

19 CFR 111 Final Rule Changes

19 CFR 111 Provisions Comparison Chart

***NOTE:** “Prior Language” remains in effect until the Final Rule effective date (12/19/2022). “New Language” becomes effective on Final Rule effective date (12/19/2022).

Provision	*Prior Language	Section Change?	*New Language
Language updated to reflect title change or authority delegation	Port Director Assistant Commissioner Customs Secretary of Homeland Security	--	Port Director updated to Processing Center Assistant Commissioner updated to Executive Assistant Commissioner or Executive Director Customs updated to CBP Secretary of Homeland Security updated to Executive Assistant Commissioner
§ 111.2(b) Elimination of local permit	CBP requires a local permit to transact customs business and allows a national permit to transact certain types of customs business nationally	No	CBP requires only a national permit to transact customs business nationally.
§ 111.3 Additional contact info	<i>Not in regulation</i>	Added to § 111.3	Customs business must be conducted within the customs territory of the US. Broker must provide a point of contact to be available to CBP during and outside of business hours to respond to Customs business issues. CBP will require: Name, Phone number, and email.
§ 111.12(a) License application submission	CBP requires submission to the port director where applicant intends to do business. CBP requires to submit application under oath, and in duplicate. CBP requires submission of fingerprints at the time of filing the application.	No	Submission of application updated to the Processing Center from the Port Director. Submission under oath and in duplicate no longer required. Submission of fingerprints are required at the time of the interview rather than at the time of filing the application.
§ 111.12(a) Addition of electronic submission of license application	Paper submission	No	Allows for electronic submission if a CBP EDI system exists, otherwise paper is allowed



Provision	*Prior Language	Section Change?	*New Language
§ 111.12(b) Elimination of license application posting at port	Posting notice of license application – the port office currently posts a public notice of all broker license applications to invite public comments. Notice includes name and address of applicant.	<i>Public notice language removed</i>	Elimination of public notice of license applications.
§ 111.12(c) Electronic withdrawal of exam application	An applicant for a broker's license may withdraw the application at any time prior to issuance of the license by providing written notice of the withdrawal to the port director.	Changed to § 111.12(b)	An applicant for a broker's license may withdraw the application at any time prior to issuance of the license by providing written notice of the withdrawal to the processing Center or through a CBP-authorized EDI system (eCBP).
§ 111.12(c) and § 111.96(a) Increase in license application fees	\$200 fee for all license applications	§ 111.12(c) changed to § 111.12(b)	License application fees increased from \$200 for all to \$300 for individual license application and \$500 for organization license application.
§ 111.13(b) Alternatives to on-site broker exam testing	CBP will give notice of the time and place for the examination.	No	CBP will give notice of the time and place for the examination, including whether alternatives to on-site testing will be available.
§ 111.13(e) and (f) Broker examination results and appeal	CBP requires written notice of exam results and written appeal.	No	Allows for electronic notice of exam results and electronic appeal requests and decisions.
§ 111.14(a) License applicant background investigation	Port director will refer applicant to the special agent or other designated entity for investigation.	<i>Background investigation referral language removed</i>	Elimination of referral of application for background investigation
§ 111.14(a)(1) and (b)(2) Scope of background investigation	Applicant's qualification is based on application. Applicant's qualification is based on business integrity.	No	CBP bases qualification of applicant on application and interview. CBP bases qualification on business integrity and financial responsibility.
§ 111.14(b)(3) Scope of background investigation	When the applicant is an individual (including a member of a partnership or an officer of an association or corporation), the character and reputation of the applicant.	No	When the applicant is an individual (including a member or a partnership or an officer of an association or corporation), the character and reputation of the applicant, including any association with any individuals or groups that may present a risk to the security or to the revenue collection of the United States.



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§ 111.14(c) Additional inquiry	CBP may require applicant to appear in person for the purpose of further inquiry.	No	In addition to in-person appearance, CBP allows other approved methods.
§ 111.16(b) Grounds for license denial	A failure to establish the business integrity and good character of the applicant. Any willful misstatement of pertinent facts in the application of the license.	<i>Language on other relevant information uncovered in background investigation added</i>	A failure to establish the business integrity and financial responsibility of the applicant. Any willful misstatement or omission of pertinent facts in the application or interview for the license. Any other relevant information uncovered over the course of the background investigation.
§ 111.17(a) Review of denial of license	Applicant may appear in person or present in writing additional information in support of the application.	No	Allows for appearance in person, by telephone or by other acceptable means of communication.
§ 111.18 Additional information required upon reapplication after denial	An applicant who has been denied a license may reapply at any time by submitting a new application.	No	Upon reapplication a broker must address how deficiencies which resulted in denial have been remedied.



