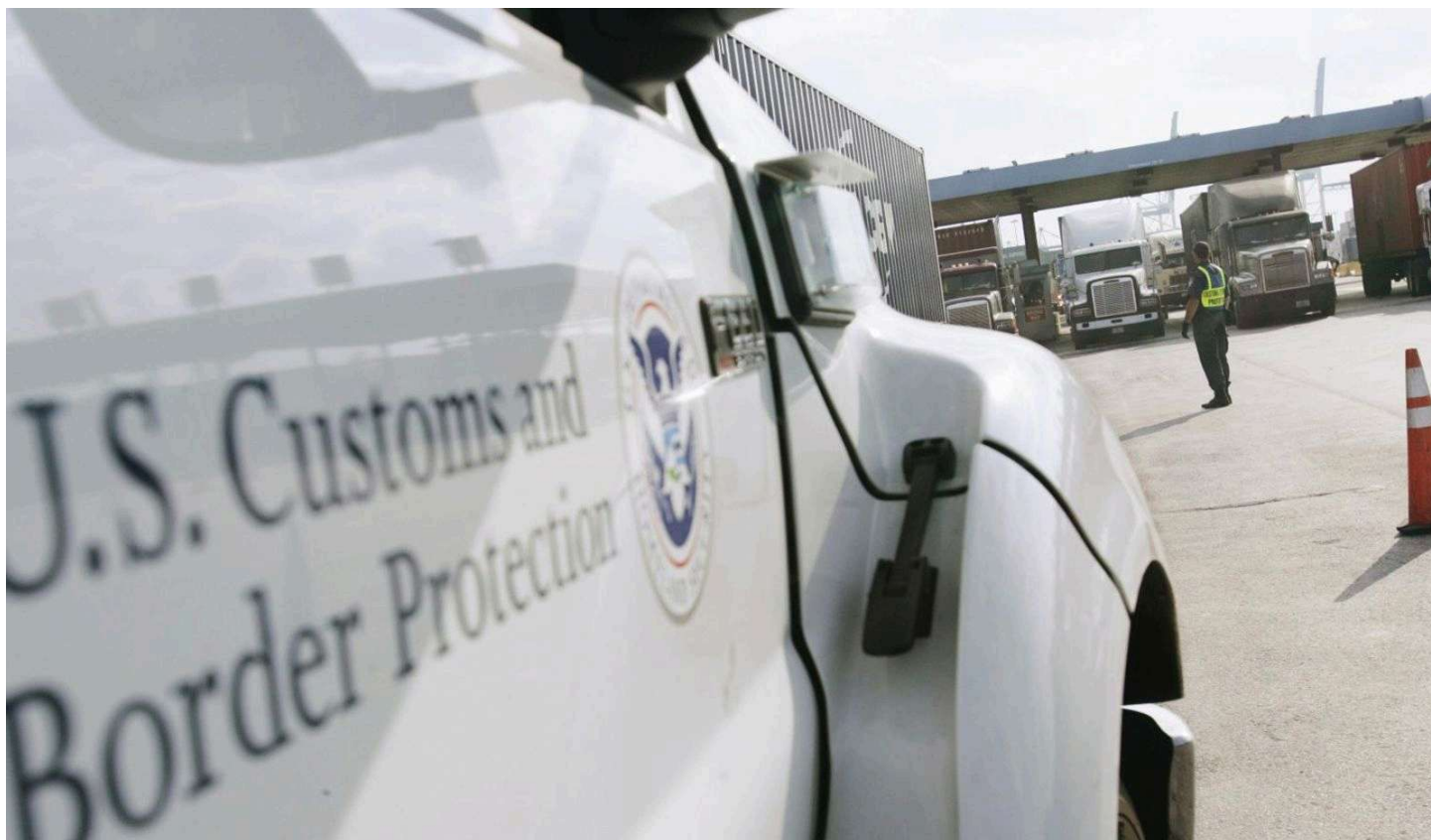


Increased supply chain scrutiny at odds with customs enforcement capability



Altana has been piloting a project with US customs that has drawn in Maersk, LL Bean and BASF, among other shippers. Photo credit: ROBERTO SCHMIDT / AFP via Getty Images.

