

and be in such amount as determined by the port director.

[T.D. 73-140, 38 FR 13551, May 23, 1973, as amended by T.D. 84-213, 49 FR 41171, Oct. 19, 1984]

PART 113—CBP BONDS

Sec.

113.0 Scope.

Subpart A—General Provisions

- 113.1 Authority to require security or execution of bond.
- 113.2 Powers of Commissioner of CBP relating to bonds.
- 113.3 Liability of surety on a terminated bond.
- 113.4 Bonds and carnets.

Subpart B—Bond Application and Approval of Bond

- 113.11 Bond application.
- 113.12 Bond approval.
- 113.13 Amount of bond.
- 113.14 Approved form of bond inadequate.
- 113.15 Retention of approved bonds.

Subpart C—Bond Requirements

- 113.21 Information required on the bond.
- 113.22 Witnesses required.
- 113.23 Changes made on the bond.
- 113.24 Riders.
- 113.25 Seals.
- 113.26 Effective dates of bonds and riders.
- 113.27 Effective dates of termination of bond.

Subpart D—Principals and Sureties

- 113.30 Information pertaining to principals and sureties on the bond.
- 113.31 Same party as principal and surety; attorney in fact.
- 113.32 Partnerships as principals.
- 113.33 Corporations as principals.
- 113.34 Co-principals.
- 113.35 Individual sureties.
- 113.36 Partner acting as surety on behalf of a partner or on behalf of a partnership.
- 113.37 Corporate sureties.
- 113.38 Delinquent sureties.
- 113.39 Procedure to remove a surety from Treasury Department Circular 570.
- 113.40 Acceptance of cash deposits or obligations of the United States in lieu of sureties on bonds.

Subpart E—Production of Documents

- 113.41 Entry made prior to production of documents.
- 113.42 Time period for production of documents.

- 113.43 Extension of time period.
- 113.44 Assent of sureties to an extension of a bond.
- 113.45 Charge for production of a missing document made against a continuous bond.

Subpart F—Assessment of Damages and Cancellation of Bond

- 113.51 Cancellation of bond or charge against the bond.
- 113.52 Failure to satisfy the bond.
- 113.53 Waiver of CBP requirement supported by a bond.
- 113.54 Cancellation of erroneous charges.
- 113.55 Cancellation of export bonds.

Subpart G—CBP Bond Conditions

- 113.61 General.
- 113.62 Basic importation and entry bond conditions.
- 113.63 Basic custodial bond conditions.
- 113.64 International carrier bond conditions.
- 113.65 Repayment of erroneous drawback payment bond conditions.
- 113.66 Control of containers and instruments of international traffic bond conditions.
- 113.67 Commercial gauger and commercial laboratory bond conditions.
- 113.68 Wool and fur products labeling acts and fiber products identification act bond conditions.
- 113.69 Production of bills of lading bond conditions.
- 113.70 Bond condition to indemnify United States for detention of copyrighted material.
- 113.71 Bond condition to observe neutrality.
- 113.72 Bond condition to pay court costs (condemned goods).
- 113.73 Foreign trade zone operator bond conditions.
- 113.74 Bond conditions to indemnify a complainant under section 337 of Tariff Act of 1930, as amended.
- 113.75 Bond conditions for deferral of duty on large yachts imported for sale at United States boat shows.

APPENDIX A TO PART 113—AIRPORT CUSTOMS SECURITY AREA BOND

APPENDIX B TO PART 113—BOND TO INDEMNIFY COMPLAINANT UNDER SECTION 337, TARIFF ACT OF 1930, AS AMENDED

APPENDIX C TO PART 113—BOND FOR DEFERRAL OF DUTY ON LARGE YACHTS IMPORTED FOR SALE AT UNITED STATES BOAT SHOWS

APPENDIX D TO PART 113—IMPORTER SECURITY FILING BOND

AUTHORITY: 19 U.S.C. 66, 1623, 1624.

Subpart E also issued under 19 U.S.C. 1484, 1551, 1565.

Section 113.74 also issued under 19 U.S.C. 1337.

§ 113.0

Section 113.75 and appendix C also issued under 19 U.S.C. 1484b.

SOURCE: T.D. 84-213, 49 FR 41171, Oct. 19, 1984, unless otherwise noted.

§ 113.0 Scope.

This part sets forth the general requirements applicable to bonds. It contains the general authority and powers of the Commissioner of CBP in requiring bonds, bond approval and execution, bond conditions, general and special bond requirements, the requirements which must be met to be either a principal or a surety, the requirements concerning the production of documents, the authority and manner of assessing liquidated damages and requirements for cancelling the bond or charges against a bond.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by CBP Dec. 15-15, 80 FR 70162, Nov. 13, 2015]

Subpart A—General Provisions

§ 113.1 Authority to require security or execution of bond.

Where a bond or other security is not specifically required by law or regulation, the Commissioner of CBP may by specific instruction require, or authorize the Director, Revenue Division or the port director to require, such bonds or other security considered necessary for the protection of the revenue or to assure compliance with any pertinent law, regulation, or instruction.

[80 FR 70162, Nov. 13, 2015]

§ 113.2 Powers of Commissioner of CBP relating to bonds.

Whenever a bond is required or authorized by law, regulation, or instruction, the Commissioner of CBP may:

(a) Prescribe the conditions and form of the bond and fix the amount of penalty, whether for the payment of liquidated damages, or of a penal sum, except as otherwise specifically provided by law.

(b) Provide for the approval of the sureties on the bond, without regard to any general provision of law.

(c) Authorize the execution of a term bond, the conditions of which will extend to and cover similar cases of importations over a period of time, not to

19 CFR Ch. I (4-1-24 Edition)

exceed one year or such longer period as he may fix, when in his opinion special circumstances warrant a longer period.

(d) Authorize the taking of a consolidated bond (single transaction or term) in lieu of separate bonds to assure compliance with two or more provisions of law, regulation, or instruction. Such a consolidated bond will have the same force and effect as the separate bonds in lieu of which it was taken. The Commissioner of CBP may fix the penalty for violation of a consolidated bond without regard to any other provision of law, regulation, or instruction.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by CBP Dec. 15-15, 80 FR 70162, Nov. 13, 2015]

§ 113.3 Liability of surety on a terminated bond.

The surety, as well as the principal, remains liable on a terminated bond for obligations incurred prior to termination.

§ 113.4 Bonds and carnets.

(a) *Bonds*. All bonds required to be given under the customs laws or CBP regulations will be known as CBP bonds.

(b) *Carnets*. A carnet is an international customs document which serves simultaneously as a customs entry document and as a customs bond. Therefore, carnets, provided for in part 114 of this chapter, are ordinarily acceptable without posting further security under the customs laws or CBP regulations requiring bonds.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by CBP Dec. 15-15, 80 FR 70163, Nov. 13, 2015]

Subpart B—Bond Application and Approval of Bond

§ 113.11 Bond application.

(a) *Single transaction bond application*. In order to insure that the revenue is adequately protected, the port director may require a person who will be engaged in a single customs transaction relating to the importation or entry of merchandise to file a bond application. The single transaction bond application may be in the form of a letter filed

with the Director, Revenue Division or the port director, or the application may be scanned and submitted to CBP as an email attachment or by fax. The application must identify the value and nature of the merchandise involved in the transaction to be secured. When the proper bond in a sufficient amount is filed with the entry summary or with the entry, or when the entry summary is filed at the time of entry, an application will not be required.

(b) *Continuous bond application.* To secure multiple transactions relating to the importation or entry of merchandise or the operation of a bonded smelting or refining warehouse, a continuous bond application must be submitted to the Director, Revenue Division. The continuous bond application may be in the form of a letter or it may be scanned and submitted to CBP as an email attachment or by facsimile (fax).

(1) *Information required.* The application must contain the following information:

(i) The general character of the merchandise to be entered; and

(ii) The total amount of ordinary customs duties (including any taxes required by law to be treated as duties), plus the estimated amount of any other tax or taxes on the merchandise to be collected by CBP, accruing on all merchandise imported by the principal during the calendar year preceding the date of the application. The total amount of duties and taxes will be that which would have been required to be deposited had the merchandise been entered for consumption even though some or all of the merchandise may have been entered under bond. If the value or nature of the merchandise to be imported will change in any material respect during the next year the change must be identified. If no imports were made during the calendar year prior to the application, a statement of the duties and taxes it is estimated will accrue on all importations during the current year shall be submitted.

