

CBP's CAPE Crusade: A New 45-Day Path to IEEPA Duty Refunds

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On March 31, U.S. Customs and Border Protection (CBP) submitted an update with the U.S. Court of International Trade (CIT) on its development of the “Consolidated Administration and Processing of Entries” (CAPE) functionality in the Automated Commercial Environment (ACE) to calculate and refund duties imposed under the International Emergency Economic Powers Act (IEEPA). CAPE is a new capability within ACE that will allow CBP to receive “CAPE Declarations” from importers, identify affected entries, remove IEEPA-related Harmonized Tariff Schedule of the United States (HTSUS) codes, recalculate duties, and process refunds through what CBP has indicated will be approximately a 45-day review, reliquidation, and refund process once the system is fully operational.

CBP has divided CAPE into four integrated components: (1) Claim Portal; (2) Mass Processing; (3) Review and Liquidation/Reliquidation; and (4) Refund. Phase 1 is expected to cover a substantial share of entries subject to IEEPA duties, but not all of them; more complex categories and finally liquidated entries are expected to be addressed in later phases. Although CBP has now provided more detail on its intended approach, the refund process itself is not yet operational.

CAPE Phase 1 – Status and Coverage

As of March 30, 2026, CBP estimates that development of the four CAPE components is as follows: Claim Portal is about 85% complete, Mass Processing about 60% complete, Review and Liquidation/Reliquidation about 80% complete, and Refund about 75% complete. CBP further estimates that Phase 1, as currently designed, will be able to process roughly 63% of entries on which IEEPA duties were paid or deposited. That percentage reflects only entries that are unliquidated or within the 90-day voluntary reliquidation period under 19 U.S.C. § 1501. For those entries, Phase 1 will apply the CAPE functionality described above to permit liquidation or reliquidation and issuance of IEEPA duty refunds.

CIT Orders and Finally Liquidated Entries

To comply with the CIT's March 20 amended order, CBP initially revised Phase 1 so that it does not run through CAPE any entries whose liquidation is already final — that is, entries that, under the usual customs rules, CBP can no longer reopen and change. On March 27, however, the CIT ordered that “[a]ny liquidated entries for which liquidation is final shall be reliquidated without regard to the IEEPA duties,” meaning CBP must ultimately remove IEEPA duties and issue refunds even for those finally liquidated entries. CBP updated its refund plan to state that, in order to keep Phase 1 on schedule, it will exclude finally liquidated entries for now and intends to add

functionality to address those entries in a later phase of CAPE. CBP expects to develop the capability to process entries for which liquidation is final in a subsequent phase of CAPE.

Which Entries Are Included and Excluded in Phase 1

CBP has clarified which categories of entries CAPE Phase 1 will accept. Phase 1 will accept CAPE Declarations for unliquidated entries and for entries within the 90-day voluntary reliquidation period. It will also accept entries whose liquidation status in ACE is “suspended,” “extended,” or “under review,” including antidumping and countervailing duty (AD/CVD) entries that remain under suspension. For those entries, CAPE will remove the IEEPA HTSUS codes and recalculate the duties without IEEPA, but CBP will not liquidate or refund those entries until they liquidate in the normal course, or, in the case of AD/CVD entries, until the U.S. Department of Commerce (Commerce) lifts suspension and issues liquidation instructions. In addition, Phase 1 will accept warehouse and warehouse withdrawal entries; for those, CAPE will remove the IEEPA HTSUS codes, while liquidation and refunds will occur through CBP’s normal warehouse liquidation process.

At the same time, Phase 1 will not accept CAPE Declarations for certain categories. These exclusions are: entries flagged for reconciliation, including Entry Type 09 – Reconciliation Summary; entries designated on drawback claims; entries covered by an open protest; entries not filed in ACE or without a liquidation status in ACE; and entries subject to AD/CVD where Commerce has already issued liquidation instructions and the entries are pending liquidation under 19 U.S.C. § 1504(d). CBP states that the expanded acceptance of suspended, extended, under review, and warehouse entries is not expected to delay Phase 1 delivery.

Timing and Processing in Phase 1

CBP has set out specific timing parameters for Phase 1 processing. CBP will take up to 45 days from acceptance of a CAPE Declaration to review and liquidate the validated entry summaries identified on that declaration, unless compliance concerns require further review. In addition, CAPE Phase 1 will accept entries that were liquidated within the preceding 80 days, with the aim that processing and any necessary reliquidation will be completed by the 90th day following liquidation, consistent with the voluntary reliquidation period under 19 U.S.C. § 1501.

Electronic Refund Requirement

CBP now issues refunds electronically, to the importer of record (IOR) or to another party designated by the IOR on CBP Form 4811, consistent with governmentwide electronic payment requirements.

Next Steps

CBP states that it is evaluating more complex scenarios for subsequent phases of CAPE development. It has identified several categories that it expects to address in later phases, including enhanced compliance and validation tools; enhanced financial reporting and security tools; functionality relating to entries that have outstanding non-IEEPA bills; the capability to process reconciliation entries and entries designated on drawback claims; functionality for complex interest calculations; the capability to process entries for which liquidation is final; and the capability to process certain non-Automated Broker Interface entries. CBP indicates that it will provide additional information and guidance on these subsequent phases as they are developed.

Practical Considerations for Importers

For importers, this recent update from CBP means Phase 1 will provide substantial but incomplete relief. In light of the declaration and the CIT's orders, importers may wish to (i) review entries on which IEEPA duties were paid or deposited and identify which are Phase 1-eligible (unliquidated or within the 90-day window) versus those that will depend on later phases; (ii) quantify exposure for finally liquidated and other excluded entries, which are now within the potential scope of court-ordered relief; (iii) ensure electronic refund readiness, including enrollment, banking details, and CBP Form 4811 designations; and (iv) monitor further CBP and court guidance on the rollout and scope of subsequent CAPE phases. Troutman Pepper Locke's Tariff Task Force is available to assist with these assessments and with planning for both Phase 1 and later phase recovery.

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