

Certification Scheme, as well as the requirements listed in 31 CFR 592.307;

(3) *Rough diamond*. “Rough diamond” means any diamond that is unworked or simply sawn, cleaved, or bruted and classifiable under subheading 7102.10, 7102.21, or 7102.31 of the Harmonized Tariff Schedule of the United States;

(4) *United States*. “United States”, when used in the geographic sense, means the several states, the District of Columbia, and any commonwealth, territory, or possession of the United States; and

(5) *United States person*. “United States person” means:

(i) Any United States citizen or any alien admitted for permanent residence into the United States;

(ii) Any entity organized under the laws of the United States or any jurisdiction within the United States (including its foreign branches); and

(iii) Any person in the United States.

(c) *Original Kimberley Process Certificate*. A shipment of rough diamonds imported into, or exported from, the United States must be accompanied by an original Kimberley Process Certificate.

(d) *Formal Entry Required*. Formal entry is required when importing a shipment of rough diamonds. Formal entry procedures are prescribed in part 142 of this chapter.

(e) *Report of Kimberley Process Certificate Unique Identifying Number*. Customs brokers, importers, and filers making entry of a shipment of rough diamonds must either submit through CBP’s Automated Broker Interface (ABI) system the unique identifying number of the Kimberley Process Certificate accompanying the shipment or, for non-ABI entries, indicate the certificate number on the CBP Form 7501, Entry Summary, on each applicable line item.

(f) *Maintenance of Kimberley Process Certificate*—(1) *Ultimate consignee*. The ultimate consignee identified on the CBP Form 7501, Entry Summary, or its electronic equivalent filed with CBP in connection with an importation of rough diamonds must retain the original Kimberley Process Certificate for a period of at least five years from the date of importation and must make the

certificate available for examination at the request of CBP.

(2) *Importer*. The U.S. person that imports into the United States a shipment of rough diamonds must retain a copy of the Kimberley Process Certificate accompanying the shipment for a period of at least five years from the date of importation and must make the copy available for examination at the request of CBP.

(3) *Exporter*. The U.S. person that exports from the United States a shipment of rough diamonds must retain a copy of the Kimberley Process Certificate accompanying the shipment for a period of at least five years from the date of exportation and must make the copy available for examination at the request of CBP.

[78 FR 40629, July 8, 2013]

## PART 18—TRANSPORTATION IN BOND AND MERCHANDISE IN TRANSIT

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#### Subpart A—General Provisions

##### § 18.0 Scope; definitions.

(a) *Scope*. Except as provided in parts 122 (Air commerce) and 123 (CBP relations with Canada and Mexico) of this chapter, this part sets forth the requirements and procedures pertaining to the transportation of merchandise in-bond, as authorized by §§ 551, 552, and

553 of the Tariff Act of 1930, as amended (19 U.S.C. 1551, 1552, and 1553).

(b) *Definitions*. As used in this part, the following terms will have the meanings indicated unless either the context in which they are used requires a different meaning or a different definition is prescribed for a particular part or portion thereof:

*Bonded carrier*. “Bonded carrier” means a carrier of merchandise whose bond under § 113.63 of this chapter is obligated for the transportation and delivery of merchandise.

*Common carrier*. “Common carrier” means a common carrier of merchandise owning or operating a railroad, steamship, pipeline, truck line, or other transportation line or route.

*Origination port*. “Origination port” is the U.S. port at which the transportation of merchandise in-bond commences.

*Port of destination*. “Port of destination” is the U.S. port at which merchandise is delivered after being shipped in-bond from the origination port where it was entered as an immediate transportation entry.

*Port of diversion*. “Port of diversion” is the U.S. port to which merchandise is diverted while in transit from the origination port to the port of destination or the port of exportation.

*Port of exportation*. “Port of exportation” is the U.S. port at which in-bond merchandise entered for transportation and exportation or for immediate exportation is delivered for exportation from the United States.

##### § 18.1 In-bond application and entry; general rules.

(a) *General requirement*. In order to transport merchandise in-bond (transport imported merchandise, secured by a bond, from one port to another prior to the appraisement of the merchandise and without the payment of duties), an in-bond application as described in paragraph (d) of this section is required. An in-bond application consists of a transportation entry and a manifest. A transportation entry as described in paragraph (b) of this section may be made for any imported merchandise upon its arrival at a port of entry, subject to the prohibitions and restrictions provided in this part.

(b) *Types of transportation entries and withdrawals.* The following types of transportation entries and withdrawals may be made for merchandise to be transported in-bond:

(1) Entry for immediate transportation (IT).

(2) Warehouse withdrawal for immediate transportation.

(3) Warehouse withdrawal for immediate exportation or for transportation and exportation.

(4) Entry for transportation and exportation (T&E).

(5) Entry for immediate exportation (IE).

(6) Entry of vessel and aircraft supplies for immediate exportation (IE).

(7) Entry of vessel and aircraft supplies for transportation and exportation (T&E).

(c) *Who may file.* A transportation entry may be filed by:

(1) The carrier, or authorized agent of the carrier, that brings the merchandise to the origination port;

(2) The carrier, or authorized agent of the carrier, that is to accept the merchandise under its bond or a carnet for transportation to the port of destination or the port of exportation; or

(3) Any person or the authorized agent of any person, who has a sufficient interest in the merchandise as shown by the bill of lading or manifest, a certificate of the importing carrier (such as a power of attorney or letter of authorization), or by any other document. CBP may request evidence to demonstrate sufficient interest.

(d) *In-bond application.* An in-bond application consisting of a transportation entry and manifest must be transmitted to CBP via a CBP-approved EDI system as specified in paragraph (d)(2) of this section in order to transport merchandise in-bond.

(1) *Contents.* Except for the other identifying information described in paragraph (d)(1)(iii) of this section which is optional, the in-bond application must contain the following information:

(i) *Commodity HTSUS number.* The six-digit Harmonized Tariff Schedule of the United States (HTSUS) number of the merchandise must be provided.

(ii) *Description of merchandise subject to regulation by another government*

*agency.* Merchandise subject to regulation by a U.S. government agency other than CBP must contain a sufficient description of the merchandise to enable the agency concerned to determine the contents of the shipment.

(iii) *Other identifying information.* If a visa, permit, license, entry number, or other similar number or identifying information has been issued by the U.S. Government, foreign government or other issuing authority, relating to the merchandise, the visa, permit, license, entry number, or other similar number or identifying information may be provided.

(iv) *Quantity.* The quantity of the cargo laden aboard the conveyance must be provided. This means the quantity of the smallest external packing unit. Containers and pallets do not constitute acceptable information. For example, a container holding 10 pallets with 200 cartons should be described as 200 cartons. If the reported quantity is not correct or if it changes, the in-bond record must be updated or amended in accordance with paragraph (h) of this section. The updating of the quantity of the merchandise does not relieve the carrier whose bond is obligated from liquidated damages for any shortage.

(v) *Container number and seals.* The container number of the container in which the merchandise is being transported and the seal number of the seal that seals the container (see §18.4) must be provided. If the seal number is not known when the in-bond application is filed, the in-bond application must be updated with the seal number within two business days from the date the initial carrier takes possession of the sealed merchandise.

(vi) *Destination.* For IT shipments, the port of destination in the United States must be provided. For T&E and IE shipments, the port of exportation and the first foreign port must be provided. If any of this information changes, the in-bond record must be updated or amended in accordance with paragraph (h) of this section.

