



# Proposed Changes to Modernize Customs Broker Regulations

This fact sheet highlights proposed changes to provisions of 19 CFR 111 included in the two Notices of Proposed Rulemaking: Modernization of the Customs Broker Regulations (85 FR 34836) and Elimination of Customs Broker District Permit Fee (85 FR 34549), published June 5, 2020.



## 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 U.S.
- ✓ 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 payment of fees



## Broker Reporting and Electronic Data Interface (ACE)

- ✓ Enhance the ACE broker portal and streamline broker reporting



## 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 U.S.
- ✓ 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 or drawback claimant and not via a freight forwarder, ensuring brokers have direct communication with the client
- ✓ 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, and retain a record of the broker's communication with the client



## 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



## 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 data security breach of electronic or physical broker records and provide the compromised importer of record numbers





# National Permit Transition Process for District Permit Holders

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## National Permit Transition Process

- ✓ **Approximately 400 brokers** currently operate without a national permit (operating with 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** to create 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
- ✓ Brokers with **existing national permits** will continue to operate as normal and are not affected by this transition