(2) *Application updates.* If the Director, Revenue Division approves a bond based upon the application, whenever there is a significant change in the information provided under this paragraph, the principal on the bond must

submit a new application containing an update of the information required by paragraph (b)(1) of this section. The new application must be filed no later than 30 days after the new facts become known to the principal.

(c) *Certification.* Any application submitted under this section must be signed by the applicant and contain the following certification:

I certify that the factual information contained in this application is true and accurate and any information provided which is based upon estimates is based upon the best information available on the date of this application.

[CBP Dec. 15-15, 80 FR 70163, Nov. 13, 2015]

§ 113.12 Bond approval.

(a) *Single transaction bonds.* Single transaction bonds will be approved by the Revenue Division or the director of the port where filed.

(b) *Continuous bonds.* Continuous bonds must be approved by the Revenue Division. Only one continuous bond for a particular activity will be authorized for each principal.

[CBP Dec. 15-15, 80 FR 70163, Nov. 13, 2015]

§ 113.13 Amount of bond.

(a) *Minimum amount of bond.* The amount of any CBP bond must not be less than \$100, except when the law or regulation expressly provides that a lesser amount may be taken. Fractional parts of a dollar will be disregarded in computing the amount of a bond. The bond always will be stated as the next highest dollar.

(b) *Guidelines for determining amount of bond.* In determining whether the amount of a bond is sufficient, CBP will consider:

(1) The prior record of the principal in timely payment of duties, taxes, and charges with respect to the transaction(s) involving such payments;

(2) The prior record of the principal in complying with CBP demands for redelivery, the obligation to hold unexamined merchandise intact, and other requirements relating to enforcement and administration of customs and other laws and CBP regulations;

(3) The value and nature of the merchandise involved in the transaction(s) to be secured;

§ 113.14

(4) The degree and type of supervision that CBP will exercise over the transaction(s);

(5) The prior record of the principal in honoring bond commitments, including the payment of liquidated damages; and

(6) Any additional information contained in any application for a bond.

(c) *Periodic review of bond sufficiency.* CBP will periodically review each bond on file to determine whether the bond is adequate to protect the revenue and ensure compliance with applicable law and regulations. If CBP determines that a bond is inadequate, the principal and surety will be promptly notified in writing. The principal will have 15 days from the date of notification to remedy the deficiency. Notwithstanding the foregoing, where CBP determines that a bond is insufficient to adequately protect the revenue and ensure compliance with applicable law and regulations, CBP may provide written notice to the principal and surety that, upon receipt thereof, additional security in the form of cash deposit or single transaction bond may be required for any and all of the principal's transactions until the deficiency is remedied.

(d) *Additional security.* Notwithstanding the provisions of this section or any other provision of this chapter, if CBP believes that acceptance of a transaction secured by a continuous bond would place the revenue in jeopardy or otherwise hamper the enforcement of all applicable laws or regulations, CBP may immediately require additional security.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by CBP Dec. 15-15, 80 FR 70163, Nov. 13, 2015]

§ 113.14 Approved form of bond inadequate.

If CBP determines that none of the conditions contained in subpart G of this part is applicable to a transaction sought to be secured, the Director, Revenue Division, or the port director, as CBP deems appropriate, will draft conditions that cover the transaction. Before execution of the bond, the conditions must be submitted to Headquarters, Attention: Executive Direc-

19 CFR Ch. I (4-1-24 Edition)

tor, Regulations and Rulings, Office of International Trade, for approval.

[CBP Dec. 15-15, 80 FR 70163, Nov. 13, 2015]

§ 113.15 Retention of approved bonds.

Except for bonds containing an agreement to pay court costs (condemned goods) (*see* § 113.72), and except as may otherwise be deemed appropriate by CBP, bonds that are approved by the port director will be retained at the port office and bonds that are approved by the Revenue Division (including bonds relating to repayment of erroneous drawback payments containing the conditions set forth in § 113.65) will be retained at the Revenue Division. The bond containing the agreement to pay court costs (condemned goods), will be transmitted to the United States attorney, as required by section 608, Tariff Act of 1930, as amended (19 U.S.C. 1608).

[CBP Dec. 15-15, 80 FR 70164, Nov. 13, 2015]

Subpart C—Bond Requirements

§ 113.21 Information required on the bond.

(a)(1) *Identification of principal and sureties.* The names of the principal and sureties and their respective places of residence must appear in the bond. In the case of a corporate principal or surety, its legal designation and the address of its principal place of business must appear.

(2) *Identification of trade names and unincorporated divisions of a corporate principal.* The principal may list on the bond trade names and the names of unincorporated divisions of the corporate principal which do not have a separate and distinct legal status who are authorized to use the bond in their own name.

(b) *Date of execution.* Each bond must bear the date it was actually executed.

(c) *Statement of the amount.* The amount of the bond must be stated in figures.

(d) *Use of abbreviations.* Abbreviations may not be used except in dates and the state of incorporation of the principal or the surety.

(e) *Blank spaces on the bond.* Lines must be drawn through all spaces and

U.S. Cust. and Border Prof., DHS; Treas.

§ 113.24

blocks on the bond which are not filled in.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by CBP Dec. 15-15, 80 FR 70164, Nov. 13, 2015]

§ 113.22 Witnesses required.

(a) *Generally.* The signature of each party to a bond executed by a noncorporate principal or surety must be witnessed by two persons, who must sign their names as witnesses, and include their addresses.

(b) *Witness for both principal and surety.* When two persons signing as witnesses act for both principal and surety, they must so indicate by stating on the bond "as to both".

(c) *Corporate principal or surety.* No witnesses are required where bonds are executed by properly authorized officers or agents of a corporate principal or corporate surety. For requirements concerning the execution of a bond by an authorized officer or agent of a corporate principal or surety, see §§ 113.33 and 113.37 of this part.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by CBP Dec. 15-15, 80 FR 70164, Nov. 13, 2015]

§ 113.23 Changes made on the bond.

(a) *Definition of the types of changes—*
(1) *Modification or interlineation.* Modifications or interlineations are changes which go to the substance of the bond, or are basic revisions of the bond.

(2) *Alterations or erasures.* Alterations or erasures consist of minor changes, such as the correction of typographical errors, or change of address, which do not go to the substance, or result in basic revision of the bond.

(b) *Prior to signing.* When erasures, alterations, modifications, or interlineations are made on the bond prior to its signing by the parties to the bond, a statement by an agent of the surety company or by the personal sureties to that effect must be placed upon the bond.

(c) *After signing.* If erasures or alterations are made after the bond is signed, but prior to the approval of the bond by CBP, the consent of all the parties must be written on the bond. Except in cases where a change in the bond is expressly authorized by regulation, or by the Commissioner, no modi-

fication or interlineation may be made on the bond after execution. When a modification or interlineation is desired, a new bond will be executed.

(d) *After approval of the bond by CBP.* Except in cases where a change in the bond is expressly authorized by regulations, or instructions from the Commissioner, the port director may not permit a change as defined in paragraph (a) of this section after the bond has been approved by CBP. When changes are desired, a new bond is required, which, when approved, will supersede the existing bond.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984; 49 FR 44867, Nov. 9, 1984, as amended by CBP Dec. 15-15, 80 FR 70164, Nov. 13, 2015]

§ 113.24 Riders.

(a) *Types of riders.* The Revenue Division will accept all types of authorized bond riders. For a comprehensive listing, see the CBP Web site located at www.cbp.gov.

(b) *Location and method of filing.* A bond rider must be filed at the Revenue Division, and may be submitted in paper or scanned and submitted to the Revenue Division as an email attachment or by facsimile (fax).

(c) *Attachment of rider to paper bond.* A rider submitted to CBP in paper format must be securely attached to the related bond to prevent their loss or misplacement.

(d) *Format of rider.* The riders must be signed, sealed, witnessed, executed, include a certificate as to corporate principal, if applicable, and otherwise comply with the requirements of this part. The riders must contain the following conditions:

(1) *Name change of principal.*

By this rider to the CBP Form 301, ____ (bond number), dated ____, executed by ____, (former name), as principal, ____, (importer number), the, ____ (new name), hereby certifies that it is the same entity formerly known as ____, (former name), and the principal and surety agree that they are responsible for any act secured by this bond done under principal's former name. Principal and surety agree to be bound under this bond to the same extent as if this bond had been executed in the principal's new name. This rider is effective on ____ (date).

(2) *Address change.*

§ 113.25

By this rider to CBP Form 301, ____ (bond number) executed on ____ (date), by ____, (principal's name), as principal, ____, (importer number), and ____ (surety's name and code), as surety, which is effective on ____ (date), the principal, surety or both, intend that the bond be amended to show ____ (new address) as their address. The principal, surety or both, as may be appropriate agree to be bound as though this bond has been executed with the new address(s) shown.