<p>§ 111.19 Permit application</p>	<p>Local Permit application information required: (1) The applicant's broker license number and date of issuance; (2) The address where the applicant's office will be located within the district and the telephone number of that office; (3) A copy of a document which reserves the applicant's business name with the state or local government; (4) The name of the individual broker who will exercise responsible supervision and control over the customs business transacted in the district; (5) A list of all other districts for which the applicant has a permit to transact customs business; (6) The place where the applicant's brokerage records will be retained and the name of the applicant's designated recordkeeping contact (see §§ 111.21 and 111.23); and (7) A list of all persons who the applicant knows will be employed in the district, together with the specific employee information prescribed in § 111.28(b)(1)(i) for each of those prospective employees.</p> <p>National Permit application information required: (1) The address and telephone number of the office designated by the applicant as the office of record for purposes of administration of the provisions of this part regarding all activities of the applicant conducted under the national permit. That office will be noted in the national permit when issued; (3) The name, broker license number, office address, and telephone number of the individual broker who will exercise responsible supervision and control over the activities of the applicant conducted under the national permit; and (4) A receipt or other evidence showing that the fees specified in § 111.96(b) and (c) have been paid in accordance with paragraph (c) of this section.</p>	<p>No</p>	<p>Local Permit is eliminated</p> <p>National Permit application information required: (1) The applicant's broker license number and date of issuance if available; (2) If the applicant is applying for a national permit on behalf of a partnership, association, or corporation: the name of the partnership, association, or corporation and the title held by the licensed broker within the partnership, association, or corporation; (3) If the applicant is applying for a national permit on behalf of a partnership, association, or corporation: a copy of the documentation issued by a State, or local government that establishes the legal status and reserves the business name of the partnership, association, or corporation; (4) The address, telephone number, and email address of the office designated by the applicant as the office of record as defined in § 111.1. The office will be noted in the national permit when issued; (5) The name, telephone number, and email address of the point of contact described in § 111.3(b) to be available to CBP to respond to issues related to the transaction of customs business; (6) If the applicant is applying for a national permit on behalf of a partnership, association, or corporation: the name, broker license number, office address, telephone number, and email address of each individual broker employed by the partnership, association, or corporation; (7) A list of all employees together with the specific employee information prescribed in § 111.28 of this part for each employee; (8) A supervision plan describing how responsible supervision and control will be exercised over the customs business conducted under the national permit, including compliance with § 111.28 of this part; (9) The location where records will be retained (see § 111.23); (10) The name, telephone number, and email address of the knowledgeable employee responsible for broker-wide records maintenance and financial recordkeeping requirements (see § 111.21(d)); and (11) A receipt or other evidence showing that the fees specified in § 111.96(b) and (c) have been paid in accordance with paragraph (b) of this section.</p>
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Provision	*Prior Language	Section Change?	*New Language
§ 111.21(b) Breach of records	<i>Not in regulation</i>	Added to § 111.21(b)	Brokers must provide notification to the CBP Office of Information Technology Security Operations Center (CBP SOC) of any known breach of physical or electronic records relating to the customs business. Notification must be electronically provided (cbpsoc@cbp.dhs.gov) within 72 hours of the discovery of the breach, including any known compromised importer identification numbers. Within 10 business days of the notification, a broker must electronically provide an updated list of any additional known compromised importer identification numbers. To the extent that additional information is subsequently discovered, the broker must electronically provide that information within 72 hours of discovery. Brokers may also call CBP SOC at a telephone number posted to CBP.gov with questions as to the reporting of the breach, if any guidance is needed.
§ 111.21(c) Designation of CBP contact for recordkeeping	Each broker must designate a responsible employee to be the contact for customs business and financial records.	Changed to § 111.21(d)	Each broker must designate a knowledgeable employee to be the contact for brokerage-wide recordkeeping requirements and must maintain accurate and current POC information with CBP through an EDI system (ACE portal) if available or in writing to the processing Center if not.
§ 111.23 Place of records retention	Licensed brokers may maintain records relating to its customs business at any location within the customs territory of the U.S.	No	A licensed customs broker must maintain originals of the records referred to in this part, including any records stored in electronic formats, within the customs territory of the United States and in accordance with the provisions of Part 111 and Part 163 of 19 CFR.
§ 111.24 Records confidential	The records referred to in this part and pertaining to the business of the clients serviced by the broker are to be considered confidential, and the broker must no disclose their contents or any information connected with the records to any persons other than those clients, their surety on a particular entry, and the Field Director, Office of International Trade, Regulatory Audit, the special agent in charge, the port director, or other duly accredited officers or agents of the United States, except on subpoena by a court of competent jurisdiction.	No	The records referred to in this part and pertaining to the business of the clients serviced by the broker are to be considered confidential, and the broker must not disclose their contents or any information connected with the records to any persons other than those clients, their surety on a particular entry, and representatives of the Department of Homeland Security (DHS) , or other duly accredited officers or agents of the United States, except on subpoena or court order by a court of competent jurisdiction, or when authorized in writing by the client. This confidentiality provision does not apply to information that properly is available from a source open to the public
§ 111.23(a) Records must be available	Broker must make records available at the district port upon request of records.	Changed to § 111.25	<i>Examination request.</i> Upon request by DHS to examine records, the designated recordkeeping contact (see § 111.21(d)), must make all records available to DHS within thirty (30) calendar days, or such longer time as specified by DHS, at the location specified by DHS.



