



Memorandum D1-8-1

Ottawa, August 23, 2023

Licensing of Customs Brokers

In Brief

1. This memorandum has been revised to reflect changes in the application process.
2. A certified criminal record check with fingerprinting is now required for a successful application.
3. A certified criminal record check with fingerprinting may come from your local police force or a third party certified by the RCMP.

This memorandum details the procedures to be followed by an individual, partnership, or corporation applying for a customs broker licence and the conditions under which licensed customs brokers have to operate.

Guidelines and General Information

1. A customs broker is an individual, partnership, or corporation that acts as an agent to transact business with the Canada Border Services Agency (CBSA) on behalf of the owner or importer of goods.
2. While for most purposes, any agent may represent a client when transacting business with the CBSA, only a licensed customs broker may account for goods and pay duties under section 32 of the [Customs Act](#) as the agent of the owner or importer of the goods.
3. Customs broker licences are issued under Section 9 of the [Customs Act](#). The requirements to obtain and hold a customs broker licence are detailed in the [Customs Brokers Licensing Regulations](#), hereinafter referred to as the Regulations.

Qualifications

General

4. A customs broker licence can be granted to an individual, a corporation, or a partnership of individuals or corporations.
5. An individual applying for a custom broker licence has to be a citizen or permanent resident of Canada who is of good character, who is at least 18 years of age, who has the financial resources to conduct business in a responsible manner; and who has sufficient knowledge relating to imports and exports.
6. A corporation applying for a customs broker licence has to be incorporated in Canada, and a majority of directors have to be citizens or permanent residents of Canada. The corporation and all directors are to be of good character. The corporation has to have the financial resources to conduct business in a responsible manner, and at least one officer of the corporation has to be a qualified officer, as defined in the subsequent section “Qualified Officer”, and have sufficient knowledge relating to imports and exports.
7. In a partnership of individuals applying for a customs broker licence, each individual has to be a citizen or permanent resident of Canada who is of good character and who is at least 18 years of age. The partnership has to have the financial resources to conduct business in a responsible manner, and at least one partner has to be a qualified officer and have sufficient knowledge relating to imports and exports.

8. In a partnership composed of corporations applying for a customs broker licence, all corporations have to be incorporated in Canada with a majority of directors who are citizens or permanent residents of Canada. All corporations and all directors have to be of good character. All corporations have to have the financial resources to conduct business in a responsible manner. At least one officer of at least one of the corporations has to be a qualified officer and have sufficient knowledge relating to imports and exports.
9. All of the aforementioned reflects the requirements to be met in section 3 of the Regulations.

Qualified Officer

10. Any individual or organization operating as a customs broker, whether a sole proprietorship, a corporation, or a partnership of individuals or corporations, has to have a qualified officer. If the licence is granted to a corporation or a partnership of corporations, the qualified officer has to be a partner, a director or an officer of the corporation. If the licence is granted to a partnership of individuals, the qualified officer has to be one of the partners. If the licence is granted to a sole proprietorship, the qualified officer has to be the owner of the unincorporated business granted the licence.
11. Individuals who are not an employee of a brokerage firm and wish to apply for a customs broker licence have 12 months from the date of the exam to submit an application.
12. The qualified officer is an individual who:
- (a) has written and attained a grade of at least 60 per cent on the Customs Brokers Professional Examination which meets the requirement of sufficient knowledge relating to imports and exports set out in section 4 of the Regulations;
 - (b) has been appointed in the position as the qualified officer; and,
 - (c) may only work for one customs broker at a time.
13. For individuals to continue to meet the knowledge requirement of the Regulations, they have to be a partner, a director, or an employee of a licensed customs broker. If there is a break in service, the individual may no longer be eligible.

Loss of Status

14. To remain eligible as a qualified officer, individuals have to work in the customs brokerage industry as a qualified officer or as an employee of a licensed customs broker. The maximum length of a break in service depends on when the break occurred:
- (a) if the break in service occurred prior to November 1986, any length is acceptable;
 - (b) if the break in service occurred between November 1986 and April 2002, it cannot exceed six months; and,
 - (c) if the break in service occurred after April 2002, it cannot exceed twelve months.
15. If an individual has forfeited eligibility due to a break in service, their status may be reacquired through successful completion of the Customs Broker's Professional Examination. For more information on the exam, please see [Memorandum D1-8-3, Canada Border Services Agency Customs Brokers Professional Examination](#).

