

US Court of Appeals for the Federal Circuit grants stay; Trump's tariffs temporarily reinstated

30 May 2025

The United States Court of International Trade (CIT), vide its order dated 28 May 2025, had struck down tariffs imposed by US President Donald Trump invoking emergency powers under the International Emergency Economic Powers Act (IEEPA) of 1977. A three-judge panel determined that the IEEPA does not confer unrestricted authority on the President to unilaterally impose tariffs on imports from nearly all countries. The court held that such broad trade regulation falls squarely within the legislative powers of the Congress. Interpreting the statute in light of constitutional doctrines—specifically the non-delegation and major questions doctrines—the judges concluded that the Executive Branch exceeded its constitutional bounds by invoking emergency powers without clear statutory limits to justify the tariffs.

Following the CIT's decision, the US government filed an appeal and requested a stay of the judgement and injunction.

On 29 May 2025, the United States Court of Appeals for the Federal Circuit issued a non-precedential order temporarily staying the CIT's ruling and associated injunction. This administrative stay preserves the tariffs' effect while the appellate court considers the government's request for a full stay pending the outcome of the appeal.

The court directed that one set of briefs be submitted for both appeals. Plaintiffs (appellees) have been granted time till **5 June 2025** to file responses to the stay motion, and the government is allowed to file a consolidated reply by **9 June 2025**.

This procedural development means that the contested tariffs remain in effect temporarily, pending further judicial review.

Our comments

The stay postpones the enforcement of a lower court's ruling, which could have widespread repercussions for the limits of presidential authority under emergency statutes like the IEEPA. The stay avoids immediate trade flow and market pricing disruption, especially for import-dependent businesses that would have otherwise benefited from the tariff rollback.

Many companies that had planned to adjust supply chains or pricing structures in response to the CIT decision now face renewed uncertainty, potentially delaying investment and procurement decisions.

The stay underscores the ongoing tension between expansive executive action in trade policy and the constitutional requirement for clear legislative mandates. If upheld on appeal, the CIT's ruling could mark a significant reining in of presidential discretion under emergency powers.

For now, the temporary stay reinforces that Trump's "Liberation Day" duties shall remain in effect. While this development temporarily bolsters the White House's stance, legal experts foresee an extended court battle ahead. If the appeal is ultimately unsuccessful, the Trump administration will likely explore other legal avenues.

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