(2) *Method of submission.* The in-bond application must be electronically transmitted to CBP via a CBP-approved EDI system, except as described in §18.31 relating to the in-bond transportation of merchandise by pipeline,

or air (see 19 CFR part 122) or under a TIR carnet (see 19 CFR part 115). In the event that EDI functionality is unavailable for filing an in-bond application, or any related in-bond filing, the Commissioner or his designee may authorize an alternative method.

(3) *Timing.* The in-bond application may be submitted at any time prior to the merchandise departing the origination port.

(e) *Bond required.* A custodial bond on CBP Form 301, containing the bond conditions set forth in §113.63 of this chapter, is required in order to transport merchandise in-bond under the provisions of this part.

(f) *Movement authorization required.* Authorization from CBP is required before merchandise can be transported in-bond. Authorization for the movement of merchandise will be transmitted by CBP via a CBP-approved EDI system.

(g) *Supervision—(1) Generally.* When merchandise is delivered to a bonded carrier for transportation in-bond, CBP may, in its discretion, require that the merchandise be laden on the conveyance only under CBP supervision.

(2) *Merchandise delivered from warehouse.* When merchandise is delivered from a warehouse to a bonded carrier for transportation in-bond, supervision of lading will be accomplished in accordance with the procedure set forth in §19.6(b) of this chapter.

(3) *Merchandise delivered from foreign trade zone.* When merchandise is delivered from a foreign trade zone to a bonded carrier for transportation in-bond, supervision of lading will be accomplished in accordance with the procedure set forth in §146.71(a) of this chapter.

(h) *Updating and amending the in-bond record.* The filer of the in-bond application or any other party named in paragraph (c) of this section, with authorization of the party whose bond is obligated, must update and/or amend the in-bond record as required under the provisions of this part via a CBP-approved EDI system. The in-bond record must be updated or amended within two business days of the event that requires updating and/or amending of the in-bond record.

(i) *In-transit time—(1) Maximum in-transit time.* Except for merchandise to be transported via barge, merchandise to be transported in-bond must be delivered to CBP at the port of destination or port of exportation within 30 days from the date of conveyance arrival at the origination port (if the in-bond application has been received and approved prior to conveyance arrival), or the date CBP provides movement authorization to the in-bond applicant, whichever is later. Merchandise to be transported via barge for all or part of the in-bond movement, must be delivered to CBP at the port of destination or port of exportation within 60 days from the date of conveyance arrival at the origination port (if the in-bond application has been received and approved prior to conveyance arrival), or the date CBP provides movement authorization to the in-bond applicant, whichever is later. If the merchandise is subject to examination or inspection by CBP or another government agency, the time that the merchandise is held due to the examination or inspection will not be considered part of the 30-day or 60-day in-transit time. Neither the diversion to another port nor the filing of a new in-bond application extends the maximum in-transit time. Failure to deliver the merchandise within the prescribed period constitutes an irregular delivery. In-bond merchandise transported by pipeline is not subject to the time limits in this section.

(2) *Extension of in-transit time.* The in-transit requirement may be extended by CBP upon a written request to the port director of the port of destination or port of exportation. The decision to extend the in-transit time period is within the discretion of CBP. Factors that may be considered, among any others deemed applicable by CBP, include extraordinary circumstances such as major transportation network disruptions, natural disasters, and other emergencies beyond the control of the party requesting the extension.

(3) *Restriction of in-transit time.* CBP or any other government agency with jurisdiction over the merchandise may shorten the in-transit time to less than 30 or 60 days. CBP will provide notice of a government-shortened in-transit

time with the movement authorization.

(j) *Report of arrival.* Within two business days after the arrival of any portion of an in-bond shipment at the port of destination or the port of exportation, CBP must be notified via a CBP-approved EDI system that the merchandise has arrived. The notification must include the Facilities Information and Resources Management System (FIRMS) code of the location of the merchandise within the port. Failure to report the arrival or the FIRMS code for the physical location of the merchandise transported in-bond within the prescribed period constitutes an irregular delivery.

(k) *General order merchandise; exportation.* Any merchandise covered by an in-bond shipment that has arrived at the port of destination or the port of exportation must be entered, exported, or admitted to a foreign-trade zone pursuant to this part within 15 calendar days from the date of arrival of the entire in-bond shipment at the port of destination or port of exportation. Sixteen days after in-bond merchandise arrives in the port of destination or port of exportation, the merchandise will become subject to general order requirements pursuant to § 4.37, § 122.50, or § 123.10 of this chapter, as applicable.

(1) *Special classes of merchandise—(1) Health, safety and conservation.* CBP may determine that merchandise not in compliance with an applicable rule, regulation, law, standard or ban, relating to health, safety or conservation, will not be released for transportation in-bond without the authorization of the governmental agency administering such rule, regulation, law, standard or ban.

(2) *Plants and plant products.* Merchandise subject upon importation to examination, disinfection, or further treatment under the USDA Animal and Plant Health Inspection Service (APHIS), Plant Protection and Quarantine program, will only be released for transportation in-bond with the authorization of APHIS under regulations issued by that program. (See §§ 12.10 to 12.15 of this chapter).

(3) *Prohibited articles.* Articles prohibited admission into the commerce of the United States may not be entered

for transportation in-bond. Any such merchandise offered for entry for that purpose may either be denied entry or be seized. However, CBP may permit exportation or transportation and exportation either with authorization from the governmental agency having regulatory authority over the prohibited articles or in compliance with the regulations of such agency.

(4) *Narcotics and other drugs, medicines, or chemicals—(i) Narcotics.* Narcotics prohibited admission into the commerce of the United States may not be entered for transportation in-bond and any such merchandise offered for entry for that purpose will be seized, except that exportation or transportation and exportation may be permitted with authorization from the Drug Enforcement Agency (DEA) and/or compliance with the regulations of the DEA.

(ii) *Other drugs, medicines, or chemicals.* Articles entered for transportation in-bond that are manifested merely as drugs, medicines, or chemicals, without evidence to satisfy the port director that they are non-narcotic, will be detained and subjected, at the carrier's risk and expense, to such examination as may be necessary to satisfy the port director that they are not of a narcotic character. A properly verified certificate of the shipper, specifying the items in the shipment and stating that they are not narcotic, may be accepted by the port director to establish the character of such a shipment.

(5) *Explosives.* Explosives may not be transported in-bond unless the importer has first obtained a license or permit from the proper governmental agency. In such case the explosives may be entered for immediate transportation, for transportation and exportation, or for immediate exportation as specified by the approving government agency. Governmental agencies with regulatory authority over explosives include the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), the Department of Transportation (DOT), and the U.S. Coast Guard (USCG).

(6) *Livestock.* Carload shipments of livestock will not be entered for in-bond transportation unless they will

arrive at the port of destination named in the in-bond application before it becomes necessary to remove the seals for the purpose of watering and feeding the animals, or unless the route is such that the removal of the seals and the watering, feeding, and reloading of the stock may be done under CBP supervision.

(m) *Divided shipments.* After reaching the destination port, the port to which the merchandise has been diverted under §18.5(a), in-bond merchandise may be divided into multiple shipments with a portion of the initial in-bond shipment being entered for consumption or warehouse, and the remainder shipped under a new in-bond application. The carrier or any of the parties named in paragraph (c) of this section must, in accordance with the filing requirements of this section, submit a new in-bond application for each portion of the original shipment to be transported in-bond. Divided shipments for merchandise being transported under cover of a carnet are prohibited.