Absence of a Designated Qualified Officer

16. While it is not a licensing requirement that a qualified officer work full time, there should always be someone available as a replacement (i.e., Director) in their absence.
17. Absence of the designated qualified officer from a brokerage firm will be permitted in the following circumstances:
- (a) For planned absences, such as vacation or maternity leave, the qualified officer may be absent for a period of up to four (4) weeks provided that a temporary replacement is appointed. Where such a replacement cannot be obtained, the Commercial Registration Unit (HQ) may approve an absence under the following conditions:

- (i) an acceptable explanation is submitted;
- (ii) the remaining staff in the broker's office are capable of dealing with the ongoing work; and,
- (iii) appropriate arrangements are made so that if a client of the broker is in need of advice, the qualified officer can be contacted.

(b) For unplanned absences, such as sudden illness or abrupt termination, with the permission of the Commercial Registration Unit (HQ), the office may operate without a designated qualified officer for a period up to ninety (90) calendar days. If the qualified officer has not been replaced at that time, the licence is subject to cancellation.

Licensing Procedures

Application

18. Applications are made on [Form L53, Application for a Customs Brokers Licence](#). Applications have to be completed in detail by the qualified officer to show information relating to the sole proprietor, all the partners, or all the directors of a corporation.

19. A complete application package includes:

- (a) a completed application [Form L53](#);
- (b) security in the amount of \$50,000;
- (c) a copy of the qualified officer certificate of qualification;
- (d) a completed [Form L60, Customs Brokers Questionnaire](#), for the qualified officer and all partners and directors;
 - A certified criminal record check with fingerprinting from your local police station or police force of jurisdiction or an [RCMP certified third party](#) must be included with each L60 form for each qualified officer and all partners and directors;
- (e) a copy of proof of Canadian citizenship or permanent residency of Canada for qualified officers and/majority of directors; and,
- (f) a cheque for \$600 made payable to the Receiver General for Canada for payment of the annual licence fee.

* All fees for records checks and/or fingerprints are the responsibility of the applicant(s).

* All partners and directors who are not Canadian citizens or permanent residents must still provide a certified criminal record check with fingerprinting. Instruction for certified criminal record checks with fingerprinting outside Canada that is certified by the RCMP can be found on the [RCMP website](#).

* All certified criminal record checks are valid for 6 months after issuance.

Citizenship

20. As qualified officers and the majority of directors have to be Canadian citizens or permanent residents of Canada, proof of citizenship is required. For licensing purposes, acceptable proof would be a copy of one of the following:

Canadian Citizens

- (a) birth certificate from a Canadian province or territory (issued under the Vital Statistics Act);
- (b) Canadian certificate of registration of birth abroad;
- (c) certified statement of live birth from a Canadian province or territory;
- (d) certificate of Canadian citizenship or certificate of naturalization (paper document or card, not commemorative issue);
- (e) certificate of Indian status (paper or plastic card);

- (f) registered Indian record (certified); or,
- (g) valid Canadian passport or Canadian passport expired for less than 5 months.

Permanent Residents

- (a) Canadian immigration identification card;
- (b) confirmation of permanent residence (IMM 5292, 5688);
- (c) valid permanent resident card or a permanent resident card expired for less than 5 months; or,
- (d) record of landing (IMM 1000).

21. If the applicant is a corporation or a partnership of corporations, the following documentation also has to be provided:

- (a) a copy of the certificate of registration or incorporation for each corporation, proving that the firm is registered in the province where it intends to conduct business; and,
- (b) a resolution of the board of directors appointing the qualified officer as an officer of the corporation. If the applicant is a partnership of corporations, this is required for only one of the partners.

22. The applicant may be requested to provide information, such as financial statements, to demonstrate sufficient financial resources to conduct business in a responsible manner. This information does not have to be submitted with the application, but may be requested at any time during the licensing process.

23. The completed application package, signed by the qualified officer, is to be submitted to the chief officer of CBSA where the applicant intends to conduct business.

Security

24. Security in the amount of \$50,000 is to be included with the application. The security can be in the form of cash, certified cheque, a transferable bond issued by the Government of Canada, or a [Form D120, Customs Bond](#). The \$50,000 is to protect the CBSA against loss while the licence is in effect. Additional information on posting security can be found in [Memorandum D1-7-1, Posting Security for Transacting Bonded Operations](#).

Processing of Applications

25. With a correctly completed application package that meets all the requirements of the Regulations, the application process takes approximately three months from the date of submission to the approval of a licence.

26. Upon receipt of an application, Form L56, *Notice of Application for Customs Brokers Licence*, will be posted by the CBSA commercial office where the applicant intends to conduct business. It will be posted for a period of two weeks (10 business days) inviting written comments or information from the public regarding the application.

