

Appendix 5

Directory of United States Customs Brokers

What Is A Customs Broker?

U.S. Customs brokers are U.S. citizens, residents or private U.S. firms licensed under U.S. law to act as agents for importers in the transaction of their Customs business. A U.S. Customs broker should not be confused with a "broker," "agent" or "manufacturer's representative" or other persons retained by the trading community for promoting its marketing activities. (Canadian trade missions at the Embassy in Washington, D.C. and at Consulates in the U.S. can help you find a manufacturer's representative. Canadian trade missions are listed in this directory.)

What Does A Customs Broker Do?

U.S. Customs brokers can provide Canadian exporters with a range of services related to the entry and clearance of goods into the United States. They specialize in Customs documentation requirements and are familiar with all laws, regulations and procedures affecting the importation of goods including, for example, country of origin marking; labelling of food, drugs, cosmetics or alcoholic products; consumer product safety standards; or environmental protection.

They are also up to date on Customs requirements relating to the Canada-U.S. Free Trade Agreement (FTA), changes in duty rates, import quotas and anti-dumping or countervailing duty measures. Two of the key concerns under the FTA (rules of origin and temporary entry for business visitors) are covered in Appendix 2.

In addition, U.S. Customs brokers can provide advice regarding the proper tariff classification of goods, applicable tariff rates and value for duty. They will assist in obtaining binding tariff classification or other rulings for products which will eventually be exported to the U.S. and in making claims or filing appeals.

Most U.S. Customs brokers have offices at U.S. Customs ports of entry. The carrier you have contracted to transport your goods will deliver documents relating to the transaction to the Customs

broker's office at the port of entry. The customs broker then reviews and files all necessary documents with U.S. Customs and pays, on the client's behalf, any estimated duties and other applicable Customs charges in order to obtain proper release of the goods.

To ensure that duties will be paid, U.S. Customs brokers must maintain a sufficient bonding level with U.S. Customs to allow for the clearance of the goods they process. Brokers will normally be able to secure immediate release of the goods, thereby avoiding any demurrage or storage charges.

Is It Necessary To Hire a U.S. Customs Broker?

Given the complexity of U.S. Customs regulations and the fact that the onus for the clearance of goods and payment of tariff duties usually falls to the Canadian exporter, it is recommended that a relationship with a U.S. Customs broker be established before goods are shipped. It is not mandatory to retain the services of a Customs broker. However, it will facilitate entry of your product into the U.S. market.

Entry fees charged by the brokers will generally be more than offset by savings in your time and energy, and the avoidance of unnecessary delays in obtaining Customs clearance for your products.

U.S. Customs officers are not authorized to act as agents for importers or forwarders. They may, nevertheless, give advice and assistance to inexperienced exporters. Only the owner of the goods, the U.S. purchaser (or his authorized regular employees), or a licensed Customs broker, may enter goods into the United States.

How Would I Find One?

You could call a U.S. customs broker listed in this directory, or ask other exporters which Customs broker they would recommend. For further references, contact your industry association. Other sources of information are: