

New regulations bring customs into the boardroom



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Introduction

Customs declarations increasingly require multidimensional data, pushing the topic to new heights strategically.

The use of data is constantly evolving. This rings true in the sphere of customs too, particularly as more companies operating global supply chains are waking up to the reality of the need for multidimensional data requirements. But what does it all mean and how will it shape the future of customs? Here, we take a closer look at the current state of play, the challenges, and how you can leverage these changes to create a competitive advantage for your business.



Why CFOs have become interested in customs matters




Most companies engaging in international trade, importing, and exporting typically have a trade and compliance team responsible for compliance initiatives and decision-making on customs matters. However, the importance and scope of the work these teams are engaged in is growing due to the introduction of legislation like the [Carbon Border Adjustment Mechanism \(CBAM\)](#) the Forced Labor Prevention Act (UFLPA) and the [EU Deforestation Regulation \(EUDR\)](#). Gone are the days when customs professionals were focused only on classification, origin and valuation.

Suffice it to say, the EUDR's impact is wide-ranging.

Take, for example, a firm, importing lumber to the EU. They will have to trace precisely where that lumber originated, and whether it was harvested from deforested land. Things get even more complex when you look at the case of a luxury brand producing leather bags. In this instance, the company would have to prove that the cattle involved were not raised on farmland sited on cleared forests.

This example highlights how businesses now face strategic questions they didn't consider before:

Will we request, analyse and monitor data from ten suppliers, or opt to pay more and choose only three? Will we keep sourcing chips from country X or obtain them in country Y where, it is easier to obtain transparent data and proof of activities?



CBAM is also pushing customs professionals out of their comfort zone.

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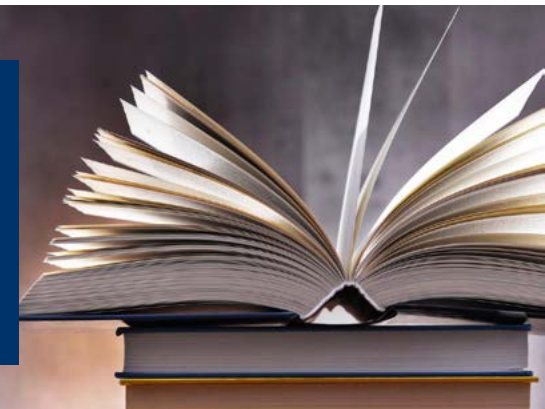


“Data which was not traditionally seen as customs-relevant must now be considered and included.”

That is what is meant by multidimensional data requirements and the management of such in customs. In short, data which was not traditionally seen as customs-relevant must now be considered and included.

The result is that customs considerations will increasingly sway strategy across entire organisations, involving key stakeholders such as CFOs, purchasing departments, and sustainability teams. Moreover, it demands a shift from isolated customs management to integrated, cross-functional strategies. Businesses must evaluate sourcing decisions not only on a cost and efficiency basis, but also on regulatory compliance grounds.

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The challenges of transitioning to the new normal of customs

This recent shift presents several challenges for businesses engaged in customs activities. One of the primary struggles is redefining ownership of customs-related decisions. Trade and compliance professionals often find themselves navigating uncharted territory, as decisions now require input from suppliers, finance, procurement, and sustainability stakeholders.

From an operational perspective, companies face hurdles in consolidating customs data from diverse brokers, managing ESG data from numerous suppliers, and ensuring data accuracy and compliance. Manually requesting data via emails is not viable in an environment that demands real-time, transparent, and auditable data flows. Add to this the inherent complexity of handling customs, tax, and ESG data within siloed systems and it's not hard to see how inefficiencies can quickly arise.



Another significant challenge is the need to shift trade patterns. As obtaining accurate ESG data from developing regions remains problematic, businesses might reconsider their sourcing strategies. This could lead to changes in global supply chain configurations, affecting economies and overarching market dynamics.

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Making customs data work in your favour



Understandably, the outlook may seem like a complication of an already complex scenario. Fortunately, there are some essential strategies businesses can adopt to better prepare themselves for the reality of operating global supply chains in a fluid customs environment.



1. Optimise cross-functional processes

First, companies can work to optimise cross-functional processes. What does this mean? Rather than remaining a single-function responsibility, customs management should become a cross-functional effort. This means incorporating input from other departments, such as procurement and sustainability, into decision-making.

2. Consolidate the supplier landscape

Secondly, companies can consider consolidating the number of partners they work with. This counts for both suppliers and customs brokers, as each additional partner increases the effort needed to source, analyse and process multidimensional data

requirements. Partnering with a customs broker with deep experience can significantly reduce the need to collect data from multiple sources, thus streamlining data management.

3. Develop robust data management practices

The third strategy firms can adopt centres on developing robust data management practices. By now, it is crystal clear that manual data input is becoming outdated. Companies should instead invest in integrated platforms that enable real-time data sharing and analysis across functions.

Addressing this complexity and instilling systematic procedures instead of bloated manual processes can also yield significant cost efficiencies. Numerous examples exist, from multinationals with multiple legal entities spread across continents to firms struggling after geopolitical shifts (e.g., Brexit).

In these instances, streamlining processes while building out robust and transparent data management ultimately saves money. It is not hard to see how transitioning from hundreds of standard operating procedures (SOPs) to just five could have a positive impact on overall efficiency.

“These additional requirements undoubtedly put a burden on traders. However, it can also serve as an opportunity to truly transform customs operations by instilling consistent and transparent procedures supported by technology.

Few global traders have embarked on this journey and even fewer completed it, despite the benefits of doing so being abundantly clear. We are approaching a scenario where an optimal way of working is no longer a ‘nice-to-have’—it is an absolute must.”

Camilla Poulsen, Global Business Development Manager Customs, Kuehne+Nagel



As we look ahead, the upcoming European Union (EU) Customs Reform in 2028 shows that increased digitalisation and multidimensional data management are taking effect at a supranational level. It also underscores the need for businesses to adopt unified data hubs that consolidate trading, customs, tax, and sustainability information. Getting the ball rolling now will better position businesses to confront this substantial shift successfully.



Conclusion

In summary, the transition to multidimensional data management in the world of customs is not merely a regulatory requirement—it presents a massive opportunity to enhance supply chain resilience and strategic agility while ensuring processes are so streamlined that reporting happens almost automatically.

Businesses that proactively adapt to this evolving landscape and maintain a high degree of plasticity

will be better equipped to navigate regulatory complexities, optimise operations, and achieve sustainable growth.

There is no way to deny that the status quo represents a hefty burden. However, harnessing the potential to adapt into an optimised and future-proofed set-up is an opportunity firms simply cannot afford to miss out on.

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Kuehne+Nagel is the logistics partner of choice for 400,000 customers worldwide. Using its global network, logistics expertise and data-based insights, the Group provides end-to-end supply chain solutions for global companies and industries. As a member of the Science Based Target Initiative (SBTi), Kuehne+Nagel is committed to sustainable logistics by reducing its own environmental footprint and by supporting its customers with low-carbon logistics solutions.

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