#### **§ 18.2 Carriers, cartmen, and lightermen.**

(a) *Transportation of merchandise in-bond by bonded carriers—(1) Generally.* Except as provided for in paragraph (b) of this section, merchandise to be transported from one port to another in the United States in-bond must be delivered to a common carrier, contract carrier, freight forwarder, or private carrier, each of which must be bonded for that purpose. Such merchandise delivered to a bonded common carrier, contract carrier, or freight forwarder may be transported with the use of facilities of other bonded or non-bonded carriers; however, the responsibility for the merchandise will remain with the common carrier, contract carrier, or freight forwarder that obligated its bond for that purpose. Only vessels entitled to engage in the coastwise trade (see §4.80 of this chapter) will be entitled to transport merchandise under this section.

(2) *Merchandise transported under a TIR carnet.* Merchandise to be transported from one port to another in the United States under cover of a TIR carnet (see part 114 of this chapter), except merchandise not otherwise subject

to CBP control, as provided in §§18.41 through 18.45, must be delivered to a common carrier or contract carrier bonded for that purpose, but the merchandise thereafter may be transported with the use of other bonded or non-bonded common or contract carriers. The TIR carnet will be responsible for liability incurred in the carriage of merchandise under the carnet, and the carrier's bond will be responsible as provided in §114.22(c) of this chapter.

(3) *Merchandise transported under an A.T.A. or a TECRO/AIT carnet.* Merchandise to be transported from one port to another in the United States under cover of an A.T.A. or TECRO/AIT carnet (see part 114 of this chapter) must be delivered to a common carrier or contract carrier bonded for that purpose, but the merchandise thereafter may be transported with the use of other bonded or non-bonded common or contract carriers. The A.T.A. or TECRO/AIT carnet will be responsible for liability incurred in the carriage of merchandise under the carnet, and the carrier's bond will be responsible as provided in §114.22(d) of this chapter.

(b) *Transportation of merchandise in-bond between certain ports by bonded cartmen or lighterman.* Pursuant to Public Resolution 108, of June 19, 1936, (19 U.S.C. 1551, 1551a) and subject to compliance with all other applicable provisions of this part, CBP, upon the request of a party named in §18.1(c), may permit merchandise that has been entered and subject to CBP examination to be transported in-bond between the ports of New York, Newark, and Perth Amboy, by bonded cartmen or lightermen duly qualified in accordance with the provisions of part 112 of this chapter, if CBP is satisfied that the transportation of such merchandise in this manner will not endanger the revenue and does not pose a risk to health, safety or security.

#### **§ 18.3 Transfers.**

(a) *Transfer to another conveyance.* Merchandise being transported in-bond may be transferred to another conveyance at any time. CBP notification is not required. The transfer to one or more conveyances will not extend the maximum in-transit time set forth in §18.1(i).

(b) *Transfer to another bonded carrier.* Except as provided in § 18.31(d)(3), when merchandise is transferred to a bonded carrier that assumes the liability for the in-bond shipment, a report of arrival for the merchandise must be filed by the original bonded carrier and a new in-bond application must be filed by the subsequent bonded carrier pursuant to § 18.1.

(c) *Transfer of merchandise covered by a TIR Carnet generally prohibited.* Merchandise covered by a TIR carnet may not be transferred except in cases in which the unloading of the merchandise from a container or road vehicle is necessitated by casualty en route. In the event of transfer, a TIR approved container or road vehicle must be used if available. If the transfer takes place under CBP supervision, the CBP officer must execute a certificate of transfer on the appropriate TIR carnet voucher.

(d) *Transfer by bonded cartmen.* All transfers to or from the conveyance or warehouse of merchandise being transported in-bond must be made under the provisions of part 125 of this chapter and at the expense of the parties in interest, unless the bond of the carrier on CBP Form 301, containing the bond conditions set forth in § 113.63 of this chapter or a TIR carnet, is liable for the safekeeping and delivery of the merchandise while it is being transferred.

#### § 18.4 Sealing conveyances, compartments, and containers.

(a) *Requirements, waiver, and TIR carnets—*(1) *Seals required.* Conveyance, compartments, or containers transporting in-bond merchandise must be sealed and the seals must remain intact until the merchandise arrives at the port of destination or the port of exportation. The seals to be used and the method for sealing conveyances, compartments, or containers must meet the requirements of §§ 24.13 and 24.13a of this chapter.

(2) *Waiver.* (i) CBP may waive the sealing of a conveyance, compartment, or container in which bonded merchandise is transported if CBP determines that the sealing of the conveyance, compartment, or container is unnecessary to protect the revenue or to pre-

vent violations of the customs laws and regulations.

(ii) Examples of situations where CBP may waive the waiver of the sealing requirement are when the conveyance, compartment, or container cannot be effectively sealed, as in the case of merchandise shipped in open cars or barges or on the decks of vessels, when it is known that any seals would necessarily be removed outside the jurisdiction of the United States for the purpose of discharging or taking on cargo, or when it is known that the breaking of the seals will be necessary to ventilate the hatches.

(3) *TIR carnets.* The port director will cause a CBP seal to be affixed to a container or road vehicle that is being used to transport merchandise under cover of a TIR carnet unless the container or road vehicle bears a customs seal (domestic or foreign). The port director will likewise cause a CBP seal or label to be affixed to heavy or bulky goods being so transported. If, however, the port director has reason to believe that there is a discrepancy between the merchandise listed on the Goods Manifest of the carnet and the merchandise that is to be transported, the port director may cause a CBP seal or label to be affixed only when the listing of the merchandise in the carnet and a physical inventory agree.

(b) *Commingled merchandise—*(1) *Transported in a sealed conveyance, compartment, or container.* Merchandise that is not covered by a bond may be transported in a sealed conveyance, compartment, or container that contains bonded merchandise if the merchandise is destined for the same or subsequent port as the bonded merchandise.

(2) *Transported in a conveyance, compartment, or container that is not sealed.* Merchandise that is not covered by a bond may be transported with bonded merchandise in a conveyance, compartment, or container that is not sealed, if the in-bond merchandise is corded and sealed, or affixed with a warning label or tag as described in paragraph (b)(3) of this section.

(3) *Warning label or tag—*(i) *Warning label.* The required warning label for in-bond merchandise described in paragraph (b)(2) of this section, must be on

bright red paper, not less than 5 by 8 inches in size, unless the size of the package renders the use of a 5 by 8 inch warning label impracticable because of lack of space; then a 3 by 5 inch label may be used. Alternatively, a high visibility, permanently affixed warning label, whether as a continuous series in tape form or otherwise, but not less than 1½ by 3 inches, and not to be removed until the in-bond movement is completed, may be used on any size package. The warning label must contain the following words in black or white lettering of a conspicuous size:

U.S. Customs and Border Protection

This package is under bond and must be delivered intact to the CBP officer in charge at the port of destination or to such other place as authorized by CBP.

Warning. Two years' imprisonment, a fine, or both, is the penalty for unlawful removal of this package or any of its contents.

(ii) *Tag*. When it is impossible to attach the warning label by pasting, a bright red shipping tag of convenient size, large enough to be conspicuous and containing the same legend as the label, shall be used in lieu of a label. Such tag shall be wired or otherwise securely fastened to the packages in such manner as not to damage the merchandise.

(4) *Merchandise transported under carnet*. Merchandise moving under cover of a carnet may not be consolidated with other merchandise.

