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Updated Client Advisory: Federal Circuit Temporarily Reinstates Trump Tariffs

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Practices: Commercial, Competition & Trade

This is a 5/29/2025 update to the prior client alert.

On May 29, 2025, the U.S. Court of Appeals for the Federal Circuit (“CAFC”) issued an administrative stay temporarily reinstating tariffs invalidated by the Court of International Trade (“CIT”) on May 28. The CIT’s May 28 ruling had permanently enjoined the Trump administration’s “reciprocal” tariffs (10% global duty), and the Canada/Mexico (25%) and China tariffs (20%) imposed under the International Emergency Economic Powers Act (“IEEPA”). The administration swiftly appealed the CIT judgment and had asked the CAFC to stay the CIT order. The CAFC’s stay halts the CIT’s injunction pending further review, meaning these tariffs are immediately reinstated until the Federal Circuit resolves the government’s appeal.

Practical Implications

1. Tariff Reinstatement:

- Importers must resume payment of the 10% reciprocal tariffs, 25% Canada/Mexico tariffs, and 20% China tariffs effective immediately.
- U.S. Customs and Border Protection (“CBP”) will reactivate tariff collections under HTSUS code 9903.01.25 (reciprocal tariffs) and other applicable classifications.
- Refund claims filed during the CIT’s brief injunction (May 28–29) are frozen; CBP will not process these until the legal challenges conclude.

2. CBP Guidance:

- CBP is expected to issue updated Automated Commercial Environment (“ACE”) directives shortly. Until then, importers should adhere to pre-May 28 entry procedures.
- For entries made during the CIT’s injunction period (May 28–29), importers may need to file Post Summary Corrections (“PSCs”) or protests once final rulings are issued.

3. Tariff Stacking:

- Executive Order 14289 (prohibiting overlapping tariffs) remains in effect. Importers impacted by “stacked” duties (e.g., Section 232 + IEEPA tariffs) may still file refund requests for pre-May 28 entries.

Timeline and Next Steps

Plaintiffs must respond to the government's motion for a longer-term stay by June 5, 2025: June 9, 2025 is the government's reply deadline. The CAFC will then decide whether to maintain the stay during the appeal process, which could take months.

If the CAFC ultimately upholds the CIT's ruling, tariffs could again be lifted, and refunds for duties paid post-May 29 may become available. Conversely, a CAFC reversal would solidify the tariffs indefinitely.

Masuda Funai is a full-service law firm with offices in Chicago, Detroit, Los Angeles, and Schaumburg.