27. All written comments received from the public in response to the notice of application will be responded in writing by the Manager, Commercial Registration Unit (HQ).

28. A departmental investigation will be conducted on the qualified officers, directors, and partners to establish the good character requirement. This investigation will examine criminal records, CBSA compliance history, credit history and personal and work references. The information provided on [Form L60](#) will be used in this investigation along with the examination of a certified criminal record check with fingerprinting. All certified criminal record checks are valid for 6 months after issuance.

29. A recommendation to approve or deny the application is sent from the regional office to the Commercial Registration Unit (HQ) for a decision whether or not to issue a licence.

Approval of Application

30. Upon the approval of the application, the Commercial Registration Unit (HQ) will send a signed letter of authorization and a customs broker's licence certificate will be provided to the applicant.

Rejection of Application

31. Should the Commercial Registration Unit (HQ) determine that any of the requirements of the Regulations have not been satisfied, they will inform the applicant in writing that the application has been rejected, specifying the requirement(s) that have not been fulfilled. The applicant may resubmit the application with new or additional information.

Additional Licences

32. A licensed customs broker may apply for an additional licence to conduct business at another CBSA commercial office. The requirements to apply for and hold an additional licence are the same as for a new licence. Additional security is to be posted for the additional office, and all steps in the application process have to be followed.

Licence Fees

33. The annual fee for a customs broker licence is \$600. A separate fee is required for each licence held by a broker.

34. The licence fee will be refunded if an application is not approved; however fees will not be refunded when a customs broker ceases operations prior to the end of the licensing period.

Licence Renewal

35. In accordance with sections 11 and 12 of the Regulations a "Customs Broker Licence Renewal Fee Invoice" will be mailed to all licensed customs brokers annually. A licence, including a licence that has been renewed, expires on the 31st day of March in accordance with section 12 of the Regulations.

36. Payment of the invoice is to be made at the CBSA commercial office where the licence is held. If a customs broker is licensed at more than one CBSA commercial office, the fee may be paid at any of those offices.

37. Upon payment of the renewal fee, the CBSA commercial Office will stamp one copy of the invoice and return it to the customs broker along with a receipt Form K21, *Cash Receipt*.

38. Cheques are to be made payable to the Receiver General for Canada.

Conduct of Business

Licence Location

39. A successful application for a customs broker licence authorizes the holder to transact business as a customs broker at a single CBSA commercial office, which is to be specified on the application and which will be named on the licence.

40. A licensed customs broker is also permitted to transact business at designated offices where no customs broker is licensed. In addition, a licensed customs broker is permitted to transact business, by electronic means only, at any CBSA commercial office in Canada.

Business Office

41. The business office where business is transacted as a customs broker is to maintain or have access to independent files and records.

42. Every customs broker shall display prominently their customs broker licence or a copy thereof, in the office where they transact business as a customs broker.

43. Where the customs broker is a partnership or a corporation, the customs broker shall display a sign bearing the name under which the customs broker is authorized to transact business.

44. While the requirement for a CBSA site inspection has been eliminated, the CBSA reserves the right to perform a site inspection to ensure regulatory requirements are met. The qualified officer will be required to attest that these requirements have been met on the application for a broker licence.

Importer Receipts

45. Subsection 14(c) and (d) of the Regulations requires customs brokers to provide their clients with copies of the accounting documents submitted on their behalf. Where the broker is a EDI (electronic data interchange) participant and copies of accounting documents bearing the customs accounting number and official customs stamp are not available, the customs broker will provide to the importer a receipt which reports the following details of the transaction:

- (a) the customs transaction number, including line number where applicable;
- (b) a description of goods;
- (c) the value and tariff code of each item;
- (d) the exchange rate;
- (e) the rates of duties and taxes; and,
- (f) the amount of duties and taxes paid or refunded.

Records

46. The methods and procedures outlined in [Memorandum D17-1-21, Maintenance of Records in Canada by Importers](#), also apply to those records to be kept by customs brokers pursuant to subsection 17(1) of the Regulations.

Surrender of Licence

47. When a customs broker's licence is cancelled or when the broker has ceased to transact business as a customs broker, the licence is to be surrendered to the CBSA commercial office where the licence is held.

Licence Changes

Notification of Changes

48. Customs brokers are required to notify in writing the chief officer of CBSA where the licence is held as well as the Commercial Registration (HQ) of any changes affecting the validity of a licence. Such changes include, but are not limited to, changes in ownership, name changes, changes to the directors and officers of a corporation, the departure of a qualified officer, or the relocation of a business office.

