

# Commercial Operations, Revenue and Entry (CORE) Broker Management Branch

*Q&A Webinar*

December 1, 2022



U.S. Customs and  
Border Protection

CBP Publication No. 3011-1222



# Agenda

- 1. Introduction**
- 2. Customs Broker Modernization Regulations**
  - I. Customs Business
  - II. Power of Attorney
  - III. National Permit Transition
  - IV. National Permit Application Requirements
  - V. Broker Reporting
  - VI. Statement Processing
- 3. Resources**
- 4. Q&A**





# Broker Management Branch (BMB) Introduction

- ❖ Melba Hubbard, *Branch Chief*
- ❖ Hannah Arnold, *International Trade Specialist*
- ❖ Heather Cheshire, *International Trade Specialist*
- ❖ Marcia Clark, *International Trade Specialist*
- ❖ Jeannine Delgado, *International Trade Specialist*
- ❖ Chris Ha, *International Trade Specialist*
- ❖ Kimberly Mack, *International Trade Specialist*
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# § 111.3 Customs Business within U.S. Customs Territory



- ✓ CBP's practice of requiring customs business to be conducted within the customs territory of the United States is now codified in the regulation
- ✓ U.S. customs territory is defined as the (50) States, the District of Columbia and Puerto Rico
- ✓ The definition of what is considered "customs business" has not changed



# § 111.36(c)(3) Direct Power of Attorney With Client



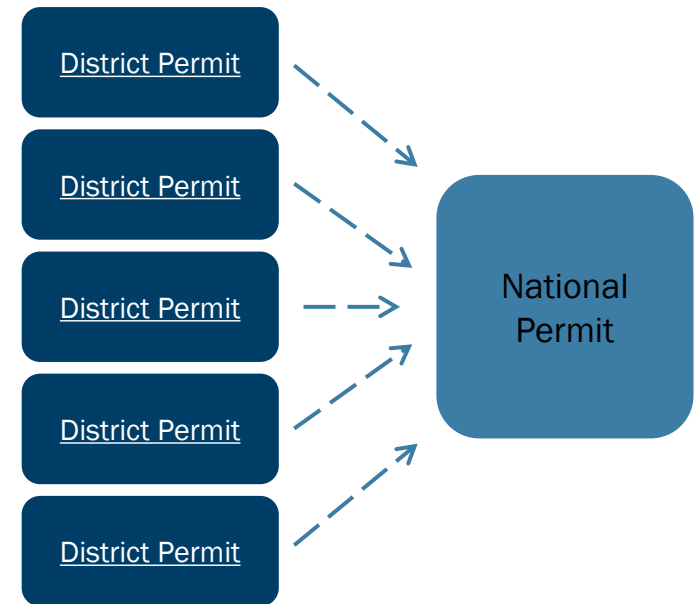
- ✓ A broker must execute a power of attorney (POA) directly with an importer of record (IOR) or drawback claimant (client) and not through a freight forwarder or other third party in order to transact customs business on behalf of the client. As of December 19, 2022, the broker must have a direct POA in place when transacting customs business on behalf of the client
- ✓ The term “directly” means the IOR or claimant must execute and sign the POA by directly communicating with the broker, and cannot have an agent or third party sign or negotiate the POA in their stead
- ✓ An agent or other third party cannot serve as a barrier to communications between the broker and the client, however, the IOR or claimant may have an agent or third party assist in executing the POA, for example by: providing translation services; providing counsel in reviewing the terms of a POA; or, providing courier services to relay a written POA, but cannot communicate with the broker instead of or in place of the IOR



# § 111.2(b) Eliminate District Permit and Establish National Permit Structure

When the Final Rule is effective on December 19, 2022:

- CBP eliminates district permits and requires **only** a national permit to transact customs business
- Current district permit holders without a national permit are transitioned to a national permit
- The national permit allows the broker to conduct customs business on a national scope
- Brokers already operating with a national permit are not affected by the transition
- Responsibility for issuance and management of the national permit shifts to the processing Centers





# 111.19(b) & 111.30(b)(2) National Permit Qualifier



## National Permit Qualifier

- ✓ The applicant will exercise responsible supervision and control (as described in § 111.28) over the activities conducted under that national permit.
- ✓ An applicant applying for a national permit on behalf of a partnership, association, or corporation must be a licensed broker employed by the partnership, association, or corporation.
- ✓ The applicant is not required to be an officer of a corporation or member of a partnership.



