

The Efficacy of Customs Brokers in International Trade: Import and Export Processes

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Abstract: *The research investigated the efficacy of customs brokers in facilitating international trade within the Clark Freeport Zone (CFZ) of Pampanga, Philippines. Employing a quantitative approach with a descriptive-correlational design, data was collected through a self-made survey questionnaire distributed among clients of the Bureau of Customs-Port of Clark. The study aimed to assess importers and exporters awareness of customs brokers' roles, their specific duties, and their effectiveness in trade facilitation, smuggling prevention, and government revenue collection. The findings revealed a high level of awareness among participants regarding the role and importance of customs brokers. Importers and exporters exhibited strong agreement on the specific roles of customs brokers, highlighting their contributions to importation and exportation processes. Moreover, customs brokers were perceived as highly effective in facilitating trade, preventing smuggling, and ensuring proper government revenue collection. However, statistical analysis revealed non-significant relationships between importation/exportation and the effectiveness of customs brokers in trade facilitation, smuggling prevention, and revenue collection. These findings provided valuable insights for customs brokers, BSCA Students, Brokerage Firms, Importers, Exporters and future researchers, with the aim of optimizing the role of customs brokers in global trade dynamics.*

Keywords—clients; customs brokers; international trade; import and export processes

1. INTRODUCTION

customs brokers are instrumental in ensuring the smooth flow of import and export transactions. They serve as middlemen connecting businesses with customs officials, using their deep understanding of complicated customs rules, trade laws, and import/export needs. This expertise guarantees that businesses remain compliant, mitigating the risks associated with errors or non-compliance that might lead to delays, fines, or even the seizure of goods. Customs brokers assist businesses in preparing and submitting precise import/export documentation, encompassing declarations, permits, licenses, certificates, and other vital paperwork. Accurate documentation is essential for the efficient clearance of goods at customs checkpoints.

In addition, customs brokers adeptly classify goods using the Harmonized System (HS) code, ensuring the precise assessment of duties, taxes, and fees. This accurate classification prevents overpayment and eliminates the risk of penalties for underreporting. They expedite the customs clearance process, ensuring goods move seamlessly across borders. Leveraging their knowledge of customs procedures

and established relationships with customs officials, they significantly reduce the time required for clearance.

Moreover, customs brokers also provide expert advice on optimizing duty and tax obligations, including the strategic utilization of preferential trade agreements. This can lead to significant cost reductions for businesses involved in international trade. They remain vigilant in monitoring changes in customs regulations, import/export restrictions, bans, and trade sanctions, ensuring ongoing compliance. Their vigilance is paramount for averting disruptions and legal consequences. Additionally, customs brokers proactively manage risks by staying informed about evolving trade laws and regulations. They ensure that clients are well-prepared for audits and inspections, reducing the likelihood of penalties.

2. REVIEW RELATED LITERATURE

The significance of customs brokers in the country is highlighted by Datuin et al. (2020), who documented that the Bureau of Customs (BOC) approved the accreditation of 2,165 customs brokers and 14,996 importers from January to December 2020. Medin (2020) additionally confirmed that a

majority of manufacturing producers engaged in international trade rely on these brokers for their trade transactions. These brokers often manage substantial trade values on behalf of various producers. The findings reveal a parallel impact on both exporting and importing, underscoring the role of brokers in facilitating both modes of trade. The brokers' integral involvement in international trade, particularly in managing significant trade values for diverse producers, emphasizes their crucial contribution to exporting and importing processes.

Gracy et al. (2020) asserted that customs Brokers are doing well in many areas. They handle documentation procedures, online transactions, and logistics efficiently. They also interact well with clients and customs officers. Customs brokers excel in streamlining the often complex documentation procedures involved in international trade, ensuring that the necessary paperwork is handled efficiently and accurately. Their adeptness at online transactions and logistics management further contributes to the smooth flow of goods across borders while maintaining effective communication and collaboration with clients and customs authorities, facilitating trade operations.

