



INFORMATION SHEET

CUSTOMS

CUSTOMS BROKERS

What is a Customs Broker?

A customs broker is a person licenced by Customs to act on behalf of importers and exporters in their dealings with Customs and was previously known as a customs agent.

Customs will only issue a person a licence to be a customs broker if that person is a fit and proper person to hold such a licence and is qualified to hold such a licence.

A person is taken to be qualified to be a customs broker if, and only if, he has completed a course of study or instruction and has experience that, in the opinion of the Commissioner General, fits him to be a customs broker.

Recent changes to Customs legislation with respect to customs brokers

The provisions of the *Customs Act* and *Regulations* relating to customs brokers have been amended and new provisions came into effect on 1 January 2007.

The amended provisions mainly relate to the issue or the suspension, cancellation of or the imposition of restrictions on a licence.

The purpose of the amendments benefits brokers and intending brokers by clearly defining Customs

role and responsibilities with respect to broker licencing and brings any decision made by Customs in relation to brokers licences into the ambit of the Customs Review Tribunal.

Automated Systems

The roll out of the electronic reporting system Asycuda++ to Port Moresby, Lae and Kokopo is slowly changing the way customs brokers do business with Customs. Direct Trader Input (DTI) allows brokers to lodge electronic declarations to Customs without the need to physically attend Customs offices.

The advantages that DTI provides places a responsibility on brokers to ensure that the information they are sending to Customs via the Asycuda++ system is correct. Where electronic declarations made by the broker contain errors that are unreasonable having regard to the nature and frequency of those errors, then a sanction may be imposed on the broker.

Post Clearance Audit and the Administrative Penalty System

Customs uses audits to confirm the integrity of information supplied to us. Customs principal objective is to maximise voluntary compliance and eliminate future errors.

As a broker you are required to retain all records for a period of 5 years, during which time Customs may inspect those records.

Where errors are detected the broker may be subject to an administrative penalty.

Information sheets explaining how post clearance audit and the administrative penalty scheme work are available from Customs and the Customs Brokers Association.

Customs Brokers Association

The Customs Broker Association is a representative body whose purpose is to promote the interests of customs brokers countrywide. Customs recommends all customs brokers consider becoming members of this industry group.

Customs is currently examining its' broker policy and the way it provides qualifying customs broker training, and will discuss the outcomes of its considerations, including possible refresher training for existing brokers, with the Customs Brokers Association.

Other legislation changes affecting customs brokers

Considerable amendments to the *Customs Act* and *Regulations* took effect on 1 January 2007. All persons doing business with Customs should make themselves aware of the changes as failure to comply with any new requirement could lead to the imposition of an administrative penalty or, in some cases prosecution action.

This information is provided as a guide only.

For more information please contact your nearest Customs office or write to The Chief Commissioner of Customs, PO Box 923, Port Moresby, NCD or call +675 312 7500 or visit our website at www.customs.gov.pg

Legislative References:

Customs Regulations Sections 76 to 84