(c) *Removal and replacement of seals*. If it becomes necessary at any point in transit to remove seals from a conveyance, compartment, or container containing bonded merchandise for the purpose of transferring its contents to another conveyance, compartment, or container, or to gain access to the shipment because of casualty or for other good reason, such as when required by law enforcement or another government agency, a responsible agent of the carrier may remove the seals, supervise the transfer or handling of the merchandise, and seal the conveyance, compartment, or container in which the shipment goes forward. Updated seal numbers must be transmitted to CBP pursuant to §18.1(h) and general recordkeeping requirements under 19 CFR part 163 apply.

(d) *Containers or road vehicles accepted for transport under customs seal; requirements*—(1)(i) *Containers covered by the Customs Convention on Containers*. Containers covered by the Customs Convention on Containers will be accepted for transport under customs seal if:

(A) Durably marked with the name and address of the owner, particulars of tare, and identification marks and numbers, and

(B) Constructed and equipped as outlined in Annex 1 to the Customs Convention on Containers, as evidenced by an accompanying unexpired certificate of approval in the form prescribed by Annex 2 to that Convention or by a metal plate showing design type approval by a competent authority.

(ii) *Containers carrying merchandise covered by a TIR carnet*. Containers carrying merchandise covered by a TIR carnet will be accepted for transport under customs seal if:

(A) Durably marked with the name and address of the owner, particulars of tare, and identification marks and numbers,

(B) Constructed and equipped as outlined in Annex 6 to the TIR Convention, as evidenced by an accompanying unexpired certificate of approval in the form prescribed by Annex 8 to that Convention, or by a metal plate showing design type approval by a competent authority, and

(C) If the container or road vehicle hauling the container has affixed to it a rectangular plate bearing the letters "TIR" in accordance with Article 31 of the TIR Convention.

(2) *Road vehicles carrying merchandise covered by a TIR carnet*. Road vehicles carrying merchandise covered by a TIR carnet will be accepted for transport under customs seal if:

(i) Durably marked with the name and address of the owner, particulars of tare, and identification marks and numbers,

(ii) Constructed and equipped as outlined in Annex 3 to the TIR Convention, as evidenced by an accompanying unexpired certificate of approval in the form prescribed by Annex 5 to that Convention, or by a metal plate showing design type approval by a competent authority, and



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(iii) If the road vehicle has affixed to it a rectangular plate bearing the letters “TIR” in accordance with Article 31 of the TIR Convention.

(3) *CBP refusal.* The port director may refuse to accept for transport under customs seal a container or road vehicle bearing evidence of approval if, in the port director’s opinion, the container or road vehicle no longer meets the requirements of the applicable Convention.

(4) *CBP acceptance for transport.* Containers or road vehicles that are not approved under the provisions of a Customs Convention may be accepted for transport under customs seal only if the port director at the origination port is satisfied that the container or road vehicle can be effectively sealed and no goods can be removed from or introduced into the container or road vehicle without obvious damage to it or without breaking the seal. A container or road vehicle so accepted shall not carry merchandise covered by a TIR carnet.

## § 18.5 Diversion.

(a) *Procedure.* In order to change the port of destination or the port of exportation of an in-bond movement, the filer of the in-bond application must submit a request to divert merchandise via a CBP-approved EDI system. Permission for the diversion and movement of merchandise will be transmitted via a CBP-approved EDI system. If the request to divert merchandise is denied, such merchandise must be delivered to the original port of destination or port of exportation that was named in the in-bond application. The decision to grant or deny permission to divert merchandise is within the discretion of CBP. Denials may result from, for example, restrictions placed upon the movement of goods by government agencies.

(b) *In-transit time.* The approval of a request to divert merchandise for transportation in-bond does not extend the in-transit time specified in §18.1(i)(1) of this part. The diverted merchandise must be delivered to the port of diversion within the in-transit time specified in §18.1(i)(1) from the date CBP first authorized the in-bond

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movement, unless an extension is granted pursuant to §18.1(i)(2).

(c) *Diversion of cargo subject to restriction, prohibition or regulation by other federal agency or authority.* Merchandise subject to a law, regulation, rule, standard or ban that requires permission or authorization by another federal agency or authority before importation may be restricted from being diverted on behalf of the authorizing agency.

## § 18.6 Short shipments; shortages; entry and allowance.

(a) *Notification of short shipment.* When an in-bond shipment arrives at the port of destination or the port of exportation and the cargo covered by the original in-bond application is short, the arriving carrier must notify CBP of the shortage when submitting the notice of arrival via a CBP-approved EDI system.

(b) *New in-bond application required.* The carrier or any of the parties named in §18.1(c) must, in accordance with the filing requirements of §18.1, submit a new in-bond application to transport short shipped packages that have been located or recovered to the port of destination or port of exportation provided in the in-bond application. Reference must be made in the new in-bond application to the original transportation entry.

(c) *Demand for redelivery; entry.* When a shipment or a portion of a shipment is not delivered, or when delivery is to an unauthorized location or is delivered to the consignee without the permission of CBP, CBP may demand return (redelivery) of the merchandise to CBP custody. The demand must be made no later than 30 days after the shortage, delivery, or failure to deliver is discovered by CBP. The demand for the redelivery of the merchandise to CBP custody must be made to the bonded carrier, cartman, or lighterman identified in the in-bond application. The demand for the redelivery of the merchandise will be made on CBP Form 4647, Notice of Redelivery, other appropriate form or letter, or by an electronic equivalent thereof. A copy of the demand or electronic equivalent thereof, with the date of mailing or delivery noted thereon, must be retained

by the port director and made part of the in-bond entry record. Entry of the merchandise may be accepted if the merchandise can be recovered intact without any of the packages having been opened. In such cases, any shortage from the invoice quantity will be presumed to have occurred while the merchandise was in the possession of the bonded carrier.

(d) *Failure to redeliver; entry.* If the merchandise cannot be recovered intact, entry will be accepted in accordance with §141.4 of this chapter for the full manifested quantity, unless a lesser amount is otherwise permitted in accordance with subpart A of part 158. Except as provided in paragraph (e) of this section, if the merchandise is not returned to CBP custody within 30 days of the date of mailing of the demand for redelivery, if mailed, or within 30 days of the date of transmission, if transmitted by a method other than by mail, there shall be sent to the party whose bond is obligated on the transportation entry a demand for liquidated damages on CBP Form 5955-A. CBP will also seek the payment of duties, taxes, and fees, where appropriate, pursuant to §18.8(c).

(e) *Failure to redeliver merchandise covered by a carnet.* If merchandise covered by a carnet cannot be recovered intact as specified in paragraph (c) of this section, entry will not be accepted; there will be sent to the appropriate guaranteeing association a demand for liquidated damages, duties, and taxes as prescribed in §18.8(d); and, if appropriate, there will also be sent to the initial bonded carrier a demand for any excess, as provided in §114.22(e) of this chapter. Demands must be made on the forms specified in paragraph (d) of this section.

(f) *Allowance.* An allowance in duty on merchandise reported short at destination, including merchandise found by the appraising officer to be damaged and worthless, and animals and birds found by the discharging officer to be dead on arrival at destination, must be made in in accordance with law.

(g) *Rail and searain.* In the case of shipments arriving in the United States by rail or searain, which are forwarded under CBP in-bond seals under the provisions of subpart D of

part 123 of this chapter, and §18.11, or §18.20, a notation must be made by the carrier or shipper in the in-bond application, to show whether the shipment was transferred to the car designated in the manifest and whether it was laden in the car in the foreign country. If laden on the car in a foreign country, the country must be identified in the notation.