Nague (2019) defined the role of customs brokers in trade facilitation. He emphasized the Republic Act No. 9280, also known as "Customs Brokers Act of 2004," section 6, which is the scope of Customs brokers, stating that the customs broker profession involves various tasks. This involves providing advice, preparing necessary customs documents for imports and exports, declaring customs duties and taxes, preparing, signing, filing, lodging, and processing import and export entries; representing importers and exporters in matters related to the valuation and classification of imported items before government agencies and private entities; and offering professional services in customs, tariff laws, procedures, and practices. Degracia et al. (2020) supported this idea by asserting that industries involved in international trading highly prioritize the quick movement of goods for their operations. Consequently, customs brokers face the tough and demanding task of efficiently transporting, processing, and releasing goods within the shortest possible time while complying with the strict and various requirements set by border authorities.

According to Busby et al. (2018), the focus of customs administrations has expanded to encompass border security concerns. Customs brokers can be regarded as the original "trusted traders," subject to regulation through expertise in customs and tariff laws. These licensed professionals invest significant time studying diverse customs regulations and effective negotiation strategies with authorities, indicating a comprehensive understanding of government agency operations. Given their frequent interactions, customs brokers are well-positioned to identify and report any irregularities customs authorities commit (Excelsior Worldwide Logistics Corp., 2020). In addition to that, Almo et al. (2022) said that customs brokers' strict adherence to ethical practices

significantly contributes to the prevention of smuggling, it appears that additional factors influence the prevalence of smuggling beyond the customs brokers' control.

3. CONCEPTUAL FRAMEWORK

This study was conceptually based on analyzing the efficacy of customs brokers in Clark, Pampanga, facilitating import and export processes in international trade.

The figure illustrates the connection between the variables in the study. The conceptual framework consisted of two frames for independent and Dependent Variables. The first frame consisted of an Independent Variable, the Customs Brokers. The second frame contains the Dependent Variable, import and export processes.

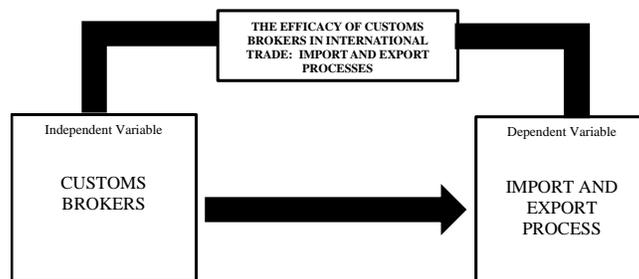


Figure 1: Conceptual Model of the study

4. STATEMENT OF THE PROBLEM

This study was conducted to analyze the efficacy of customs brokers in Clark Freeport Zone, Pampanga, in facilitating international trade. Specifically, it intends to answer the following questions:

1. Are importers or exporters aware of the role and importance of customs brokers?
2. What are the specific roles of customs brokers in importation and exportation?
3. How effective are the customs brokers in international trade in terms of:
 - 3.1. Trade Facilitation
 - 3.2. Prevention of Smuggling
 - 3.3. Proper Collection of Government Revenue
4. Is there a significant relationship between importation and exportation to the effectiveness of the customs brokers in international trade in terms of trade facilitation, prevention of smuggling, and collection of government revenue?

5. THE HYPOTHESIS OF THE STUDY

H₀: There is no significant relationship between importation and exportation to the effectiveness of the customs brokers in

international trade in terms of trade facilitation, prevention of smuggling, and collection of government revenue.

H₁: There is a significant relationship between importation and exportation to the effectiveness of the customs brokers in international trade in terms of trade facilitation, prevention of smuggling, and collection of government revenue.

6. SIGNIFICANCE OF THE STUDY

The primary goal of this research was to analyze the efficacy of customs brokers in facilitating the import and export process. The study's findings were deemed to be of significance to the following groups or institutions:

Customs Brokers. For customs brokers, the study offers a deeper recognition of their pivotal roles in importation and exportation. It provides a platform to showcase their contributions and helps them adapt to evolving trade dynamics. The insights and recommendations can enhance their professional development and performance.

BSCA Students. This study can be an educational resource for students pursuing degrees in Customs Administration (BSCA) by providing real-world insights into the customs brokerage profession. It can aid in their academic and practical understanding of the field, potentially inspiring and preparing them for careers in customs brokerage.

