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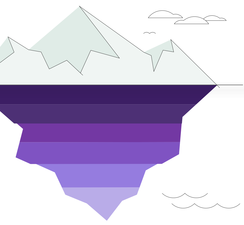
WISETECH GLOBAL GROUP

Tariffs Are Just the Tip of the Trade Compliance Iceberg

Compliance risks that inflate your true landed cost hide beneath the surface



The cold, brutal expanse of the supply chain environment holds many dangers. Tariffs get the attention because they're visible, but lurking below the surface is a deep layer of risks that can quietly inflate costs and threaten business continuity.

While tariffs are obvious and easy to calculate, the real trouble starts below, in the dark depths of the supply chain where it's harder to see.

LEVEL 1

What teams often overlook in shallow water

These regulatory requirements are the first cost drivers that can quietly slip past sourcing and procurement during early analysis, before goods even begin to move.

- Licensing and permits
- Documentation and required data elements for each jurisdiction
- Sanctions screening and restricted party checks
- Import and export controls that change without warning

» Key insight

Each country requires different documents, data elements, and proof for the same products. Miss one field, and costs rise quickly.

LEVEL 2

Where complexity hides a layer below

As we submerge deeper into trade compliance, costs become harder to model, and risks grow.

Here are some of the dangers floating in this layer.

- Ownership-based affiliation rules that extend far beyond direct suppliers
- Multi-tier restricted-party screening requirements that static checks miss
- Quota rules that can halt shipments mid-flow
- Antidumping and countervailing duties (ADD/CVD) that reshape landed cost structures
- Product-specific certifications and end-use validations

» Key insight

Regulations, sanctions, export controls, and documentation mandates shift daily, and quota adjustments evolve faster than manual processes can track.

LEVEL 3

Costs that erode your bottom line

At this layer, overlooked compliance elements collide with the real world, and disruptions to operations become expensive.

- Shipment delays or customs holds from missing documentation
- Increased landed costs from product misclassification or incomplete declarations
- Loss of free trade agreement (FTA) savings due to missed eligibility windows
- Unexpected storage and demurrage fees triggered by holds or reviews
- Operational shutdowns caused by regulatory violations or stalled parts availability
- Supply chain disruptions across multiple tiers—even beyond known suppliers

» Key insight

One missing certificate can pause production, derail schedules, and erode margins.

LEVEL 4

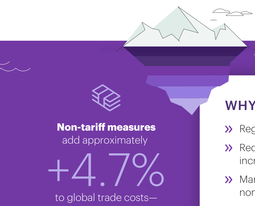
Threats that can sink the business

At this deep layer of exposure, compliance risks are more than just operational setbacks, and have the potential to impact brand trust, market access, and long-term strategy in ways that can reshape the future of the business.

- Forced labor and ESG violations that demand deep, multi-tier traceability
- Loss of market access when suppliers or jurisdictions fall out of compliance
- Public enforcement actions and multimillion-dollar penalties for violations
- Brand and trust damage across customers, partners, and regulators

» Key insight

Fixing a compliance issue may be fast. Rebuilding trust is not.



Non-tariff measures add approximately

+4.7%

to global trade costs—
nearly $1T annually

WHY RISK LURKS BENEATH THE SURFACE

- » Regulations change daily across agencies and jurisdictions
- » Requirements differ by country, product, and end use, increasing fragmentation
- » Manual workflows can't keep up with thousands of new non-tariff measures each year

E2open shines a light on the murky depths of compliance

E2open brings clarity to the parts of global trade compliance teams can't fully see, surfacing risks, automating critical checks, and giving supply chain, sourcing, and compliance teams the ability to uncover hidden risks, and stay proactive.

When compliance is embedded into everyday decisions, teams can:

- Surface supplier and lane-specific risks earlier
- Reduce delays and avoid unplanned costs
- Preserve FTA savings and protect margins
- Make sourcing decisions grounded in real regulatory intelligence

Powered by real-time trade content, ownership mapping, and automated checks, e2open turns compliance from an after-the-fact burden into a strategic advantage that strengthens resilience, protects profitability, and keeps goods moving.

Read our white paper, Looking Past Tariffs: Revealing Unseen Compliance Challenges

Get the white paper »

Read our blog, The Hidden Cost Drivers Behind Global Supply Chain Sourcing Decisions

Read now »

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