## Loss of/Change in Permit Qualifier

- ✓ An organization broker must notify the processing Center of the loss or change in permit qualifier within ten (10) calendar days of the licensed employee ceasing to be the national permit qualifier and provide the name of the licensed employee who will succeed as the national permit qualifier, if known.
- ✓ In order to report the loss of a permit qualifier or the change in a permit qualifier, contact the BMO within the processing Center located at the port through which the license was issued.



# § 111.3(b) Knowledgeable Point of Contact



- ✓ The broker must designate a knowledgeable and current point of contact (POC) available to CBP during and outside of normal operation hours to respond to customs business issues
- ✓ The POC should be able to either respond to CBP inquiries or provide a contact within the brokerage who can respond
- ✓ The broker must report any updates to the POC information in his/her ACE portal account. If the broker does not have an ACE portal account or ACE reporting functionality is not available, updates to the POC information must be provided in writing to the processing Center and the BMO will update in ACE
- ✓ The broker should add and update the POC to the national permit “Contacts tab” in ACE through the broker’s account portal access. For brokers without an ACE portal account the BMO will add/update the POC to the national permit Contacts tab when the broker provides the information





# § 111.32 Report to CBP of Separation From Client



- ✓ A broker 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**
- ✓ A broker may report to CBP the separation from/cancellation of representation of a client, in accordance with 19 CFR 111.32, by phone, email, or mail to a supervisory point of contact at the client's assigned Center of Excellence and Expertise
- ✓ The following information should be reported:
  - The broker's contact information
  - The former client's business name(s) and address(es)
  - Date of separation or cancellation
  - A description of the potentially fraudulent or criminal activity conducted by the former client.
  - Documentation evidencing how/why the broker determined their former client was engaged in possible fraud or criminal activity.
  - Any other information that would assist CBP's investigation
- ✓ A broker's identity and any other information submitted will be protected to the extent possible in accordance with law, including but not limited to the Privacy Act, the Freedom of Information Act, the Trade Secrets Act, and CBP and DHS regulations



# § 111.28(b) Reporting New and Terminated Employees



- ✓ Brokers must report a new employee or a terminated employee **within 30 days of the start of employment or termination**



- ✓ Reporting must be done through the ACE portal, or in writing to the processing Center if a broker does not have an ACE portal account
- ✓ Current Employees listed on a broker's local permits in ACE will be migrated to the national permit in the modernized portal
- ✓ The modernized portal will allow a broker to report their new employee even if the former employer failed to report that employ's departure
- ✓ Failing to report an employee termination may result in an informed compliance action



# § 111.28(b)(2) Reporting New Employees



- ✓ Upon the **Final Rule effective date**, each broker that intends to transact customs business must provide the following information on **each of its employees upon application for a national permit**:
  - **Name** of employee
  - **Social security number** of employee
  - **Date and place of birth** of employee
  - **Current home address** of employee
  - **Date of hire** of employee
- ✓ After the initial employee information submission, **updated information must be submitted** through the ACE portal if **any of the above required information on a current employee changes**. For brokers that do not have an ACE portal account, the information must be submitted in writing to the processing Center
- ✓ CBP will provide pre- and post-deployment support calls and have reference guides available on [cbp.gov](http://cbp.gov) for changes in the ACE modernized portal
- ✓ Brokers can find information on applying for an ACE portal account on [cbp.gov](http://cbp.gov) “Getting Started with CBP Automated Systems”