[Eric Johnson, Senior Technology Editor](#) | Nov 3, 2025, 1:22 PM EST

Increasing trade regulations in various countries are putting a burden on customs agencies that most are unable to cope with because those agencies lack the ability to effectively scrutinize product components and suppliers involved in complex supply chains.

US Customs and Border Protection (CBP) is at the forefront of this challenge, given the scrutiny that import supply chains are receiving under the Trump administration. But the US is far from the only key trade country that has increased such scrutiny on importers and exporters.

“The key thing to call out is these trade policies are compelling the border agencies to scrutinize the supply chain network beyond their own borders into extra-territorial regulations,” Evan Smith, CEO of trade software vendor Altana, told the *Journal of Commerce*.

Essentially, a government’s ability to dictate whether a product faces higher duties based on the place where a subcomponent or material of that product was placed is a new and growing challenge, Smith said.

“Any government has the ability to say what happens within its borders, but what’s new is deciding that what happens in other countries can be enforced at your borders,” he said.

Regulations such as the EU’s carbon border adjustment mechanism or China’s export controls on rare earth minerals should be thought of as in the same realm as US component-based tariffs and forced labor restrictions, according to Smith.

The major constraint on CBP and other customs authorities is that the data provided in a customs entry filing can’t support what CBP needs given its task of understanding the origin of product materials.

More data needed

“The customs process has been built around transactions,” Smith said. “A shipment arrives, duties are paid and it’s released or not. But the customs process is literally breaking in this environment.”

Smith said, for instance, that the Automated Broker Interface, which customs brokers use to file entries with CBP, can’t receive information about the entire supply chain network responsible for a shipment.

“It’s a goods description with a HS code [used to classify goods for international shipping],” and other characteristics of the shipment,” he said. “That level is insufficient for CBP to make a determination about the value chain network of the goods, where was it made, what are its component parts.”

Altana has been working with CBP on a public-private partnership that would enable CBP to digest that data before goods even hit a port or airport — sometimes even before a product has been manufactured — by allowing importers to proactively convey information related to the manufacturing and transportation of the product.

That partnership became what Altana calls Product Passports, which Smith likens to Global Entry for goods. Maersk, LL Bean, BASF, and a range of apparel manufacturers,

chemical companies, retailers and automotive suppliers are already using the product, which Altana released publicly earlier this month.

Increased supply chain scrutiny

Trade compliance experts have for months told the *Journal of Commerce* that importers need to recognize that CBP scrutiny of import supply chains — not just import shipments — would ramp up.

For example, one compliance source who did not want to be identified said the Altana tool helps CBP proactively identify the content and value of steel and aluminum in a given product so that Section 232 duties on those components are claimed and paid correctly, something the source called “a huge challenge right now.”

And the agency’s technology expansion encompasses more than just Altana. Another software vendor, Exiger, announced last week it has signed a multi-million-dollar deal with CBP to detect fraudulent country-of-origin determination by importers.

Altana’s strategy has been to work with custom authorities and large global third-party logistics providers and then approach importers and exporters to persuade them to use a common platform.

The Product Passport tools are a manifestation of that aim.

“Think of it as a payload of information from the importer to CBP,” Smith said. “AI screens it on both sides, and any potential risk is flagged, and now CBP and the importer’s suppliers have a collaboration layer.”

As an example, Smith said a CBP officer can say, “this thing in your tier 2 supplier looks off to us,” and the importer can then upload documents that attest to the “hygiene” of the supplier. That enables communication between CBP and the importer that is not possible outside of a trade compliance dialogue or determination process that typically involves a shipment detention or legal proceeding.

With importers receiving a historic level of Customs Forms 28 (CF-28) requests for information issued by CBP about specific shipments, Smith said the passports are essentially a way to avoid having to respond to the deluge of such requests.

Altana is in the process of rolling out the capability with CBP to create passports for e-commerce and small packages so the customs agency can better handle the flood of entries associated with shipments that previously qualified as duty-free under the de minimis rule. This extension would create a data pipeline from an e-commerce checkout platform or a courier booking to allow CBP to do the same pre-screening

with AI, with the customs entry linked through an Altana-assigned ID to the specific shipment.

“It’s an architecture designed for this new trade paradigm, separate of, and in advance of, the customs entry,” Smith said. “And in the dream state, the entry dissolves away because it’s not needed.”

The compliance expert agreed.

“This will eventually become the entry process itself for larger importers,” the source said.

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