(3) *Addition or deletion of trade names and unincorporated divisions of a corporate principal*—(i) *Addition rider*.

By this rider to the CBP Form 301, ____, (bond number), executed on ____, (date), by ____, (principal's name), as principal, ____, (importer number) and ____, (surety's name and code), as surety, which is effective on ____ (date), the principal and surety agree that the below listed names are unincorporated units of the principal or are trade or business names used by the principal in its business and that this bond covers its business and that this bond covers any act done in those names to the same extent as though done in the name of the principal. The principal and surety agree that any such act must be considered to be the act of the principal.

(ii) *Deletion rider*.

By this rider to the CBP Form 301, ____, (bond number), executed on ____, (date), by ____, (principal's name) as principal, ____, (importer number and ____, (surety's name and surety code), as surety, which is effective on ____, (date), the principal and surety agree that the below listed names of unincorporated units of the principal or trade or business names used by the principal in its business are deleted from the bond effective upon the date of approval of the rider by the appropriate CBP bond approval official.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by CBP Dec. 15-15, 80 FR 70164, Nov. 13, 2015]

§ 113.25 Seals.

When a seal is required, the seal must be affixed adjoining the signatures of principal and surety, if individuals, and the corporate seal must be affixed close to the signatures of persons signing on behalf of a corporation. Bonds must be under seal in accordance with the law of the state in which executed. However, when the charter or governing statute of a corporation re-

19 CFR Ch. I (4-1-24 Edition)

quires its acts to be evidenced by its corporate seal, such seal is required.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by CBP Dec. 15-15, 80 FR 70164, Nov. 13, 2015]

§ 113.26 Effective dates of bonds and riders.

(a) *General*. A continuous bond, and any associated application required by § 113.11, or rider, may be filed up to 60 days prior to the effective date requested for the continuous bond or rider.

(b) *Single transaction bond*. A single transaction bond is effective on the date of the transaction identified on CBP Form 301.

(c) *Continuous bond*. A continuous bond is effective on the effective date identified on CBP Form 301.

(d) *Riders for name change of principal, address change, and addition of trade names and unincorporated divisions of a corporate principal*. Riders for a name change of principal, address change, and addition of trade names and unincorporated divisions of a corporate principal are effective on the effective date identified on the rider.

(e) *Rider to delete trade names and unincorporated divisions of a corporate principal*. A rider to delete trade names and unincorporated divisions of a corporate principal is effective on the effective date identified on the rider if the date is at least 10 business days after the date the port receives the rider. If the rider is not received 10 business days before the identified effective date or no effective date is identified on the rider, it will be effective on the close of business of the tenth business day after it is received in the port.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended at 80 FR 70164, Nov. 13, 2015; CBP Dec. 15-15, 81 FR 15159, Mar. 22, 2016]

§ 113.27 Effective dates of termination of bond.

(a) *Termination by principal/co-principal*. A written request by a principal or co-principal to terminate a bond must be mailed, faxed, or emailed to the Revenue Division or, in the case of

a bond relating to repayment of erroneous drawback payment, to the drawback office where the bond was approved. The termination will take effect on the date requested if that date is at least 10 business days after the date CBP receives the request. If no termination date is requested, the termination will take effect on the tenth business day following the date CBP receives the request.

(b) *Termination by surety.* A surety may not disavow already incurred obligations but may, with or without the consent of the principal, terminate its agreement to accept future obligations on a bond. The surety must provide reasonable notice of termination, made pursuant to the methods set forth in paragraph (a) of this section, to both the Revenue Division or a drawback office, as appropriate, and to the principal. The notice must state the date on which the termination will be effective. Thirty days will constitute reasonable notice unless the surety can show to the satisfaction of CBP that a shorter time frame is reasonable under the facts and circumstances.

(c) *Effect of termination.* If a bond is terminated, no new customs transactions may be charged against the bond. A new bond in an appropriate amount on CBP Form 301, containing the appropriate bond conditions set forth in subpart G of this part, must be filed before further customs activity may be transacted.

[CBP Dec. 15–15, 80 FR 70164, Nov. 13, 2015]

Subpart D—Principals and Sureties

§ 113.30 Information pertaining to principals and sureties on the bond.

The general information pertaining to the principal and surety which must be given in the body of the bond is set forth in § 113.21.

§ 113.31 Same party as principal and surety; attorney in fact.

(a) *Same party as principal and surety.* The same person, partnership, or corporation cannot be both principal and surety on a bond.

(b) *Attorney in fact for principal or surety.* In executing a bond, a person may act as:

(1) Attorney in fact for both principal and surety;

(2) Surety and attorney in fact for the principal; or

(3) Principal and attorney in fact for the surety.

§ 113.32 Partnerships as principals.

A partnership, including a limited partnership, means any business association recognized as such under the laws of the State where the association is organized.

(a) *Execution.* Partnership bonds must be executed in the firm name, with the name of the member or attorney of the firm executing it appearing immediately below the firm signature.

(b) *Action of one principal binding on all principals of the partnership.* Pursuant to section 495, Tariff Act of 1930, as amended (19 U.S.C. 1495), when a bond is executed by any member of the partnership, the bond will be binding on the other partners in like manner and to the same extent as if such other partners had personally joined in the execution.

[T.D. 84–213, 49 FR 41171, Oct. 19, 1984, as amended by T.D. 86–204, 51 FR 42998, Nov. 28, 1986; CBP Dec. 15–15, 80 FR 70164, Nov. 13, 2015]

§ 113.33 Corporations as principals.

(a) *Name of corporation on the bonds.* The name of a corporation executing a CBP bond as a principal, may be printed or placed thereon by means of a rubber stamp or otherwise, followed by the written signature of the authorized officer or attorney.

(b) *Signature and seal of the corporation on the bond.* The bond of a corporate principal must be signed by an authorized officer or attorney of the corporation and the corporate seal must be affixed immediately adjoining the signature of the person executing the bond, as provided for in § 113.25.

(c) *Bond executed by an officer of corporation.* When a bond is executed by an officer of a corporation, a power of attorney will not be required if the person signing the bond on behalf of the corporation is known to the Revenue Division, port director, or drawback office to be the president, vice president, treasurer, or secretary of the corporation. The officer's signature is prima

§ 113.34

19 CFR Ch. I (4-1-24 Edition)

facie evidence of that officer's authority to bind the corporation. When a power of attorney is required, it must conform to the requirements of subpart C, part 141, of this chapter.

(d) *Bond executed by an attorney in fact.* When an attorney in fact executes a bond on behalf of a corporate principal and a power of attorney has not been filed with the Revenue Division (unless exempted from filing by §141.46 of this chapter), there must be attached a power of attorney executed by an officer of the corporation whose authority to execute the power must be shown as prescribed in paragraph (c) of this section.

(e) *Subsidiaries as co-principals.* The provisions of this section are applicable to each corporate subsidiary which joins its parent corporation by signing the bond as co-principal.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended at CBP Dec. 15-15, 80 FR 70164, Nov. 13, 2015]

§ 113.34 Co-principals.

A bond with a co-principal may be used by a person having a distinct legal status (e.g., individual, partnership, corporation) to join another person with the same distinct legal status on the bond. A bond with a co-principal may not be used to join an entity which does not have a distinct legal status (e.g. an unincorporated division of a corporation). However, an entity which does not have a distinct legal status may use another bond if listed on the bond by the principal at the time of execution or by subsequent rider (see §113.24). A bond with co-principal may not be used to join different legal entities (e.g. an individual and a corporation, a partnership and a corporation).

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by CBP Dec. 15-15, 80 FR 70165, Nov. 13, 2015]

§ 113.35 Individual sureties.

(a) *Number required.* If individuals sign as sureties, there must be two sureties on the bond unless CBP is satisfied that one surety is sufficient to protect the revenue and ensure compliance with the law and regulations.

(b) *Qualifications to act as surety—(1) Residency and citizenship.* Each indi-

vidual surety on a CBP bond must be both a resident and citizen of the United States.

(2) *Granting of power of attorney.* Any individual, unless prohibited by law, may grant a power of attorney to sign as surety on CBP bonds. Unless the power is unlimited, all persons to whom the power relates must be named.

(3) *Property requirements.* For both single transaction and continuous bonds, each individual surety must have property available as security within the customs territory of the United States. The current market value of the property, less any encumbrance, must be equal to or greater than the amount of the bond. If one individual surety is accepted, the individual surety must have property the value of which, less any encumbrance, is equal to or greater than twice the amount of the bond.

