

Federal Trade Court Rules Trump Administration's Use of Emergency Commerce Law to Impose Broad Tariffs Was Unlawful

Article

Amundsen Davis International Trade Alert

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On May 28, 2025, the United States Court of International Trade ("CIT") determined that the Trump administration's use of the International Emergency Economic Powers Act ("IEEPA") to impose (1) overly broad worldwide reciprocal tariffs and (2) fentanyl/immigration-related tariffs on China, Mexico, and Canada was unlawful.

[What Is Covered in the Decision](#)

IEEPA FENTANYL TARIFFS ON CHINESE PRODUCTS.

Effective February 2025, the U.S. imposed tariffs under the IEEPA on certain Chinese imports, initially set at a base rate of 10 percent and subsequently increased to 20 percent in March 2025. This action also included the removal of the *de minimis* exception.

IEEPA FENTANYL/IMMIGRATION TARIFFS ON MEXICAN AND CANADIAN PRODUCTS.

A 25 percent tariff was applied to most goods originating from Mexico and Canada. Exceptions include (1) energy resources and potash, which are subject to a reduced 10% tariff, and (2) USMCA-originating goods, which remain exempt from IEEPA tariffs.

IEEPA RECIPROCAL TARIFFS.

A general 10 percent tariff was imposed on imports from all countries except Canada and Mexico. Country-specific rates for nations other than China have been temporarily paused until July 9, 2025. For China, the pause on country-specific rates has been extended until August 12, 2025.

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What Is NOT Covered in the Decision

Section 232 Tariffs, which includes:

- Steel and aluminum and derivative tariffs
 - Automotive and automotive parts tariffs
- Section 301 Tariffs**, which were enacted in Trump's first administration.

What Are the Next Steps?

The CIT ruling requires the U.S. government to formally revoke the IEEPA tariffs within a 10-day timeframe (June 7, 2025). On May 28, 2025, the U.S. government filed a prompt appeal with the U.S. Court of Appeals for the Federal Circuit ("CAFC") and asked the court to put the order on hold until the merits of the case are heard. The CAFC granted that request on May 29, 2025.

Impact on Business

As the CAFC granted the government's request, U.S. importers should continue to pay these tariffs. However, should these tariffs be found to be unconstitutional in subsequent appeals, there may be opportunities for them to seek recovery of any previously paid IEEPA tariffs by filing a protest with U.S. Customs and Border Protection. For that reason, we recommended that U.S. importers begin to compile impacted entry records should that opportunity arise. In the meantime, we will continue to monitor ongoing developments on this matter and will report back should new information become available.

Note: This alert was updated on May 29, 2025, after the CAFC granted the government's request. As the trade landscape continues to evolve at a rapid pace, our International Trade Service Group will continue to provide legal updates as they become available. To receive international trade alerts directly to your inbox, subscribe below.

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