# Entry Filing under the National Permit Structure



- ✓ When transmitting data in the B record after the National Permit deployment, the extended B record should continue to be used in the same way it is being used today
- ✓ Line release will not be affected by the national broker permit deployment
- ✓ Northern border permitted ports will not be affected
- ✓ Reconciliation entries should continue to be filed in the same way they are filed today
- ✓ No changes to statement processing
- ✓ ABI profile validations will remain the same
- ✓ CERT testing is available now. Contact your ABI client rep if you have questions about CERT Testing
- ✓ Contact your ABI service provider if you have questions about using your ABI software



# Important Resources on the Customs Broker Modernization Regulations

BMB updated the Customs Broker and 19 CFR 111 Dedicated Webpages at CBP.gov to include information on the Customs Broker Modernization Regulations Final Rules, including:

- Customs Broker Guidance for the Trade Community (CBP Publication No. 2016-0922)
- Side-by-Side Regulation Comparison Chart
- Factsheets: Key Changes to Customs Broker Modernization Regulations, Responsible Supervision & Control
- 19 CFR 111 Final Rule Dedicated Frequently Asked Questions
- National Permit Transition Process
- Webinar Recordings and Slides
- Other Resources: Example Considerations for Responsible Supervision & Control Factors
- Power of Attorney Job Aid
- Issued CSMS messages



# Customs Broker Main Webpage

U.S. Customs and Border Protection

Travel Trade Border Security Newsroom About CBP Careers Employee Resources

**Trade**

- Basic Import and Export
  - Exporting a Motor Vehicle
  - Importer/Exporter Tips
  - Importing a Car
  - Internet Purchases
  - USMCA
- Automation/Agency Partners
  - Getting Started with ACE
  - Innovation
  - PGA Integration
- Key Trade Issues**
  - Brokers**
  - Forced Labor
  - CBP Green Trade Strategy
  - Priority Trade Issues
  - Quota
  - Stakeholder Engagement
- Rulings & Legal Decisions
  - Customs Bulletin and Decisions
  - eRuling Requirements
  - Federal Register Notices
  - Informed Compliance Publications

Systems

CBP Green Trade Strategy

Programs and

Customs Brokers and Customs Broker License applicants should refer to this webpage for information and announcements. The statutory authority for the licensing of customs brokers by the Secretary of the Treasury is found in section 641, Tariff Act of 1930, as amended (19 U.S.C. 1641). Rules and regulations related to the licensing of customs brokers are set forth in

Frequently Asked Questions



U.S. Customs and Border Protection

Travel Trade Border Security Newsroom About CBP Careers Employee Resources

Home » Trade » Programs and Administration » Customs Brokers

Trade

- Trade News Snapshot
- Basic Importing and Exporting
- Forced Labor
- ACE and Automated Systems
- CBP Green Trade Strategy

Programs and

## Customs Brokers

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**New Webpage Alert**  
Please see our new **Customs Broker Modernization** page for more information and upcoming webinars.

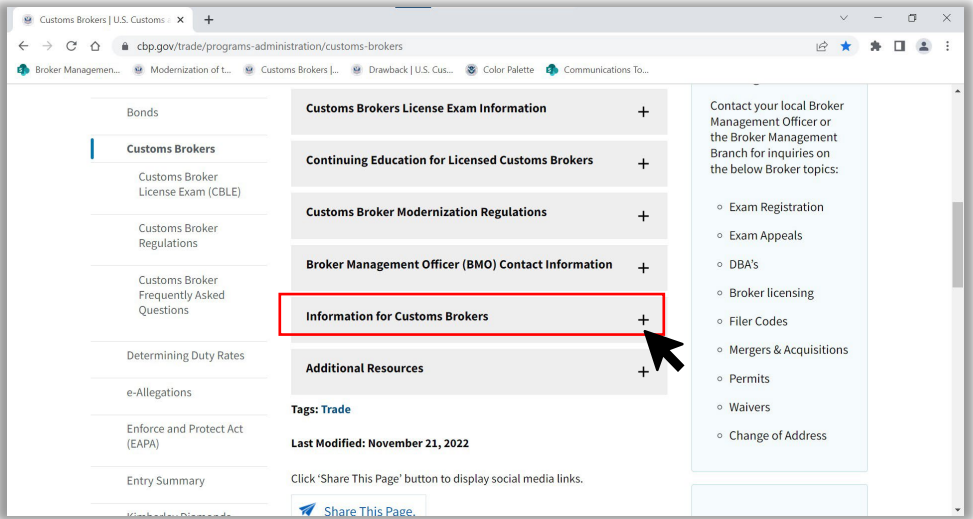
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**Related Content**