(c) *Oath and evidence of solvency.* Before being accepted as a surety, the individual must:

(1) Take an oath on CBP Form 3579, setting forth:

(i) The amount of assets over and above all debts and liabilities and such exemptions as may be allowed by law; and

(ii) The general description and location of one or more pieces of real estate owned within the customs territory of the United States, and the value thereof, less any encumbrance.

(2) Produce such evidence of solvency and financial responsibility as CBP may require.

(d) *Determination of financial responsibility.* An individual will not be accepted as surety on a bond until CBP is satisfied as to the financial responsibility of the individual. CBP may request Immigration and Customs Enforcement (ICE) to conduct an immediate investigation to verify a surety's financial responsibility.

(e) *Continuancy of financial responsibility.* In order to ascertain the continued solvency and financial responsibility of individual sureties, CBP will require a new oath and determine the financial responsibility of each individual surety as prescribed in paragraphs (c) and (d) of this section at

least once every six months, and more often if deemed advisable.

[CBP Dec. 15-15, 80 FR 70165, Nov. 13, 2015]

§ 113.36 Partner acting as surety on behalf of a partner or on behalf of a partnership.

A member of a partnership will not be accepted as an individual surety on a bond executed by the partnership as principal. A partner may be an individual surety for a fellow partner on a bond if (a) the transaction is in an individual capacity and unrelated to the partnership, (b) sufficient unencumbered nonpartnership property is available as security, and (c) the individual qualifies as an individual surety under the provisions of § 113.35 of this part.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by CBP Dec. 15-15, 80 FR 70165, Nov. 13, 2015]

§ 113.37 Corporate sureties.

(a) *Lists of corporations and limits of their bonds.* Treasury Department Circular 570 contains a list of corporations authorized to act as sureties on bonds, with the amount in which each may be accepted. Unless otherwise directed by the Commissioner of CBP, no corporation will be accepted as surety on a bond if not named in the current Circular as amended by FEDERAL REGISTER notice and no bond may exceed the respective limit stated in the Circular, unless the excess is protected as prescribed in § 223.11, Bureau of the Fiscal Service Regulations (31 CFR 223.11).

(b) *Name of corporation on the bond.* The name of a corporation executing a CBP bond, as a surety, may be printed or placed thereon by means of a rubber stamp or otherwise, followed by the written signature of the authorized officer or attorney.

(c) *Name of agent or attorney on the bond.* The agent or attorney acting for a corporate surety must have stamped, printed, or typed on each bond executed by him, below his signature, his full name as it appears on the bond.

(d) *Social security or other surety-generated identification number of agent or attorney on the bond.* In the appropriate place on each bond executed by the agent or attorney acting for a corporate surety, the agent or attorney

must place his/her social security number or other surety-generated 9-digit alphanumeric identification number, as it appears on the corporate surety power of attorney.

(e) *Signature and seal of the corporation on the bond.* A bond executed by a corporate surety must be signed by an authorized officer or attorney of the corporation and the corporate seal must be affixed immediately adjoining the signature of the person executing the bond, as provided for in § 113.25.

(f) *Two or more corporate sureties as sureties on the same obligation.* Two or more corporate sureties may be accepted as sureties on any obligation the amount of which does not exceed the limitations of their aggregate qualifying power as fixed and determined by the Secretary of the Treasury. The amount for which each corporate surety may act as surety in all cases must be within the limitation prescribed by the Secretary, unless the excess is protected as prescribed in § 223.11, Bureau of the Fiscal Service Regulations (31 CFR 223.11). Each corporate surety must limit its liability to a definite specified amount, in terms, upon the face of the bond by attaching the following:

CORPORATE SURETIES AGREEMENT FOR
LIMITATION OF LIABILITY

____ (name of surety), ____ (surety code), a surety company incorporated under laws of the State of ____, authorized to conduct a surety business in the State of ____, and having its principal place of business at ____ (address), and ____ (names of surety), ____ (surety code), a surety company incorporated under the laws of the State of ____ and having its principal place of business at ____ (address), as sureties, and ____ (name of principal), as principal, are jointly and severally obligated to the United States in the amount of ____ (\$) on a bond executed on ____ (date of execution) with each surety jointly and severally obligate with the principal in the amounts listed below and no more:

____ (name of surety) ____
(\$ ____)
____ (name of surety) ____
(\$ ____)

By this agreement the principal and sureties bind themselves and agree that for the purpose of allowing a joint action against any or all of them, and for that purpose only, this agreement and the bond under which they are obligated and which is incorporated by reference into this agreement, shall be

§ 113.38

19 CFR Ch. I (4-1-24 Edition)

treated as the joint and several as well as the several obligation of each of the parties.

Signed and sealed this _____ day of 20

- ____ Principal
- ____ Surety
- ____ Surety
- ____ Authorized CBP officer

(g) *Power of attorney for the agent or attorney of the surety.* Corporations may execute powers of attorney to act in their behalf in the following manner:

(1) *Execution and contents.* Corporate surety powers of attorney may be submitted to CBP on the CBP Form 5297 and may be scanned and submitted as an email attachment, or submitted by facsimile (fax) or mail.

- (i) Corporate surety name and number,
- (ii) Name and address of agent or attorney, and social security number or other surety-generated 9-digit alphanumeric identification number for the agent or attorney.
- (iii) Port(s) where the agent or attorney is authorized to act,
- (iv) Date of execution of power of attorney,
- (v) Seal of the corporate surety,
- (vi) Signature of any two principal officers of corporation, and
- (vii) Dollar amount of authorization.

(2) *Filing.* The corporate surety power of attorney executed on CBP Form 5297 must be filed with CBP. The original(s) of the corporate surety power of attorney must be retained at the port where it(they) was(were) filed.

(3) *Use at port where power of attorney not filed before receipt of computer printout.* If the grantee desires to use the power of attorney at a port covered by the power of attorney, other than the one where the power of attorney was filed, before the first computer printout reflecting this power of attorney is received, the CBP Form 5297, must be filed in triplicate (original and two copies), rather than duplicate. The second copy must be validated by CBP and returned to the grantee. The grantee, at the time of filing a bond at a port other than the port where the power of attorney was filed, must provide this validated copy of the power of attorney as proof of the grant of authority. The validity of this copy of the power of attorney will expire when the first com-

puter printout reflecting this power of attorney is received.

(4) *Term and revocation.* Corporate surety powers of attorney will continue in force and effect until revoked. Any surety desiring that a designated agent or attorney be divested of a power of attorney must execute a revocation on CBP Form 5297. The revocation will take effect on the close of business on the date requested provided the corporate surety power of attorney is received 5 days before the date requested; otherwise the revocation will be effective at the close of business 5 days after the request is received at the port office.

(5) *Change on the power of attorney.* (i) No change may be made on the CBP Form 5297 after it has been approved by CBP except the following:

- (A) Grantee name change;
 - (B) Grantee address change; and
 - (C) The addition of port(s) to the corporate surety power of attorney on file.
- (ii) To make any other change to the power of attorney two separate CBP Forms 5297 must be submitted, one revoking the previous power of attorney, and one containing a new grant of authority.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984; 49 FR 44867, Nov. 9, 1984; T.D. 95-77, 60 FR 50020, Sept. 27, 1995; CBP Dec. 15-15, 80 FR 70165, Nov. 13, 2015]

§ 113.38 Delinquent sureties.

(a) *Acceptance as surety when in default as principal on another CBP bond.* No person will be accepted as surety on any CBP bond while in default as principal on any other CBP bond.

(b) *Acceptance as surety when in default as surety on another CBP bond.* A surety on a CBP bond which is in default may be accepted as surety on other CBP bonds only to the extent that the surety assets are unencumbered by the default.

(c)(1) *Nonacceptance of single transaction bond by port director.* A port director may refuse to accept a single transaction bond secured by an individual or corporate surety when the surety, without just cause, is significantly delinquent either in the number of outstanding bills or dollar amounts thereof. If the port director believes

that a substantial question of law exists as to whether a breach of bond obligation has occurred he should request internal advice under the provisions of §177.11 from the Executive Director, Regulations and Rulings, Office of International Trade, CBP Headquarters.

(2) *Non-acceptance of bond upon instruction by Commissioner of CBP or Director, Revenue Division.* The Commissioner of CBP, or the Director, Revenue Division, may issue instructions to CBP officers not to accept a bond secured by an individual or corporate surety who, without just cause, is significantly delinquent with respect to either the number or dollar amounts of outstanding bills.

(3) *Notice of surety.* The appropriate CBP officer may take the above actions only after the surety has been provided reasonable notice with an opportunity to pay delinquent amounts, provide justification for the failure to pay, or demonstrate the existence of a significant legal issue justifying further delay in payment.

(4) *Review and final decision.* After a review of any submission made by a surety under paragraph (c)(3) of this section, if an appropriate CBP officer is still of the opinion that bonds secured by the surety should not be accepted, written notice of the decision will be provided to the surety at least five days before the date that CBP will no longer accept the bonds of the surety. Copies of the notice will also be provided to the Executive Director, Regulations and Rulings, Office of International Trade and, if the notice does not originate from the Revenue Director, to the Director, Revenue Director. Notice will be given to the public by publishing the decision in the *Customs Bulletin*.

(5) *Duration of decision.* Any decision not to accept a given surety's bond shall remain in effect for a minimum of five days or until all outstanding delinquencies are resolved, whichever is later.

(6) *Actions consistent with requirements.* Any action not to accept the bonds of a surety under paragraphs (c) (1) and (2) of this section shall be con-

sistent with the requirements of this section.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by T.D. 91-77, 56 FR 46115, Sept. 10, 1991; T.D. 95-77, 60 FR 50020, Sept. 27, 1995; T.D. 99-27, 64 FR 13675, Mar. 22, 1999; T.D. 99-64, 64 FR 43266, Aug. 10, 1999; CBP Dec. 15-15, 80 FR 70166, Nov. 13, 2015]

§ 113.39 Procedure to remove a surety from Treasury Department Circular 570.

If a port director, Fines, Penalties, and Forfeitures Officer, or authorized Revenue Division officer is dissatisfied with a surety company because the company has neglected or refused to pay a valid demand made on the surety company's bond or otherwise has failed to honor an obligation on that bond, the port director, Fines, Penalties, and Forfeitures Officer, or authorized Revenue Division personnel may take the following steps to recommend that the surety company be removed from Treasury Department Circular 570.

(a) *Report to Headquarters.* A port director, Fines, Penalties, and Forfeitures Officer, or authorized Revenue Division officer will send the following evidence to CBP Headquarters, Attention: Executive Director, Regulations and Rulings, Office of International Trade:

- (1) A copy of the bond in issue;
- (2) A copy of the entry or other evidence which shows that there was a default on the bond;
- (3) A copy of all notices, demands or correspondence sent to the surety company requesting the honoring of the bond obligation;
- (4) A copy of all correspondence from the surety company; and
- (5) A written report of the facts known to the port director, Fines, Penalties, and Forfeitures Officer, or authorized Revenue Director personnel showing the unsatisfactory performance by the surety company of the bond obligation(s).

(b) *Review by Headquarters.* CBP Headquarters will review submitted evidence and determine whether further action against the surety company is warranted. If it is determined that further action is warranted, a report recommending appropriate action

§ 113.40

19 CFR Ch. I (4-1-24 Edition)

will be submitted to the Fiscal Assistant Secretary, Department of the Treasury, as required by §223.18(a), Bureau of the Fiscal Service Regulations (31 CFR 223.18(a)). The port director, Fines, Penalties, and Forfeitures Officer, and Director, Revenue Division will be informed in writing of Headquarters action regarding their request for removal of the surety.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by T.D. 91-77, 56 FR 46115, Sept. 10, 1991; T.D. 95-77, 60 FR 50020, Sept. 27, 1995; T.D. 99-27, 64 FR 13675, Mar. 22, 1999; CBP Dec. 15-15, 80 FR 70166, Nov. 13, 2015]

§ 113.40 Acceptance of cash deposits or obligations of the United States in lieu of sureties on bonds.

(a) General provisions. In lieu of sureties on any bond required or authorized by any law, regulation, or instruction which the Secretary of the Treasury, the Secretary of Homeland Security, or the Commissioner of CBP are authorized to enforce, the Director, Revenue Division or, in the case of single transaction bonds, a port director, may accept United States money, United States bonds (except for savings bonds), United States certificates of indebtedness, Treasury notes, or Treasury bills in an amount equal to the face amount of the bond that would be required. The option to deposit cash or U.S. obligations in lieu of sureties is at the option of the importer, and a CBP Form 301 or other CBP-approved bond designating the appropriate activity for the cash deposits or U.S. obligations in lieu of surety must be filed. When cash or obligations in lieu of surety are accepted, it must be for a term of no more than one year. Additional cash deposits or obligations in lieu of surety may be required.

(b) Authority to sell United States obligations on default. At the time of deposit with the Director, Revenue Division, of any U.S. obligation (other than U.S. money), the obligor must deliver a duly executed power of attorney and agreement authorizing the Director, Revenue Division, in the case of any default in the performance of any of the conditions of the bond, to sell the obligation so deposited and to apply the proceeds of the sale, in whole or in part, to the satisfaction of any dam-

ages, demands, or deficiency arising by reason of default. The format of the power of attorney and agreement, when the obligor is a corporation, is set forth below and must be appropriately modified when the obligor is either an individual or a partnership:

POWER OF ATTORNEY AND AGREEMENT (FOR CORPORATION)

_____, (name of corporation) a corporation duly incorporated under the laws of the State of _____, and having its principal office in the City of _____, State of _____, as authorized by a resolution of the board of directors of the corporation, passed on the _____ day of _____, 20____, a duly certified copy of which is attached, does constitute and appoint _____ (name and official title of bond-approving officer), and his successors in office, as attorney for said corporation, for and in the name of the corporation to collect or to sell, assign, and transfer the securities described as follows:

The securities having been deposited by it as security for the performance of the agreements undertaken in a bond with the United States, executed on the date of _____, 20____, the terms and conditions of which are incorporated by reference into this power of attorney and agreement and made a part hereof. The undersigned agrees that in case of any default in the performance of any of the agreements the attorney shall have full power to collect the securities or any part thereof, or to sell, assign, and transfer the securities or any part thereof at public or private sale, without notice, free from any equity of redemption and without appraisal or valuation, notice and right to redeem being waived and to apply the proceeds of the sale or collection in whole or in part to the satisfaction of any obligation arising by reason of default. The undersigned further agrees that the authority granted by this agreement is irrevocable. The corporation for itself, its successors and assigns, ratifies and confirms whatever the attorney shall do by virtue of this agreement.

Witnessed, signed, and sealed, this _____ day of _____, 20____.

[Corporate seal.]

By _____ Before me, the undersigned, a notary public within and for the County of _____, in the State of _____ (or the District of Columbia), _____ personally appeared _____ (name and title of officer) and for and in behalf of said _____, a corporation, acknowledged the execution of the foregoing power of attorney.

Witness my hand and notarial seal this _____ day of _____, 20____;.

[Notarial seal.]

Notary Public _____

NOTE: Securities must be described by title, date of maturity, rate of interest, denomination, serial number, and whether coupon or registered. Failure to give a complete description will warrant rejection of this power of attorney.

(c) *Application of United States money or obligations on default.* If United States cash or obligations are deposited in lieu of surety on any bond, the appropriate CBP officer is authorized to apply the cash or money received from the deposited obligation to satisfy any damages, demand, or deficiency arising from a default under the bond.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984; 49 FR 44867, Nov. 9, 1984; CBP Dec. 15-15, 80 FR 70166, Nov. 13, 2015]

Subpart E—Production of Documents

§ 113.41 Entry made prior to production of documents.

When entry is made prior to the production of a required document, the importer must indicate in the “Missing Documents” box (box 16) on CBP Form 7501, or its electronic equivalent, the missing document, whether the importer gives a bond or stipulates to produce the document.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by CBP Dec. 15-14, 80 FR 61286, Oct. 13, 2015; CBP Dec. 15-15, 80 FR 70167, Nov. 13, 2015]

§ 113.42 Time period for production of documents.

Except when another period is fixed by law or regulations, any document for the production of which a bond or stipulation is given must be delivered within 120 days from the date of notice from CBP requesting such document, or within any extension of such time which may be granted pursuant to § 133.43(a). If the period ends on a Saturday, Sunday, or holiday, delivery on the next business day will be accepted as timely.

[T.D. 85-167, 50 FR 40363, Oct. 3, 1985, as amended by CBP Dec. 15-15, 80 FR 70167, Nov. 13, 2015]

§ 113.43 Extension of time period.

(a) *Application received within time period.* If a document referred to in § 113.42 is not produced within 120 days from the date of the transaction in connection with which the bond was given, the port director or an appropriate CBP officer, in his or her discretion, and upon written application of the importer, may extend the period for one further period not to exceed 60 days.

