

broker permit issued under this part. A listing of each district, and the ports thereunder, will be published on or before October 1, 1995, and whenever updated.

District director. "District director" means the port director of Customs at the port designated as a district for purposes of this part.

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

Officer of an association or corporation. "Officer 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, the articles of incorporation, articles of agreement, charter, or bylaws of the association or corporation.

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).

Treasury Department or any representative thereof. "Treasury Department or any representative thereof" includes any office, officer, or employee of the Treasury Department, wherever located.

[T.D. 70-134, 35 FR 9254, June 13, 1970, as amended by T.D. 70-224, 35 FR 16243, Oct. 16, 1970; T.D. 86-161, 51 FR 30340, Aug. 26, 1986; T.D. 95-77, 60 FR 50019, Sept. 27, 1995; T.D. 98-56, 63 FR 32944, June 16, 1998]

§111.2 License and district permit required.

A person shall obtain the license provided for in this part in order to transact the business of a broker. A separate permit is required for each Customs

district in which a licensee conducts customs business.

[T.D. 86-161, 51 FR 30340, Aug. 26, 1986]

§111.3 Transactions for which license is not required.

A license is not required to engage in the following transactions with the Treasury Department or any representative thereof:

(a) *For one's own account.* An importer or exporter transacting Customs business solely on his own account and in no sense on behalf of another is not required to be licensed, nor are his authorized regular employees or officers who act only for him in the transaction of such business.

(b) *As employee of brokers.* An employee of a broker, acting solely for his employer, is not required to be licensed where:

(1) *Authorized to sign Customs documents.* The broker has authorized the employee to sign Customs documents on his behalf, and has executed a power of attorney for that purpose. The broker is not required to file the power of attorney with the port director, but shall provide proof of its existence to Customs upon request. Only employees who are residents of the United States may be authorized to sign Customs documents; or

(2) *Authorized to transact other business.* The broker has filed with the port director a statement identifying the employee as authorized to transact business on his behalf. Such statement shall also be filed at each port within the district where the broker wishes the employee to act for him.

Where the employee is given authority under either paragraph (b)(1) or (2) of this section, the broker must promptly give notice of the withdrawal of authority of any such employee and must exercise such supervision of his employees as will insure proper conduct on the part of the employees in the transaction of Customs business. Each broker will be held strictly responsible for the acts or omissions of his employees within the scope of their employment, and for acts or omissions of such employees which, in the exercise of reasonable care and diligence, the broker should have foreseen.

(c) *Marine transactions.* A person transacting business in connection with entry or clearance of vessels or other regulation of vessels under the navigation laws is not required to be licensed as a broker.

(d) *Transportation in bond.* Any carrier bringing merchandise to the port of arrival or any bonded carrier transporting merchandise for another may make entry for such merchandise for transportation in bond without being licensed as a broker.

(e) *Informal entries.* A person entering merchandise qualifying for, and entered under, the informal entry procedures authorized by 19 U.S.C. 1498 is not required to be licensed as a broker, unless required to be so licensed under § 143.26 of this chapter, issued under the authority of 19 U.S.C. 1498.

[T.D. 70-134, 35 FR 9254, June 13, 1970, as amended by T.D. 78-99, 43 FR 13061, Mar. 29, 1978; T.D. 84-93, 49 FR 17754, Apr. 25, 1984; T.D. 94-51, 59 FR 30294, June 13, 1994]

§ 111.4 Transacting customs business without a license.

Any person who intentionally transacts customs business, other than as provided in § 111.3, without holding a valid broker's license, shall be liable for a monetary penalty for each such transaction as well as for each violation of the requirements of 19 U.S.C. 1641. The penalty shall be assessed in accordance with subpart E of this chapter.

[T.D. 86-161, 51 FR 30340, Aug. 26, 1986]

§ 111.5 Representation before Government agencies.

(a) *Agencies within the Treasury Department.* A broker who represents a client in the importation or exportation of merchandise may represent the client before the Treasury Department or any representative thereof on any matter concerning such merchandise except that he shall not represent the client before Customs officers in a Customs district in which he has not been granted a permit.

(b) *Agencies not within the Treasury Department.* In order to represent a client before any agency not within the Treasury Department, a broker shall comply with any regulations of such

agency governing the appearance of representatives before it.

[T.D. 70-134, 35 FR 9254, June 13, 1970. Redesignated and amended by T.D. 86-161, 51 FR 30340, Aug. 26, 1986]

Subpart B—Procedure To Obtain License or Permit

§ 111.11 Basic requirements.

(a) *Individual.* An individual must:

(1) Be a citizen of the United States, but not an officer or employee of the United States;

(2) Be at least 21 years of age;

(3) Be of good moral character; and

(4) Establish through an examination that he has sufficient knowledge of Customs and related laws, regulations and procedures, bookkeeping, accounting, and all other appropriate matters to render valuable service to importers and exporters. Satisfactory knowledge is established in part by attaining a grade of at least 75 percent on the examination.

(b) *Partnership.* A partnership must:

(1) Have at least one member of the partnership who is a licensed broker, and

(2) Establish that it will have an office at the customs port where it has applied for a permit in which its customs transactions will be performed by the licensed member of the partnership, or an employee under the responsible supervision and control of the licensed member.

(c) *Association or corporation.* An association or corporation must:

(1) Be empowered under its articles of association or articles of incorporation to transact customs brokerage business;

(2) Have at least one officer who is a licensed broker; and

(3) Establish that it will maintain an office at the customs port where it has applied for a permit. Further, customs transactions in that office must be performed by a licensed officer or an employee under the responsible supervision and control of the licensed officer.

(d) *Responsible supervision and control.* The term "responsible supervision and control" means that degree of supervision and control necessary to ensure