Brokerage Firms. Customs brokerage firms can benefit from the research findings by understanding the importance of customs brokers in their companies. This can lead to improvements in their operations and service offerings, ultimately helping their clients.

Importers and Exporters. Businesses engaged in international trade can leverage the insights and recommendations to streamline their customs clearance processes, reduce costs, and enhance compliance. This study can ultimately improve the efficiency and competitiveness of importers and exporters.

Future Researchers. The study adds to the body of knowledge in customs brokerage and international trade. Future researchers can build upon this work, explore related topics, and expand the understanding of customs brokers' roles in an ever-changing global trade environment.

7. METHODOLOGY OF THE STUDY

This research adopted a quantitative approach, specifically employing a descriptive-correlational research design. This design was chosen to enable the researchers to quantify data about the efficacy of customs brokers facilitating the import and export processes in international trade. The researchers conducted their study in Clark Freeport Zone (CFZ), a lively business center in Pampanga, where businesses mostly relied on customs brokers to facilitate import and export processes. They employed purposive convenience sampling to select participants, selecting respondents based on specific characteristics or criteria that required consideration of their relevance, availability, and willingness to participate.

The researchers employed the Raosoft calculator to determine the optimal sample size. They took into account several factors during the calculations. First, the target population under investigation was the clients of the Bureau of Customs-Port of Clark, comprising a total of 1,170 individuals. Second, a margin of error of 5% was sought, indicating the acceptable level of variability in the study results. Additionally, a confidence level of 95% was established to reflect the desired level of certainty in the findings. Lastly, the estimated response distribution, which stood at approximately 50%, was also considered. After carefully considering these factors, the researchers concluded that a sample size of 290 individuals would sufficiently address their research objectives. Unfortunately, out of the 290 questionnaires distributed to the respondents, only 148 were returned to the researchers. According to Great Brook (2024), When the number of responses does not meet the target sample size, the results may not be accurate. Collecting at least 100 responses is needed to ensure accuracy.

8. INSTRUMENT AND PROCEDURES

The researchers used a validated, self-made survey questionnaire created for this study. The questions were systematically structured and organized according to the outlined research objectives. The questionnaire utilized in this study is closed-ended. As per Gupta (2020), closed-ended questions offer a predetermined list of responses from which the respondent chooses. The first part of the questionnaire employed a 4-point Likert scale, where respondents could express their awareness to the options, such as: (4) Fully Aware, (3) Aware, (2) Not Aware, and (1) Fully Not Aware. The proceeding parts employed also a 4-point Likert scale such as: (4) Strongly Agree, (3) Agree, (2) Disagree, and (1) Strongly Disagree. The Likert scale format in the questionnaire offered a systematic approach for participants to convey their opinions and sentiments about the specified categories.

The first part showed the respondent’s awareness of customs brokers' specific roles and importance in international trade. On the other hand, the second part tackled the specific role of customs brokers in facilitating importation and exportation processes. The questions in the second part were adopted from Republic Act No. 9280, section 6, which outlined the scope of the practice of customs brokers. Lastly, the third part indicated the effectiveness of customs brokers in international trade in terms of trade facilitation, prevention of smuggling, and proper collection of government revenue.

The questionnaire underwent face validation, involving obtaining the opinions of three (3) experts in customs administration. These experts evaluated the questionnaire's content, structure, and alignment with the research objectives. Their feedback and recommendations were used to enhance and refine the questionnaire before its ultimate deployment. Additionally, a reliability test was conducted to guarantee the questionnaire's reliability. This entailed administering the questionnaire to a sample of 28 clients of BOC-Port of Clark around Mabalacat City and Philexcel, Clark. The aim was to assess the consistency and stability of the questionnaire's outcomes. The researchers used Cronbach's alpha after pre-testing a research instrument through the help of a skilled statistician. In this study, table 2 below shows the reliability test results of the instruments. Based on the findings, the overall questions were interpreted as excellent. This indicates that the research instrument has passed the reliability test and was accepted for data gathering.

