

Everything You Need to Know to Choose a Customs Broker

Considering the state of the global economy and the changing face of international regulation policies, there has never been a better time to work with a certified and licensed customs broker. A customs broker facilitates the import and export of your shipments through international customs by dealing with the complicated requirements and standardized procedures that are involved. It's best to let an experienced customs broker handle the paperwork, tariffs, and other customs matters while you and your employees focus on your own strengths. In general your customs broker will take care of all the loose ends between the importer, exporter and governmental authorities.

The Benefits of Using a Customs Broker

For any business that participates in high volumes of importing or exporting it is imperative to use a broker so that you can remain focused on what you do best. Instead of spending your time overseeing subtle and complex customs procedures, let a professional leverage their experience to complete the job with precision, ease, and accuracy. Here are some of the specific benefits of working with a customs broker.

1. **Stay Up-To-Date With Policy and Regulation Changes** - If you take it upon yourself to manage your companies imports and exports without using a customs broker there is a good chance things will be running smoothly one day and terribly the next. One of the main tasks of a customs broker is to keeps up with the policies and regulations specified by various agencies. Your broker will assume the responsibility of making sure your company is up-to-date in its compliance with these standards. By using an experienced customs broker your company avoids setbacks that cost time and money.
2. **Take Advantage of Trade Opportunities** - The same way your customs broker steers your company clear of shipment problems, they will also seek out and take advantage of applicable trade agreement opportunities. Trade agreements like NAFTA and others can reduce shipping duties and taxes, allowing your company to retain more money.
3. **Customs Brokers Come Equipped** - A good customs broker comes equipped with all of the software, hardware and technology needed to manage your company's shipments, so there's no need to shop around for the necessary resources. A quality broker has the tools to ensure timely delivery of goods to your customers and knows how to use them well.

Not all customs brokers are cut from the same cloth, and some might be more experienced or more appropriate for the job. If your company is unsure of how to select the best customs broker, use these guidelines to help you narrow down the choices and get started in the right direction.

1. **Choose a Specialty Broker.** If you are importing or exporting a specific type of product, a customs broker with experience in your niche or industry (i.e. automobiles, food, textiles, etc.) will be much more helpful than a generalized broker. Not all brokers are experienced with specific products or specific agencies, so it is important to find one with a resume that meshes well with your requirements. Not only will this save you headaches, but it saves you a considerable amount of time and money as well.

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- 2. Choose a Broker With Positive References.** Business is too fragile to invest in the wrong broker, so it's best to learn from the mistakes and successes of the people around you. When choosing a customs broker, do your research and look beyond their marketing materials. Ask for testimonials from previous clients or ask an unbiased third party source for opinions and reviews. Contact the NCBFAA or the IFCBA - two associations that represent qualified and trustworthy customs brokers.
- 3. Choose a Broker With Representation At Your Ports.** Depending on the size of your business you may be operating out of just one or perhaps several ports. Save time, money, and avoid complications by choosing a broker that has representation at the ports you are working with. By choosing a broker who has ports at the correct locations you will have a great deal of control over your product. On the other hand, if you chose a broker that doesn't have a location at your port of choice, you lose an important aspect of control that your business needs to ensure things run smoothly.
- 4. Choose an Automated Customs Broker.** It is important to choose a broker that is completely connected to the computer systems, portals and tracking sites that your operation will depend on. By choosing a broker that has the tech resources to expedite your shipments, your company gains a significant competitive advantage. Technology can make a lot of things easier when it comes to dealing with customs and reduces the amount of work required on your part in almost every case.
- 5. Choose a Broker That Can Handle Your Volume. Are you working with a large volume of goods?** If so, it's worth it to pick a broker that can dedicate their resources exclusively to your account. Your broker should know the ins and outs of your company and its import/export requirements to ensure proper usage of energy, time and budget.
- 6. Draw Up A Contract. When working with a customs broker, it's a smart idea to protect yourself and your assets by drawing up a contract.** Get a clear working agreement on paper that can be used if any issues arise. If your broker objects, explain the contract is intended to protect all parties involved! The agreement should include pricing, scheduling, services, ports of usage, methods of shipment, termination policies, and any other legalities that protect and promote a positive, long-term relationship.
- 7. Shop Around.** Never choose a customs broker without comparing at least a couple of different options. It is important to sacrifice some of your time in the short-term to shop around instead of rushing into a relationship with the wrong broker. Depending on what your company needs it is important to compare pricing, experience, specialization, resource, and more. After speaking with several brokers, draw up a list of pros and cons that will help you visualize your decision. Whomever you decided to work with, make sure they fully understand your company, its needs, and exactly what will be expected of them.

Keep in mind that once you start working with your new broker, things may be a bit bumpy at the onset. Allow time for your company and the broker to get used to one another before making any rash assessments. Communication is the key to success along with patience and a positive outlook. If a month passes and delays and setbacks haven't subsided, it might be worth putting yourself back on the market for a broker that is a better fit for your operation.

Research:

http://www.i-b-t.net/anm/templates/trade_article.asp?articleid=83&zoneid=3

<http://www.bizjournals.com/portland/stories/2008/01/28/smallb2.html>

<http://www.buyusa.gov/canada/en/34.html>

<http://www.ifcba.org/modules/content/index.php?id=2>

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