- Becoming a Customs Broker
- Exam and Key Downloads
- Frequently Asked Questions

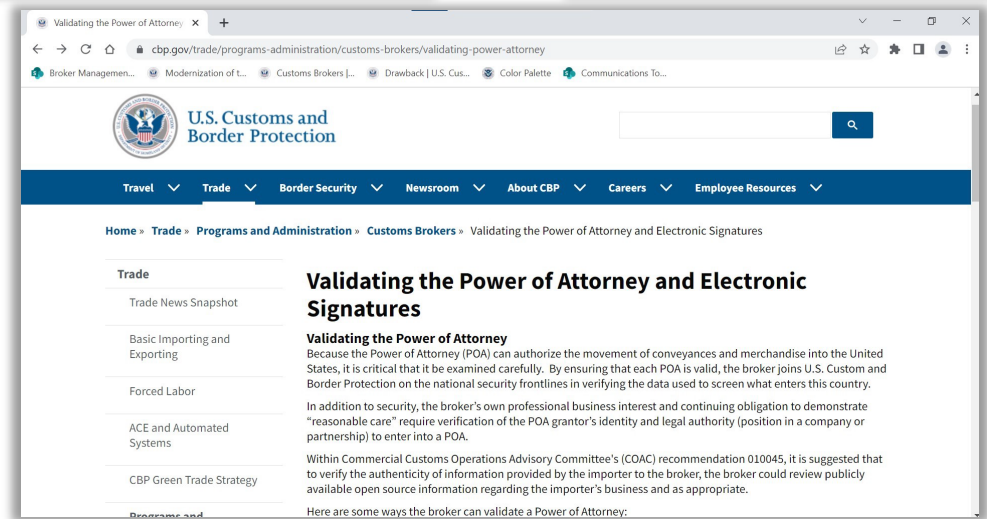


# Validating the Power of Attorney and Electronic Signatures



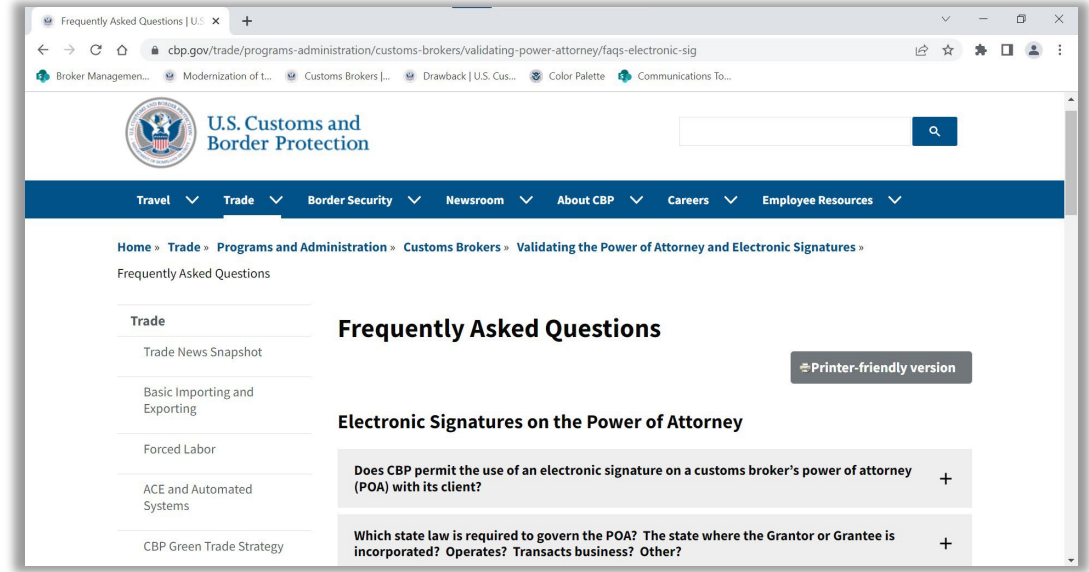
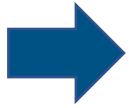
