Beyond Compliance: Navigating the New Trade Enforcement Environment



The customs and global trade enforcement landscape has undergone a fundamental transformation. What was once viewed primarily as a regulatory compliance function has evolved into a high-priority enforcement area spanning customs, trade, supply chain security, sanctions, forced labor, and import fraud. U.S. government agencies are increasingly leveraging cross-agency coordination, advanced analytics, artificial intelligence, and broader enforcement powers to scrutinize import transactions, supply chain relationships, and importer compliance practices with unprecedented precision.

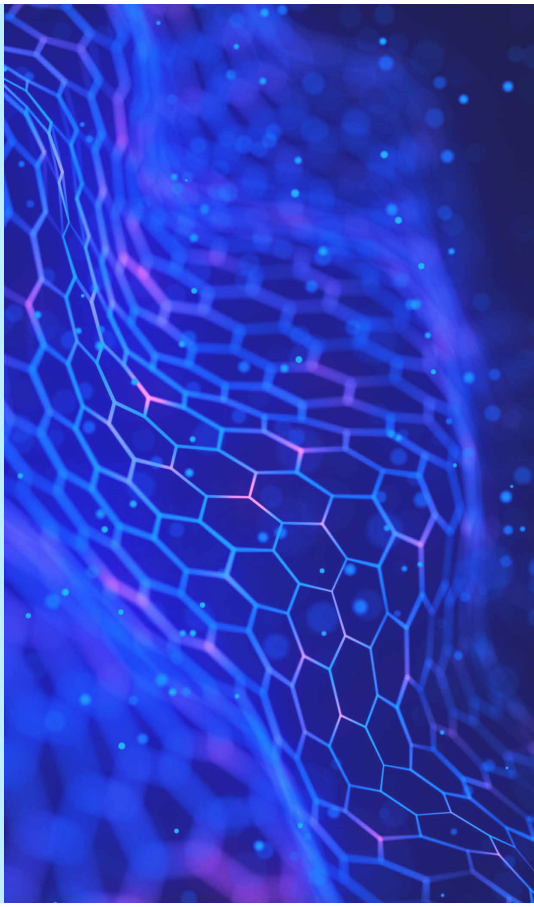
For importers, manufacturers, distributors, and other supply chain participants, this shift marks a new era of accountability. Customs compliance failures that historically may have resulted in administrative inquiries or corrective actions now carry significantly greater financial, operational, and reputational risk, including civil penalties, False Claims Act exposure, cargo detentions, forfeitures, and potential criminal enforcement.

Several significant developments have accelerated this evolution and reshaped the enforcement environment:

On August 29, 2025, the Department of Justice (DOJ) announced the cross-agency DOJ-Department of Homeland Security (DHS) Trade Fraud Task Force (TFTF), elevating customs violations from traditional administrative compliance matters to potential civil and criminal enforcement actions. Since its launch, the Task Force has generated more than **$1 billion in recoveries, penalties, forfeitures, and related enforcement actions,** demonstrating the government's commitment to aggressive trade enforcement.

On June 3, 2026, the White House issued Executive Order 14411 (Strengthening Customs Enforcement), establishing a roadmap for the most significant customs enforcement reforms in decades. The Executive Order introduced enhanced Importer of Record (IOR) requirements, expanded supply chain transparency obligations, stricter bond requirements, and reduced mitigation opportunities for repeat violators, all intended to strengthen importer accountability, improve revenue collection, and combat customs fraud.

On July 14, 2026, DOJ and DHS published *The DOJ Resource Guide to Trade Fraud Enforcement,* while simultaneously launching the **Global Trade & Commerce Enforcement Section (GTCES).** Together, these initiatives further institutionalized trade fraud enforcement as a permanent and strategic DOJ priority.



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At the same time, **U.S. Customs and Border Protections (CBP's) technological modernization and enhanced regulatory oversight capabilities** have fundamentally changed the way enforcement is conducted. CBP has expanded its trade enforcement resources and invested heavily in sophisticated digital tools that enable proactive, data-driven targeting of compliance risks. Rather than relying primarily on manual reviews and post-entry audits, the agency increasingly utilizes advanced analytics, artificial intelligence, and machine learning technologies to identify anomalies, detect patterns of noncompliance, and focus enforcement efforts on high-risk importers and supply chains.