49. Failure to report changes in writing to the chief officer of CBSA where the licence is held as well as the Commercial Registration Unit (HQ) may result in the application of penalties under the [Administrative Monetary Penalties System](#) (AMPS).

50. If a change to a licence results in that customs broker no longer meeting the requirements of the Regulations, or if the change requires that a new licence be issued, the Commercial Registration Unit (HQ) shall immediately inform the customs broker in writing.

Change of Ownership

51. When the ownership of a customs broker changes, the chief officer of CBSA as well as the Commercial Registration Unit (HQ) is to be notified in writing. The notification is to include the following information in respect of the new ownership:

- (a) the reason for the change in ownership;
- (b) the effective date of the change;
- (c) the names of any new directors that may have joined as a result of the change; and,

- (d) a completed [Form L60](#) for each of the new directors.
- (e) a certified criminal record check with fingerprinting;
 - All certified criminal record checks are valid for 6 months after issuance.

52. The Commercial Registration Unit (HQ) will acknowledge in writing the change of ownership once any investigations have been completed.

53. The legal entity holding the licence prior to the change has to continue to exist after the change. If the original licence holder ceases to exist as a result of a change of ownership, a new licence application has to be made. For example, if another corporation purchases the assets of a licensed customs broker, and the first corporation is then dissolved, the licence is no longer valid. The purchasing corporation has to submit an application for a new licence.

54. In the case of sole proprietorships or partnerships of individuals, a change of ownership is not allowed as the licence is granted to the individual or partnership.

Amalgamation

55. When a customs broker structured as a corporation or a partnership of corporations undergoes an amalgamation, the chief officer of CBSA as well as the Commercial Registration Unit (HQ) is to be notified in writing. During an amalgamation, the final legal entity which results from the amalgamation has to have existed and been licensed prior to the amalgamation. If the amalgamation results in a new or a previously unlicensed legal entity, a new application for a licence is to be submitted.

56. The notification will include the following information in respect of the amalgamation:

- (a) a copy of amendments to the articles of incorporation reflecting the change;
- (b) the effective date of the change;
- (c) the names of any new directors that may have joined as a result of the change;
- (d) a completed [Form L60](#) for each of the new directors; and,
- (e) a certified criminal record check with fingerprinting;
 - All certified criminal record checks are valid for 6 months after issuance;
- (f) if security has been posted in the form of a [D120, Customs Bond](#), an endorsement to the bond is to be submitted to reflect the new structure.

57. The Commercial Registration Unit (HQ) will acknowledge in writing the changes due to amalgamation, once any investigations have been completed.

Change of Name

58. When the name of the licence holder is changed, the chief officer of CBSA as well as the Commercial Registration Unit (HQ) is to be notified in writing. The notification will include the following information in respect of the new name:

- (a) revised articles showing the new legal name;
- (b) a list of current officers and directors;
- (c) a completed [Form L60](#) for each of the new directors; and,
- (d) a certified criminal record check with fingerprinting;
 - All certified criminal record checks are valid for 6 months after issuance;
- (e) if security has been posted in the form of a [D120, Customs Bond](#), an endorsement to the bond is to be submitted to reflect the new structure.

59. The Commercial Registration Unit (HQ) will acknowledge in writing the change of name, once any investigations have been completed.

Change of Qualified Officer

60. When a customs broker that is a corporation, a partnership, or a partnership of corporations appoints a new qualified officer, the chief officer of CBSA as well as the Commercial Registration Unit (HQ) is to be notified in writing. The notification will include the following information in respect of the new qualified officer:

- (a) a copy of a resolution of the board of directors appointing the new qualified officer as an officer of the corporation; and,
- (b) a completed [Form L60](#) for the new qualified officer.
- (c) a certified criminal record check with fingerprinting;
 - All certified criminal record checks are valid for 6 months after issuance.

61. An investigation will be conducted on the new qualified officer. If the new qualified officer meets the requirements of the Regulations, the Commercial Registration Unit (HQ) will inform the customs broker in writing that the change has been accepted. If the new qualified officer does not meet the requirements, the Commercial Registration Unit (HQ) will inform the customs broker in writing that the change has been rejected, specifying the requirement(s) that have not been fulfilled. The customs broker may request the Commercial Registration Unit (HQ) to review the decision on the basis of new or additional information.