(b) *Late application.* No application for the extension of the period of any bond given to assure the production of a missing document will be allowed by the port director if the application is received later than 60 days after the expiration of the period of the bond, and any extension will not be allowed by the port director for a period of more than 60 days from the date of expiration of the period.

(c) *Acceptance of a free-entry or reduced-duty document prior to liquidation.* When a bond is given for the production of any free-entry or reduced-duty document and a satisfactory document is produced prior to liquidation of the entry or within the period during which a valid reliquidation may be completed, provided the failure to file was not due to willful negligence or fraudulent intent, it will be accepted as satisfying the requirement that it be filed in connection with the entry, and the bond charge for its production will be cancelled.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by T.D. 85-167, 50 FR 40363, Oct. 3, 1985; CBP Dec. 15-15, 80 FR 70167, Nov. 13, 2015]

§ 113.44 Assent of sureties to an extension of a bond.

(a) *Extension prescribed by law or regulations.* The assent of the sureties to any extension of the period prescribed in a bond is not necessary when the extension is authorized by law or regulations.

(b) *Other extension.* The assent of the sureties must be obtained before any extension of the period prescribed in a

§ 113.45

bond other than an extension authorized by law or regulation, is allowed.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by CBP Dec. 15-15, 80 FR 70167, Nov. 13, 2015]

§ 113.45 Charge for production of a missing document made against a continuous bond.

When a continuous bond secures the production of a missing document and the bond is breached by the principal's failure to timely produce that document, the claim for liquidated damages must be in an amount equal to the amount of the single transaction bond that would have been taken had the transaction been covered by a single transaction bond.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by CBP Dec. 15-15, 80 FR 70167, Nov. 13, 2015]

Subpart F—Assessment of Damages and Cancellation of Bond

§ 113.51 Cancellation of bond or charge against the bond.

The Commissioner of CBP may authorize the cancellation of any bond provided for in this part or any charge that may have been made against the bond, in the event of a breach of any condition of the bond, upon payment of a lesser amount or penalty or upon such other terms and conditions as may be deemed sufficient.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by CBP Dec. 15-15, 80 FR 70167, Nov. 13, 2015]

§ 113.52 Failure to satisfy the bond.

If any CBP bond, except one given only for the production of free-entry or reduced-duty documents (see § 113.43(c) of this chapter) has not been satisfied upon the expiration of 180 days after liability has accrued under the bond, the matter will be reported to the Department of Justice for prosecution unless measures have been taken to file an application for relief or protest in accordance with the provisions of this chapter or to satisfactorily settle this matter.

[CBP Dec. 15-15, 80 FR 70167, Nov. 13, 2015]

19 CFR Ch. I (4-1-24 Edition)

§ 113.53 Waiver of CBP requirement supported by a bond.

(a) *Waiver by the Commissioner of CBP.* When a CBP requirement supported by a bond is waived by the Commissioner of CBP, the waiver may be:

(1) Unconditional, in which case the importer is relieved from the payment of liquidated damages;

(2) Conditioned upon prior settlement of the bond obligation by payment of liquidated damages; or

(3) Conditioned upon such other terms and conditions as the Commissioner of CBP may deem sufficient.

(b) *Waiver by the port director or other authorized CBP officer.* When a CBP requirement supported by a bond is waived by the port director or other authorized CBP officer pursuant to the authority conferred by these regulations, the waiver will be unconditional.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by CBP Dec. 15-15, 80 FR 70167, Nov. 13, 2015]

§ 113.54 Cancellation of erroneous charges.

(a) *Bonds.* Section 172.11(b) of this chapter sets forth provisions relating to the cancellation of charges against the bond when it is determined that the act or omission forming the basis for the claim for liquidated damages did not in fact occur.

(b) *Carnets.* Section 114.34 of this chapter sets forth provisions relating to the cancellation of erroneous charges involving carnets.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by T.D. 00-57, 65 FR 53575, Sept. 5, 2000]

§ 113.55 Cancellation of export bonds.

(a) *Manner of cancellation.* A bond to assure exportation as defined in § 101.1 of this chapter may be cancelled:

(1) *Upon exportation.* Upon the listing of the merchandise on the outward manifest or outward bill of lading, the inspector's certificate of lading, the record of clearance of the vessel or of the departure of the vehicle, and the production of a foreign landing certificate if the certificate is required by the port director.

(2) *Upon payment of liquidated damages.* Upon the payment of liquidated damages.

(b) *Cancellation of bond charges of an international carrier.* The conditions of the bond of an international carrier may be considered as having been complied with upon the production of the applicable documents listed in paragraph (a)(1) of this section.

(c) *Foreign landing certificate.* A foreign landing certificate, when required, must be produced within six months from the date of exportation and must be signed by a revenue officer of the foreign country to which the merchandise is exported, unless it is shown that the country has no customs administration, in which case the certificate may be signed by the consignee or by the vessel's agent at the place of landing. Landing certificates are required in the following cases:

(1) *Mandatory.* A landing certificate will be required in every case to establish the exportation of narcotic drugs or any equipment, stores (except such articles as are placed on board vessels or aircraft under the provisions of section 309 or 317, Tariff Act of 1930, as amended (19 U.S.C. 1309, 1317)), or machinery for vessels.

(2) *Optional with the port director.* A landing certificate may be required by the port director for merchandise exported from the United States, or residue cargo, when a certificate is deemed necessary for the protection of the revenue.

(3) *Waiver.* Except as provided in § 4.88 of this chapter, in cases where landing certificates are required and they cannot be produced, an application for waiver thereof may be made to the Commissioner of CBP through the port director, accompanied by such proof of exportation and landing abroad as may be available.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by CBP Dec. 15-15, 80 FR 70167, Nov. 13, 2015]

Subpart G—CBP Bond Conditions

§ 113.61 General.

Each section in this subpart identifies specific coverage for a particular customs activity. When an individual or organization files a bond with CBP

the activity in which they plan on engaging will be identified on the bond. The bond conditions listed in this subpart which correspond to that activity will be incorporated by reference into the bond.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by CBP Dec. 15-15, 80 FR 70167, Nov. 13, 2015]

§ 113.62 Basic importation and entry bond conditions.

A bond for basic importation and entry must contain the conditions listed in this section and may be either a single transaction or a continuous bond.

BASIC IMPORTATION AND ENTRY BOND CONDITIONS

(a) *Agreement to Pay Duties, Taxes, and Charges.* (1) If merchandise is imported and released from CBP custody or withdrawn from a CBP bonded warehouse into the commerce of, or for consumption in, the United States, or under § 181.53 of this chapter is withdrawn from a duty-deferral program for exportation to Canada or Mexico or for entry into a duty-deferral program in Canada or Mexico, the obligors (principal and surety, jointly and severally) agree to:

(i) Deposit, within the time prescribed by law or regulation, any duties, taxes, and charges imposed, or estimated to be due, at the time of release or withdrawal; and

(ii) Pay, as demanded by CBP, all additional duties, taxes, and charges subsequently found due, legally fixed, and imposed on any entry secured by this bond.

(2) If the principal enters any merchandise into a CBP bonded warehouse, the obligors agree;

(i) To pay any duties, taxes, and charges found to be due on any of that merchandise which remains in the warehouse at the expiration of the warehousing time limit set by law; and

(ii) That the obligation to pay duties, taxes, and charges on the merchandise applies whether it is properly withdrawn by the principal, or by the principal's transferee, or is unlawfully removed by the principal or any other person, without regard to whether the merchandise is manipulated, unless

payment was made or secured to be made by some other person.

(3) Under this agreement, the obligation to pay any and all duties, taxes, and charges due on any entry ceases on the date the principal timely files with CBP a bond of the owner in which the owner agrees to pay all duties, taxes, and charges found due on that entry; provided a declaration of the owner has also been properly filed.

(b) *Agreement to Make or Complete Entry.* If all or part of imported merchandise is released before entry under the provisions of the special delivery permit procedures under 19 U.S.C. 1448(b), released before completion of the entry under 19 U.S.C. 1484(a), or withdrawn from warehouse under 19 U.S.C. 1557(a) (see §10.62b of this chapter), the principal agrees to file within the time and in the manner prescribed by law and regulation, documentation to enable CBP to:

(1) Determine whether the merchandise may be released from CBP custody;

(2) Properly assess duties on the merchandise;

(3) Collect accurate statistics with respect to the merchandise; and

(4) Determine whether applicable requirements of law and regulation are met.

