Customs Brokers—Your Key stakeholder in International Trade

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Who is a Customs Broker?

Customs Broker is an individual/company who deals with clearing of goods for export and import through customs barriers. The work of a Customs Broker involves providing services to importers/exporters in international trade in preparation of documents and/or electronic submissions, the calculation and payment of taxes, duties and facilitating communication between government authorities and importers and exporters. Customs Brokers licensed and acts as a representative of importer/exporter. “Custom House Agent” was the popular term used to name this service provider till recently and it is from 2013, that the new name “Customs Broker” has come into existence.

Legal status of a Customs Broker:

Section 146 of the Customs Act, 1962 provides that any person desiring to carry on business as a Customs Broker relating to entry or departure of a conveyance or import or export of goods at any Customs station is required to obtain a licence, which is referred to as the “Customs Broker licence”. Section 146 of the Customs Act, 1962 read with the “Customs Brokers Licensing Regulations (CBLR), 2013” governs the legal and procedural aspects of the grant of Customs Broker licence as well as the obligations and responsibilities of a Customs Broker.

Obligations of a Customs Broker:

1. Authorisation from Importer/exporter before providing services.
2. Transact business personally or through an employee duly approved by Customs.
3. Advise importer/exporter to comply with all legal provisions.
4. Non-compliance of any provisions by any client shall be brought to the notice of Assistant/Deputy Commissioner of Customs;
5. Should give correct information to exporters/importers.
6. Not to withhold any information if such information is necessary to the government authorities;
7. Promptly pay all duties/taxes to Customs for import/export activities
8. Not procure or try to procure any confidential information from Government records
9. Not to influence the conduct of any official of the Customs.
10. Not refuse access to, conceal, remove or destroy the whole or any part of any book, paper or other record, relating to his transactions as a Customs Broker.
11. To maintain up to date records and accounts relating to import/export business
12. To immediately report if the license is missing.
13. Provide the service with utmost speed and efficiency.
14. To verify functioning of importer/exporter at the Brokers’ address by using reliable, independent, authentic documents, data and information.

FAQs:

Is Customs Broker services a must for importers/exporters in clearance of goods?

No. It is not mandatory for importers/exporters to seek services of Customs Brokers. Is there any Association of Customs Brokers at international level?

Yes - Since 1990, customs brokers from around the world have been represented by the International Federation of Customs Brokers Associations (IFCBA).

The IFCBA supports the establishment of transparent, accountable and consistent broker licensing regimes by relevant government agencies worldwide.

Is any Indian Association associated with the world body?

IFCBA Association Members are national customs brokers’ association in each of their countries. The implementation of IFCBA’s Code of Practice (FFPAI) is the Apex Body and the Sole Representative of 24 Member Associations from all over India representing 5000 Customs Brokers (employing over 1,00,000 people).

For more information on Customs Broker and how one can become a customs broker please visit: www.cbic.gov.in & www.vizagcustoms.gov.in

The writer is Assistant Commissioner of Customs, Custom House, Visag.

Please send your comments/thoughts to info@viscan.in

City to witness spurt in CFS capacity

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Container Location

One of prime hurdles that many face in the existing CFSs is finding the exact location of one’s container. ‘It takes us hours together to find our containers in some of the CFS here’ says a freight forwarder. There needs to be a clear demarcation of containers’—line wise he says.

Custom Clearance

Another major impediment that many in the trade claim to have problems with is the pace of customs clearance of their cargo. ‘It takes us far less time to clear our cargo in say Mumbai or Chennai than in Visag. Getting goods cleared from customs here is like a never ending process’ says an animated CHA.

Laggard customs clearance and excessive documentation hinders us from bringing new commodities here

City CHA

There are a lot of new commodities that can be brought to this port but laggard customs clearing and documentation is what prevents us from doing so says the CHA.

JNPT has more than 50 CFSs, Chennai has more than 30 CFSs. Vizag too will need more going forward

Mr Sushil Mulchandani

COO, VCTPL

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‘We have a check list to adhere to and if one’s documents are complete we have no reason to hold their cargo’ says the officer.

Adding further he says that due to proliferation of CHAs many of them are hesitant to ask for complete documentation from the exporters/importers fearing that they might go to another CHA hence contributing to insufficient documentation. Planning of payment of customs duty is another major reason or all be done within 8 hrs provided the necessary documentation is in place.

Future Projections

Keeping in mind that the sunrise state of AP and Visag be state of the art wherein there is sufficient space, better infrastructure and containers are clearly segregated for faster identification.

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