CTPAT Alert for Broker Responsibilities Under Executive Order 14411

August 2026

Executive Order (EO) 14411, signed on June 3, 2026, will fundamentally change the responsibilities of CTPAT-validated customs brokers (CVCB) by mandating a higher standard of due diligence when they represent foreign Importers of Record (IORs). Under Section 2(c)(i) of the order, foreign IORs will be required to be validated in the CTPAT program; if they are not, they will be required to utilize a licensed CVCB to file entries with CBP. This CVCB requirement will ensure that foreign entities are held to the same rigorous standards as U.S.-based importers, which will help protect national security and the domestic economy from systemic inefficiencies and bad actors. To implement this requirement, CBP will take steps to revise importer eligibility regulations, guidance, and policies.

To comply with these upcoming heightened expectations, in the near future, CVCB will need to perform comprehensive vetting of their foreign clients before they conduct any customs business. CBP foresees that during vetting, CVCB will verify critical information, such as the IOR's legal identity, ownership structure, business affiliations, U.S. assets, and their history of compliance and import activity. Furthermore, brokers will need to assess the IOR's ability to pay duties, taxes, and fees, and verify details regarding the supply chain, product classification, valuation, and country of origin. CVCB will be expected to maintain thorough records of this vetting process powers of attorney, and all relevant communications, to demonstrate that they have exercised appropriate due diligence.

The order also directs that all IORs will be required to maintain "good standing" with CBP, as outlined in Section 2(d). Consistent with future regulatory requirements, IORs who lose their good standing with CBP, may be prohibited from importing goods or designating a broker to act on their behalf. To further reinforce compliance with U.S. customs and trade laws, Section 4(a) directs the imposition of significant penalties on brokers who fail to conduct required due diligence, repeatedly represent non-compliant or unverifiable clients, or fail to cooperate with CBP requests for information. These consequences will include financial penalties, increased audit frequency, and the potential suspension or removal of the CVCB from the CTPAT program. Additionally, Section 4(c) establishes a minimum penalty floor of 50 percent of the assessed penalty for violations, while eliminating mitigation options for repeat offenders, which will further underscore the commitment to strict customs enforcement.

The new requirements under the order will create a distinct competitive advantage for CVCB. By positioning themselves as the preferred partners for foreign IORs as the order is implemented by CBP, these brokers will be able to market their services as a necessary solution for certain clients. Because foreign IORs will be required to use a CVCB to file entries if they are not validated themselves, brokers who have already achieved this status will become the primary, and perhaps only, viable option for an increased market share of U.S imports. CTPAT validation will serve as a powerful badge of trust and reliability for brokers in an increasingly more secure trade environment.

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