

Navigating Tariff Complexities: Unlocking Efficiency in Global Trade

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Why staying current on tariffs matters

As global trade policies evolve, adapting to new tariff structures helps businesses:

1. **Avoid unnecessary duty costs** by ensuring accurate classification and taking advantage of free trade agreements (FTAs).
2. **Minimize customs delays** with complete, compliant documentation.
3. **Stay compliant** with shifting regulations to reduce audit risks.
4. **Maintain a competitive edge** by managing tariff exposure more strategically.

How businesses prepare for future tariff shifts:

1. **Assess trade operations:** Identify which products, suppliers, and markets are impacted by tariff changes.
2. **Implement the SAP Global Trade Services (SAP GTS) application:** Automate classification, optimize duties, and streamline compliance workflows.
3. **Train staff on compliance:** Build internal expertise on trade regulations and system capabilities.
4. **Regularly review trade policies:** Use real-time monitoring to stay current and adjust strategies as needed.

Turning tariff challenges into strategic advantages

SAP GTS gives businesses the tools to stay agile and resilient in the face of global trade shifts.

- Automate compliance and reduce manual errors.
- Maximize savings through FTAs and duty drawback programs.
- Ensure accurate tariff classification to prevent unnecessary overpayments.
- Proactively manage risk with real-time trade monitoring and scenario planning.

Turn trade uncertainty into strategic advantages

Global trade is at an inflection point. In 2024, tariff-related inefficiencies cost U.S. importers billions of dollars, and the evolving trade landscape continues to be shaped by shifting policies. In 2025, the U.S. government introduced a series of broad tariff measures impacting a wide range of imported goods. From heightened customs scrutiny to reciprocal tariffs on over 60 countries, businesses are facing unprecedented pressures. Tariffs have been imposed on a range of imported goods, including key industries such as steel, aluminum, automobiles, and goods from certain regions.

For businesses, this means higher costs, increased compliance complexity, and the urgent need to reassess sourcing and trade strategies. Companies that fail to adapt risk overpaying on duties, facing shipment delays, or encountering compliance penalties.

This is where the SAP® Global Trade Services (SAP GTS®) application plays a critical role. SAP GTS helps businesses automate tariff management, optimize duty payments, and ensure regulatory compliance, transforming a major trade challenge into a strategic advantage.

Understanding the global trade dynamics and impacts

Global trade dynamics are shifting rapidly in 2025. These changes are driving higher costs, disrupting supply chains, and impacting profit margins. For example, U.S. manufacturers are reporting a 15% cost increase for raw materials due to tariffs. Without agile trade strategies to minimize businesses' risk, ensure compliance, and reduce penalties, businesses are at a competitive disadvantage.



What's changed?

- **Higher tariffs on key imports:**

The cumulative effect of these tariffs impacts industries across the board. Companies in various sectors are feeling the effects, as raw materials and finished goods may become more expensive, affecting pricing strategies, profit margins, and supply chain dynamics.

- **Increased scrutiny on imports:**

Certain imports, especially from specific regions, are now facing heightened scrutiny. Businesses that rely on these goods need to navigate a more complex regulatory environment, with stricter inspections and documentation requirements.