Provision	*Prior Language	Section Change?	*New Language
§ 111.28 Employ a sufficient number of licensed brokers	<i>Not in regulation</i>	Added to § 111.28	A sole proprietorship, partnership, association, or corporation must employ a sufficient number of licensed brokers relative to the job complexity, similarity of subordinate tasks, physical proximity of subordinates, abilities and skills of employees, and abilities and skills of the managers.



Provision	*Prior Language	Section Change?	*New Language
<p>§ 111.1 Responsible supervision and control requirements</p>	<p><i>Definitions – 10 Factors for Responsible Supervision and Control</i> While the determination of what is necessary to perform and maintain responsible supervision and control will vary depending upon the circumstances in each instance, factors which CBP will consider include, but are not limited to:</p> <ol style="list-style-type: none"> 1. The training required of employees of the broker; 2. the issuance of written instructions and guidelines to employees of the broker; 3. the volume and type of business of the broker; 4. the reject rate for the various customs transactions; 5. the maintenance of current editions of CBP Regulations, the Harmonized Tariff Schedule of the United States, and CBP issuances; 6. the availability of an individually licensed broker for necessary consultation with employees of the broker; 7. the frequency of supervisory visits of an individually licensed broker to another office of the broker that does not have a resident individually licensed broker; 8. the frequency of audits and reviews by an individually licensed broker of the customs transactions handled by employees of the broker; 9. the extent to which the individually licensed broker who qualifies the district permit is involved in the operation of the brokerage; 10. and any circumstance which indicates that an individually licensed broker has a real interest in the operations of a broker. 	<p>Changed to § 111.28</p>	<p>While the determination of what is necessary to perform and maintain responsible supervision and control will vary depending upon the circumstances in each instance, factors which CBP may consider in its discretion and to the extent any are relevant include, but are not limited to the following:</p> <ol style="list-style-type: none"> 1. The training provided to broker employees; 2. The issuance of instructions and guidelines to broker employees; 3. The volume and type of business conducted by the broker; 4. The reject rate for the various customs transactions relative to overall volume; 5. The level of access broker employees have to current editions of CBP regulations, the Harmonized Tariff Schedule of the United States, and CBP issuances; 6. The availability of a sufficient number of individually licensed brokers for necessary consultation with employees of the broker; 7. The frequency of supervisory visits of an individually licensed broker to another office of the broker that does not have an individually licensed broker; 8. The frequency of audits and reviews by an individually licensed broker of the customs transactions handled by employees of the broker; 9. The extent to which the individually licensed broker who qualifies the permit is involved in the operation of the brokerage and communications between CBP and the brokerage; 10. Any circumstances which indicate that an individually licensed broker has a real interest in the operations of a broker; 11. The timeliness of processing entries and payment of duty, tax, or other debt or obligation owing to the Government for which the broker is responsible, or for which the broker has received payment from a client; 12. Communications between CBP and the broker, and the broker’s responsiveness and action to communications, direction, and notices from CBP; and 13. Communications between the broker and its officer(s) and member(s), and the broker’s responsiveness and action to communications and direction from its officer(s) and member(s).



