

**Commercial Customs Operations Advisory Committee
Government Issue Paper
Rapid Response Subcommittee
Broker Modernization
Working Group**

November 2022



**U.S. Customs and
Border Protection**

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Office of Trade, Trade Policy and Programs
Rapid Response Subcommittee
Broker Modernization Working Group
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Action Required: Informational

Background:

- The Broker Modernization Working Group is focused on modernization efforts across the brokerage industry, including the broker exam, the updated broker regulations published on October 18, 2022 and the proposed Continuing Education regulation for individual licensed customs brokers.
- The Commercial Customs Operations Advisory Committee (COAC) Broker Modernization Working Group's feedback and input is critical to the success of these regulatory and exam changes.

Issue:

- CBP and the trade community are engaging on the implementation of the 19 CFR 111 broker modernization regulations.
- CBP is continuing efforts to modernize the Customs Broker License Exam (CBLE).

Current Status:

Modernization of the Broker Regulations, 19 CFR 111

- U.S. Customs and Border Protection (CBP) published two Broker Modernization Final Rules on October 18, 2022:
 - Modernization of Customs Broker Regulations (87 FR 63267)
 - Elimination of the Customs Broker District Permit Fee (87 FR 63262)
- The Final Rules have a 60-day delayed effective date of December 19, 2022.
- The updated broker regulations will align with modernized broker practices. Key elements of the updated regulations include:
 - The elimination of the district permit and transition to a single national permit, allowing all permitted brokers to conduct Customs business on a national level.
 - Update of the broker responsible supervision and control requirement.
 - Requirement that customs business be conducted, and storage of electronic customs records be maintained within the customs territory of the United States.
 - Streamlining of broker reporting requirements in the Automated Commercial Environment.
- CBP provided updated internal and external resources on publication day, including Customs Broker Guidance for the Trade Community, four fact sheets and a series of Frequently Asked Questions. CBP has also conducted a series of internal and external webinars since publication day to increase awareness and understanding of the impacts of the updated regulations.

Customs Broker License Examination (CBLE)

- CBP conducted the CBLE on October 26, 2022 for 822 individuals at on-site testing centers and 164 examinees through the limited remote-proctor testing option.

- Members of the COAC Broker Modernization Work Group participated in User Acceptance Testing in advance of the October CBLE.
- The October CBLE was CBP's third test of a remote proctor option for a limited number of examinees. The remote test continued to encounter significant technical challenges.

Continuing Education

- The proposed Final Rule for Broker Continuing Education is currently under review within CBP.

Next Steps:

Modernization of the Broker Regulations, 19 CFR 111

- CBP will continue providing outreach to internal and external stakeholders working toward a successful implementation of the updated regulations, which have an effective date of December 19, 2022.
- The ACE broker portal enhancements will be deployed in ACE production on December 19, 2022 and will streamline broker reporting.

Customs Broker License Exam

- CBP is working with the vendor on near-term solutions to the technical challenges for the April 2023 remote CBLE.
- CBP is continuing to work with the Broker Modernization Work Group on input for the modernized CBLE going forward.

Continuing Education

- Upon publication of the Continuing Education Final Rule, CBP will set up an accreditation process for qualifying education.

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