**§ 18.7 Lading for exportation; notice and proof of exportation; verification.**

(a) *Exportation—(1) Notice.* Within two business days after the arrival at the port of exportation of any portion of an in-bond shipment, CBP must be notified via a CBP approved EDI of the arrival of the merchandise pursuant to §18.1(j). Failure to report the arrival of bonded merchandise within the prescribed period will constitute an irregular delivery.

(2) *Time to export.* Within 15 calendar days after arrival of the last portion of a shipment arriving at the port of exportation under a transportation and exportation entry, the entire shipment of merchandise must be exported. On the 16th day the merchandise will become subject to general order requirements under §4.37, §122.50, or §123.10 of this chapter, as applicable.

(3) *Notice and proof of exportation.* Within two business days after exportation, the in-bond record must be updated via a CBP approved EDI system to reflect that the merchandise has been exported. The principal on any bond filed to guarantee exportation may be required by the port director to provide evidence of exportation in accordance with §113.55 of this chapter.

(b) *Supervision.* The port director will require such supervision of the lading for exportation of merchandise covered by an entry or withdrawal for exportation or for transportation and exportation only as is reasonably necessary to satisfy the port director that the merchandise has been laden on the exporting conveyance.

(c) *Verification.* CBP may verify export entries and withdrawals against the records of the exporting carriers. Such verification may include an examination of the carrier's records of claims and settlement of export freight

charges and any other records that may relate to the transaction. The exporting carrier must maintain these records for five years from the date of exportation of the merchandise.

**§ 18.8 Liability for not meeting in-bond requirements; liquidated damages; payment of taxes, duties, fees, and charges.**

(a) *Liability.* The party whose bond is obligated on the transportation entry will be liable for breach of any of the requirements found in this part, any other regulations governing the movement of merchandise in bond, and any of the other conditions specified in the bond. This includes, but is not limited to shortages, irregular delivery, or non-delivery, at the port of destination or port of exportation of the merchandise transported in-bond; the failure to export merchandise transported in bond pursuant to a transportation and exportation or immediate exportation entry; and, the failure to maintain intact seals or the unauthorized removal of seals. Appropriate commercial or government documentation may be provided to CBP as proof of delivery and/or exportation. Any loss found to exist at the port of destination or port of exportation will be presumed to have occurred while the merchandise was in the possession of the party whose bond was obligated under the transportation entry, unless conclusive evidence to the contrary is produced.

(b) *Liquidated damages.* (1) The party whose bond is obligated on the transportation entry is liable for payment of liquidated damages if there is a failure to comply with any of the requirements found in this part, any other regulations governing the movement of merchandise in bond, and any of the other conditions specified in the bond.

(2) *Petition for relief.* In any case in which liquidated damages are imposed in accordance with this section and CBP is satisfied by the evidence submitted with a petition for relief filed in accordance with the provisions of part 172 of this chapter that any violation of the terms and conditions of the bond occurred without any intent to evade any law or regulation, CBP may cancel such claim upon the payment of any lesser amount or without the payment

of any amount as may be deemed appropriate under the law and in view of the circumstances.

(c) *Taxes, duties, fees, and charges.* In addition to the liquidated damages described in paragraph (b) of this section, the party whose bond is obligated on the transportation entry will be liable for any duties, taxes, and fees accruing to the United States on the missing merchandise, together with all costs, charges, and expenses, caused by the failure to make the required transportation, report, delivery, entry and/or exportation. The amount of duties, taxes, fees, and charges owed to the United States under this paragraph is not limited to the amount of the bond obligated on the transportation entry.

(d) *Carnets*—(1) *TIR carnets.* (i) The domestic guaranteeing association will be jointly and severally liable with the initial bonded carrier for duties, taxes, and fees accruing to the U.S., and any other charges imposed, in lieu thereof, as the result of any shortage, irregular delivery, or nondelivery at the port of destination or port of exportation of merchandise covered by a TIR carnet. The liability of the domestic guaranteeing association is limited to \$50,000 per TIR carnet for duties, taxes, and sums collected in lieu thereof. Penalties imposed as liquidated damages against the initial bonded carrier, and sums assessed against the guaranteeing association in lieu of duties and taxes for any shortage, irregular delivery, or nondelivery will be in accordance with this section. If a TIR carnet has not been discharged or has been discharged subject to a reservation, the guaranteeing association will be notified within one year of the date upon which the carnet is taken on charge, including time for receipt of the notification, except that if the discharge was obtained improperly or fraudulently the period will be two years. However, in cases that become the subject of legal proceedings during the above-mentioned period, no claim for payment will be made more than one year after the date when the decision of the court becomes enforceable.

(ii) Within three months from the date demand for payment is made by the port director as provided by §18.6(e), the guaranteeing association

must pay the amount claimed, except that if the amount claimed exceeds the liability of the guaranteeing association under the carnet (see §114.22(d) of this chapter), the carrier must pay the excess. The amount paid will be refunded if, within a period of one year from the date on which the claim for payment was made, it is established to the satisfaction of the Commissioner of CBP that no irregularity occurred. CBP may cancel liquidated damages assessed against the guaranteeing association to the extent authorized by paragraph (b) of this section.

(2) *A.T.A. or TECRO/AIT carnets.* The domestic guaranteeing association is jointly and severally liable with the initial bonded carrier for pecuniary penalties, liquidated damages, duties, fees, and taxes accruing to the United States and any other charges imposed as the result of any shortage, irregular delivery, failure to comply with sealing requirements in this part, and any non-delivery at the port of destination or port of exportation of merchandise covered by an A.T.A. or TECRO/AIT carnet. However, the liability of the guaranteeing association must not exceed the amount of the import duties by more than 10 percent. If an A.T.A. or TECRO/AIT carnet is unconditionally discharged with respect to certain goods, the guaranteeing association will no longer be liable on the carnet with respect to those goods unless it is subsequently discovered that the discharge of the carnet was obtained fraudulently or improperly or that there has been a breach of the conditions of temporary admission or of transit. No claim for payment will be made more than one year following the date of expiration of the validity of the carnet. The guaranteeing association will be allowed a period of six months from the date of any claim by the port director in which to furnish proof of the reexportation of the goods or of any other proper discharge of the A.T.A. or TECRO/AIT carnet. If such proof is not furnished within the time specified, the guaranteeing association must either deposit or provisionally pay the sums. The deposit or payment will become final three months after the date of the deposit or payment,

during which time the guaranteeing association may still furnish proof of the reexportation of the goods to recover the sums deposited or paid.

#### **§ 18.9 New in-bond movement for forwarded or returned merchandise.**

The carrier or any of the parties named in §18.1(c) must, in accordance with the filing requirements of §18.1, submit a new in-bond application in order to forward or return merchandise from the port of destination or port of exportation named in the original in-bond application, or from the port of diversion, to any another port. If the merchandise is moving under cover of a carnet, the carnet may be accepted as a transportation entry.

#### **§ 18.10 Special manifest.**

(a) *General.* Merchandise for which no other type of bonded movement is appropriate (e.g., prematurely discharged or overcarried merchandise and other such types of movements whereby the normal transportation-in-bond procedures are not applicable) may be shipped in-bond from the port of unloading to the port of destination, port of exportation or port of diversion where applicable, upon approval by CBP.

