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US Customs Enforcement Shift Redefines Import Rules, Trade Experts Say

The Trump administration's abrupt turn from a compliance-based customs model to an enforcement-first regime is redefining how companies move goods across borders, a panel of trade experts said during a June 25 Washington International Trade Association webcast.

The change has picked up speed under President Donald Trump's June 3 Executive Order (EO) on strengthening customs enforcement, which the speakers described as a reorientation of who can import into the U.S., what information must be disclosed, and how aggressively agencies will police supply chains.

"This feels like the throat-to-choke EO, where they're trying to narrow in on who to hold accountable, how to better hold people accountable," said Joshua Aikens, head of government affairs at cross-border e-commerce solutions provider Zonos. "But where all the questions are is not about the people whose throats need choking; it's the people who are trying to do it right and just trying to understand how to do it right."

The discussion comes at a time when governments are relying more heavily on tariffs, customs tools and regulatory authorities to pursue economic and national security goals, creating what moderator Felicia Pullam described as an unusually volatile landscape.

"There's a lot happening in the world of customs, with plenty of uncertainty," said Pullam, senior director of geo-commerce at APCO Worldwide and former executive director of CBP's Office of Trade Relations.

With the U.S. having entered a high-duty environment, the experts said the administration is tightening border controls, expanding data requirements and elevating DOJ's role in trade enforcement, while companies face more complex supply chains, rising compliance costs and new expectations for transparency.

Blake Harden, managing director at Washington Council Ernst & Young and a former senior attorney at CBP, said EO 14411 aims to "rebuild who can import into the U.S. and on what terms."

The order revises the importer-of-record framework by requiring minimum domestic assets, higher bonds, beneficial ownership disclosure and a new good-standing requirement. Harden said it also draws "a very sharp distinction between U.S. and foreign importers of record," barring foreign importers from filing informal entries and imposing new bonding and trusted-trader requirements.

Harden highlighted the EO's mandate that importers submit any documents foreign exporters provide to their home customs authorities, a new requirement that she said is already prompting questions from industry.

"We're getting a lot of questions about this," she said. "Will foreign suppliers cooperate? How does this perhaps interact with foreign data privacy laws? What happens if there's a mismatch with foreign filings in U.S. entries?"

The EO also directs CBP to establish a 50% penalty-mitigation floor and eliminate mitigation for repeat offenders. Harden called it "a fundamental shift in CBP's traditional mitigation posture," especially for generally compliant importers that self-disclose errors. Customs brokers, she added, are "in the crosshairs," facing maximum penalties for due-diligence failures or representing non-compliant clients.

Sydney Mintzer, a partner in the customs, international trade, supply chain and distribution practice at Mayer Brown, said many companies will be surprised by how the EO redefines foreign versus U.S. importers of record.

"A foreign importer of record may be a U.S. company that is not beneficially owned by a U.S. citizen or does not have significant assets in the U.S.," he said.

A U.S. manufacturer wholly owned by a European parent firm may face fewer burdens, he said, while a lightly staffed U.S. trading company owned abroad "is likely to face significant restrictions that don't exist today."

Mintzer said the EO also signals a major expansion of DOJ's role in customs enforcement, creating what he described as a "parallel" enforcement scheme. DOJ is encouraging whistleblowers to come forward, pursuing civil and criminal penalties, and issuing settlements "in the range of tens to hundreds of millions of dollars" against importers it alleges committed fraud.

He added that DOJ applies a broad view of fraud that can include "reckless disregard," creating an enforcement track "outside of the customs space" that is exposing companies that historically would not have been touched by customs law, such as U.S. consignees who accept unusually low prices without asking why.

The Trump administration's move away from compliance to enforcement is visible even in CBP communications, Mintzer said. Under the Uyghur Forced Labor Prevention Act, he noted, CBP officers now communicate using badge numbers rather than names.

"That's what police do," Mintzer said. "That's an enforcement mechanism, right? When you talk to a badge, that immediately sets off a different tenor than it would if you're able to pick up the phone and call someone, which you now no longer really can do."

"That will have [a] dramatic impact on the way importers interact with the agency," he added.

The experts agreed the EO fits squarely within the Trump administration's trade strategy. Harden said the move reflects years of discussion about modernizing customs authorities, combined with the realities of a high-tariff environment.

"We want to make sure folks are complying, we're collecting the revenue, we're rooting out bad actors," she said. "We're going to make the cost of importing into the United States higher."

Mintzer added that enforcement is also consistent with the administration's industrial policy goals.

"The web of enforcement catches a lot of spiders, but it also catches butterflies," he said.

"The cost of importing, the burden of importing, is increasing," he added. "And I think that's simply because there's a goal to either source from the U.S. or source from the partners that the administration prefers."

Aikens of Zonos said CBP officials have signaled they intend to move fast, using interim final rules and guidance coming "rather quickly" to give industry more clarity. He also said officials emphasized that their "door is open" and that they want to hear from companies as they work to provide certainty for compliant importers and tighten oversight of bad actors.

But he also noted that the EO is landing amid major disruptions in the small-package and postal environment, where CBP is closing what he called "the gap at the bottom" by tightening rules around de minimis shipments—packages valued at $800 or less that have traditionally entered duty-free with limited data—and phasing out that treatment as new data and entry requirements take effect.

