



CUSTOMS BROKERS

a) Outline of the draft Guidelines on Customs Brokers

(Item XIV.a on the Agenda)

I. Introduction

1. At its December 2015 session, the Policy Commission endorsed the draft 'WCO Study Report on Customs Brokers'. The Study Report¹ has since been finalized and published on the WCO website. It provides a general background and overview of Customs brokers' role in the international supply chain together with some suggested policy and organizational considerations on Customs broker regimes and a model checklist for licensing/regulating brokers. One of the key recommendations of the Study Report is that Customs brokers licensing/regulatory regime should be - optional, transparent, and non-discriminatory. The Study Report is being extensively used by Members and the private sector including Customs brokers and their associations in their respective activities.
2. Moving forward, the Permanent Technical Committee (PTC), at its 213th/214th Sessions held in October 2016, further discussed the topic of Customs brokers including changing roles of brokers in the evolving supply chain especially in the e-commerce environment and provided a few suggestions in terms of the future work that included developing further guidance on the 'optional' use of brokers', compliance management and related processes, and capacity building in terms of education and professional development. Concerning new guidance on Customs brokers, it was also suggested to bear in mind the different practices and requirements among Members as well as brokers' perspectives and related initiatives undertaken by them. In addition, it was recommended that brokers' compliance mechanism might provide for establishing a process on how Customs should interact with brokers to enhance their compliance.

¹ <http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/study-report-on-customs-brokers.aspx>

3. The Economic Competitiveness Plan (ECP) Action Plan for Phase III (January 2017 to December 2018) as endorsed by the December 2016 Policy Commission also envisages the development of an additional guidance on Customs Brokers topic.

II. Draft Outline of Guidelines on Customs Brokers

4. Building upon the Study Report on Customs brokers and Members' experiences and following the above suggestions by the PTC and the Policy Commission, the Secretariat has initiated a project to develop Guidelines on Customs brokers.
5. The proposed Guidelines would cover a wide range of issues which could provide reference guidance to Members in establishing/adjusting their Customs brokers' regime in line with the relevant provisions of the Revised Kyoto Convention (RKC) and the WTO Agreement on Trade Facilitation (TFA).
6. A draft outline of the Guidelines indicating broad key areas has been developed, which is set out in Annex to this document.

III. Action expected from the PTC

7. The PTC is invited to :
 - discuss the draft outline of the proposed Guidelines on Customs brokers (Annex to this document);
 - provide suggestions concerning potential content and share related resource materials and working experiences towards the development of the Guidelines; and
 - invite interested delegates to support the work intersessionally.

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Draft Outline of Guidelines on Customs Brokers

- I. Introduction
 - II. Framework for Customs brokers
 - a. Optional use
 - b. Licensing Criteria and Scope of Practice
 - c. Brokers' Obligations and Liabilities
 - III. Knowledge Base of Customs Brokers Licensing
 - a. Requirements
 - b. Management of Customs Brokers Examinations
 - IV. Brokers' Compliance Management
 - a. Voluntary compliance
 - i. Merit System
 - b. Administrative penalties
 - i. Demerit System
 - V. Trade Facilitation and Cooperation between Customs and Brokers:
Building Trust while Improving Efficiency and Compliance
 - a. Memorandum of Understanding
 - b. Transparency Agreement
 - c. Trusted Partners - AEO programme
 - VI. Brokers' Code of Ethics
 - a. Due Diligence
 - b. Model Service Delivery Codes
 - c. Industry Guidelines and oversight
 - VII. Fees and Charges
 - VIII. Capacity Building
 - i. Knowledge Management
 - ii. Professional Development
 - iii. Joint Training
 - IX. Stakeholder Engagement: The Structure and Role of Brokers' Associations
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