(b) *Filing requirements.* The carrier or any of the parties named in §18.1(c) may, in accordance with the filing requirements of §18.1, submit an in-bond application, requesting permission to transport merchandise described in paragraph (a) of this section in-bond as a special manifest. Authorization for the movement of merchandise will be transmitted via a CBP-approved EDI system. The party submitting the in-bond application must identify the relevant merchandise and also identify the date and entry number of any entry made at the port of destination covering the merchandise to be returned, if known. For diversion of cargo, see §§4.33, 4.34, and 18.5 of this chapter. When no entry is identified, the port director may approve the shipment pursuant to this section.

**Subpart B—Immediate Transportation Without Appraisalment**

**§ 18.11 General rules.**

(a) *Delivery outside port limits.* Merchandise covered by an entry for immediate transportation, including a TIR carnet, or a manifest of baggage shipped in-bond (other than baggage to be forwarded in-bond to a CBP station—see § 18.13(a)), may be delivered to a place outside a port of entry for examination and release as contemplated by 19 U.S.C. 1484(c), and in accordance with the provisions of § 151.9 of this chapter.

(b) *Divided shipments.* One or more entire packages of merchandise covered by an invoice from one consignor to one consignee may be entered for consumption or warehouse at the port of first arrival, and the remainder entered for immediate transportation, provided that all of the merchandise covered by the invoice is entered and a TIR carnet which may cover such merchandise is discharged as to that merchandise.

(c) *Consolidated loads and combined shipments.* Several importations may be consolidated into one immediate transportation entry when bills of lading or carrier's certificates name only one consignee at the port of first arrival. However, merchandise moving under cover of a TIR carnet may not be consolidated with other merchandise.

(d) *Textiles.* Textiles and textile products subject to § 204, Agricultural Act of 1956, as amended (7 U.S.C. 1854) must be described in such detail as to enable the port director to estimate the duties and taxes, if any, due. The port director may require evidence to satisfy him or her of the approximate correctness of the value and quantity stated in the entry (e.g., detailed quantity description: 14 cartons, 2 dozen per carton); detailed description of the textiles or textile products including type of commodity and chief fiber content (e.g., men's cotton jeans or women's wool sweaters); net weight of the textiles or textile products (including immediate packing but excluding pallet); total value of the textiles or textile products; manufacturer or supplier; country of origin; and name(s) and address(es) of the person(s) to whom the

textiles and textile products are consigned.

**§ 18.12 Entry at port of destination.**

(a) *Arrival procedures.* Merchandise received under an immediate transportation entry at the port of destination may be admitted to a FTZ, entered into a bonded warehouse, entered for consumption, transportation and exportation, immediate exportation, immediate transportation, or any other form of entry, within 15 calendar days from the date of arrival at the port of destination and is subject to all the conditions pertaining to merchandise entered at a port of first arrival.

(b) *Entry.* The right to make entry at the port of destination will be determined in accordance with the provisions of 19 U.S.C. 1484 and the regulations promulgated thereunder.

(c) *Entry at subsequent ports.* When a portion of a shipment is entered at the port of first arrival and the remainder of the shipment is entered for consumption or warehouse at one or more subsequent ports, the entry at each subsequent port may be made on an extract of the invoice as provided for in § 141.84 of this chapter.

(d) *General order merchandise.* All merchandise included in an immediate transportation entry not entered pursuant to § 18.12(a) within 15 calendar days from the date of arrival at the port of destination will become subject on the 16th day to general order requirements pursuant to § 4.37, § 122.50, or § 123.10 of this chapter, as applicable.

**Subpart C—Shipment of Baggage In-Bond**

**§ 18.13 Procedure; manifest.**

(a) *In-bond application required.* Baggage may be forwarded in-bond to another port of entry, or to a Customs station listed in § 101.4 of this chapter without examination or assessment of duty at the port or station of first arrival at the request of the passenger, the transportation company, or the agent of either, by filing an in-bond application in accordance with the provisions of § 18.1.

(b) *Coast to coast transportation.* Baggage arriving in-bond or otherwise at a port on the Atlantic or Pacific coast,

destined to a port on the opposite coast, may be laden under CBP supervision, without examination and without being placed in-bond, on a vessel proceeding to the opposite coast, provided the vessel will proceed to the opposite coast without stopping at any other port on the first coast.

**§ 18.14 Shipment of baggage in transit to foreign countries.**

The baggage of any person in transit through the United States from one foreign country to another may be shipped over a bonded route for exportation. Such baggage must be shipped under the regulations prescribed in § 18.13. See § 123.64 of this chapter for the regulations applicable to baggage shipped in transit through the United States between points in Canada or Mexico.

**Subpart D—Transportation and Exportation**

**§ 18.20 General rules.**

(a) *Classes of goods for which a transportation and exportation entry is authorized.* Entry for transportation and exportation may be made under § 553, Tariff Act of 1930, as amended (19 U.S.C. 1553), for any merchandise, except as provided under § 18.1(l).

(b) *Filing requirement.* Transportation and exportation entries must be filed via a CBP-approved EDI system and in accordance with § 18.1.

(c) *Entry procedures.* Except as provided for in subparts D, E, F and G of part 123 of this chapter (relating to merchandise in transit through the United States between two points in contiguous foreign territory), when merchandise is entered for transportation and exportation, a (TIR) carnet, three copies of an air waybill (see § 122.92 of this chapter), or the in-bond application must be submitted to CBP (see § 18.1). The port director may require the carrier to provide to CBP additional information and documentation related to the delivery of the merchandise to the bonded carrier.

(d) *No bonded common carrier facilities available.* Except for merchandise covered by a carnet (see § 18.2(a)(2) and (3)), in places where no bonded common carrier facilities are reasonably available

and merchandise is permitted to be transported otherwise than by a bonded common carrier, the port director may permit entry in accordance with the procedures outlined in this section if he or she is satisfied that the revenue will not be endangered. A bond on CBP Form 301, containing the bond conditions set forth in § 113.62 of this chapter in an amount equal to double the estimated duties that would be owed will be required when the port director deems such action necessary. The principal on any bond filed to guarantee exportation may be required by the port director to provide evidence of exportation in accordance with § 113.55 of this chapter within 30 days of exportation.

(e) *Electronic Export Information.* Filing of Electronic Export Information (EEI) is not required for merchandise entered for transportation and exportation, provided the merchandise has not been entered for consumption or warehousing, or admitted into an FTZ. If the merchandise requires an export license, the merchandise is subject to the filing requirements of the licensing Federal agency. See 15 CFR part 30, subpart A.

(f) *Time to export.* Any portion of an in-bond shipment entered for transportation and exportation must be exported within 15 calendar days from the date of arrival of the last portion of the shipment at the port of exportation, unless an extension has been granted by CBP pursuant to § 18.24. On the 16th day, the merchandise will become subject to general order requirements under § 4.37, § 122.50, or § 123.10 of this chapter, as applicable.

(g) *Notice of arrival and proof of exportation.* Arrival must be reported within two business days after the arrival at the port of exportation, in accordance with § 18.1. Within two business days after exportation, the in-bond record must be updated via a CBP approved EDI system to reflect that the merchandise has been exported. The principal on any bond filed to guarantee exportation may be required by the port director to provide evidence of exportation in accordance with § 113.55 of this chapter.

## § 18.21

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### § 18.21 [Reserved]

### § 18.22 Procedure at port of exportation.

(a) *Transfer of bonded merchandise to another conveyance.* If in-bond merchandise must be transferred to another conveyance at the port of exportation, the procedure will be as prescribed in §§ 18.3 and 18.4(c).