"Anything under $800 ordered or purchased by an American and brought into the United States basically went without any duty or tariff or much scrutiny," Aikens said. He added that these changes ran up against the administration's tariff actions under the International Emergency Economic Powers Act, or IEEPA, creating new uncertainty for companies trying to understand how the rules would apply.

With billions of packages entering the U.S. each year, CBP is now imposing new data requirements and phasing in a new Type 13 entry to bring postal shipments closer to formal entry standards, he said.

"It's extremely disruptive," he said, but added that advances in AI may help both enforcement and compliance.

"The timing is actually kind of providential in a way because I think that the industry is going to have a better set of tools to actually comply," he said.

Harden said the trend toward deeper supply-chain visibility is accelerating across agencies, including the Consumer Product Safety Commission's new e-filing requirements.

"There's this increasing expectation of access to information about what is in your supply chain and who you're doing business with," she said.

"It's creeping into all of these different areas," she added.

The experts agreed that companies now face a rapidly changing border environment where enforcement is rising, data demands are expanding and the cost of getting compliance wrong is increasing.

Harden said the challenge for CBP will be avoiding an overcorrection that sweeps in companies trying to comply, noting that the combination of higher penalties, shell-company risks and a more complex tariff environment could end up imposing greater burdens on importers who are "trying to do it right." **— *Roseanne Gerin***

Treasury Secretary Predicts Combined Section 301 Rates Will Be 'Exactly' the IEEPA Rates

Treasury Secretary Scott Bessent, speaking on CNBC June 24, said that if the Section 301 investigations underway by the Office of the U.S. Trade Representative are successful, "and I have no reason to believe they won't be ... then the tariff rates are going to go back to exactly where they were" under the now-disallowed tariffs levied under the International Emergency Economic Powers Act.

He qualified his statement by saying we won't know the rate until the actions are completed.

"At Treasury, assuming that the 301 studies go through, we think that there's going to be a de minimis decline in tariff revenue in our projections for fiscal, for calendar year 2026," he said.

Trump Threatens 100% Duty on EU Nations Imposing Digital Services Taxes

President Donald Trump on July 26 threatened to impose a 100% tariff on all imports from EU countries that impose digital services taxes on American companies.

Trump said some European countries are "close to actually" imposing those taxes. "Please let this statement serve to represent that any Country that imposes such a Tax will immediately be met with a 100% TARIFF on any and all Goods sent to the United States of America," he said in a social media post. "This TARIFF will supersede Trade Deals made with the Country, whether implemented, signed, or not. Additionally, the 100% TARIFF will be immediately imposed, if they proceed."

The first Trump administration conducted Section 301 investigations on digital services taxes in Austria, Brazil, the Czech Republic, the EU, India, Indonesia, Italy, Spain, Turkey, and the U.K., which were ultimately completed under the administration of President Joe Biden. Trump directed the Office of the U.S. Trade Representative to renew investigations on digital services taxes in France, Austria, Italy, Spain, Turkey, and the U.K. in February 2025 (see ITT 02/21/2025).

CBP Publishes Consolidated Forced Labor Guidance for Importers

CBP has published operational guidance for importers on forced labor, which provides a consolidated overview of 19 U.S.C. 1307, the Uyghur Forced Labor Prevention Act and Countering America's Adversaries Through Sanctions Act, according to the website. The updated guidance now includes enforcement process maps on UFLPA, CAATSA and Withhold Release Order and Finding actions, as well as sections on all those that provide step-by-step guidance on what importers can expect and how to respond to detentions or exclusions.

CPSC Adds New eFiling FAQs

The Consumer Product Safety Commission added new frequently asked questions to its eFiling website as the July 8 eFiling deadline approaches, according to a bulletin it sent June 17. The FAQs address shipments between consumers, products made before and after bans, and resold products.

The FAQs clarify that eFiling applies to shipments sent from one consumer to another if the transaction is commercial in nature. However, eFiling isn't required for noncommercial transactions, such as gifts or transferring personal effects, and the consumer outside the U.S. must have physical possession of the product to be exempt from eFiling.

If a used product was manufactured before a ban, rule or standard's effective date, a certificate isn't required and eFiling doesn't apply. If a used product was manufactured after a CPSC rule's effective date, ban or standard, a certificate is required, CPSC said. If the product is part of a commercial transaction, eFiling applies, CPSC said.

Regulated and finished consumer products, including resold and overstock products, must comply with eFiling.

AGOA Country Eligibility Comments Solicited

The Office of the U.S. Trade Representative is seeking comments on which countries should be covered by the tariff benefits of the African Growth and Opportunity Act, if it returns in 2027. It currently is set to expire at the end of the year, as the Trump administration didn't accept a three-year extension that passed Congress.

Comments and requests to testify at a public hearing are due by July 13; the public hearing will be held July 23 at USTR's offices at 1724 F Street NW, Washington, D.C.

Submissions should be made at https://www.regulations.gov, Docket Number USTR-2026-0298; detailed instructions are in a *Federal Register* notice set to be published June 30.

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