

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

September 2022



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



Office of Trade/Trade Policy & 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 contained in 19 CFR Part 111, and Continuing Education for individual licensed customs brokers.
- The Commercial Customs Operations Advisory Committee (COAC) Broker Modernization Working Group's feedback and input on administration is critical to the success of these regulatory and exam changes.

Issue:

- Implementation of a remote-proctored broker exam will need to be rolled out on a gradual basis to provide for adequate testing and industry support.
- Impacts of the changes in the broker regulatory framework and educational requirements require in-depth coordination with the broker community.

Current Status:

The Customs Broker License Exam

- The upcoming broker exam is scheduled for October 26, 2022.
- CBP has updated the broker exam page on CBP.gov with the information for the upcoming exam.
- Registration for this exam be open from August 29 through September 26, 2022.
- CBP will once again offer a remote-proctored delivery option for this exam for a limited number of examinees. Examinees will also be able to take the exam at testing locations around the country.
- CBP encourages brokers and members of the trade community to submit proposed questions for the Customs Broker License Exam on CBP.gov.

Modernization of the Broker Regulations, 19 CFR 111

- CBP is finalizing a multi-year effort focused on the modernization of the broker regulations, which will align regulations with modernized broker practice in the electronic environment, capitalize on electronic opportunities that will provide resource optimization for both industry and CBP, and codify compliance requirements that will protect revenue and strengthen our knowledge of our importers.
- This regulatory package contains two Final Rules, Broker Regulation Modernization and Elimination of Broker District Fees.
- Proposed changes within the modernized broker regulations include the following:
 - Transition from permits in each district in which the broker does business to a single national permit. National permits will allow filing of all entry types electronically from any location.
 - Update of the broker responsible supervision and control requirement.
 - Require that customs business may be conducted only within the customs territory of the United States.

- Provide for the storage of electronic customs records within the customs territory of the United States.
- Streamline broker reporting requirements and make reporting enhancements in the Automated Commercial Environment.

Continuing Education for Licensed Brokers

- CBP published a Notice of Proposed Rulemaking on September 9, 2020.
- CBP received approximately 70 comments from the public and has analyzed these comments and drafted a Final Rule. The Final Rule is currently in review within CBP.
- CBP anticipates the continuing education rule for individual licensed customs brokers would have a positive impact on broker compliance issues, help increase broker import expertise, and increase the valuable service to importers.

Next Steps:

- CBP will continue to work with the COAC Broker Modernization Work Group and the modernization and continued improvements for the brokers exam.
- Upon publication of the 19 CFR 111 Final Rule, CBP will publish updated public guidance for external stakeholders. CBP also conducted a public webinar on June 17, 2022, to re-familiarize the trade community with the proposed regulatory changes included in the NPRM, in advance of the Final Rule publication.
- Upon publication of the Continuing Education Final Rule, CBP will set up an accreditation process for qualifying education.

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