



An Ode to the Customs Broker

Why International Trade Shows Can't Live Without Them

By Michelle Bruno

Customs brokers—the individuals whose personal licenses to practice are on the line with every single shipment imported for a U.S. trade show—are the unsung heroes of international exhibition logistics. No other professionals in the transportation supply chain are held to such rigorous standards as those required by U.S. Customs and Border Protection. Although they are seldom acknowledged, brokers play a critical role in ensuring exhibitor success and relieving trade show organizers of some of the complexities of servicing their international exhibitor base.

Who can be a broker?

In order to become a licensed U.S. Customs Broker, candidates must be U.S. citizens, 21 years of age or older, of good moral character and not currently employed by the Federal Government. They must pass a four-hour exam consisting of 80 multiple-choice questions on The Harmonized Tariff Schedule of the United States (HTSUS), Title 19, Code of Federal Regulations, Specified Customs

Directives and Customs and Trade Automated Interface Requirements document (CATAIR). The exam is only administered twice a year with a **national passing rate somewhere near the 12-15% range**. Once the license is granted, licensees hold it for life (unless they violate the law).

What do brokers do?

According to the Department of Homeland Security 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.”

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In the context of trade shows, brokers are responsible for classifying every item on every invoice (each nut, bolt, button and biscuit listed on the commercial invoice)—no easy job with new products or prototypes that are the norm for exhibitions. The job is further complicated by the fact that many trade show shipments are first-time imports and brokers have no previous classification history to rely on. In the case of exhibitions involving food, alcohol, firearms and some technology, brokers are responsible for coordinating clearances with multiple federal agencies including the Federal Communications Commission (FCC), Food and Drug Administration (FDA), U.S. Department of Agriculture (USDA) and the Bureau of Alcohol, Tobacco, Firearms and explosives (ATF).

Brokers and brokerage agencies (companies that must employ at least one licensed broker) specializing in trade shows are better equipped (than non-brokers and non-specialists) to handle international trade show imports for a number of reasons:

- **Time**—Trade show specialists understand the urgency of exhibition shipments and work within the timeframes established for specific shows.
- **Type**—Exhibition brokers are versed in regulations and clearance types that are unique to trade shows, such as the Trade Fair Entry.
- **Transport**—In most cases, trade show brokers manage the entire supply chain beginning in the country of origin and ending at the booth.

How do customs brokers help exhibitors?

Brokers act on behalf of exhibiting companies to file documentation, meet federal regulations, manage inspections, obtain licenses and permits and guarantee timely arrival to the show site—all tasks that are more difficult for foreign importers to accomplish from a distance. Exhibition brokers also assist in other ways:

- Providing shipping instructions and in-country guidance

- Maintaining import records for five years—long after the show is concluded
- Finalizing (liquidating entries, i.e. closing the files) up to one year after the show
- Coordinating with government officials and agencies to secure licenses and permits
- Advancing duty payments to Customs authorities on behalf of exhibitors
- Guaranteeing the payment of duties and taxes to Customs for temporary imports on behalf of exhibitors

How do brokers help trade show organizers?

While the primary “job” of a broker or brokerage agency is to expedite shipments for exhibitors, having a broker for the show offers a number of advantages for show organizers:

- Having an *official* customs broker for an international trade show indicates that the organizer is serious about servicing international exhibitors.
- Customs brokers keep organizers informed about pending legislation and regulations—even labor actions in the ports or issues with the transportation infrastructure—that could impede the timely delivery of international shipments to the show.
- Brokers can assist organizers with obtaining designation from the U.S. Department of Commerce as an official trade show under the Trade Fair Act of 1959 affording them duty-deferment privileges for their exhibitors.
- Working directly with a broker—rather than through a third-party—helps organizers keep costs for exhibitors down.

Brokers are the behind-the-scenes professionals that make importing look easy. They are the face of international exhibitors before U.S. Customs—one of the toughest in terms of regulations in the world—and they provide trade show organizers with the critical expertise required to manage international exhibitions.

Global View Notes is published by:
Rogers Worldwide
 1550 E. Higgins Road, Suite 106
 Elk Grove Village, IL 60007
Contact:
 Jeanette Mucha, LCB
 Director National Sales
 Tel: (847) 806-9200
 Mobile: (847) 970-8017
 jmucha@rerogers.com

Editor:
 Michelle Bruno,
 CMP, CEM
 Tel: (801) 520-0797
 michelle@brunogroup.com

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