Draft Study Report on Customs Brokers
- Outcome of the WCO survey on Customs brokers
Response

96 Members

Replies by WCO Region

- North of Africa, Near and Middle East: 3
- West and Central Africa: 6
- East and Southern Africa: 11
- South America, North America, Central America, and the Caribbean: 15
- Europe: 38
- Far East, South and South East Asia, Australasia, and the Pacific Islands: 23
Customs brokers/Third Parties

- Customs brokers who act on behalf of traders to handle Customs clearance and related activities?:
  - Yes: 92
  - No: 4

- Usage of Customs brokers:
  - Mandatory: 9%
  - Mandatory, except in certain cases: 14%
  - Optional: 73%
  - Third Parties: 4%
Customs brokers/Third Parties

Do Customs brokers/third parties need to meet any specific requirements to handle Customs clearance

- Yes: 80
- No: 10

Licensed Customs brokers

Individuals or Companies?

- Individuals/natural persons: 18%
- Companies/legal persons: 30%
- Both: 52%
Regulating Customs Brokers

**Reasons for regulating Customs brokers**

- To facilitate and protect the interests of traders in completing Customs clearance formalities: 66
- To set standards for the profession and impose sanctions in the event of malpractice: 57
- To support and enhance compliance requirements and collection of legally payable revenue: 55
- To optimize limited government resources through the use of brokers: 14

**Regulatory and licensing authority for Customs brokers**

- Customs Department: 77
- Other government department/agency: 8
- Private sector body: 2
Licensing Requirements
(where applicable)

- Knowledge of Customs and related laws (individuals/employees), 71
- Knowledge of trade-related transport and finance matters (individuals/employees), 34
- Demonstrated compliance record, 39
- Financial capacity/solvency, 34
- Incorporated/established in the country, citizenship and/or residency, 55
- Financial guarantee – surety bond, security deposit, 47
- Electronic transmission capability, 37
- Minimum number of hours of training (individuals/employees), 10
- Minimum work experience (individuals/employees), 21
- Minimum educational qualification (individuals/employees), 40
- Other, 19
Obligations/liabilities of licensed Customs brokers

- Advise clients on various compliance requirements, 60
- Act under proper authorization/agency agreement from/with the trader, 73
- Exercise due diligence on the correctness of any information/declaration filed, 73
- Maintain and preserve records for a specified period for Customs inspection/audit, 63
- Liable (jointly and severally) for the payment of duties, taxes and other charges on behalf of the client, 67
- Maintain high professional standards, transparency, efficiency and business ethics, 52
- Other, 6
- Verify antecedents of their clients, 24
Cooperation opportunities between Customs and Brokers

**Consultation/engagement/cooperation between Customs and Customs brokers**
- Broad consultative process with all trade stakeholders, 65
- Bilateral consultation including through the brokers association, where applicable, 73
- No consultation with Customs brokers, 3
- Part of the National Committee on Trade Facilitation (under the World Trade Organization (WTO) Agreement on Trade Facilitation (TFA)) or any other similar existing body, 15

**Cooperation areas with Customs brokers**
- Customs modernization and trade facilitation initiatives, including new policies and programmes, 85
- Implementation of bilateral/multilateral agreements, 51
- Compliance with Customs and other government agencies’ requirements, including due diligence and data quality, 50
- Enhancing supply chain security, 57
- Enhancing the professionalism and business ethics of brokers, 38
- Carrying out performance measurement, 22
- Other
Usage of Customs Brokers

Administration ascertained the extent to which Customs brokers...

64% 36%
Action Requested

The PTC is requested to:

- examine and discuss the draft study report and its key outcomes together with suggested policy and organizational considerations, and come up with recommendations, if any, in particular on the Customs Brokers’ role in trade supply chains, regulatory and licensing frameworks and potential opportunities of cooperation between Customs and Customs brokers;

- Suggest issues and questions for the consideration of the December Policy Commission;

- provide further guidance in terms of possible improvements of the draft study, before its presentation to the Policy Commission in December 2015; and

- share more best practices and working experiences on the usage of Customs brokers; licensing/certification criteria and the involvement of Customs Brokers in enhancing compliance and facilitation.
Thank You For Your Attention!