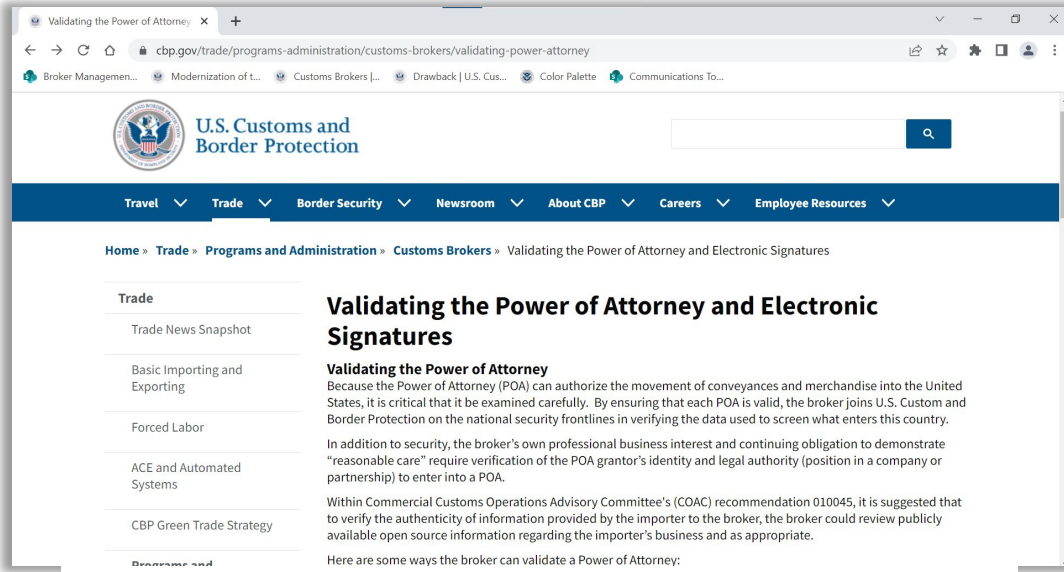
### Information for Customs Brokers

- **Validating the Power of Attorney**
- **Broker Compliance: Misuse of Licenses and Filer Codes**
- **Employing a Person Convicted of a Felony**
- **Broker Fee Schedule**
- **National Permits**
- **Frequently Asked Questions**





