

Global Tax Controversy Flash News

Modernize your customs audits processes and controls with AI and blockchain for precision and compliance.

Join the conversation [#BetterWorkingWorld](#)



Contact us for more information

Share on X

Share on LinkedIn

Issue 78, February 2025

Preparing for enhanced customs audits

In recent years, tax and customs administrations have significantly increased their focus on modernizing and optimizing customs audit processes. Central to this shift is the incorporation of advanced technologies such as blockchain and artificial intelligence (AI).

Historically, customs audits were manual, time-consuming and infrequent. The introduction of AI represents a major transformation in auditing approach, allowing customs authorities to more accurately identify high-risk taxpayers, unravel complex structures and flag inconsistencies in fiscal documentation. And by adopting digital processes, they can now conduct more frequent audits with enhanced precision. In countries such as Brazil, Mexico, and the United States, the focus is increasingly on the importance of having accurate trade data.

Strategic preparation for customs audits is not just about avoiding errors and penalties — it is also an opportunity for companies to improve their internal processes. By adopting a proactive approach to compliance, companies can streamline operations, reduce inefficiencies and help improve profitability.

A culture of transparency and accountability is essential to achieving long-term success in this new environment. Companies that prioritize compliance will not only be better prepared for audits but will also be able to foster stronger relationships with authorities, customers and stakeholders.

Steps to prepare for enhanced audits

- Use data analytics to identify trends and potential areas of risk in import and export data.
- Integrate enterprise resource planning (ERP) and inventory control systems to avoid discrepancies with customs authority records.
- Use machine learning models to adopt a targeted approach to risk management.
- Have all required documents organized and readily available to present to customs authorities.
- Conduct regular internal audits to ensure ongoing compliance with customs regulations.
- Train key personnel responsible for customs compliance.

For more information about the increased use of technology in customs audits read *Mexico Strategic Preparation for Enhanced Customs Audits* in [TradeWatch Issue 3 2024](#).

Related articles:

- ▶ Issue 77: Dispute resolution: OECD reports mixed results across APA and MAP programs globally
- ▶ Issue 76: Joint and simultaneous tax audits: unexplored options for addressing double taxation
- ▶ Issue 75: Growing government demands accelerate the need for tax transformation and integrated controversy management
- ▶ Issue 74: Having a VAT control framework can help reduce tax audit disruption

Contact us for more information

Luis Coronado
EY Global Tax Controversy Leader
luis.coronado@sg.ey.com

Craig A Hiller
EY Global International Tax and
Transaction Services Leader
craig.hiller@ey.com

Kevin MacAuley
EY Global Indirect Tax Leader
kmacauley@uk.ey.com

Register for EY Tax News Update: Global Edition

EY Tax News Update: Global Edition is a free, personalized email subscription service that allows you to receive EY Global Tax Alerts, newsletters, events, and thought leadership published across all areas of tax. Access more information about the tool and registration [here](#).

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

© 2025 EYGM Limited.
All Rights Reserved.

004857-21Gbl, 000731-25Gbl
ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

ey.com