(b) *Transfer of baggage by express shipment.* An express consignment carrier that is bonded as a common carrier and is responsible under its bond for delivery to the CBP officer in charge of the exporting conveyance of articles shown to be baggage in the in-bond record may transfer the baggage by express shipment without a permit from the port director and without the use of a transfer ticket or other CBP formality from its terminal to the exporting conveyance for lading under CBP supervision. The in-bond record must be updated to reflect the name of the owner of the baggage or article and the name of the conveyance transporting the owner of the baggage. See § 18.1.

### § 18.23 Change of port of exportation or first foreign port; change of entry.

(a) *Change of port of exportation or first foreign port.* The carrier or any of the parties provided for in § 18.1(c) must notify CBP of a change of the port of exportation or first foreign port that was provided in the original in-bond application by updating the in-bond record via a CBP-approved EDI system within two business days of learning of the change in accordance with § 18.1(h).

(b) *Change of entry.* Merchandise received at the anticipated port of exportation may, in lieu of export, be admitted into an FTZ, entered for consumption, warehouse, or any other form of entry, and is subject to all the conditions pertaining to merchandise entered at a port of first arrival.

### § 18.24 Retention of goods within port limits; dividing of shipments.

(a) *Retention of goods within port limits.* Upon receipt of a written request by the carrier or any of the parties provided for in § 18.1(c), the port director, in his or her discretion, may allow in-transit merchandise, including mer-

chandise covered by a (TIR) carnet, to remain within the port limits of the port of exportation under CBP supervision without extra expense to the Government for a period not exceeding 90 days. Upon obtaining CBP approval, the carrier or any of the parties provided for in § 18.1(c) must submit an immediate exportation in-bond application pursuant to §§ 18.1 and 18.25 of this chapter. Upon further requests, additional extensions of 90 days or less may be granted by the port director, but the merchandise may not remain in the port limits for more than one year from the date of arrival of the importing conveyance at the port of first arrival. Any merchandise that remains in the port limits without authorization is subject to general order requirements under § 4.37, § 122.50, or § 123.10 of this chapter, as applicable.

(b) *Divided shipments at the port of exportation.* The dividing of an in-bond shipment after it has arrived at the port of exportation will be permitted when exportation in its entirety is not possible by reason of the different destinations to which portions of the shipment are destined, when the exporting vessel cannot properly accommodate the entire quantity, or in similar circumstances. The carrier or any of the parties named in § 18.1(c) must update the in-bond record with the new information regarding the divided shipment within two business days of the dividing of the shipment. In the case, however, of merchandise being transported under cover of a carnet, the dividing of a shipment is not permitted.

## Subpart E—Immediate Exportation

### § 18.25 Direct exportation.

(a) *Merchandise—(1) General.* Except for exportations by mail as provided for in subpart F of part 145 of this chapter (see also § 158.45 of this chapter), an in-bond application must be transmitted as provided under § 18.1, for the following merchandise when it is to be directly exported without transportation to another port:

(i) Merchandise in CBP custody for which no entry has been made or completed;

(ii) Merchandise covered by an unliquidated consumption entry; or

(iii) Merchandise that has been entered in good faith but is found to be prohibited under any law of the United States.

(2) *Carnets*. If a TIR carnet covers the merchandise that is to be exported directly without transportation, the carnet will be discharged or canceled, as appropriate (see part 114 of this chapter), and an in-bond application must be transmitted, as provided by this part. If an A.T.A. carnet covers the merchandise that is to be exported directly without transportation, the carnet must be discharged by the certification of the appropriate transportation and reexportation vouchers by CBP officers as necessary.

(b) *Restriction on immediate exportation by truck*. Trucks arriving at a U.S. port of entry, carrying shipments for which an immediate exportation entry is presented as the sole means of entry, may be denied authorization to proceed. The port director may require the truck to return to the country from which it came or may allow the filing of a new entry.

(c) *Time to export*. Any portion of an in-bond shipment entered for immediate exportation pursuant to an in-bond entry must be exported within 15 calendar days from the date of arrival at the port of exportation, unless an extension has been granted by CBP pursuant to § 18.24(a). On the 16th day, the merchandise will become subject to general order requirements under § 4.37, § 122.50, or § 123.10 of this chapter, as applicable.

(d) *Electronic Export Information*. Filing of Electronic Export Information (EEI) is not required for merchandise entered under an Immediate Exportation entry provided that the merchandise has not been entered for consumption, for warehousing, or admitted to a FTZ. If the merchandise requires an export license, the merchandise is subject to the filing requirements of the licensing Federal agency. See 15 CFR part 30, subpart A.

(e) *Exportation without landing, vessels*. If the merchandise is exported on the arriving vessel without landing, a representative of the vessel who has knowledge of the facts must certify that the merchandise entered for exportation was not discharged during

the vessel's stay in port. A charge will be made against the continuous bond on CBP Form 301, containing the bond conditions set forth in § 113.64 of this chapter, if on file. If a continuous bond is not on file, a single entry bond containing the bond conditions set forth in § 113.64 will be required. If the merchandise is covered by a TIR carnet, the carnet must not be taken on charge (see § 114.22(c)(2) of this chapter).

(f) *Notice and proof of exportation*. Within two business days after exportation of merchandise described in paragraph (a) of this section, the in-bond record must be updated via a CBP-approved EDI system to reflect that the merchandise has been exported. The principal on any bond filed to guarantee exportation may be required by the port director to provide evidence of exportation in accordance with § 113.55 of this chapter within 30 days of exportation.

(g) *Explosives*. Gunpowder and other explosive substances, the deposit of which in any public store or bonded warehouse is prohibited by law, may be entered on arrival from a foreign port for immediate exportation in-bond by sea, but must be transferred directly from the importing to the exporting vessel.

(h) *Transfer by express shipment*. The transfer of articles by express shipment must be in accordance with the procedures set forth in § 18.22.

#### § 18.26 Indirect exportation.

(a) *Indirect exportation, vessels*. Merchandise that had been intended to be exported without landing from an importing vessel in accordance with § 18.25(e) may instead be transported in-bond to another port for exportation and entered for transportation and exportation in accordance with the procedure in § 18.20, upon the transmission of an in-bond application to CBP pursuant to § 18.1, via a CBP-approved EDI system. Upon acceptance of the entry by CBP and acceptance of the merchandise by the bonded carrier, the bonded carrier assumes liability for the transportation and exportation of the merchandise. If the merchandise was prohibited entry by any Government agency, that fact must be noted in the in-bond application.



## § 18.27

(b) *Carnets.* If merchandise to be transported in-bond to another port for exportation was imported under cover of a TIR carnet, the carnet must be discharged or canceled at the port of importation and the merchandise transported under an electronic in-bond application (see § 18.20). If merchandise to be transported in-bond to another port for exportation was imported under cover of an A.T.A. carnet, the appropriate transit voucher will be accepted in lieu of an electronic in-bond application. One transit voucher will be certified by CBP officers at the port of importation and a second transit voucher, together with the reexportation voucher, will be certified at the port of exportation.

(c) *Transfer at selected port of exportation.* If the merchandise is to be transferred to another conveyance after arrival at the port selected for exportation pursuant to paragraph (a) of this section, the procedure prescribed in § 18.4(c) will be followed. The provisions of §§ 18.23 and 18.24 will also be followed in applicable cases.

(d) *Time to export.* Any portion of an in-bond shipment entered for indirect exportation following an in-bond entry must be exported within 15 calendar days from the date of arrival at the port of exportation, unless an extension has been granted by CBP pursuant to § 18.24(a). On the 16th day, the merchandise will become subject to general order requirements under § 4.37, § 122.50, or § 123.10 of this chapter, as applicable.

