

President Trump orders US Customs and Border Protection to tighten regulations on importers of record

June 2026

On Wednesday, June 3, 2026, President Trump issued an [executive order \(EO\)](#), titled “Strengthening Customs Enforcement,” along with a [factsheet](#). The EO concerns tightening regulations on importers of record (IORs), particularly foreign IORs.

The expressed intended goal of the EO is to enhance customs enforcement to prevent importation of unlawful and dangerous goods, ensure IORs are correctly identified, available and accountable for duties owed, and guarantee compliance with existing law.

Instructions to US Customs and Border Protection (CBP) regarding both domestic and foreign IORs

The EO targets all IORs, whether they are foreign or domestic, but imposes additional requirements on foreign IORs due to their perceived increased threat to US economic and national security interests. The EO’s instructions to CBP when promulgating rules are as follows:

Within 180 days of the order:

- Require that IORs have a minimum amount in tangible domestic assets (e.g., capital in US bank accounts), secure a higher minimum surety bond coverage amount, or both.
- Require that all IORs are clearly identified as legitimate entities by providing CBP with data such as import volumes, ownership disclosures and any other information deemed necessary.
- Require that all IORs are in “good standing” with CBP, which CBP will define on an individual IOR basis. “Good standing” is undefined.
- Update the IOR registry by removing inactive IORs, confirming active IORs are compliant with CBP regulations and creating risk-based tiers of IORs determined on an individual IOR basis.
- Establish a system of enhanced and continuous vetting of IORs.

Within 90 days of the order:

- Require IORs to submit any documentation or information submitted to a foreign customs administration to CBP prior to exportation.
- Reduce penalty or liquidated damages mitigation potential by establishing a minimum floor of at least 50% of the assessed penalty or liquidated damages.
- Expediate, streamline and enhance seizure and disposal of noncompliant entries.

- Enhance transparency by requiring periodic review and expiration of confidentiality requests and publishing annual enforcement transparency reports.

Within 45 days of the order:

- Submit legislative recommendations to the president to strengthen customs enforcement.

Within no specified period:

- Establish heightened import disclosure and certification requirements, including providing information about merchandise supply chain and production methods.
- Enhance enforcement by maximizing penalties and liquidated damages, restricting in-bond utilization, and increasing audits and investigations.

In addition to the above, the instructions to CBP include establishing even more restrictions on foreign (i.e., nonresident) IORs, including that CBP promptly:

- Prohibit foreign IORs from utilizing the informal entry process.
- Prohibit foreign IORs from relying on continuous bonds, unless the foreign IORs can demonstrate US domestic assets and connections such that revenue is fully protected and assure compliance with CBP regulations.
- Require foreign IORs to join CBP’s Customs Trade Partnership Against Terrorism (CTPAT) system or use a CTPAT customs broker when filing entries.

Definition of “US IOR” and “foreign IOR”

The president’s EO places specific, stringent requirements on what entities the administration considers as US IORs. The EO defines the term “US IOR” as an entity that is (1) organized under the law of the US; (2) located in the US; and (3) always has a controlling beneficial owner who is a US citizen or lawful permanent resident, or owns a significant amount of real property in the US.

Conversely, a “foreign IOR” is an entity that is (1) not organized under the law of the US; (2) not located in the US; and (3) does not always have a controlling beneficial owner who is a US citizen or lawful permanent resident, or does not own a significant amount of real property in the US.

As a result, even if entities are organized under the law of the US and obtain a legal right to make entry, the EO seemingly directs CBP to consider additional factors to determine whether an entity is to be beneficially treated as a US IOR (e.g., whether the entity has a physical address in the US) or more closely scrutinized as a foreign IOR.

Impact on all IORs

The president’s EO outlines unprecedented shifts in compliance requirements for all IORs. If CBP can enforce regulations promulgated pursuant to this EO (and if the rules are not struck down, or at least softened by legal challenges), it will usher in a much more challenging environment for IORs. Acting as an IOR on entries of goods will result in more money being expended (i.e., domestic assets and increased bond amounts), increased disclosure of data and reporting to CBP, clean or remediated CBP compliance records, payment of high penalties and liquidated damages amounts, continuous oversight from CBP and strict CBP enforcement if violations occur.

Foreign IORs will face even more costly and complex processes since they will have to make formal entry even for low-value shipments, while also being subjected to higher compliance thresholds than their domestic counterparts.

Potential targets of the EO and the proposed changes for IORs

One of the most obvious target groups for the EO and proposed changes to the rules for IORs would be foreign respondent companies involved in antidumping and countervailing duty (AD/CVD) cases. It has become almost the norm for foreign respondents to set up stand-alone IORs (wherein the foreign exporters also serve as foreign IORs) or shell companies that serve as IORs, so to insulate the ultimate US customer from potential changes in the AD or CVD duty liquidation rates. Indeed, many US importers will insist that the foreign supplier serve as its own IOR and sell to the US customer on a Delivered Duty Paid (DDP) basis. Unfortunately, there are countless cases where foreign IORs will simply walk away if an administrative review results in AD/CVD duties that greatly exceed what they have on deposit.

The public statements from the administration and much of the initial press on the EO call out protecting the public from “unsafe or dangerous products.” There has been a lot of talk in recent years about “abuse” of an IOR for products regulated by the US Food and Drug Administration. This practice involves illegally or improperly assigning a party as the IOR and then straw importing regulated products or unapproved drugs to avoid regulatory liability. Clearly, one of the major objectives of the EO is protecting the public from IORs that would bring unapproved, illegal or dangerous products into the US.

Section 2(b) of the EO is noteworthy in that it prohibits foreign IORs from making informal entries. This provision appears to be directed, at least in part, at foreign e-commerce platforms that are now selling into the US. They routinely use simplified entry as the inbound packages are almost always valued at US\$2,500 or less. Because of the lower value, these entries typically do not require a customs bond and have a lower, fixed merchandise processing fee (MPF). The effort to restrict this channel of trade also relates to the product safety issue, as some of these e-commerce platforms are accused of marketing dangerous, hazardous or noncompliant products in the US (e.g., toys that pose choking hazards or toxic materials, faulty electronics or batteries, or chemical hazards).

Next steps

The EO instructs CBP to immediately promulgate regulations to ban informal entry and impose stricter formal entry requirements for foreign IORs. The EO then imposes 90-day or 180-day deadlines on the remaining instructions. It should be noted that this is a highly unusual way for such operational changes to be proposed. In general, such proposals are initiated by CBP, vetted by a joint CBP-trade group and the Customs Operations Advisory Committee (COAC), and often provided to Congress for input and comment regarding consistency with existing law.

CBP will likely issue preliminary guidance and publish proposed regulations in accordance with the EO's stated deadlines. Once the proposed regulations are published, domestic and foreign IORs can submit comments to CBP on the legality of the proposed regulations, how the proposed regulations will impact the industry to bring CBP's attention to issues it may not have considered and make suggestions for how the proposed regulations can be improved or eliminated. After CBP issues final regulations, IORs can challenge them through legal action in court.

Here is the bottom line: These proposed new IOR rules, if implemented, would be more onerous on IORs, but they are currently just proposals and IORs will have the opportunity to comment on proposals before they are promulgated and challenge the final regulations in court if they are promulgated.

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