62. Customs brokers that are sole proprietorships may not change their qualified officer.

Change of Directors

63. When there are new directors, or individuals cease to be directors, the chief officer of CBSA as well as the Commercial Registration Unit (HQ) is to be notified in writing. The notification will include the following information in respect of the new directors:

- (a) a copy of a resolution of the board of directors appointing the new directors as directors of the corporation;
- (b) a completed [Form L60](#) for the new directors; and,
- (c) a certified criminal record check with fingerprinting;
 - All certified criminal record checks are valid for 6 months after issuance;
- (d) the date the director ceases to be a director of the brokerage company.

64. The Commercial Registration Unit (HQ) will acknowledge in writing the change of director(s), once any investigations have been completed.

Change of Partners

65. When a partner enters or leaves a licensed partnership or partnership of corporations, the chief officer of CBSA as well as the Commercial Registration Unit (HQ) is to be notified in writing. The notification will include, in respect of the new partner, a completed [Form L60](#) for the new partner including a certified criminal record check with fingerprinting, if the customs broker is a partnership of individuals, or for the directors of the corporation, if the customs broker is a partnership of corporations. All certified criminal record checks are valid for 6 months after issuance.

66. The Commercial Registration Unit (HQ) will acknowledge in writing the change of partnership, once any investigations have been completed.

67. When a partner in a customs broker changes, the legal entity holding the licence prior to the change has to continue to exist after the change. If the original licence holder ceases to exist as a result of a change of partnership, a new licence application is to be made.

Change of Address

68. If the address of the business office where a customs broker is licensed changes, the chief officer of CBSA as well as the Commercial Registration Unit (HQ) is to be notified in writing. The notification will include the new address and of the date the new office will be opened.

69. The Commercial Registration Unit (HQ) will acknowledge in writing the change of address, once a site inspection of the new business office is confirmed that it meets the requirements of the Regulations.

Suspension or Cancellation

70. The Minister, or a person designated by the Minister, may suspend or cancel a customs broker's licence if the license holder has failed to comply with the Regulations. Grounds for suspension or cancellation include:

- (a) contravening an Act of Parliament or a Regulation related to the import or export of goods;
- (b) fraud or attempted fraud;
- (c) evading, attempting to evade, or suggesting the evasion of duties and taxes;
- (d) failure to comply with the Regulations;
- (e) insolvency or bankruptcy;
- (f) dishonest conduct as a customs broker;
- (g) failure to carry out the duties and responsibilities of a customs broker in a competent manner;
- (h) ceasing to transact business as a customs broker; and,
- (i) no longer being qualified under the Regulations.

71. When a licence is to be suspended or cancelled, the licensee will be advised by registered mail of the reasons for, and, the effective date of the proposed suspension or cancellation and of the duration of the proposed suspension, if applicable.

72. The licensee will be provided thirty (30) calendar days to make representations in person or in writing as to why the licence should not be suspended or cancelled.

73. If changes made within the thirty-day (30) period are such that the Minister, or a person designated by the Minister, is satisfied that the reasons for the suspension or cancellation no longer exist, the proposed suspension or cancellation shall be withdrawn.

74. A licence that has been suspended can be reinstated if the licence holder demonstrates that the issues leading to the suspension have been resolved. The licensee will be advised by registered mail when a suspended licence has been reinstated.

75. Cancelled licences will not be reinstated. The holder of a licence that has been cancelled has to apply for a new licence and be granted a new licence in order to again conduct business as a customs broker.

76. Documentation concerning changes, cancellation and suspensions of licences should be submitted to the following address:

Canada Border Services Agency
 Commercial Registration (HQ)
 Border Operations Directorate
 191 Laurier Ave W., 12th Floor
 Ottawa ON K1A 0L8

Email: Brokers_Licensing-Agreement_des_courtiers@cbsa-asfc.gc.ca

Brokerage Fees

77. Fees charged for brokerage services constitute a private business transaction between the customs broker and the client. The CBSA does not intervene in fee disputes unless the client can demonstrate that the customs broker is in contravention of the Regulations by dishonest conduct, fraud or incompetence.

Additional Information

78. For more information, within Canada call the Border Information Service at **1-800-461-9999**. From outside Canada call 204-983-3500 or 506-636-5064. Long distance charges will apply. Agents are available Monday to Friday (08:00 – 16:00 local time/except holidays). TTY is also available within Canada: **1-866-335-3237**.

References	
Issuing Office	Trade and Anti-dumping Programs Directorate
Headquarters File	7637-0
Legislative References	<i>Customs Act</i> <i>Customs Brokers Licensing Regulations</i>
Other References	D1-7-1 , D1-8-3 , D17-1-21 Forms D120 , L53 , L60 Administrative Monetary Penalties System
Superseded Memorandum D	D1-8-1 dated November 2, 2015