

THE ROLE OF THE CUSTOMS BROKER, THE ROLE OF THE FREIGHT FORWARDER

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July 17, 2018

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— & ASSOCIATES —

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Mr. León is a Florida barred attorney in our Miami office.

He regularly represents clients before U.S. CBP, the Transportation and Security Administration, and the Federal Aviation Administration, providing expertise on the intricacies of international trade, transportation and security.

Mr. León was previously a Corporate Counsel, North America for LATAM Airlines Group, S.A. in their North American Headquarters in Miami, serving as a regulatory government attorney before various U.S. federal agencies. Prior to his in-house role, he was an Associate Attorney for a regulatory boutique law firm in Miami, representing individuals and corporations in various international trade matters.

Mr. León is fluent in Spanish.

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AGENDA

- I. Customs Brokers – Agents for Imports into the United States
- II. Customs Brokerages
- III. Basic Customs Brokers Responsibilities and Functions
- IV. Freight Forwarder – Agents for Exports from the United States
- V. Freight Forwarding Services
- VI. Basic Forwarder Functions and Responsibilities
- VII. Comparing these Different Agents

CUSTOMS BROKERS- AGENTS FOR IMPORTS INTO THE UNITED STATES



- ❖ Licensed by Customs and Border Protection
- ❖ Customs defines on its website:

“Customs brokers are **private individuals, partnerships, associations or corporations** licensed, regulated and empowered by U.S. Customs and Border Protection (CBP) to assist importers and exporters in meeting Federal requirements governing imports and exports. Brokers submit necessary information and appropriate payments to CBP on behalf of their clients and charge them a fee for this service.

Brokers must have expertise in the entry procedures, admissibility requirements, classification, valuation, and the rates of duty and applicable taxes and fees for imported merchandise.”

There are approximately 11,000 active licensed Customs brokers in the United States.

<https://www.cbp.gov/trade/programs-administration/customs-brokers/becoming-customs-broker>

CUSTOMS BROKERAGES

❖ Customs defines on its website:

“Corporations, partnerships and associations must have a broker license to transact Customs business. Each of these businesses must have at least one individually licensed officer, partner or associate to qualify the company's license. Failure to have a qualifying officer or member (of a partnership) for more than 120 days will result in the revocation of the broker license.”

<https://www.cbp.gov/trade/programs-administration/customs-brokers/becoming-customs-broker>



SOME BASIC CUSTOMS BROKERS RESPONSIBILITIES



**File Entries Electronically
through the Customs ACE
System**



**Work with all the Partner
Government Agencies**



Pay Duties



Secure Bonds for transport



Retrieve Cargo

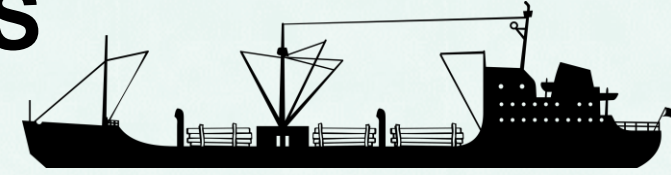
FREIGHT FORWARDER – AGENTS FOR EXPORTS FROM THE UNITED STATES

- ❖ Licensed by the Federal Maritime Administration
- ❖ Non-Vessel Operating Common Carrier or Ocean Transport Intermediaries are regulated by the Shipping Act of 1984.
- ❖ International Trade Administration defines “Freight Forwarder” on its website as:

“Advising on exporting costs including freight costs, port charges, consular fees, costs of special documentation, insurance costs and freight handling fees;
Preparing and filing required export documentation such as the bill of lading and routing appropriate documents to the seller, the buyer or a paying bank;
Advising on the most appropriate mode of cargo transport and making arrangements to pack and load the cargo;
Reserving the necessary cargo space on a vessel, aircraft, train, or truck.
Making arrangements with overseas customs brokers to ensure that the goods and documents comply with customs regulations.
Export freight forwarders are licensed by the International Air Transport Association (IATA) to handle airfreight and the Federal Maritime Commission to handle ocean freight.”

<https://www.export.gov/article?id=Freight-Forwarder-What-is-a-FF>

FREIGHT FORWARDING SERVICES



46 CFR 515.2 Defines as:

Freight forwarding services refers to the dispatching of shipments on behalf of others, in order to facilitate shipment by a common carrier, which may include, but are not limited to the following:

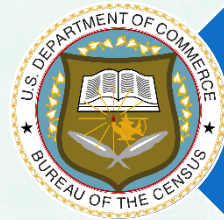
- (1) Ordering cargo to port;
- (2) Preparing and/or processing export documents, including the required electronic export information';
- (3) Booking, arranging for or confirming cargo space;
- (4) Preparing or processing delivery orders or dock receipts;
- (5) Preparing and/or processing common carrier bills of lading or other shipping documents;
- (6) Preparing or processing consular documents or arranging for their certification;
- (7) Arranging for warehouse storage;
- (8) Arranging for cargo insurance;
- (9) Assisting with clearing shipments in accordance with United States Government export regulations;
- (10) Preparing and/or sending advance notifications of shipments or other documents to banks, shippers, or consignees, as required;
- (11) Handling freight or other monies advanced by shippers, or remitting or advancing freight or other monies or credit in connection with the dispatching of shipments;
- (12) Coordinating the movement of shipments from origin to vessel; and
- (13) Giving expert advice to exporters concerning letters of credit, other documents, licenses or inspections, or on problems germane to the cargoes' dispatch.

❑ <https://www.law.cornell.edu/cfr/text/46/515.2>

SOME BASIC FORWARDER FUNCTIONS AND RESPONSIBILITIES



Prepare export documents such as Shippers Export Declarations and Electronic Export Information



Report to Census and Commerce



Secure insurance for cargo



Transfer cargo to Airlines and Steamship Companies

BOTH IN COMMON – AGENTS WORKING UNDER POWERS OF ATTORNEYS AND NOT CONTRACTS



Brokers:
Agents for
Importers of
Record for
Imports

**Freight
Forwarders:**
Agents for
Shippers for
U.S. Principal
Parties of
Interest for
Exports



BOTH IN COMMON – YOUR REPRESENTATIVE BEFORE U.S. AGENCY STAKEHOLDERS

Imports



U.S. Customs and Border Protection



Exports



U.S. Customs and Border Protection



YOU ARE STILL LIABLE FOR THEIR ACTIONS



QUESTIONS?

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Next:

2:30PM- Ben England
“U.S. Import and Export Basics”

3:00PM- Ben England
“Advanced U.S. Import”