Your Tariff Refund

Show Me the Money

PRESENTATION BY:

Eric J. Stenson
Chief Executive Officer
eric@rsk.com | M: 208.995.1220

RSK

EXPERIENCE. FOCUS. RESULTS.

Key Takeaway

A SUCCESSFUL IEEPA TARIFF RECOVERY STRATEGY MUST DO THREE THINGS

TO RECOVER FROM CBP, THE COMPANY NEEDS TO ANSWER FOUR QUESTIONS

1. Were we the Importer of Record?

The IOR, or its authorized broker, usually controls the filing path.

2. Which entries are eligible?

Recovery depends on entry data, tariff treatment, country of origin, classification, and liquidation status.

3. Are we CAPE-ready?

The company needs ACE access, broker coordination, ACH refund setup, and a properly supported CAPE declaration.

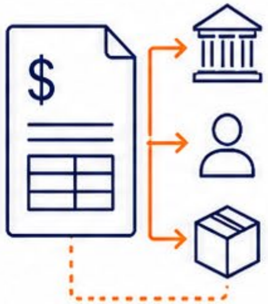
4. Can we document the claim?

The refund file should connect the entry, the tariff paid, the party that paid it, and the records supporting recovery.

A REFUND CLAIM IS ONLY AS STRONG AS THE RECORDS BEHIND IT

1. Entry Data

CBP Form 7501, entry numbers, importer of record, broker records, HTS classifications, country of origin, value, and duty lines.



2. Tariff Payment Evidence

Proof of what was paid, when it was paid, who paid it, and whether payment moved through the importer, broker, vendor, or another party.

3. Eligibility Review

Confirmation that the entries fit the current recovery path, including tariff treatment, liquidation status, exclusion rules, stacking issues, and any special entry conditions.

4. CAPE Filing Readiness

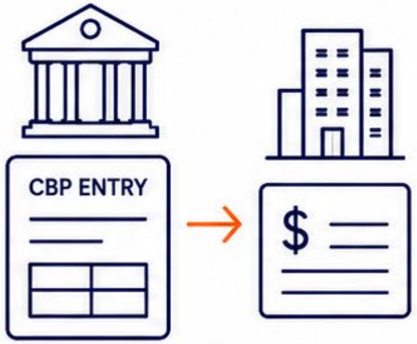
ACE access, broker authorization, ACH refund setup, CAPE declaration support, and clear responsibility for submission and follow-up.

5. Audit-Ready Support

A complete file showing the entry, the tariff paid, the refund basis, the party entitled to claim, and the documentation needed to defend the recovery.

Furniture = Complex

TARIFF DOLLARS DO NOT ALWAYS MOVE IN A STRAIGHT LINE



1. The importer is not always the economic party

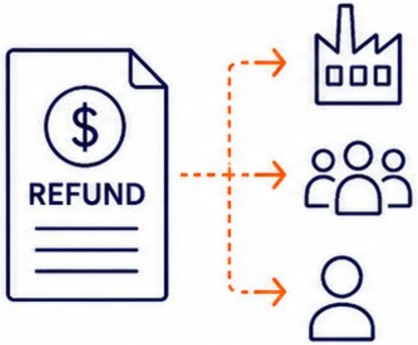
The company listed on the customs entry may not be the company that ultimately absorbed the tariff cost.

2. Tariff costs may be embedded in pricing

Costs can appear as tariff surcharges, DDP pricing, landed-cost adjustments, freight bundles, product price increases, or vendor reimbursement charges.

3. Multiple tariff regimes can overlap

Furniture and furniture components may involve IEEPA tariffs, Section 301 duties, Section 232 issues, origin rules, exclusions, and stacking or non-stacking questions.



4. Refunds can trigger supplier and customer claims

A CBP refund may create a second question: does the money stay with the importer, get reconciled with suppliers, or get allocated downstream to customers?

The Central Question

CBP DECIDES WHO RECEIVES THE CUSTOMS REFUND

THE COMMERCIAL RECORD DETERMINES WHO BORE THE COST

IF YOU WERE NOT THE IOR, RECOVERY STARTS WITH PROCUREMENT RECORDS

1. Start with the invoice trail

Look for tariff surcharges, duty charges, reimbursement line items, DDP terms, landed-cost adjustments, or pricing changes tied to tariff events.

2. Separate clear charges from embedded costs

A separate tariff line item is easier to trace. Embedded pricing requires a deeper review of contracts, purchase orders, supplier notices, pricing history, and SKU-level changes.

3. Reconcile before you demand

Supplier outreach should begin as a commercial reconciliation: what was charged, why it was charged, whether a CBP refund was claimed, and whether credits, offsets, or pricing adjustments are appropriate.

4. Protect the relationship while preserving the claim

The goal is to recover value where the record supports it without turning a manageable supplier reconciliation into an avoidable business dispute.

A CBP REFUND CAN CREATE A DOWNSTREAM ADMINISTRATION PROBLEM

1. Identify downstream pass-throughs

Review customer invoices, tariff surcharges, price increases, contract terms, credit memos, and communications tied to tariff-related charges.

2. Match refunds to customer exposure

Connect the CBP recovery to the customer charges that may have reflected the same tariff cost.

3. Decide the allocation strategy

Determine whether recovered dollars should be retained, refunded, credited, offset, negotiated, or resolved through a release.

4. Pay only when the money is real

Do not issue customer refunds or credits before confirming the corresponding CBP recovery has been received and reconciled.

5. Document the outcome

Track refund calculations, customer notices, settlement terms, releases, credits, retained amounts, and approval history.

TURN TARIFF REFUND UNCERTAINTY INTO A CONTROLLED RECOVERY PROCESS

1 Recover

Identify eligible CBP entries, coordinate with brokers, prepare the CAPE filing path, and pursue refunds where the company controls the importer or authorized filing position.

2 Reconcile

Review supplier invoices, DDP terms, landed-cost pricing, tariff surcharges, and vendor communications to determine whether tariff costs were passed upstream or embedded in commercial pricing.

3 Allocate

If tariff costs were passed to customers, match recovered dollars to downstream exposure and decide whether amounts should be retained, refunded, credited, offset, negotiated, or released.

4 Document

Build a defensible file showing what was imported, what was paid, who bore the cost, who recovered the money, and how the outcome was approved and administered.

CBP RECOVERY IS THE FIRST BUCKET OF MONEY.

SUPPLIER RECOVERY IS WHERE MONEY MAY BE TRAPPED UPSTREAM.

CUSTOMER CLAIMS ARE WHERE RECOVERED MONEY MAY NEED TO BE ADMINISTERED DOWNSTREAM.