Provision	*Prior Language	Section Change?	*New Language
§ 111.28(b)(1)(ii) Employee information	Brokers must currently provide the following information to CBP on each new employee: the social security number, date and place of birth, current home address, last prior home address, and, if the employee has been employed by the broker for less than 3 years, the name and address of each former employer and dates of employment for the 3-year period preceding current employment with the broker.	Changed to § 111.28(b)(1) and (2)	The amount of required new employee information is reduced to: the employee name, social security number, date and place of birth, date of hire, and current home address.
§ 111.28(b)(1)(i) and (ii) Employee information update	After the initial submission, an updated list, setting forth the name, social security number, date and place of birth, and current home address of each current employee, must be submitted with the status report required by § 111.30(d).	No	After the initial submission, an updated list must be submitted to a CBP-authorized electronic data interchange (EDI) system (ACE portal) if any of the information required by this paragraph changes. If ACE is not available, then the information must be provided in writing to the processing Center. The update must be submitted within thirty (30) calendar days of the change.
§ 111.28(b)(1)(ii) Reporting new employees	Current regulation requires the broker to report the new employee within 10 calendar days after the employee has been employed for 30 consecutive days (40 days after employment).	Changed to § 111.28(b)(2)	Brokers must report the new employee within 30 days of the start of employment. Reporting may be done through a CBP-authorized EDI system (ACE portal) if available or in writing to the processing Center if ACE is not available.
§ 111.28(b)(2) Reporting terminated employees	Current regulation requires the broker to report the terminated employee within 30 calendar days after the termination of an individual employed longer than 30 consecutive days.	Changed to § 111.28(b)(3)	Broker must report the terminated employee within 30 days of termination. Reporting may be done through a CBP-authorized EDI system (ACE portal) if available or in writing to the processing Center if ACE is not available.
§ 111.30(a) Broker change of address	The broker must notify CBP of a change to the business address or, if not transacting business, notify CBP of the new address when filing the status report. Address must include physical address.	No	The broker is responsible for providing CBP with the office of record address and, if it receives mail at a different address, the broker must also provide a mailing address. A broker not actively engaged in transacting customs business must provide CBP their non-business address. The broker must notify CBP of a change to the address(es) within 10 calendar days of the change. The notification must be done through a CBP-authorized EDI system (ACE portal) or in writing to the processing Center if ACE is not available. Address information must include the broker's office of record address (physical address), mailing address, and email address.
§ 111.30(b) Change in an organization	No timeline given in which the broker must provide notification	No	Broker must provide notification within 10 calendar days of event. Events include change in national permit qualifier, license qualifier, organization articles, or name.



Provision	*Prior Language	Section Change?	*New Language
§ 111.30(d) Status report filing manner	Status Report – Each broker must file a written status report with Customs	No	Triennial Status Report- The report must be filed through a CBP-authorized EDI system (eCBP). If a CBP-authorized EDI system is not available, the triennial status report must be filed with the Processing Center.
§ 111.30(d) Status report information	<p>Individual – data elements required Mailing address If actively engaged in transacting customs business:</p> <ul style="list-style-type: none"> • Sole proprietor – name under which, and the address at which, his/her business is conducted • Employee – broker employer’s name and address • State whether or not he/she still meets the applicable requirements of §§ 111.11 and 111.19 and has not engaged in any conduct that could constitute grounds for suspension or revocation under § 111.53. <p>Organization – data elements required</p> <ul style="list-style-type: none"> • Name under which its business as a broker is being transacted • Business address • Name and address of each licensed member of the partnership or licensed officer of the association or corporation who qualifies it for a license under § 111.11(b) or (c)(2) • State whether it is actively engaged in transacting business as a broker • The report must be signed by a licensed member or officer 	No	<p>Individual- Additional data elements required</p> <ul style="list-style-type: none"> • Email address <p>Organization- Additional data elements required</p> <ul style="list-style-type: none"> • Email address of each licensed member (partnership) or licensed officer (corporation, association, LLC) • Name of national permit qualifier
§ 111.30(e) Custody of records	Name and address of person having legal custody of records must be provided.	No	The name, address, email address and telephone number of person having legal custody of records must be provided.



