

## TAXING TIMES: ASSESSING THE IMPACT OF TARIFFS ON PUBLIC COMPANY DISCLOSURES

Feb 25, 2026

### WHAT HAPPENED

As discussed in our trade group's [February 23 post](#), the Supreme Court struck down the Trump Administration's tariffs imposed under the International Emergency Economic Powers Act, or IEEPA. The Trump administration has responded with a patchwork of stopgap measures to replace portions of the invalidated tariffs, resulting in further uncertainty.

While the decision clearly invalidated the IEEPA tariffs, the post discusses a number of issues that remain unresolved, including:

- The availability of, and the process for obtaining, refunds.
- The timing, duration and validity of replacement tariffs.
- The availability of other tariff authorities.

### TAKEAWAYS

Whether in connection with filing of an annual Form 10-K or quarterly Form 10-Qs, public companies should consider the materiality of tariffs, including:

#### **Risk factors and forward-looking statement disclaimers**

The volatility and magnitude of current tariff uncertainties may warrant increased prominence for some companies, including:

- Uncertainties relating to potential refunds or claims under commercial contracts
- Potential liability risk for importers of record that passed on costs of invalidated tariffs to counterparties or customers
- Risks tied to future executive or legislative trade actions, including [questions as to the validity of proposed 15% tariffs](#)

- Uncertainties in timing or amount of changes in cost of goods or pricing
- Supply chain, sourcing and logistics risks
- Potential renegotiation of international trade agreements, reciprocal tariffs imposed by other countries on U.S. goods, and the impact on current negotiations, including with China
- Possible shifts in competitive dynamics
- Uncertainties for changes in market access
- Uncertainty for future capital expenditures or investment, or on valuations of companies seeking capital, pending clarity on global trade prospects.

## **MD&A**

Companies are required to discuss material events and uncertainties known to management that are reasonably likely to have a material effect on future results or operations. Topics related to the changing tariff environment could include:

- Effects on cost of goods pricing, inventories and related uncertainties, including potential timing and magnitude
- Plans or expectations for any refund claims or adjustments under commercial contracts
- Expectations or uncertainty regarding the duration or validity of any replacement tariffs
- Impact on guidance or outlook disclosure

## **Non-GAAP financial measures**

Companies should consider Non-GAAP issues in connection with adjustments to disclosure for tariffs.

## **Financial statements**

Companies should consult with their accountants on relevant effects, including:

- Inventory values and earnings estimates
- Contingent assets
- Treatment of any reserves for expected tariff obligations
- Financing for customs bonds

- Treatment of previous asset impairments
- Potential refund claims

## **Governance and strategy**

Whether any changes in strategy are imminent, such as:

- Opportunities to re-source or re-shore or otherwise mitigate tariffs through alternative sourcing or manufacturing
- Potential to allocate tariff costs to counterparties under contract provisions, including pricing, force majeure, change in law and hardship clauses.
- Diversification of suppliers,
- Hedging or operational shifts

For additional information on tariff considerations, please see our [April 8, 2025](#) post and our [July 23, 2025](#) post.

## **RELATED CAPABILITIES**

- Securities & Corporate Governance
- International Trade

## MEET THE TEAM



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