(e) *Notice and proof of exportation.* Within two business days after exportation, the in-bond record must be updated via a CBP-approved EDI system to reflect that the merchandise has been exported. The principal on any bond filed to guarantee exportation may be required by the port director to provide evidence of exportation in accordance with § 113.55 of this chapter within 30 days of exportation.

### § 18.27 Port marks.

Port marks may be added by authority of the port director and under the supervision of a CBP officer. The original marks and the port marks must appear in all documentation or the electronic equivalent must appear in elec-

tronic records pertaining to the exportation.

## Subpart F—Merchandise Transported by Pipeline

### § 18.31 Pipeline transportation of bonded merchandise.

(a) *General procedures*—(1) *Applicability.* Merchandise may be transported by pipeline under the procedures in this part, as appropriate, and unless otherwise specifically provided for in this section.

(2) *In-bond application.* For purposes of this section, the in-bond application will be made by submitting a CBP Form 7512 or by electronic submission via a CBP-approved EDI system.

(b) *Bill of lading to account for merchandise.* Unless CBP has reasonable cause to suspect fraud, CBP will accept a bill of lading or equivalent document of receipt issued by the pipeline operator to the shipper and accepted by the consignee to account for the quantity of merchandise transported by pipeline and to maintain the identity of the merchandise.

(c) *Procedures when pipeline is only carrier.* When a pipeline is the only carrier of the in-bond merchandise and there is no transfer to another carrier, the bill of lading or equivalent document of receipt issued by the pipeline operator to the shipper must be submitted with the in-bond application. If there are no discrepancies between the bill of lading or equivalent document of receipt and the in-bond application for the merchandise, and provided that CBP has no reasonable cause to suspect fraud, the bill of lading or equivalent document of receipt will be accepted by CBP as establishing the quantity and identity of the merchandise transported. The pipeline operator is responsible for any discrepancies, including shortages, irregular deliveries, or non-deliveries at the port of destination or exportation (see § 18.8).

(d) *Procedures when there is more than one carrier (i.e., transfer of the merchandise)*—(1) *Pipeline as initial carrier.* When a pipeline is the initial carrier of merchandise to be transported in-bond and the merchandise is transferred to another conveyance (either a different mode of transportation or a pipeline

operated by another operator), the procedures for transfers in §18.3 and paragraph (c) of this section must be followed, except that—

(i) When the merchandise is to be transferred to one conveyance, a copy of the bill of lading or equivalent document issued by the pipeline operator to the shipper must be delivered to the person in charge of the conveyance for transmission to CBP; or

(ii) When the merchandise is to be transferred to more than one conveyance, a copy of the bill of lading or equivalent document issued by the pipeline operator to the shipper must be delivered to the person in charge of each additional conveyance, for transmission to CBP.

(2) *Transfer to pipeline from initial carrier other than a pipeline.* When merchandise initially transported in-bond by a carrier other than a pipeline is transferred to a pipeline, the procedures in §18.3 and paragraph (c) of this section must be followed, except that the bill of lading or other equivalent document of receipt issued by the pipeline operator to the shipper must be transmitted to CBP.

(3) *Initial carrier liable for discrepancies.* In the case of either paragraph (d)(1) or (2) of this section, the initial carrier will be responsible for any discrepancies, including shortages, irregular deliveries, or nondeliveries, at the port of destination or failure to export at the port of exportation (see generally §18.8).

(e) *Recordkeeping.* The shipper, pipeline operator, and consignee are subject to the recordkeeping requirements in 19 U.S.C. 1508 and 1509, as provided for in part 163 of this chapter.

### **Subpart G—Merchandise Not Otherwise Subject to CBP Control Exported Under Cover of a TIR Carnet**

#### **§ 18.41 Applicability.**

The provisions of §§18.41 through 18.45 apply only to merchandise to be exported under cover of a TIR carnet for the convenience of the U.S. exporter or other party in interest and do not apply to merchandise otherwise required to be transported in bond under the provisions of this chapter. Mer-

chandise to be exported under cover of a TIR carnet for the convenience of the U.S. exporter or other party in interest may be transported with the use of the facilities of either bonded or non-bonded carriers.

#### **§ 18.42 Direct exportation.**

At the port of exportation, the container or road vehicle, the merchandise, and the TIR carnet shall be made available to the port director. Any required Electronic Export Information (EEI) shall be filed in accordance with the applicable regulations of the Bureau of the Census (15 CFR part 30). The port director shall examine the merchandise to the extent he believes necessary to determine that the carnet has been properly completed and shall verify that the container or road vehicle has the necessary certificate of approval or approval plate intact and is in satisfactory condition. After completion of any required examination and supervision of loading, the port director will seal the container or road vehicle with customs seals and ascertain that the TIR plates are properly affixed and sealed. See §18.4(d). In the case of heavy or bulky goods moving under cover of a TIR carnet, the port director shall cause a customs seal or label, as appropriate, to be affixed. He shall also remove two vouchers from the carnet, execute the appropriate counterfoils, and return the carnet to the carrier or agent to accompany the merchandise.

#### **§ 18.43 Indirect exportation.**

(a) *Filing of Electronic Export Information.* When merchandise is to move from one U.S. port to another for actual exportation at the second port, any Electronic Export Information (EEI) required to be validated shall be filed in accordance with the procedures described in the applicable regulations of the Bureau of the Census (15 CFR part 30).

(b) *Origination port procedure.* The port director shall follow the procedure provided in §18.42 in respect to examination of the merchandise, supervision of loading, sealing or labeling, and affixing of TIR plates. The port director will remove one voucher from the

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carnet, execute the appropriate counterfoil, and return the carnet to the carrier or agent to accompany the container or road vehicle to the port of actual exportation.

(c) *Port of exportation procedure.* At the port of actual exportation, the carnet and the container (or heavy or bulky goods) or road vehicle shall be presented to the port director who shall verify that seals or labels are intact and that there is no evidence of tampering. After verification, the port director shall remove the appropriate voucher from the carnet, execute the counterfoil, and return the carnet to the carrier or agent.

### § 18.44 Abandonment of exportation.

In the event that exportation is abandoned at any time after merchandise has been placed under cover of a TIR carnet, the carrier or agent shall deliver the carnet to the nearest CBP office or to the CBP office at the origination port for cancellation (see §114.26(c) of this chapter). When the carnet has been canceled, the carrier or agent may remove customs seals or labels and unload the container (or heavy or bulky goods) or road vehicle without customs supervision.

### § 18.45 Supervision of exportation.

The provisions of §§18.41 through 18.44 do not require the director of the port of actual exportation to verify that merchandise moving under cover of a TIR carnet is loaded on board the exporting carrier.

## Subpart H—Importer Security Filings

### § 18.46 Changes to Importer Security Filing information.

For merchandise transported in bond, which at the time of transmission of the Importer Security Filing as required by §149.2 of this chapter is intended to be entered as an immediate exportation (IE) or transportation and exportation (T&E) shipment, permission from the port director of the origination port is needed to change the in-bond entry into a consumption entry. Such permission will only be granted upon receipt by CBP of a complete Im-

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porter Security Filing as required by part 149 of this chapter.

## PART 19—CUSTOMS WAREHOUSES, CONTAINER STATIONS AND CONTROL OF MERCHANDISE THEREIN

Sec.

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