

insurance, agent's fees and other export costs. If the result compares favourably with your cost of production you may be well placed to compete.

The Role of Customs Brokers

You may wish to consider using 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 transacting 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 customs broker.

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. They can, for example, assist you with country of origin markings, the labelling of food, drugs, cosmetics or alcoholic products, consumer product safety standards, and matters that concern 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.

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 making claims or filing appeals, and in obtaining binding tariff classification or other rulings for products which will eventually be exported to the U.S.

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 release of the goods, thereby avoiding any demurrage or storage charges.

Because of the complexity of U.S. customs regulations and the fact that the onus for clearing goods and paying tariff duties usually falls on the Canadian exporter, it is recommended that a relationship with a U.S. customs broker be established before goods are shipped. While it is not mandatory to retain the services of a customs broker, such an arrangement will facilitate entry of your product into the U.S. market.

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

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

To choose a customs broker the potential exporter could call a U.S. customs broker listed in directories prepared by this department or Consulates General in the United States; or he/she could ask another exporter to recommend a suitable customs broker. For further references, contact your industry association. Other sources of information are:

The Canadian International Freight Forwarders Association Inc.
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