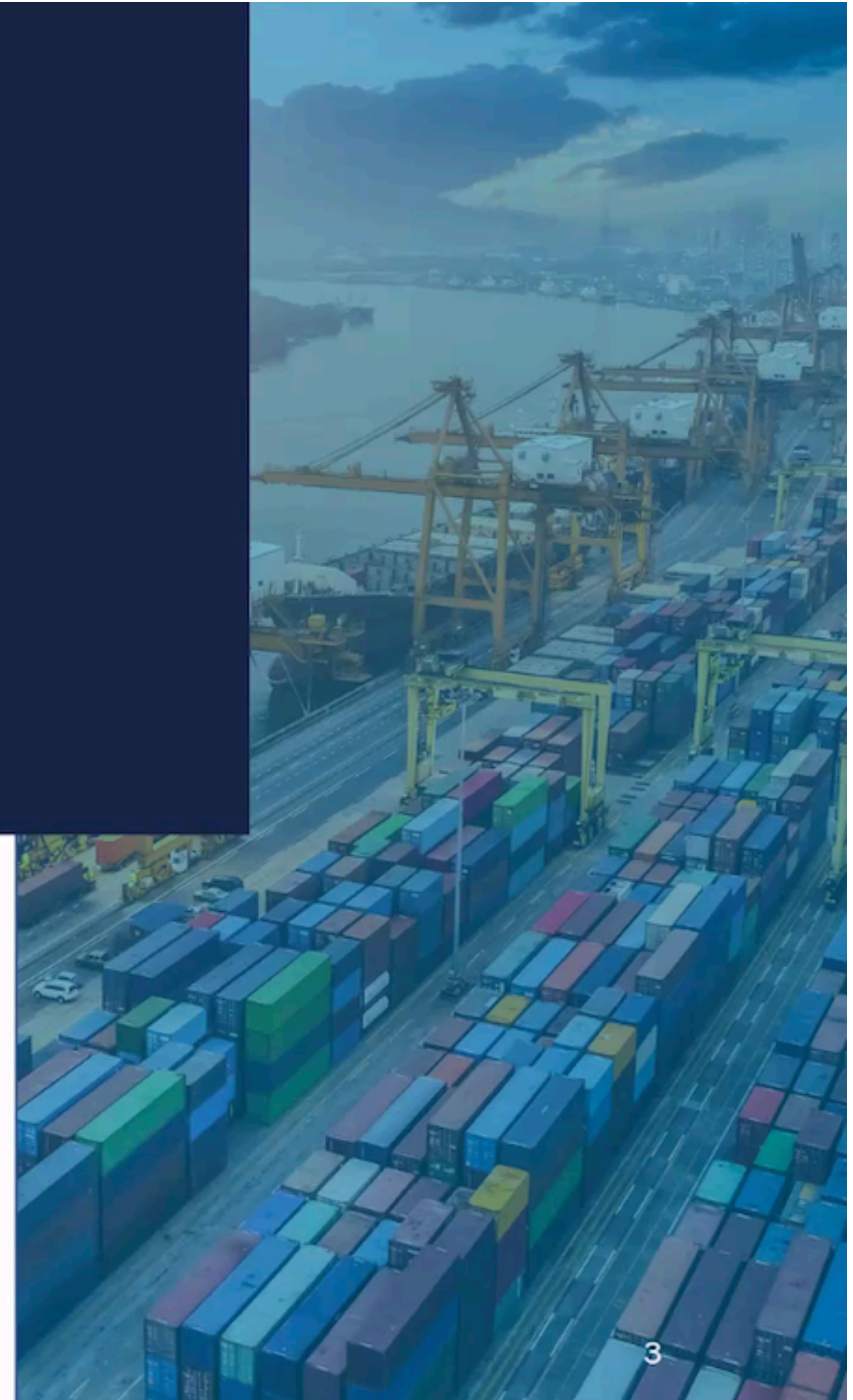




Agenda

1. Introduction
2. Modernization of Customs Broker Regulations (19 CFR 111) Timeline
3. Summary of Proposed Changes
4. Broker Guidance and Resources
5. National Permit Transition Process
6. Q&A












Modernization of Customs Broker Regulations (19 CFR 111): Final Rule Status

Regulation development timeline





Modernization of Customs Broker Regulations (19 CFR 111): Proposed Changes

-  Establish one national permit for each broker;
-  Broker fee changes and electronic payment;
-  Broker reporting and electronic data interface (ACE);
-  Customs business within the U.S. customs territory and knowledgeable point of contact;
-  Broker/client relationship;
-  Responsible supervision and control requirements; and
-  Cyber security and records requirements.