Table 1: Validators of the Questionnaire

VALIDATORS	PROFESSION	EDUCATIONAL QUALIFICATION/ FIELD OF SPECIALIZATION
VALIDATOR 1	PROFESSOR	CUSTOMS BROKER MASTER OF BUSINESS ADMINISTRATION JURIS DOCTOR
VALIDATOR 2	PROFESSOR	CUSTOMS BROKER
VALIDATOR 3	PROFESSOR	MASTER OF BUSINESS ADMINISTRATION MASTER OF ARTS IN EDUCATION

The component validators from different professions, specialization and industry practitioners

Table 2: Reliability Test of the Questionnaire

Variables	Number of Items	Cronbach's Alpha	Reliability level
ROLE	5	0.89	GOOD
TRADE FACILITATION	5	0.85	GOOD
PREVENTION OF SMUGGLING	5	0.85	GOOD
PROPER COLLECTION	5	0.87	GOOD
Overall	20	0.95	EXCELLENT

Cronbach's Alpha: a > 0.9 (Excellent), 0.9 > a > 0.8 (Good), 0.8 > a > 0.7 (Acceptable), 0.7 > a > 0.6 (Questionable), 0.6 > a > 0.5 (Poor), 0.5 > a (Unacceptable) (Source: National Research Council Committee on Scientific Principles for Educational Research, 2002)

9. RESULT AND DISCUSSION

This chapter revealed the data gathered, the outcome of the statistical analysis done and interpretation of findings.

Table 3. Awareness of Importers or Exporters to the Role and Importance of Customs Brokers.

Fully Aware f (%)	Aware f (%)	Not Aware f (%)	Fully Not Aware f (%)	Mean	Standard Deviation	Interpretation
62 (41.9)	86 (58.1)	0	0	3.42	0.495057387	Fully Aware

Table 3 shows importers and exporters awareness of the role and importance of customs brokers. Among the 148 respondents, the majority, 86 (58.1%), were aware of the role and importance of customs brokers, while 62 (41.9%) were fully aware. Additionally, the mean score of 3.42 indicates that respondents are fully aware. According to Almo et al. (2022), importers and exporters know that customs brokers' roles include assisting, double-checking, and forwarding documents they receive from clients to the Bureau. The knowledge of importers and exporters regarding these roles is crucial for the smooth execution of international trade. Importers and exporters must be well-versed in trade regulations, documentation requirements, and compliance standards.

Table 4. Specific Roles of Customs Brokers in Importation and Exportation.

Statements	Mean	Standard Deviation	Verbal Description	Rank
1. Customs brokers assist in preparing and submitting the required documentation for customs clearance.	3.38	0.576234615	Strongly Agree	1
2. They help determine the appropriate tariff classification for imported goods, ensuring correct duty rates.	3.34	0.656861615	Strongly Agree	2
3. Customs brokers aid in determining the customs value of goods, including the proper valuation methods.	3.38	0.643178813	Strongly Agree	1
4. Brokers facilitate the clearance process by interacting with customs authorities, ensuring compliance with regulations.	3.34	0.665516566	Strongly Agree	2
5. They keep up-to-date with import regulations and ensure that shipments comply with relevant laws.	3.38	0.643178813	Strongly Agree	1
Grand Mean	3.36		Strongly Agree	

Table No. 4 shows the specific role of customs brokers in importation and exportation. The results revealed a grand mean of 3.36, which means that the importer and exporter strongly agreed that the five (5) statements are the specific role of customs brokers in importation and exportation. The

Republic Act No. 9280, known as “Customs Brokers Act of 2004,” section 6, which is the scope of customs brokers, states that the customs brokers profession involves various tasks. This involves providing advice, preparing necessary customs documents for imports and exports, declaring customs duties and taxes, preparing, signing, filing, lodging, and processing import and export entries; representing importers and exporters in matters related to the valuation and classification of imported items before government agencies and private entities; and offering professional services in customs, tariff laws, procedures, and practices.

Specifically, the statement “Customs brokers assist in preparing and submitting the required documentation for customs clearance,” “Customs brokers aid in determining the customs value of goods, including the proper valuation methods,” and “They keep up-to-date with import regulations and ensure that shipments comply with relevant laws” are equally got the highest rank with a mean of 3.38. followed by the mean of 3.34: "They help determine the appropriate tariff classification for imported goods, ensuring correct duty rates,” and “Brokers facilitate the clearance process by interacting with customs authorities, ensuring compliance with regulations.”