# Electronic Signatures on the Power of Attorney FAQs

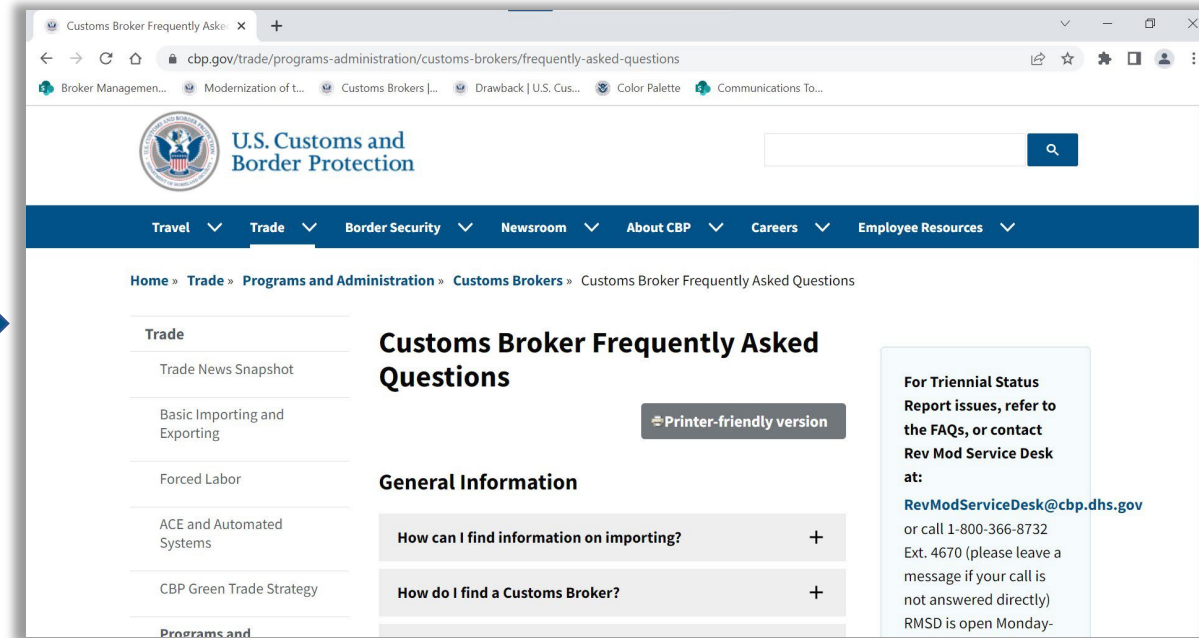
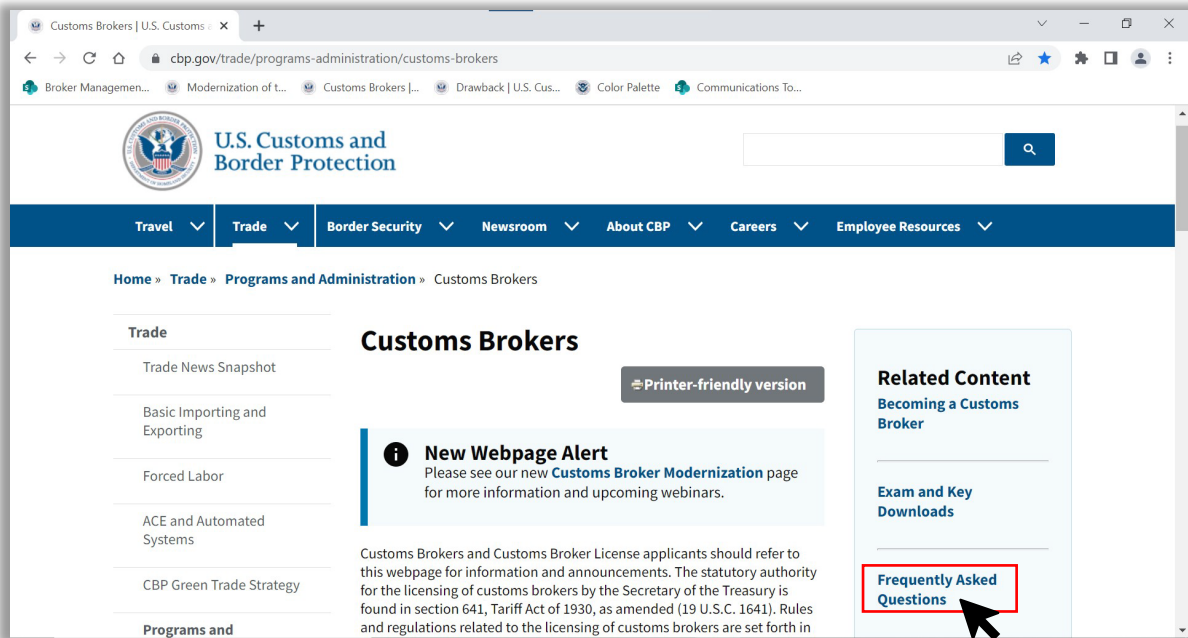


**Electronic Signature on the Power of Attorney FAQs**





# Customs Broker FAQs webpage





# Customs Broker Modernization Regulations Webpage

U.S. Customs and Border Protection

Home » Trade » Programs and Administration » Customs Brokers

**Customs Brokers**

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**New Webpage Alert**  
Please see our new [Customs Broker Modernization](#) page for more information and upcoming webinars.

