remains at 10% instead of rising back to 34% ³.) These reduced rates result from a U.S.-China agreement in late 2025 that paused further escalations through late 2026 ³.
- **Other Countries (Trade-Deficit Tariffs):** Since April 2025, a baseline 10% “reciprocal” tariff has applied to most other trading partners, with higher country-specific rates for certain nations based on trade negotiations. Updated rates took effect Aug. 7, 2025: for example, Vietnam (20%), the Philippines (19%), Indonesia (19%), and South Korea (15%) under newly negotiated framework agreements ⁴. Major allies reached deals to cap tariffs – the EU and Japan secured a 15% maximum rate with various product exemptions. Countries without agreements faced higher tariffs: e.g. India and Switzerland saw increased rates implemented in August 2025. (The IIEPA tariffs are cumulative with existing duties unless specific exemptions apply.)
- **Countries Importing Venezuelan Oil:** Under an executive order effective April 2, 2025, imports from any country that continues to import Venezuelan oil are subject to an additional 25% tariff. This “secondary tariff” is intended to pressure countries like China, India, and Spain – identified among the top importers of Venezuelan petroleum – and remains in force until one year after the country stops importing Venezuelan oil. (Exceptions may be granted at the administration’s discretion.)

Supreme Court Case Update (“SCOTUS Watch”)

The Supreme Court heard oral arguments on Nov. 5, 2025 in *Learning Resources, Inc. v. Trump* (consolidated with *Trump v. V.O.S. Selections*) – a challenge to the President’s use of IIEPA to impose these tariffs. Lower courts (the CIT in May 2025, affirmed by the Federal Circuit in Aug. 2025) ruled that the IIEPA tariffs exceeded the President’s authority and are unlawful. The tariffs nonetheless remain in effect pending the high court’s review ⁵. The case was expedited, and a decision is anticipated by late 2025 or early 2026.

During oral argument, several Justices raised questions about the scope of IEEPA and the remedy for importers. It is possible the Court's ruling will not only decide whether all or part of the IEEPA tariff program is struck down, but also address refund procedures for duties already paid. No interim rulings have been issued since the argument; the importers' challenge remains under submission. U.S. Trade officials have indicated that if the tariffs are invalidated, the administration can use other trade laws to "replicate" the tariff revenue and may seek new congressional trade tools going forward.

(Note: As of Dec. 16, 2025, no Supreme Court decision has been announced. The IEEPA tariffs continue to be collected in the meantime ⁵.)

Refund & Compliance Guidance for Importers

Importers who paid IEEPA tariffs should proactively safeguard their refund rights. **Customs Protest Deadlines:** An entry's liquidation (final duty assessment) generally occurs about 314 days after entry, after which importers have 180 days to file a protest with CBP. However, simply filing administrative protests may *not* guarantee recovery of IEEPA duties if the tariffs are overturned ⁶. A recent Court of International Trade ruling (Dec. 2025) held that liquidation of entries will not bar judicial refunds for plaintiffs in pending cases challenging the IEEPA tariffs ⁷. In that case, the court found the government **estopped** from arguing that finalized liquidations prevent refunds, but emphasized this protection currently applies only to importers who brought court actions ⁸ ⁹. Importers who have not filed suit could be left unable to recoup duties if their entries liquidate unprotested.

Injunctions to Suspend Liquidation: To avoid losing rights, many companies have filed suits at the CIT to enjoin liquidation of entries subject to IEEPA tariffs. Courts recognize that once an entry is liquidated, refunds are generally unavailable absent timely protest or litigation. By obtaining injunctions, importers preserve the status quo until the legal validity of the tariffs is resolved. Trade experts advise evaluating upcoming liquidation dates now – if high-value entries are set to liquidate in the next few weeks, securing a suspension via court order may be prudent. In contrast, inaction could result in "permanent loss of refund rights," as Justice Barrett noted the post-refund landscape is potentially "a mess".

Interest on Refunds: Should refunds be authorized, importers would receive interest from the date of deposit on any duties returned, per 19 U.S.C. §1505. Notably, the statutory interest rates on customs overpayments are relatively high in the current quarter – **7% per annum for non-corporate importers and 6% for corporations**. These rates (pegged to IRS interest levels) apply to refunds issued by CBP and would significantly increase the value of any recovery. Importers should also ensure they maintain documentation of all IEEPA duties paid, to claim both principal and interest if a refund process (administrative or judicial) materializes.

Latest CBP/Treasury Guidance: CBP has released internal guidance via Cargo Systems Messaging on implementing the tariff rollbacks (e.g. lowering China's rate to 10%) and on the suspension of the de minimis exemption for all countries as of Aug. 29, 2025. As of now, neither CBP nor the Treasury Department has issued specific instructions for obtaining IEEPA tariff refunds. The timeline for any refund mechanism will depend on the Supreme Court's decision and subsequent administrative action. Importers are therefore advised to **"monitor the liquidation of entries on which [IEEPA] tariffs were paid so that protests may be timely filed"** and to consult with customs counsel on whether additional protective measures (like filing suit or joining an existing test case) are warranted.

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- 1** **4** Presidential 2025 Tariff Actions: Timeline and Status | Congress.gov | Library of Congress
<https://www.congress.gov/crs-product/R48549>
- 2** 58. November 4, 2025 | Reducing the 20% IEEPA-fentanyl tariffs on China to 10%; Reciprocal Tariffs on China Remain at 10% until November 2026 | Thompson Coburn LLP
<https://www.thompsoncoburn.com/insights/58-november-4-2025-reducing-the-20-ieepa-fentanyl-tariffs-on-china-to-10-reciprocal-tariffs-on-china-remain-at-10-until-november-2026/>
- 3** Reciprocal Import Tariffs | Sandler, Travis & Rosenberg, P.A.
<https://www.strtrade.com/trade-news-resources/tariff-actions-resources/reciprocal-import-tariffs>
- 5** IEEPA Tariffs on Canada, China & Mexico | Sandler, Travis & Rosenberg, P.A.
<https://www.strtrade.com/trade-news-resources/tariff-actions-resources/ieepa-tariffs-on-canada-china-mexico-venezuelan-oil>
- 6** **7** **8** **9** COURT RULES THAT LIQUIDATION WILL NOT BAR IMPORTERS FROM RECOVERING IEEPA TARIFFS IN COURT CHALLENGE - GDLSK
<https://www.gdlsk.com/court-rules-that-liquidation-will-not-bar-importers-from-recovering-ieepa-tariffs-in-court-challenge/>