Key systems and initiatives supporting these efforts include:



Advanced Targeting Analytics Program & Trade Entity Risk Model:

Internal analytics platforms designed to identify risk indicators, compliance anomalies, and potential enforcement targets.



A Cargo Security Assessment Model:

An analytical engine used to evaluate supply chain and security risks before cargo arrives at U.S. ports of entry.



Collaboration with Compliance Technology Firms:

CBP continues to partner with specialized technology providers to map global trade relationships, identify hidden supply chain risks, and enhance trade enforcement capabilities through data-driven intelligence.

The convergence of enhanced legal authorities, multi-agency enforcement coordination, and advanced technological targeting has created a markedly different risk environment for importers. Organizations must now be prepared to demonstrate not only compliance with customs requirements, but also robust supply chain visibility, governance, and internal controls capable of withstanding increased regulatory scrutiny.

What importers should expect

The message from regulators is clear:**trade compliance is no longer just a customs function. It is an enterprise risk issue that sits at the intersection of legal, finance, procurement, supply chain, compliance, and corporate governance.**

Trade enforcement has expanded well beyond traditional customs audits. Increased coordination among CBP, DOJ, Homeland Security Investigations (HSI), and other agencies is driving greater scrutiny of customs valuation, country of origin, AD/CVD compliance, forced labor, First Sale programs, Importer of Record obligations, and supply chain transparency. As a result, organizations are increasingly facing broader inquiries, targeted audits, cargo detentions, and investigations that can quickly escalate into enforcement actions.

More specifically, organizations are increasingly encountering the following enforcement trends:

- Broader and more detailed CF-28 Requests for Information
- Increased CF-29 Notices of Action and valuation reviews
- Increased post-entry audits and focused assessments
- Greater scrutiny of First Sale programs
- Enhanced review of assists, valuation additions, and related-party transactions
- Increased examination of transfer pricing adjustments and customs implications
- Deeper country-of-origin and transshipment investigations
- Expanded forced labor enforcement activity
- Greater coordination among CBP, DOJ, and HSI
- Increased use of supply chain intelligence and data analytics

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How KPMG Can Help

As enforcement activity continues to expand, organizations need more than traditional customs compliance programs. They need a proactive strategy that combines trade expertise, data analytics, governance, and investigative capabilities to identify risks before regulators do. In today's enforcement environment, organizations should ask themselves: Would our compliance program withstand a CBP audit?



KPMG helps organizations navigate this question and the evolving enforcement landscape by:

Assessing trade compliance risk through targeted reviews of customs valuation, country of origin, First Sale programs, AD/CVD exposure, related-party transactions, transfer pricing adjustments, and forced labor compliance.

Identifying and quantifying potential exposure using advanced analytics, statistical sampling, and technology-enabled reviews of large trade and financial data sets.

Responding to government inquiries and audits, including CF-28 Requests for Information, CF-29 Notices of Action, focused assessments, Enforce and Protect Act (EAPA) investigations, and forced labor enforcement actions.

Evaluating prior disclosure opportunities and developing remediation strategies designed to mitigate penalties and strengthen compliance controls.

Supporting investigations and enforcement matters involving CBP, DOJ, HSI, and other agencies through integrated trade, forensic, investigative, and data analytics capabilities. We help clients assess exposure, support responses to whistleblower allegations and False Claims Act matters, coordinate with counsel and cross-functional stakeholders, and navigate the enforcement lifecycle from risk identification through remediation.

By combining deep trade and customs experience with technology-enabled solutions, data analytics, and the practical insights of former CBP leaders, KPMG helps organizations move beyond reactive compliance and build resilient trade compliance programs to help companies withstand heightened regulatory scrutiny.

KPMG Perspective

The organizations best positioned for success are those that treat trade compliance as an enterprise risk management priority rather than a transactional customs function. In today's environment, companies should be asking whether they can confidently support their customs valuation, origin, supply chain, and Importer of Record positions if challenged by regulators.

KPMG helps organizations answer those questions before a government inquiry arises, transforming trade compliance from a regulatory obligation into a strategic advantage while reducing risk, protecting enterprise value, and strengthening operational resilience.

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