

**§ 28.66 Strengthening bonds.**

In all cases where the penal sum of any bond becomes insufficient, the principal shall either give a strengthening bond with the same surety to attain a sufficient penal sum, or give a new bond to cover the entire liability. Strengthening bonds will not be approved where any notation is made thereon which is intended, or which may be construed, as a release of any former bond, or as limiting the amount of any bond to less than its full penal sum. Strengthening bonds shall show the current date of execution and the effective date.

(72 Stat. 1352, 1394; 26 U.S.C. 5175, 5551)

**§ 28.67 New or superseding bonds.**

New bonds shall be required in case of insolvency or removal of any surety, and may, at the discretion of the appropriate TTB officer, be required in any other contingency affecting the validity or impairing the efficiency of such bond. Executors, administrators, assignees, receivers, trustees, or other persons acting in a fiduciary capacity, continuing or liquidating the business of the principal, shall execute and file a new bond or obtain the consent of the surety or sureties on the existing bond or bonds. Where, under the provisions of § 28.72, the surety on any bond given under this subpart has filed an application to be relieved of liability under said bond and the principal desires or intends to continue the business or operations to which such bond relates, he shall file a valid superseding bond to be effective on or before the date specified in the surety's notice. If the principal does not file a new or superseding bond when required, he shall discontinue the operations intended to be covered by such bond forthwith. New or superseding bonds shall show the current date of execution and the effective date.

(72 Stat. 1336, 1362; 26 U.S.C. 5062, 5214)

[25 FR 5734, June 23, 1960. Redesignated at 40 FR 16835, Apr. 15, 1975, and amended by T.D. ATF-62, 44 FR 71722, Dec. 11, 1979; T.D. TTB-8, 69 FR 3832, Jan. 27, 2004]

## TERMINATION OF BONDS

**§ 28.70 Termination of bonds, Forms 2734 (5120.25) and 2736 (5100.12).**

Bonds, Forms 2734 (5120.25) and 2736 (5100.12), covering a specific lot of distilled spirits or wines withdrawn without payment of tax under this part, will be canceled by the appropriate TTB officer on receipt by him of TTB Form 5100.11 properly executed by the appropriate customs official or armed services officer, as required by this part, evidencing that the distilled spirits or wines have been duly exported, laden for use on vessels or aircraft, deposited in a foreign-trade zone, or deposited in a manufacturing bonded warehouse, as the case may be, or of evidence satisfactory to him that the distilled spirits or wines have been otherwise lawfully disposed of or accounted for: *Provided*, That all liability under the bond to be canceled has been terminated.

(72 Stat. 1352; 26 U.S.C. 5175)

[25 FR 5734, June 23, 1960. Redesignated at 40 FR 16835, Apr. 15, 1975, and amended by T.D. ATF-62, 44 FR 71722, Dec. 11, 1979; T.D. TTB-8, 69 FR 3832, Jan. 27, 2004]

**§ 28.71 Termination of bonds, Forms 2735 (5100.30), 2737 (5110.67), and 2738 (5110.68).**

Continuing bonds, Forms 2735 (5100.30) and 2737 (5110.67), covering distilled spirits and/or wines withdrawn from time to time without payment of tax under this part and Form 2738 (5110.68) covering allowance of claims for drawback on distilled spirits and/or wines removed as authorized in §§ 28.171 and 28.211, may be terminated as to liability for future withdrawals or claims (a) pursuant to application of surety as provided in § 28.72, (b) on approval of a superseding bond, or (c) on written notification to the appropriate TTB officer by the principal of his discontinuance of withdrawals or claims, as the case may be, under the bond. When no further withdrawals are to be made under a bond on Form 2735 (5100.30) or 2737 (5110.67), or no further claims for drawback are to be filed under bond Form 2738 (5110.68), the bond shall be canceled by the appropriate TTB officer in the manner and