Table 5. Effectivity of Customs Brokers in International Trade in Terms of Trade Facilitation.

Statements	Mean	Standard Deviation	Verbal Description	Rank
1. Customs brokers contribute to the smooth flow of international trade transactions.	3.32	0.628540715	Strongly Agree	2
2. Customs brokers' expertise speeds up the process of clearing imported/exported goods.	3.23	0.719926249	Strongly Agree	4
3. Customs brokers easily understand and follow international trade rules.	3.37	0.672900164	Strongly Agree	1
4. Using customs brokers helps ensure compliance and reduces the risk of delays or penalties.	3.05	0.767844048	Strongly Agree	5
5. Customs Brokers play a key role in making international trade processes less complicated.	3.24	0.734213649	Strongly Agree	3
Grand Mean	3.24		Strongly Agree	

Table No. 5 shows customs brokers' effectiveness in international trade regarding trade facilitation. The results revealed a grand mean of 3.24 which means that importers and exporters strongly agreed that the five (5) statements show the effectiveness of customs brokers in international trade in terms of trade facilitation.

By ranking the statement, “Customs brokers easily understand and follow international trade rules” got the highest rank mean of 3.37. followed by the mean of 3.32 “Customs brokers contribute to the smooth flow of international trade transactions. The third rank is “Customs Brokers play a key role in making international trade

processes less complicated” with a mean of 3.24. “Customs brokers' expertise speeds up the process of clearing imported/exported goods” with a mean of 3.23. lastly, “Using customs brokers helps ensure compliance and reduces the risk of delays or penalties” rank fifth with a mean of 3.05.

Customs brokers are instrumental in ensuring the smooth flow of import and export transactions. They serve as middlemen connecting businesses with customs officials, using their deep understanding of complicated customs rules, trade laws, and import/export needs. This expertise guarantees that businesses remain compliant, mitigating the risks associated with errors or non-compliance that might lead to delays, fines, or even the seizure of goods (World Customs Organization, 2018).

Table 6. Effectivity of Customs Brokers in International Trade in Terms of Prevention of Smuggling.

Statements	Mean	Standard Deviation	Verbal Description	Rank
1. Customs brokers play a significant role in preventing smuggling in international trade.	3.06	0.75796318	Strongly Agree	1
2. The expertise of customs brokers helps in detecting and stopping smuggled goods during the clearance process.	3.04	0.82378237	Strongly Agree	2
3. Customs brokers effectively work to ensure that imported/exported goods comply with anti-smuggling regulations.	3.01	0.728305147	Strongly Agree	4
4. Using customs brokers enhances overall efforts to combat smuggling and illicit trade activities.	2.95	0.883210435	Agree	5
5. Customs brokers contribute significantly to reducing the risk of smuggling-related incidents in international trade.	3.03	0.819951388	Strongly Agree	3
Grand Mean	3.02		Strongly Agree	

Table No. 6 shows the effectiveness of customs brokers in international trade in preventing smuggling. The results revealed a grand mean of 3.02, meaning that importers and exporters strongly agreed that the five (5) statements show the effectiveness of customs brokers in international trade in preventing smuggling.

Specifically, the statement “Customs brokers play a significant role in preventing smuggling in international trade” ranked the highest with a mean of 3.06. Clients ranked the statement “The expertise of customs brokers helps in detecting and stopping smuggled goods during the clearance process” second with a mean of 3.04. Followed closely with a mean of 3.03 the statement “Customs brokers contribute significantly to reducing the risk of smuggling-related incidents in international trade.” “Customs brokers effectively work to ensure that imported/exported goods comply with anti-smuggling regulations” got the fourth rank with a mean

of 3.01. lastly, the statement “Using customs brokers enhances overall efforts to combat smuggling and illicit trade activities” ranked as a fifth with a mean of 2.95.

According to Busby et al. (2018), the focus of customs administrations has expanded to encompass border security concerns. Customs brokers can be regarded as the original "trusted traders," subject to regulation through expertise in customs and tariff laws. These licensed professionals invest significant time studying diverse customs regulations and effective negotiation strategies with authorities, indicating a comprehensive understanding of government agency operations. Given their frequent interactions, customs brokers are well-positioned to identify and report any irregularities customs authorities commit (Excelsior Worldwide Logistics Corp., 2020).