(c) *Agreement to Produce Documents and Evidence.* If merchandise is released conditionally to the principal before all required documents or other evidence is produced, the principal agrees to furnish CBP with any document or evidence as required by law or regulation, and within the time specified by law or regulations.

(d) *Agreement to Redeliver Merchandise.* If merchandise is released conditionally from CBP custody to the principal before all required evidence is produced, before its quantity and value are determined, or before its right of admission into the United States is determined, the principal agrees to redeliver timely, on demand by CBP, the merchandise released if it:

(1) Fails to comply with the laws or regulations governing admission into the United States;

(2) Must be examined, inspected, or appraised as required by 19 U.S.C. 1499; or

(3) Must be marked with the country of origin as required by law or regulation.

It is understood that any demand for redelivery will be made no later than 30 days after the date that the merchandise was released or 30 days after the end of the conditional release period (whichever is later). (See §§141.113(b), 12.73(b)(2), and 12.80 of this chapter.)

(e) *Agreement to Rectify Any Non-Compliance with Provisions of Admission.* If merchandise is released conditionally to the principal before its right of admission into the United States is determined, the principal, after notification, agrees to mark, clean, fumigate, destroy, export or do any other thing to the merchandise in order to comply with the law and regulations governing its admission into the United States within the time period set in the notification.

(f) *Agreement for Examination of Merchandise.* If the principal obtains permission to have any merchandise examined elsewhere than at a wharf or other place in charge of a CBP officer, the principal agrees to:

(1) Hold the merchandise at the place of examination until the merchandise is properly released;

(2) Transfer the merchandise to another place on receipt of instructions from CBP made before release; and

(3) Keep any customs seal or cording on the merchandise intact until the merchandise is examined by CBP.

(g) *Reimbursement and Exoneration of the United States.* The obligors agree to:

(1) Pay the compensation and expenses of any CBP officer, as required by law or regulation; and

(2) Exonerate the United States and its officers from any risk, loss, or expense arising out of principal's importation, entry, or withdrawal of merchandise.

(h) *Agreement on Duty-Free Entries or Withdrawals.* If the principal enters or withdraws any merchandise, without payment of duty and tax, or at a reduced rate of duty and tax, as permitted under the law, the principal agrees:

(1) To use and handle the merchandise in the manner and for the purpose entitling it to duty-free treatment;

(2) If a fishing vessel, to present the original approved application to CBP within 24 hours on each arrival of the vessel in the customs territory of the United States from a fishing voyage;

(3) To furnish timely proof to CBP that any merchandise entered or withdrawn under any law permitting duty-free treatment was used in accordance with that law; and

(4) To keep safely all withdrawn beverages remaining on board while the vessel is in port, as may be required by CBP.

(i) *Agreement to comply with CBP regulations applicable to customs security areas at airports.* If access to the customs security areas at airports is desired, the principal (including its employees, agents, and contractors) agrees to comply with the CBP regulations in this chapter applicable to customs security areas at airports. If the principal defaults, the obligors (principal and surety, joint and severally) agree to pay liquidated damages of \$1000 for each default or such other amount as may be authorized by law or regulation.

(j) The principal agrees to comply with all Importer Security Filing requirements set forth in part 149 of this chapter including but not limited to providing security filing information to CBP in the manner and in the time period prescribed by regulation. If the principal defaults with regard to any obligation, the principal and surety (jointly and severally) agree to pay liquidated damages of \$5,000 for each violation.

(k) *Agreement to comply with electronic entry and/or advance cargo information filing requirements.* (1) If the principal is qualified to utilize electronic entry filing as provided for in part 143, of this chapter, the principal agrees to comply with all conditions set forth in part 143 and to send and accept electronic transmissions without the necessity of paper copies.

(2) If the principal elects to provide advance inward air or truck cargo information to CBP electronically, the principal agrees to provide such cargo information to CBP in the manner and in the time period required, respectively, under §122.48a or §123.92 of this chapter. If the principal defaults with

regard to these obligations, the principal and surety (jointly and severally) agree to pay liquidated damages of \$5,000 for each violation.

(l) *Agreement to comply with Air Cargo Advance Screening (ACAS) requirements.* The principal agrees to comply with all ACAS requirements set forth in §§122.48a and 122.48b of this chapter including, but not limited to, providing ACAS data to U.S. Customs and Border Protection in the manner and in the time period prescribed by regulation and taking the necessary action to address ACAS referrals and Do-Not-Load (DNL) instructions as prescribed by regulation. If the principal defaults with regard to these obligations, the principal and surety (jointly and severally) agree to pay liquidated damages of \$5,000 for each violation.

(m) *Agreement to ensure and establish issuance of softwood lumber export permit and collection of export fees.* In the case of a softwood lumber product imported from Canada that is subject to the requirement that the Government of Canada issue an export permit pursuant to the Softwood Lumber Agreement, the principal agrees, as set forth in §12.140 of this chapter, to assume the obligation to ensure within 10 working days of release of the merchandise, and establish to the satisfaction of CBP, that the applicable export permit has been issued by the Government of Canada.

(n) *Consequence of default.* (1) If the principal defaults on agreements in this condition other than conditions in paragraphs (a), (g), (i), (j), (k)(2), (l), or (m) of this section the obligors agree to pay liquidated damages equal to the value of the merchandise involved in the default, or three times the value of the merchandise involved in the default if the merchandise is restricted or prohibited merchandise or alcoholic beverages, or such other amount as may be authorized by law or regulation.

(2) It is understood and agreed that whether the default involves merchandise is determined by CBP and that the amount to be collected under these conditions will be based upon the quantity and value of the merchandise as determined by CBP. Value as used in

§ 113.63

19 CFR Ch. I (4-1-24 Edition)

these provisions means value as determined under 19 U.S.C. 1401a.

(3) If the principal defaults on agreements in this condition other than conditions (a) or (g) and the default does not involve merchandise, the obligors agree to pay liquidated damages of \$1,000 for each default or such other amount as may be authorized by law or regulation.

(4) If the principal defaults on agreements in the condition set forth in paragraph (a)(1)(i) of this section only, the obligors (principal and surety, jointly and severally) agree to pay liquidated damages equal to two times the unpaid duties, taxes and charges estimated to be due or \$1,000, whichever is greater. A default on the condition set forth in paragraph (a)(1)(i) of this section will be presumed if any monetary instrument authorized for the payment of estimated duties, taxes and charges by §24.1(a) of this chapter is returned unpaid by a financial institution, or if a payment authorized under Automated Clearinghouse (see §24.25 of this chapter) is not transmitted electronically to CBP in a timely manner. If the principal defaults on agreements in both of the conditions as set forth in paragraphs (a)(1)(i) and (b) of this section, the measure of liquidated damages assessed will be as provided in paragraph (n)(1) of this section for a default of the agreements in the condition set forth in paragraph (b) of this section. For purposes of this paragraph, the phrase “unpaid duties, taxes and charges” will include any appropriate ad valorem fees described in §24.23 of this chapter, fees relating to dutiable mail described in §24.22(f) of this chapter, and harbor maintenance fees described in §24.24(e)(3) (i) and (ii) of this chapter.

(5) If the principal defaults on agreements in the condition set forth in paragraph (m) of this section only, the obligors agree to pay liquidated damages equal to \$100 per thousand board feet of the imported lumber.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting §113.62, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at www.govinfo.gov.

§ 113.63 Basic custodial bond conditions.

A basic custodial bond must contain the conditions listed in this section and must be a continuous bond.

BASIC CUSTODIAL BOND CONDITIONS

(a) *Receipt of Merchandise.* The principal agrees:

(1) To operate as a custodian of any bonded merchandise received, including merchandise collected for transport to his facility, and to comply with all regulations regarding the receipt, carriage, safekeeping, and disposition of such merchandise;

(2) To accept only merchandise authorized under CBP regulations;

(3) To maintain all records required by CBP regulations relating to merchandise received into bond, and to produce the records upon demand by an authorized CBP officer;

(4) If authorized to use the alternative transfer procedure set forth in §144.34(c) of this chapter, to operate as constructive custodian for all merchandise transferred under those procedures, thereby assuming primary responsibility for the continued proper custody of the merchandise notwithstanding its geographical location;

(5) If authorized to operate a container station under the CBP regulations, to report promptly to CBP each arrival of a container and its merchandise by delivery of the manifest and the application for transfer, or by other approved notice.