- **Tighter customs controls:**

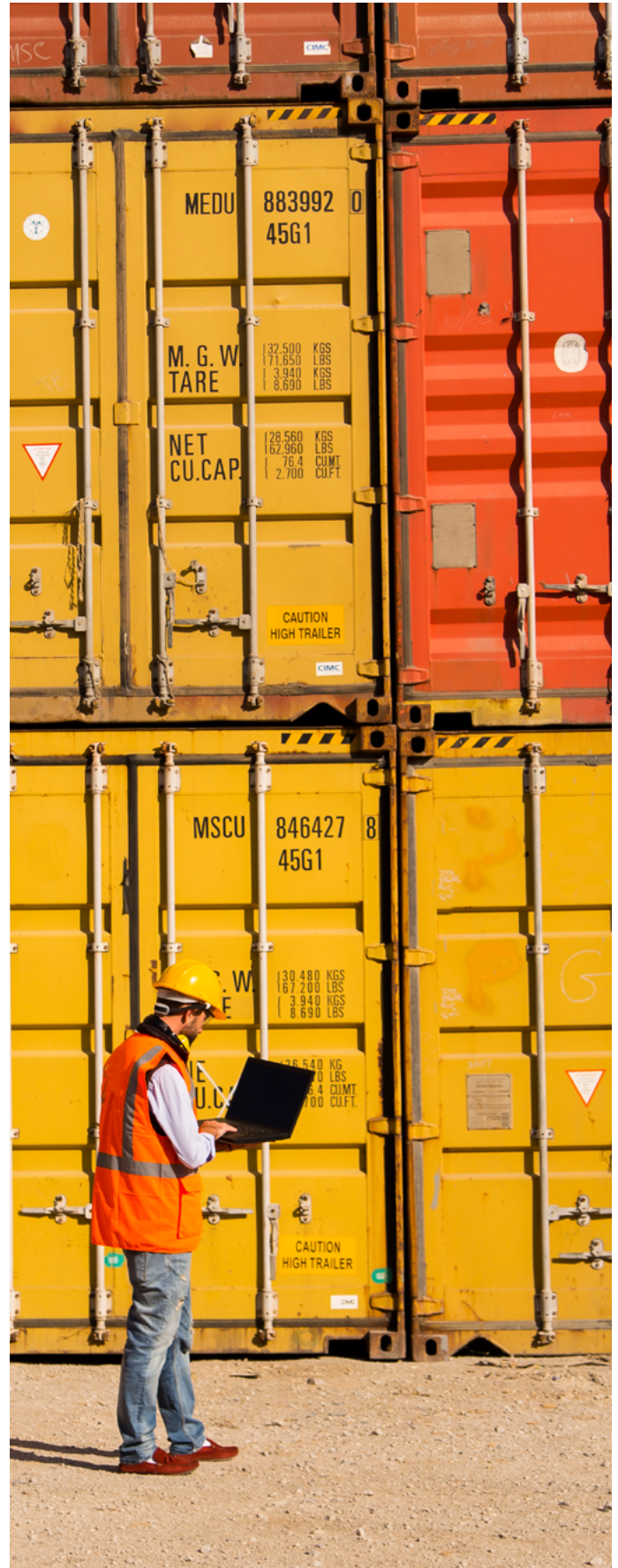
With evolving trade policies, businesses should expect more frequent audits and inspections from Customs and Border Protection (CBP). Strengthening compliance programs and ensuring accurate documentation will be crucial for smoother interactions with customs authorities.

- **Potential future tariffs:**

The possibility of new tariffs in other categories, such as pharmaceuticals and semiconductors, remains high. Companies need to stay proactive and adjust their strategies to manage any future changes.

- **Accelerated timeline for tariff changes:**

The rapid introduction of new tariffs requires businesses to be agile and continuously monitor policy shifts. Proactive monitoring of regulatory updates will help businesses stay compliant and competitive.



How are businesses affected?

Higher costs, supply chain disruptions, and regulatory uncertainty: Tariffs lead to higher costs and regulatory complexities. Importers must ensure that their compliance departments are equipped with the latest tools to effectively manage these changes. Strengthening compliance infrastructure is essential for maintaining operational continuity and protecting competitive positioning.

Capabilities provided by SAP GTS are helping businesses navigate tariffs

Tariff classification

One of the biggest risks companies face is misclassifying products under the wrong tariff codes, leading to overpaying duties or incurring penalties.

- Trade services software optimizes the classification process of products and provides a single platform for managing harmonized system (HS) codes globally. This minimizes the risk of human error and ensures precise tariff classification. HS classification changes are continuously updated, so businesses are always aligned with the latest regulations.
- HS classification changes are continuously updated through HS content from content providers, ensuring that tariff classifications remain current, and impacts on product classification are promptly identified and managed.

Real-time compliance monitoring

With tariffs and trade regulations constantly evolving, businesses need real-time visibility to avoid non-compliance.

- SAP GTS automatically adjusts duty calculations to reflect new tariff rates, ensuring businesses are always up to date with the latest changes.

Maximize duty saving through free trade agreements (FTAs)

One of the most effective ways to reduce or eliminate tariffs is by leveraging free trade agreements.

