



Fact Sheet | 05.08.2026

# CIT Ruled President Trump's Use of Section 122 Illegal

Navigating the recent Court of International Trade's ruling and how it affects your business

*\*All information provided herein is informational and advisory only. We strongly encourage importers to consult legal counsel for definitive and binding information.*

# Court of International Trade Order

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Countries: All

- The Court of International Trade (CIT) in a 2-1 split decision issued a ruling that Section 122 tariffs that were instated by President Trump earlier this year are unlawful. The decision can be found here [26-47.pdf](#).
- The CIT majority found that President Trump's proclamation announcing the Section 122 would be enacted failed to identify balance-of-payments deficits required by Section 122 when it was enacted in 1974.
- President Trump did provide a large trade deficit, a current account deficit, a negative net international investment position, and a deficit on the balance on primary and secondary income, but not of those equate to "balance-of-payment".
- **The CIT did not issue a universal injunction which means Section 122 tariffs are not being removed for everyone.** The injunction is only for the named plaintiffs in the case. The ruling requires CBP to stop charging the plaintiffs Section 122 duty within 5 days. **It also instructs CBP to refund all Section 122 tariffs paid by the named plaintiffs with interest.**
- Judge Timothy Stanceu dissented presenting that the CIT is assuming that President Trump's administration did not consider "balance-of-payments" when issuing the Proclamation. He did not feel the absence of the information in the Proclamation was enough to find it to be invalid. He also dissented on the CIT summary judgement was "improper" without giving the Trump Administration the opportunity to contest the plaintiffs' assertions of fact.
- President Trump's Administration is expected to quickly appeal this decision to the Court of Appeals and request a stay of the decision and actions instructed.
- No action should be taken immediately, but the situation will be monitored closely.