Table 7. Effectivity of Customs Brokers in International Trade in Terms of Proper Collection of Government Revenue.

Statements	Mean	Standard Deviation	Verbal Description	Rank
1. Customs brokers accurately classify and value goods to ensure the correct amount of government revenue is collected.	3.19	0.703261124	Strongly Agree	1
2. Customs brokers take measures to prevent under-reporting or undervaluation of goods to avoid revenue loss.	3.15	0.759205321	Strongly Agree	3
3. Customs brokers work closely with customs authorities to address any discrepancies in revenue collection promptly.	3.17	0.693884986	Strongly Agree	2
4. Customs brokers maintain transparent and honest practices in financial transactions related to government revenue.	3.09	0.727768503	Strongly Agree	5
5. Customs brokers actively contribute to enhancing the overall revenue collection process in international trade.	3.13	0.810479034	Strongly Agree	4
Grand Mean	3.15		Strongly Agree	

Table No. 7 shows the effectiveness of customs brokers in international trade in terms of proper collection of government Revenue The results revealed a grand mean of 3.15, meaning that importers and exporters strongly agreed that the five (5) statements show the effectiveness of customs brokers in international trade in the proper collection of government revenue.

The findings revealed that the statement “Customs brokers accurately classify and value goods to ensure the correct amount of government revenue is collected” highest with a mean of 3.29. “Customs brokers work closely with customs authorities to promptly address any discrepancies in revenue collection” with a mean of 3.17. The third rank has the mean of 3.15: "Customs brokers take measures to prevent

under-reporting or undervaluation of goods to avoid revenue loss.” Followed with a mean of 3.13 “Customs brokers actively contribute to enhancing the overall revenue collection process in international trade.” Finally, “Customs brokers maintain transparent and honest practices in financial transactions related to government revenue” rank fifth with a mean of 3.09.

A study by the World Customs Organization (WCO) highlights the importance of collaboration between customs administrations and customs brokers to improve revenue collection efficiency. The study suggests that customs brokers can act as trusted partners by providing businesses with guidance on customs compliance, ultimately leading to a more efficient and effective revenue collection system. Pastor, Nieva, & Palomares (2018) investigated the vital role of customs brokers in mediating transactions between importers and the Bureau of Customs. Their study highlights the importance of customs brokers in ensuring accurate duty calculations and classification of imported goods, contributing to efficient trade facilitation and government revenue collection.

Table 8. Relationship between Importation and Exportation to the Effectiveness of the Customs Brokers in International Trade in Terms of Trade Facilitation, Prevention of Smuggling, and Proper Collection of Government Revenue.

	Spearman rho Correlation Coefficient	p-value	Interpretation
Trade Facilitation	0.866	0.058	No Significant Relationship
Prevention of Smuggling	0.289	0.638	No Significant Relationship
Proper Collection of Government Revenue	0.577	0.308	No Significant Relationship

*Significant at .05 level ($p < .05$)
P-value = level of significance (if $p < .05$, significant; if $p > .05$, not significant)

Table No. 8 shows the results of the analysis of the relationship between importation and exportation and the effectiveness of customs brokers in international trade in terms of trade facilitation, prevention of smuggling, and collection of government revenue. The results revealed that there is a very strong relationship (0.866) between trade facilitation and the role of importation and exportation. However, they are not significantly related since the p-value is 0.058, above the 5% level of significance.

There is a weak relationship between the role of importation and exportation in the prevention of smuggling (0.289). They are not significantly related to each other since the p-value is 0.638 which is above the 5% level of significance. According to Almo et al. (2022), that customs brokers' strict adherence to ethical practices significantly contributes to the prevention of smuggling, it appears that additional factors influence the prevalence of smuggling beyond the customs brokers' control. The weak relationship

identified suggests that enhancing the role of customs brokers alone may not significantly impact smuggling activities, and broader measures may be necessary.

There is a strong relationship between the proper collection of government revenue and the role of importation and exportation (0.577) between them. They are not significantly related to each other since the p-value is 0.308, which is above the 5% significance level.

