



**IFCBA**30*Years*  
Reconnecting with Resilience

# IFCBA Best Practice on Broker Regulation



The IFCBA supports the establishment of transparent, accountable and consistent broker licensing regimes by relevant government agencies. Failure to do so will seriously affect the customs brokerage community and clients, who depend upon a high standard of services from their brokers.



# General Principle

It is the responsibility of government to enact legislation for the regulation of customs brokers. This regulation may be of individuals and/or business entities (sole proprietorships, partnerships, corporations).

# Scope of Practice

- » Economic operators can only use customs brokers as third parties to transact business with Customs.
- » Economic operators operating on their own behalf to transact business with Customs must meet the same knowledge standard as customs brokers.
- » Licensed customs brokers may direct and supervise the work of employees performing the release and accounting functions.

# Scope of Practice

- » Customs brokers may wish to assume joint and several liability with their clients for the payment of duties and taxes.
- » In addition, in cases where payment is made on behalf of an economic operator, the customs broker must provide a financial guarantee or security deposit in accordance with legislated or regulated requirements.



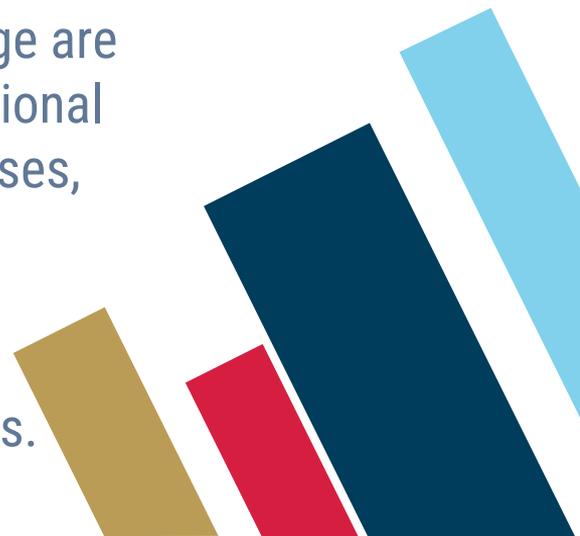
# Role of the Customs Brokers Association

- » The customs brokers association has input into the design or content of the licensing examination.
  - » The customs brokers association provides preparation or training specifically for the customs brokers licensing examination.
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# Regulation of the Practice of Customs Brokerage

Once licensed, the following best practices apply:

1. in order to protect the client's interests, customs brokers should establish standards of professional practice on a national basis.
  2. the knowledge and skills required in customs brokerage are best acquired and developed through ongoing professional development within the industry, and can include courses, seminars and events provided by customs brokerage associations as well as corporate in-house training, informal on-the-job training activities, and tertiary education at recognized national education institutions.
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# Regulation of the Practice of Customs Brokerage

Once licensed, the following best practices apply:

3. customs brokers must demonstrate continued financial stability.
  4. customs brokers must demonstrate high levels of customs compliance.
  5. customs brokerage training, including e-learning opportunities, should be widely available.
  6. suspension or cancellation of a customs broker license must be subject to appeal. Neither suspension nor cancellation should take place until finalization of the appeal process.
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