

# THE CARMICHAEL C MPASS

"WHEN THE TIDES OF TRADE SHIFT, WE'RE YOUR COMPASS."

Issue 26-018 \* May 8, 2026

## Court of International Trade Strikes Down Section 122 Tariffs

On May 7, the U.S. Court of International Trade ruled that the Section 122 tariffs as imposed by President Trump in February 2026 are unlawful. The 2-1 split decision ruled that the President failed to identify a balance-of-payment deficit within the scope of the meaning of Section 122.

However, it should be noted that while the decision has ruled the tariffs unlawful, it refused to issue a universal injunction and instead has only directed the government to cease imposing Section 122 tariffs on the named plaintiffs of the case within five days. The additional duties will still be assessed for all other importers pending any appeals. The US government is expected to appeal this decision.

For now, no immediate action is necessary for importers. We will continue to monitor this situation as it develops. To view the decision in its entirety, you can visit the [document](#) uploaded by the Court of International Trade.

## Review of Original Section 301 Tariffs on China Begins

The Section 301 tariffs originally imposed on China in July and August of 2018 are entering their second four-year review period. As such, USTR is asking for submissions from domestic industries that benefit from these tariffs. The [Federal Register notice](#) related to this request was published on May 6.

If you or anyone you know would like to participate in the comment period, the web portal for comments on the July 2018 actions will open today, May 7 and close at 11:59 PM on July 5. The web portal for comments on the August 2018 actions will open on June 24 and close at 11:59 PM on August 22.

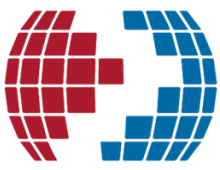
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## CBP Releases Guidance on Applying Section 232 Import Duties on USMCA-Qualifying MHDVs

CBP has released a [CSMS message](#) with guidance for the trade on applying the MHDV Section 232 duties only on the non-U.S. content of approved imports qualifying for USMCA treatment.

Per the CSMS message, the 25% MHDV tariff will apply exclusively to the non-US content on certain USMCA qualifying vehicles that are entered for consumption or withdrawn from a warehouse for consumption on or after 12:01 AM EDT November 1, 2025.

Approval from the Secretary of Commerce is required to apply the 25% ad valorem duty rate exclusively to the non-US content of an MHDV. Entries of qualifying vehicles will need to be split into two lines. Non-US content of approved imports will be entered first under **9903.74.03** at the 25% duty rate. The US content of approved vehicles will be entered second under **9903.74.06** for 0% additional duty.

For full details and instructions, please visit the CSMS message.

## CBP Releases Best Practices for Protecting Your IEEPA Refunds

Customs and Border Protection released a CSMS on Thursday afternoon outlining best practices to protect your IEEPA Refunds and avoid scammers trying to steal your refund. The CSMS message urges importers to only share personal, company, and banking information with trusted and validated parties and to avoid entering any of this information into websites other than ACE. The only way to secure a refund is to file a CAPE Declaration via the ACE Secure Data Portal.

CBP reminds importers that generally, CBP will not request sensitive information to process IEEPA refunds and if you receive a request for additional information from CBP, be sure to verify the validity of the request by confirming the email address.

Some common characteristics of scams to watch out for include:

- Requests for personal/financial info
- Offers of refunds in exchange for data
- Unsolicited emails/calls/texts
- Pressure to act quickly
- Poor grammar, spelling errors, or suspicious links

You can view the full CSMS message [here](#).

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