Provision	*Prior Language	Section Change?	*New Language
§ 111.32 Report to CBP of separation from client	<i>Not in regulation</i>	Added to § 111.32	A broker must not give, or solicit or procure the giving of, any information or testimony that the broker knew or should have known was false or misleading in any matter pending before DHS. A broker also must document and report to CBP when the broker separates from or cancels representation of a client as a result of determining the client is intentionally attempting to use the broker to defraud the U.S. Government or commit any criminal act against the U.S. Government. The report to CBP must include the client name, date of separation or cancellation, and reason for the separation or cancellation.
§ 111.36(c)(3) Direct power of attorney with client	<i>No requirement that the power of attorney be directly with the client</i>	Added to § 111.36(c)(3)	A broker must execute a power of attorney directly with a client and not through a freight forwarder or other third party in order to transact customs business on behalf of the client (importer of record or drawback claimant).
§ 111.39(c) Advice to client	<i>Not in regulation</i>	Added to § 111.39(c)	The broker must advise the client on the proper corrective actions required and retain a record of the broker's communication with the client in accordance with §§ 111.21 and 111.23 of Part 111.
§ 111.45(a) Pre-notice of revocation by operation of law	The EAC will notify the broker in writing of an impending revocation by operation of law under this section 30 calendar days before the revocation is due to occur.	No	CBP will notify the broker in writing of an impending revocation by operation of law under this section thirty (30) calendar days before the revocation is due to occur, if the broker has provided advance notice to CBP of the underlying events that could cause a revocation by operation of law under this section.
§ 111.45(c) Notification of revocation by operation of law	If the license or a permit of a partnership, association, or corporation is revoked by operation of law, the EAC or his designee will notify the broker of the revocation.	Changed to § 111.45(a)	If the license or permit of a partnership, association, or corporation is revoked by operation of law, CBP will notify the organization of the revocation.
§ 111.45 Publication of revocation in the Federal Register	<i>Not in regulation</i>	No	Revocation of permit by operation of law for failure to submit an annual broker permit fee is published in the Federal Register
§ 111.53 Grounds for suspension or revocation	<i>Not in regulation</i>	Added to § 111.53	The broker has been convicted of committing or conspiring to commit an act of terrorism as described in section 2332b of title 18, United States Code



Provision	*Prior Language	Section Change?	*New Language
§ 111.55 Investigation of complaints	Current regulation references forwarding complaints to a special agent for investigation and receiving a report from the special agent in charge. Every charge or complaint will be forwarded...	No	New regulation references forwarding the complaints to the appropriate investigative authority within DHS. Every charge or complaint may be forwarded...
§ 111.62(d) Notification of hearing	Within 10 calendar days after the service of this notice , the broker will be notified of the time and place of a hearing on the charges.	No	Timeframe for notification of hearing removed. The broker will be notified of the time and place of a hearing on the charges.
§ 111.62(e) Notice of charges	CBP requires broker to file verified answers in duplicate.	<i>Requirement to file in duplicate removed</i>	Filing in duplicate is no longer a requirement.
§ 111.63(a)(2) Mailing of service of notice and statement of charges	By certified mail addressed to any member of the partnership or to any officer of the association or corporation, with demand for a return card signed solely by the addressee;	No	By certified mail, return receipt requested, addressed to the broker's office of record (or other address as provided pursuant to § 111.30) .
§ 111.63(c) Evidence of receipt of notice and statement of charges	The receipt of the return card duly signed will be satisfactory evidence of service.	No	When the service under this section is by certified mail, the receipt of the return card signed or marked will be satisfactory evidence of service.
§ 111.76(a) Reopening the case	CBP requires broker to make written application in duplicate.	<i>Requirement to make written application and in duplicate removed</i>	CBP no longer requires broker to make written application and in duplicate. Electronic communication is allowed.
§ 111.96(d) Triennial report fee	Current regulation states the status report must be accompanied by a fee of \$100.	No	New regulation removes "report must be accompanied by" language and merely states that a fee of \$100 is required.