10. CONCLUSION

The study's findings lead to the formulation of the following conclusions:

1. A majority of importers and exporters in the study were aware of the role and importance of customs brokers. This indicates a general understanding among these participants about the value proposition of customs brokers in international trade.

2. Respondents strongly agree with the importance of the specific roles that customs brokers play in importation and exportation. Key functions include preparing and submitting required documentation, determining customs value, staying updated with import regulations, determining appropriate tariff classifications, and facilitating the clearance process. This aligns with the Republic Act No. 9280 known as "Customs Brokers Act of 2004", section 6, indicating the scope of customs brokers, stating that the customs broker profession involves various tasks such as preparing necessary customs documents for imports and exports, declaring customs duties and taxes, preparing, signing, filing, lodging, and processing import and export entries. The results of these roles received high mean scores, reflecting the critical support customs brokers provide in ensuring compliance and efficiency in international trade processes.

3. Customs brokers are perceived as highly effective in facilitating trade, with high agreement on their ability to understand international trade rules, contribute to smooth trade transactions, simplify trade processes, speed up clearance of goods, and reduce risks of delays or penalties.

4. Respondents strongly agree that customs brokers play a significant role in preventing smuggling. Their expertise aids in detecting and stopping smuggled goods, reducing smuggling risks, ensuring compliance with anti-smuggling regulations, and enhancing efforts to combat illicit trade activities.

5. Customs brokers are also viewed as effective in ensuring proper government revenue collection. They accurately classify and value goods, promptly address revenue discrepancies, prevent under-reporting or undervaluation, enhance revenue collection, and maintain transparency and honesty in financial transactions.

6. The study found that while there is a very strong relationship between trade facilitation and the role of importation and exportation, this relationship is not statistically significant. A weak relationship exists between

importation and exportation's role in preventing smuggling, which is also statistically insignificant. Similarly, there is a strong relationship between proper government revenue collection and the role of importation and exportation, but this relationship, too, lacks statistical significance.

11. RECOMMENDATIONS

The study's findings lead to the formulation of the following conclusions:

1. A majority of importers and exporters in the study were aware of the role and importance of customs brokers. This indicates a general understanding among these participants about the value proposition of customs brokers in international trade.

2. Respondents strongly agree with the importance of the specific roles that customs brokers play in importation and exportation. Key functions include preparing and submitting required documentation, determining customs value, staying updated with import regulations, determining appropriate tariff classifications, and facilitating the clearance process. This aligns with the Republic Act No. 9280 known as "Customs Brokers Act of 2004", section 6, indicating the scope of customs brokers, stating that the customs broker profession involves various tasks such as preparing necessary customs documents for imports and exports, declaring customs duties and taxes, preparing, signing, filing, lodging, and processing import and export entries. The results of these roles received high mean scores, reflecting the critical support customs brokers provide in ensuring compliance and efficiency in international trade processes.

3. Customs brokers are perceived as highly effective in facilitating trade, with high agreement on their ability to understand international trade rules, contribute to smooth trade transactions, simplify trade processes, speed up clearance of goods, and reduce risks of delays or penalties.

4. Respondents strongly agree that customs brokers play a significant role in preventing smuggling. Their expertise aids in detecting and stopping smuggled goods, reducing smuggling risks, ensuring compliance with anti-smuggling regulations, and enhancing efforts to combat illicit trade activities.

5. Customs brokers are also viewed as effective in ensuring proper government revenue collection. They accurately classify and value goods, promptly address revenue discrepancies, prevent under-reporting or undervaluation, enhance revenue collection, and maintain transparency and honesty in financial transactions.

6. The study found that while there is a very strong relationship between trade facilitation and the role of importation and exportation, this relationship is not statistically significant. A weak relationship exists between importation and exportation's role in preventing smuggling, which is also statistically insignificant. Similarly, there is a strong relationship between proper government revenue

collection and the role of importation and exportation, but this relationship, too, lacks statistical significance.

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Finally, the researchers expressed heartfelt gratitude to the respondents for their willingness to participate and valuable insights and time, which were instrumental in enriching the study. They emphasized that the study would not have been possible without the respondents' cooperation and essential contributions.

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