Customs Brokers and Customs Broker License applicants should refer to this webpage for information and announcements. The statutory authority for the licensing of customs brokers by the Secretary of the Treasury is found in section 641, Tariff Act of 1930, as amended (19 U.S.C. 1641). Rules and regulations related to the licensing of customs brokers are set forth in

**Related Content**  
Becoming a Customs Broker

**Exam and Key Downloads**

**Frequently Asked Questions**



U.S. Customs and Border Protection

Home » Trade » Programs and Administration » Customs Brokers » Customs Broker Regulations

**Customs Broker Modernization Regulations 19 CFR 111**

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**Customs Broker Modernization Regulations**  
CBP published two Final Rules on October 18, 2022, Modernization of the Customs Broker Regulations (**87 FR 63267**) and Elimination of Customs Broker District Permit Fee (**87 FR 63262**). The effective date for both Final Rules is December 19, 2022. These rules modernize the customs broker regulations and provide resource optimization for both industry and CBP and will update compliance requirements to protect revenue and strengthen CBP's knowledge of importers.

**Related Resources**  
Frequently Asked Questions

**Broker Management Branch**



# Customs Broker Modernization Regulations

## Additional Resources

Additional Resources

- National Permit Transition Information +
- National Permit Transition Information - List of Brokers Holding Only a District Permit +
- Responsible Supervision and Control +
- CBP Publications** +
- Webinars for the Trade Community +
- Communications +

Tags: Trade

Last Modified: November 23, 2022

### CBP Publications

- **87 FR 63267** - Modernization of the Customs Broker Regulations (**Final Rule**)
- **87 FR 63262** - Elimination of Customs Broker District Permit Fee (**Final Rule**)
- **Fact Sheet** - Key Changes Modernizing Customs Broker Regulations 19 CFR 111
- **Fact Sheet** - Responsible Supervision and Control
- **19 CFR 111 Side-by-Side Comparison Chart**
- **Customs Broker Guidance for the Trade Community**
- **Power of Attorney Job Aid**
- **Sample National Permit Application**

### Webinars for the Trade Community

#### Webinar (November 9, 2022 at 3:00 p.m. ET)

CBP hosted a webinar November 9, 2022 at 3:00 p.m., ET. This educational webinar covered operationalizing changes to 19 CFR 111. Recordings will be posted soon. Click [here](#) for the webinar slides.

#### Webinar (October 27, 2022 at 1:00 p.m. ET)

CBP hosted a webinar October 27, 2022 at 1:00 p.m., ET. This educational webinar covered detailed changes to 19 CFR 111. Click [here](#) to play the webinar. Click [here](#) for the webinar slides.

#### Webinar (June 17, 2022 at 2:00 p.m. ET)

CBP hosted a webinar June 17, 2022 at 2:00 p.m., ET. This educational webinar covered Notice of Proposed Rule Making (NPRM) recommendations to the broker regulations in 19 CFR 111, to include national broker permits. Click [here](#) to play the webinar.

### Communications

#### Cargo Systems Messaging Service (CSMS)

CSMS is one of CBP's methods for communicating with our trade partners on news and updates on our automated systems - namely the Automated Commercial Environment (ACE).

**CSMS# 53677806** - National Broker Permit Functionality Deployed to CERT

**CSMS# 53677669** - Draft Version of the Batch and Block CATAIR Posted to CBP.gov

**CSMS# 53676905** - CBP's Updated Customs Broker Guidance is Now Available

**CSMS# 53677068** - 111 Final Rule Broker Regulations Webinars

**CSMS# 52145776** - Modernization of Broker Regulations 111 Webinar

**CSMS# 53697245** - Changes to 19 CFR 111 National Permit Transition Process

#### Press Release

**CBP Publishes Modernized Customs Broker Regulations**



# Questions?

