

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

March 2023



**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:

- U.S. Customs and Border Protection (CBP) and the trade community are engaged in the implementation of the 19 CFR 111 broker modernization regulations.
- CBP continues its efforts to modernize the Customs Broker License Exam (CBLE).

Current Status:

Modernization of the Broker Regulations, 19 CFR 111

- CBP published the updated broker modernization regulations on October 18, 2022, with a delayed effective date of December 19, 2022.
- CBP transitioned 395 brokers operating under a district permit only to a national permit on December 19, 2022.
- CBP made two extensions to the December 19, 2022, Final Rule effective date based on input from the brokerage community:
 - Powers of attorney executed prior to December 19, 2022, were required to comply the updated regulations by February 17, 2023. The updated regulations require that powers of attorney be executed directly between the broker and the importer of record or drawback claimant – not through a freight forwarder or other third party.
 - The deadline to report broker employees in the Automated Commercial Environment (ACE) is April 19, 2023. This extension is intended to give brokers additional time to comply with the requirements and allow implementation of technical solutions in ACE.
- The broker employee reporting requirement improves awareness of employee status for brokers and CBP. To determine potential risks to U.S. revenue or the American public, CBP requires comprehensive information on all broker employees.
- Since December 19, 2022, any broker applying for a national permit must provide a supervision plan demonstrating responsible supervision and control over its customs business.
- The Customs Broker Guidance for the Trade Community was published on October 18, 2022. CBP published an updated version on December 19, 2022, based on input from the broker community.

- To facilitate understanding of the new regulations, CBP has conducted a series of outreach sessions and posted multiple communications, including 58 frequently asked questions, on CBP.gov.

Customs Broker License Examination

- CBP will offer the April 2023 CBLE at onsite locations and will offer the remote-proctored option for a maximum of 125 examinees.
- Registration for the in-person and remote-proctored April 2023 CBLE will be from March 1, 2023, until March 27, 2023.
- In preparation for the April 2023 CBLE, CBP and members of the Broker Modernization Work Group conducted two user acceptance tests in February 2023.

Broker Continuing Education

- The proposed Final Rule for Broker Continuing Education is under review within the Department of Homeland Security.
- If finalized as drafted, brokers will need to comply with the education requirements in the 2024 – 2027 triennial period and report their completion on the 2027 Triennial Status Report.

Next Steps:

Modernization of the Broker Regulations, 19 CFR 111

- CBP is aiming for a Spring 2023 publication of the next version of Broker Guidance for the Trade Community.

Customs Broker License Exam

- CBP is working with the Broker Modernization Work Group to provide 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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