Modernization of Customs Broker Regulations (19 CFR 111): Proposed Changes (1 of 3)

Establish one national permit for each broker








- ✓ Eliminate the district permit and transition to a single permit framework (national permit) that operates at the national level within the customs territory of the United States
- ✓ Eliminate the need for brokers to request permit waivers and maintain district offices

Broker Fee Changes and Electronic Payment

- ✓ Increase the license application fee for individual and organization license applications to better align application fees to CBP's processing expenses
- ✓ Expand payment options for brokers to include electronic fee payment

Broker Reporting and Electronic Data Interface (ACE)

- ✓ Enhance the ACE broker portal and streamline broker reporting

-  Establish one national permit for each broker
-  Broker fee changes and electronic payment
-  Broker reporting and electronic data interface (ACE)
-  Customs business within the U.S. customs territory and knowledgeable point of contact
-  Broker/client relationship
-  Responsible supervision and control requirements
-  Cyber security and records requirements










Modernization of Customs Broker Regulations (19 CFR 111): Proposed Changes (2 of 3)

Customs Business within the U.S. Customs Territory and Knowledgeable Point of Contact

- ✓ Require that customs business be conducted within the customs territory of the United States
- ✓ Require that brokers designate a knowledgeable point of contact to be available to CBP during and outside of normal operating hours to respond to customs business issues

Broker/Client Relationship

- ✓ Require brokers to obtain a customs power of attorney directly from the importer of record/drawback claimant, not via a freight forwarder
- ✓ Report to CBP when brokers terminate representation of a client as a result of determining that the client is attempting to defraud or otherwise commit any criminal act against the U.S. Government
- ✓ Require brokers to advise the client on the proper corrective actions required in cases of noncompliance, error, or omission and retain a record of the broker's communication with the client

-  Establish one national permit for each broker
-  Broker fee changes and electronic payment
-  Broker reporting and electronic data interface (ACE)
-  Customs business within the U.S. customs territory and knowledgeable point of contact
-  Broker/client relationship
-  Responsible supervision and control requirements
-  Cyber security and records requirements










Modernization of Customs Broker Regulations (19 CFR 111): Proposed Changes (3 of 3)

Responsible Supervision and Control Requirements

- ✓ Require brokers to submit a supervision plan with a national permit application to detail how the entity intends to exercise Responsible Supervision and Control
- ✓ Update and add factors related to Responsible Supervision and Control to reflect the transition to a national permit framework
- ✓ Require brokers to employ a sufficient number of licensed brokers to ensure responsible supervision and control over their customs business

Cyber Security and Records Requirements

- ✓ Require brokers to maintain records, including electronic records, within U.S. customs territory
- ✓ Require brokers to notify CBP when there has been a breach of electronic or physical broker records and provide the compromised importer of record numbers

-  Establish one national permit for each broker
-  Broker fee changes and electronic payment
-  Broker reporting and electronic data interface (ACE)
-  Customs business within the U.S. customs territory and knowledgeable point of contact
-  Broker/client relationship
-  Responsible supervision and control requirements
-  Cyber security and records requirements



Modernization of Customs Broker Regulations (19 CFR 111): Resources for Brokers

The Broker Management Branch is developing a public webpage dedicated to information on the Modernization of Customs Broker Regulations, including:

- A Broker Guidance Document containing operational information regarding regulatory changes and all other broker matters;
- Information and FAQs to support regulatory changes;
- Broker Management Officer contact information;
- Side-by-side regulation comparison chart; and
- Other applicable resources.



Modernization of Customs Broker Regulations (19 CFR 111): Broker Guidance

Broker Guidance Update

- CBP is revising the external Broker Guidance Document to align with changes in policies and practices in the field and at CBP Headquarters
- The updated external Broker Guidance Document will reflect regulation changes incorporated in 19 CFR 111 Final Rule
- The Broker Guidance is expected to publish at the time of the Final Rule publication





Modernization of Customs Broker Regulations (19 CFR 111): National Permit Transition Process

Approximately 400 brokers currently operate without a national permit (operating with a district permit only)

- CBP will transition this pool of brokers to a national permit between the publication date and effective date of the Final Rule
- Current district permits will remain active until the final rule effective date and ACE National Permit programming is in place
- CBP will use a broker's current district permit information for the creation of the national permit
- Each broker transitioned will be notified when their pending national permit has been created and given an opportunity to provide CBP with amended address and permit qualifier information

