

**Customs Corner:**

*A joint knowledge initiative by Vizag Industrial Scan & Vizag Customs*

# Customs Brokers – Your Key stakeholder in International Trade

**J.M.Kishore**

**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 Broker is 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 desirous 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:**

- ⊙ Authorisation from Importer/exporter before providing services.
- ⊙ Transact business personally or through an

employee duly approved by Customs.

- ⊙ Advise importer/exporter to comply with all legal provisions.
- ⊙ Non-compliance of any provisions by any client shall be brought to the notice of Assistant/Deputy Commissioner of Customs;
- ⊙ Should give correct information to exporters/importers.
- ⊙ Not to withhold any information if such information is necessary to the government authorities;
- ⊙ Promptly pay all duties/taxes to Customs for import/export activities
- ⊙ Not procure or try to procure any confidential information from Government records
- ⊙ Not to influence the conduct of any official of the Customs
- ⊙ 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.
- ⊙ To maintain up to date

records and accounts relating to import/export business

- ⊙ To immediately report if the License is missing.
- ⊙ Provide the service with utmost speed and efficiency.
- ⊙ To verify functioning of importer/exporter at the declared 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 in clearance of goods. Authorised

representatives of importers/exporters can file the documents, process and obtain clearance from Customs on "self" basis.

**✓ Do other trading nations have Customs Brokers?**

Yes - The concept of licensing Customs Brokers for providing services in clearance of imported/export goods are in existence in many of the trading nations. In some parts of the world, customs brokers have been offering advice and providing services to importers and exporters for hundreds of years. In some other regions, the customs broker is a nascent profession, while in other countries they do not exist as unique service providers

**✓ 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. Federation of Freight Forwarders' Association in India (FFFAI) 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.cbec.gov.in](http://www.cbec.gov.in) & [www.vizagcustoms.gov.in](http://www.vizagcustoms.gov.in)

*(The writer is Assistant Commissioner of Customs, Custom House, Vizag)*

**Please send in your comments/thoughts to [info@viscan.in](mailto:info@viscan.in)**

## City to witness spurt in CFS capacity

Contd. from Page 1

**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 CFSs 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

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

*Mr Sushil Mulchandani  
COO, VCTPL*

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

to cite an instance wherein an unnecessary delay has happened from the customs side. It often is the lack of preparedness in documentation by the CHA which leads to delays he says.

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

*City CHA*

have problems with is the pace of custom clearance of their cargo. 'It takes us far less time to clear our cargo in say Mumbai or Chennai than in Vizag. Getting goods cleared from customs here is like a never ending process' says an animated CHA.

Rubbishing allegations of slow custom clearance in this region, a senior customs official says that lack of working knowledge of many CHAs is what leads to comments like these.

The senior officer challenges

delay says the customs officer.

Acknowledging that Mumbai and Chennai do much more volumes than Vizag he doesn't believe that the documentation here is any different.

**Dwell Time**

He says that customs has a very conscious dwell time which has drastically been brought down from 7-10 days (in the earlier days) to less than 8 hours now. This basically means that from filing the bill of entry to getting ones goods cleared it can

in particular is being envisioned as a logistics hub, Chief Operating Officer of VCTPL, **Mr Sushil Mulchandani** says that the city will definitely need more CFSs going forward.

'JNPT which does about 4.5 million TEUs has more than 50 CFSs similarly Chennai which does about 1.5 million teus has about 30 odd CFS' hence he says Vizag too has potential for more.

He however does mention that upcoming CFSs would need

**'We have a check list to adhere to and if one's documents are complete we have no reason to hold their cargo'**

*Sr. Customs Officer*

'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 Vizag

to be state of the art wherein there is sufficient space, better infrastructure and containers are clearly segregated for faster identification.

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