

Vital Briefing—Tariff Insights

Customs agency announces April 20 launch of tariff refund tool

By [Thomas Thompson](#)

U.S. Customs and Border Protection (CBP) announced that the new system it is readying to pay out tariff refunds will launch on Monday. The announcement appeared on a webpage dedicated to administering the refunds.

The system is designed “to streamline the submission and processing of valid refund requests for duties imposed under the International Emergency Economic Powers Act (IEEPA), as authorized by court order or applicable law,” [according](#) to the agency.

In a statement filed with the Court of International Trade (CIT), Brandon Lord, the executive director in the CBP’s Trade Programs directorate, wrote, “The agency has transitioned to an intensive testing posture, focused on performance and scenario-based testing of all CAPE components and the remediation of any defects identified during testing.”

CAPE stands for Consolidated Administration and Processing of Entries.

Timetable. Development of an automated refund system has been in the works since the first week of March. During a hearing on an individual claim that week, Judge Richard K. Eaton was alerted to the government’s ambivalence about paying refunds at all, let alone expeditiously. At subsequent hearings, Eaton pushed government representatives for a plan for handling the onslaught of refund requests.

During the last week of February, on the 27th, the Trump administration had unsuccessfully [asked](#) the Court of Appeals for the Federal Circuit to order a 90-day delay, “to allow the political branches an opportunity to consider options.” In the matter at hand, importers had asked the appeals court to expedite the refund payments. Eaton told government representatives in his court that the Supreme Court’s decision on the IEEPA was unequivocal.

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Pointing out that the CIT’s chief judge had appointed him the sole judge to hear IEEPA refund claim cases, Eaton made it clear that the numerous individual claims would not have to be litigated.

CAPE’s development was complicated especially by the large number of refunds by the likely large number of claimants whose bank accounts were mostly not set up in CBP systems to receive ACH deposits. Having mostly adhered to a schedule submitted to the court in early March, Lord said that as of April 14, only some

testing comprising system components was pending completion.

The refund tool is set to be available on April 20, according to an April 8 announcement from the agency.

Mounting costs. Refunds to importers are to be calculated separately for each shipment that was improperly tariffed under IEEPA. Among the complications for calculating the proper refunds is that importers may be paid only the IEEPA portion of the total tariff paid on a shipment it received.

In addition to the mis-tariffed amounts, interest on the tariff payments from when they were incurred is payable by the government. Researchers at the Libertarian think tank Cato Institute estimated in February that the interest billed to the Treasury would total an extra \$700 million per month of government delay.

Refunds, consolidated per “importer of record,” will be paid almost exclusively by electronic deposits to importers’ bank accounts. On its IEEPA refund webpage, the agency cautions, “Importers and authorized brokers should anticipate that valid IEEPA refunds will generally be issued within 60 - 90 days following acceptance of the CAPE Declaration.”

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Tariff threat. The White House has yet clearly to identify the targets of the April 8 threat Trump [issued](#) on Truth Social against “A Country supplying Military Weapons to Iran.” He wrote he would immediately levy a 50 percent tariff on imports from those countries.

China was presumed by many to be the country Trump had in mind. At the same time, it seemed unlikely the president would risk exacerbating tensions with his state visit to Beijing looming.

Nonetheless, during an interview on Fox Business’s Sunday Morning Futures on April 12, host Maria Bartiromo [asked](#) Trump regarding the threat, “Did you mean China?”

Trump responded, “Yes, and other people. But yes, China too.”

In another interview, taped two days later on April 14, Trump [said](#) he had communicated directly with Xi, telling Bartiromo, “I wrote him a letter asking him not to do that, and he wrote me a letter saying that, essentially, he’s not doing that.”

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China’s trade business does not appear to have benefited from the Iran conflict with its export growth slowing since the start of the war. CNBC [reported](#) on April 13 that Chinese exports grew 2.5 percent in March, down from the 21.8 percent year-on-year growth in the combined January-February period, according to the news outlet.

Bloomberg and other news services reported Xi told Spanish Prime Minister Pedro Sanchez, “The international order is crumbling into disarray,” during their meeting in Beijing on Tuesday.

Spy satellite. The Financial Times reported Wednesday that Iran

successfully used a spy satellite that it acquired from China in late 2024 to target U.S. planes stationed at Prince Sultan Air Base in Saudi Arabia.

The newspaper [reported](#) the satellite also monitored an airbase in Jordan and “locations close to the U.S. Fifth Fleet naval base in Manama, Bahrain, and Erbil airport, Iraq, around the time of IRGC-claimed attacks on facilities in those areas.”

China’s foreign ministry denied the report.

In March, Reuters [reported](#) U.S. officials were saying off the record that China’s leading semiconductor firm Simic had sent chipmaking tools to Iran.

Despite these stories, which have not been confirmed, Trump took the question of punishing China with 50 percent tariffs off the table in an April 15 Truth Social post, [writing](#), “They have agreed not to send weapons to Iran.” He also wrote in the same post that he expects Xi will give him “a big, fat hug” for reopening the Strait of Hormuz.