- SAP GTS identifies opportunities to lower costs using FTAs and automates the trade preference management end-to-end process. This ensures businesses meet the rules-of-origin requirements to qualify for lower duty rates and maximize the FTA saving opportunity.

Customs management and compliance

When considering new trade policies, companies must ensure their documentation is accurate to avoid delays.

- SAP GTS automates customs documentation, reducing paperwork errors and ensuring faster clearance.
- SAP GTS facilitates electronic filing directly with customs authorities across numerous countries worldwide. Additionally, it can integrate with custom brokers to enhance data accuracy and visibility.

Risk management and scenario planning

Given the uncertainty of future tariff policies, businesses need proactive strategies rather than reactive fixes.

- SAP GTS allows businesses to run “what-if” simulations to assess potential future tariff impacts.
- It integrates with ERP systems to forecast cost increases and suggest alternative sourcing strategies.

Foreign trade zones

For businesses importing goods into the U.S., foreign trade zones (FTZs) offer a powerful way to defer, reduce, or eliminate duties and tariffs. SAP GTS provides an automated FTZ solution that ensures compliance while optimizing cost savings.

- Duty deferral and cash flow benefits: Goods stored in an FTZ are not subject to tariffs until they leave the zone for U.S. consumption, improving cash flow.
- Seamless integration with ERP systems: SAP GTS integrates with SAP ERP Central Component and SAP S/4 HANA seamlessly to capture all goods movements related to manufacturing processes within a foreign trade zone. This integration eliminates the need for manual data entry and enhances the accuracy of reporting.
- Automated FTZ compliance and inventory tracking: SAP GTS keeps precise records of goods moving in and out of FTZs, reconciling inventory and ensuring accurate duty calculations.
- Certified for U.S. Customs filings: SAP GTS automates the filing of required customs documentation, including e214 admissions and weekly FTZ entry summaries, reducing manual workload and compliance risk.

By leveraging SAP GTS’s FTZ capabilities, companies can significantly reduce costs and mitigate additional tariffs while staying compliant with evolving trade regulations.

Data-driven duty drawback

Many companies implemented duty drawback programs to recover duties and fees paid on imported goods. These programs require an understanding of regulatory requirements and demand extensive data and documentation preparation.

- Export and import data in SAP GTS can accelerate the drawing process, reducing both time and cost.
- Seamless Data Integration: When the SAP GTS customs module is activated for import and export—either through integration with a customs broker or self-filing—the system captures import/export data directly from customs filings and ERP transactions, providing the necessary documentation to support the duty drawback filing.

Country of origin and tariff mitigation

Understanding and managing country of origin (COO) is critical for businesses looking to optimize tariff payments and ensure regulatory compliance. SAP GTS enables companies to proactively track, validate, and optimize COO data to make informed sourcing decisions and mitigate tariff costs.

- Automated country of origin solicitation: SAP GTS streamlines the process of gathering and validating COO information from suppliers, ensuring accurate declarations.
- Real-time trade agreement eligibility: The system assesses whether a product qualifies for free trade agreements based on COO, unlocking potential duty reductions.
- Alternative sourcing strategies: Businesses can identify suppliers from lower-tariff countries, reducing exposure to high-duty imports.
- Risk mitigation and compliance: Ensures businesses comply with rules of origin regulations, preventing costly penalties or shipment rejections.

By leveraging SAP GTS’s country of origin management capabilities, businesses can reduce tariff exposure, improve sourcing flexibility, and stay compliant with evolving trade regulations.

The bottom line

The global trade environment is more complex than ever. Companies that adapt quickly can avoid compliance pitfalls—and gain a competitive edge. SAP GTS helps businesses move from reactive to proactive, turning tariff complexity into opportunity.

Further reading

[SAP Global Trade Services](#)

[Help Portal for SAP GTS](#)

[Talking Tariffs: KPMG US leaders discuss tariff implications on the economy, supply chains and key industries](#)

The KPMG Trade and Customs practice brings deep knowledge of trade, experience in SAP Global Trade Services (GTS), and deep cross functional proficiency across all SAP solutions to help clients intelligently standardize, automate, and control their global trade function.

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