

1. Understand your need for a Customhouse broker. See the Customs Informed Compliance Publication (ICP) on Customs Brokers found at the following site: [http://www.cbp.gov/sites/default/files/documents/icp048\\_3.pdf](http://www.cbp.gov/sites/default/files/documents/icp048_3.pdf)
2. Determine specifically what services you will require from the broker
  - a. Some brokers specialize in only certain aspects of the import process while others do everything from A to Z including logistics, transportation and financing
3. Select at least three potential brokers to be considered
  - a. Get recommendations from other importers
  - b. Ask international carriers for recommendations
  - c. Look for brokers that are active in the importing community as they are more likely to be keeping up with the constant changes in the regulations and advances in technology
  - d. The U.S. Customs website lists all brokers licensed in each port
  - e. As a last resort check the Yellow Pages
4. Prepare for the Interview
  - a. Put together information about your import activities \*
    - i. Number and types of shipments by port of export and entry ports
    - ii. Commodities to be imported
    - iii. Preferential Trade Programs that you participate in
    - iv. Average number of line items per entry
    - v. Incoterms used
    - vi. Drawback programs
    - vii. Any other information that will help the broker understand your import business

\*If you are new to importing you will need to gain a better understanding of the import process and what a broker can do for you before speaking with them. Send an email to: [info@iessltd.com](mailto:info@iessltd.com) with subject: "Import Web Resources" to receive a list of web based resources to help you get started.

5. Prepare a list of questions in the event the brokers do not provide you with enough information for you determine their ability to meet your needs.
  - a. Sample questions:
    - i. Where and in what year was the company established? (If it is a national or international company ask how long the local office has been established?)
    - ii. How many offices or agents does the broker have and what are their locations?
    - iii. What is their CHB License Number and when was it issued?
    - iv. Does the broker also act as a freight forwarder or can they arrange international transportation?
    - v. Who would your company be working with and how much experience does that person(s) have?

- vi. Are they centralized where you can deal with only one person or office regardless of the port of entry?
  - vii. Do they have experience in importing your particular line of products or materials?
  - viii. What is their experience with drawback and other beneficial programs
6. When speaking with the broker for the first time let the Broker ask you questions and tell you what services they have to offer. As part of your selection process document the thoroughness of the broker in asking about your business and letting you know what they can do for you. The thoroughness of the broker is critical to a good Customs compliance program
7. Ask the Broker any of your prepared questions that they did not address in earlier discussions.
8. Ask the Broker to fill out a credit application and perform a background check as you would any new client. If you will be paying the broker duties or transportation fees that they will outlay on your behalf they must have the financial capability to make those payments. If you do pay the broker and the broker does not pay Customs or the service providers the importer is still liable for those charges.
9. Ask for references from customers that are receiving services similar to what you will be using and follow up with all of those customers.
10. The last part of the discussion should be pricing. Ask for a list of their charges and for their credit terms. Should you decide to do business with them they will require a Customs power of attorney and a credit application. Unless you have a large volume of imports you should receive a fixed brokerage fee with a list of supplemental charges depending on what additional services you will need. If you have a substantial number of entries you can usually negotiate better rates than their standard fees. If you will be using the broker for logistics and transportation you should also receive much better pricing.
11. Once you have come to an agreement, there should be a written working agreement detailing what the broker's responsibilities are and what the importer's responsibilities are in the relationship. This helps to eliminate confusion when something goes wrong which in importing it eventually will!
12. The first shipments should be thoroughly audited to ensure that the Customs broker is meeting your compliance needs. A broker error report should be generated listing all import entries and indicating any errors that were found. If you are unfamiliar with the full audit process or have any doubts you should use a different broker to audit them for you. This can usually be done for a reasonable fee and they can bring any issues to your attention that you may have missed.
13. Once the broker is consistently making accurate entry your import compliance program should include a regular schedule of documented reviews and discussion of the findings with your broker.

