

§ 111.0

19 CFR Ch. I (4-1-08 Edition)

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AUTHORITY: 19 U.S.C. 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States), 1624, 1641.

Section 111.3 also issued under 19 U.S.C. 1484, 1498;

Section 111.96 also issued under 19 U.S.C. 58c, 31 U.S.C. 9701.

SOURCE: T.D 00-17, 65 FR 13891, Mar. 15, 2000, unless otherwise noted.

§ 111.0 Scope.

This part sets forth regulations providing for the licensing of, and granting of permits to, persons desiring to transact customs business as customs brokers, including the qualifications required of applicants, and the procedures for applying for licenses and permits. This part also prescribes the duties and responsibilities of brokers, the

grounds and procedures for disciplining brokers, including the assessment of monetary penalties, and the revocation or suspension of licenses and permits.

Subpart A—General Provisions

§ 111.1 Definitions.

When used in this part, the following terms have the meanings indicated:

Assistant Commissioner. “Assistant Commissioner” means the Assistant Commissioner, Office of International Trade, U.S. Customs and Border Protection, Washington, DC.

Broker. “Broker” means a customs broker.

Corporate compliance activity. “Corporate compliance activity” means activity performed by a business entity to ensure that documents for a related business entity or entities are prepared and filed with CBP using “reasonable care”, but such activity does not extend to the actual preparation or filing of the documents or their electronic equivalents. For purposes of this definition, a “business entity” is an entity that is registered or otherwise on record with an appropriate governmental authority for business licensing, taxation, or other legal purposes, and the term “related business entity or entities” encompasses a business entity that has more than a 50 percent ownership interest in another business entity, a business entity in which another business entity has more than a 50 percent ownership interest, and two or more business entities in which the same business entity has more than a 50 percent ownership interest.

Customs broker. “Customs broker” means a person who is licensed under this part to transact customs business on behalf of others.

Customs business. “Customs business” means those activities involving transactions with CBP concerning the entry and admissibility of merchandise, its classification and valuation, the payment of duties, taxes, or other charges assessed or collected by CBP on merchandise by reason of its importation, and the refund, rebate, or drawback of those duties, taxes, or other charges. “Customs business” also includes the preparation, and activities relating to the preparation, of documents in any

format and the electronic transmission of documents and parts of documents intended to be filed with CBP in furtherance of any other customs business activity, whether or not signed or filed by the preparer. However, “customs business” does not include the mere electronic transmission of data received for transmission to CBP and does not include a corporate compliance activity.

District. “District” means the geographic area covered by a customs broker permit other than a national permit. A listing of each district, and the ports thereunder, will be published periodically.

Employee. “Employee” means a person who meets the common law definition of employee and is in the service of a customs broker.

Freight forwarder. “Freight forwarder” means a person engaged in the business of dispatching shipments in foreign commerce between the United States, its territories or possessions, and foreign countries, and handling the formalities incident to such shipments, on behalf of other persons.

Officer. “Officer”, when used in the context of an association or corporation, means a person who has been elected, appointed, or designated as an officer of an association or corporation in accordance with statute and the articles of incorporation, articles of agreement, charter, or bylaws of the association or corporation.

Permit. “Permit” means any permit issued to a broker under § 111.19.

Person. “Person” includes individuals, partnerships, associations, and corporations.

Records. “Records” means documents, data and information referred to in, and required to be made or maintained under, this part and any other records, as defined in § 163.1(a) of this chapter, that are required to be maintained by a broker under part 163 of this chapter.

Region. “Region” means the geographic area covered by a waiver issued pursuant to § 111.19(d).

Responsible supervision and control. “Responsible supervision and control” means that degree of supervision and control necessary to ensure the proper transaction of the customs business of