

## U.S. SUPREME COURT INVALIDATES TARIFFS IMPOSED UNDER IEEPA; TRUMP ADMINISTRATION INTRODUCES NEW 10% GLOBAL CUSTOMS DUTY

On February 20, 2026, the U.S. Supreme Court invalidated the general 10% tariffs and country-specific rates imposed in 2025 under the International Emergency Economic Powers Act (“IEEPA”) in the context of the so-called “Liberation Day.”

The Court held that the power to impose tariffs rests with Congress and that IEEPA does not provide an express delegation authorizing the President to establish customs duties. Accordingly, the challenged measures were deemed to exceed presidential authority.

### **New Temporary 10% Import Tax Under Section 122 of the Trade Act**

In response, on the same day, President Donald Trump issued a Presidential Proclamation establishing a temporary 10% customs duty, now grounded on Section 122 of the Trade Act of 1974. This provision authorizes the President to impose temporary trade measures –including additional tariffs of up to 15%– for a maximum period of 150 days in case of significant balance-of-payments deficits or other significant trade-related difficulties.

The temporary customs duty:

- Entered into full force on February 24, 2026.
- Is set at 10% and may not exceed 15% without express congressional authorization.
- Has an initial duration of 150 days and may be suspended, modified, or terminated earlier. Any extension requires congressional action.

### **Impact on Chile**

Although the “Liberation Day” tariffs were declared invalid, Chilean exports to the United States remain effectively subject to a 10% additional charge, now under a different legal basis.

This tax applies on top of the 0% base tariff provided under the

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Chile–U.S. Free Trade Agreement, directly affecting importation costs to the U.S. for Chilean products.

However, certain sectors remain subject to specific regimes:

- **Copper-derived products:** a 50% additional tariff continues to apply on the copper content value of affected products.
- **Wood products:** tariffs established in 2025 remain in force:
  - 10% for softwood timber and lumber;
  - 30% for upholstered wood products; and
  - 50% for wooden kitchen furniture and vanities, including parts.

Both the copper and wood regimes remain under review by U.S. authorities, and further measures could be adopted in the near future.

Our team continues to closely monitor regulatory developments and their implications for exporters and investors with exposure to the U.S. market.

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