(b) *Carriage and Safekeeping of Merchandise.* The principal agrees:

(1) If a bonded carrier, to use only authorized means of conveyance;

(2) To keep safe any merchandise placed in its custody including, when approved by CBP, repacking and transferring such merchandise when necessary for its safety or preservation;

(3) To comply with CBP regulations relating to the handling of bonded merchandise; and

(4) If authorized to use the alternative transfer procedure set forth in §144.34(c) of this chapter, to keep safe any merchandise so transferred.

(c) *Disposition of Merchandise.* The principal agrees:

(1) If a bonded carrier, to report in-bond arrivals and exportations in the

manner and in the time prescribed by regulation and to export in-bond merchandise in the time periods prescribed by regulation.

(2) If a cartage or lighterage business, to deliver promptly and safely to CBP any merchandise placed in the principal's custody together with any related cartage and lighterage ticket and manifest;

(3) To dispose of merchandise in a manner authorized by CBP regulations; and

(4) To file timely with CBP any report required by CBP regulations.

(5) In the case of Class 9 warehouses, to provide reasonable assurance of exportation of merchandise withdrawn under the sales ticket procedure of §144.37(h) of this chapter.

(d) *Agreement to Redeliver Merchandise to CBP.* If the principal is designated a bonded carrier, or licensed to operate a cartage or lighterage business, or authorized to use the alternative transfer procedure set forth in §144.34(c) of this chapter, the principal agrees to redeliver timely, on demand by CBP, any merchandise delivered to unauthorized locations or to the consignee without the permission of CBP. It is understood that the demand for redelivery shall be made no later than 30 days after CBP discovers the improper delivery.

(e) *Compliance with Licensing and Operating Requirements.* The principal agrees to comply with all customs laws and CBP regulations relating to principal's facilities, conveyances, and employees.

(f) *Agreement to comply with CBP regulations applicable to customs security areas at airports.* If access to customs security areas at airports is desired, the principal (including its employee, agents, and contractors) agrees to comply with the CBP regulations applicable to customs security areas at airports. If the principal defaults, the obligors (principal and surety, jointly and severally) agree to pay liquidated damages of \$1000 for each default or such other amount as may be authorized by law or regulation.

(g) The principal agrees to comply with all Importer Security Filing requirements set forth in part 149 of this chapter including but not limited to providing security filing information

to CBP in the manner and in the time period prescribed by regulation. If the principal defaults with regard to any obligation, the principal and surety (jointly and severally) agree to pay liquidated damages of \$5,000 per violation.

(h) *Agreement to comply with Air Cargo Advance Screening (ACAS) requirements.* The principal agrees to comply with all ACAS requirements set forth in §§122.48a and 122.48b of this chapter including, but not limited to, providing ACAS data to U.S. Customs and Border Protection in the manner and in the time period prescribed by regulation and taking the necessary action to address ACAS referrals and Do-Not-Load (DNL) instructions as prescribed by regulation. If the principal defaults with regard to these obligations, the principal and surety (jointly and severally) agree to pay liquidated damages of \$5,000 for each violation.

(i) *Reimbursement and Exoneration of the United States.* The principal and surety agree to:

(1) Pay the compensation and expenses of any CBP officer as required by law or regulation;

(2) Pay the cost of any locks, seals, and other fastenings required by CBP regulations for securing merchandise placed in the principal's custody;

(3) Pay for any expenses connected with the suspension or termination of the bonded status of the premises;

(4) Exonerate the United States and its officers from any risk, loss, or expense arising out of the principal's custodial operation; and

(5) Pay any charges found to be due CBP arising out of the principal's custodial operation.

(j) *Consequence of Default.* (1) If the principal defaults on conditions (a) through (e) in this agreement, the obligors (principal and surety, jointly and severally) agree to pay liquidated damages equal to the value of the merchandise involved in the default or three times the value of the merchandise involved in the default if the merchandise is restricted or prohibited merchandise or alcoholic beverages, or such other amount as may be authorized by law or regulation.

(2) It is understood and agreed that the amount to be collected under conditions (a) through (e) of this agreement will be based upon the quantity and value of the merchandise as determined by CBP. Value as used in these provisions means value as determined under 19 U.S.C. 1401a.

(3) If the principal defaults on conditions (a) through (e) in this agreement and the default does not involve merchandise, the obligors agree to pay liquidated damages of \$1,000 for each default or such other amount as may be authorized by law or regulation. It is understood and agreed that whether the default involves merchandise is determined by CBP.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting § 113.63, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at www.govinfo.gov.

§ 113.64 International carrier bond conditions.

A bond for international carriers must contain the conditions listed in this section and may be either a single transaction or continuous bond.

INTERNATIONAL CARRIER BOND
CONDITIONS

(a) *Agreement to Pay Penalties, Duties, Taxes, and Other Charges.* If any vessel, vehicle, or aircraft, or any master, owner, or person in charge of a vessel, vehicle or aircraft, slot charterer, or any non-vessel operating common carrier as defined in § 4.7(b)(3)(ii) of this chapter or other party as specified in § 122.48a(c)(1)(ii)-(c)(1)(iv) or § 122.48b(c)(2) of this chapter, incurs a penalty, duty, tax or other charge provided by law or regulation, the obligors (principal and surety, jointly and severally) agree to pay the sum upon demand by CBP. If the principal (carrier or operator) fails to pay the fees for processing letters, documents, records, shipments, merchandise, or other items on or before the last day of the month that follows the close of the calendar quarter to which the processing fees relate pursuant to § 24.23(b)(4) of this chapter, the obligors (principal and surety, jointly and severally) agree to pay liquidated damages equal to two

times the processing fees not timely paid to CBP as prescribed by regulation.

(b) *Agreement to pay liquidated damages—(1) Passenger processing fees:* If the principal (carrier) fails to pay passenger processing fees to CBP within 31 calendar days after the close of the calendar quarter in which they were required to be collected pursuant to § 24.22(g) of this chapter, the obligors (principal and surety, jointly and severally) agree to pay liquidated damages equal to two times the passenger processing fees that were required to be collected but not timely remitted to CBP, regardless of whether such fees were in fact collected from passengers, as prescribed by regulation.

(2) *Railroad car processing fees:* If the principal (carrier) fails to pay railroad car processing fees to CBP within 60 calendar days after the close of the calendar month in which they were collected pursuant to § 24.22(d) of this chapter, the obligors (principal and surety, jointly and severally) agree to pay liquidated damages equal to two times the railroad car processing fees which have not been timely paid to CBP as prescribed by regulation.

(3) *Reimbursement fees payable by express consignment carrier and centralized hub facilities.* If the principal (carrier) fails to timely pay the reimbursement fees payable to CBP by express consignment carrier facilities and centralized carrier facilities pursuant to the terms set forth in § 24.23(b)(4) of this chapter, the obligors (principal and surety, jointly and severally) agree to pay liquidated damages equal to two times the fees which have not been timely paid to CBP as prescribed by that section.

(c) *Agreement on Unlading, Safekeeping, and Disposition of Merchandise, Supplies, Crew Purchases, Etc.* The principal agrees to comply with all laws and CBP regulations applicable to unlading, safekeeping, and disposition of merchandise, supplies, crew purchases, and other articles on board the vehicle, vessel, or aircraft; and to redeliver the foregoing to CBP upon demand as provided by CBP regulations. If principal defaults, obligors agree to pay liquidated damages equal to the value of

the merchandise involved in the default or three times the value of the merchandise involved in the default if the merchandise is restricted or prohibited merchandise or alcoholic beverages, or such other amount as may be authorized by law or regulation. It is understood and agreed that the amount to be collected under this condition will be based upon the quantity and value of the merchandise as determined by CBP. Value as used in these provisions means value as determined under 19 U.S.C. 1401a.

(d) *Agreement to provide advance cargo information.* The incoming carrier agrees to provide advance cargo information to CBP in the manner and in the time period required under §§ 4.7 and 4.7a of this chapter. If the incoming carrier, as principal, defaults with regard to these obligations, the principal and surety (jointly and severally) agree to pay liquidated damages of \$5,000 for each violation, to a maximum of \$100,000 per conveyance arrival.

(e) *Non-vessel operating common carrier (NVOCC); other party.* If a slot charterer, non-vessel operating common carrier (NVOCC) as defined in § 4.7(b)(3)(ii) of this chapter, or other party specified in § 122.48a(c)(1)(ii)–(c)(1)(iv) of this chapter, elects to provide advance cargo information to CBP electronically, the NVOCC or other party, as a principal under this bond, in addition to compliance with the other provisions of this bond, also agrees to provide such cargo information to CBP in the manner and in the time period required under those respective sections. If the NVOCC or other party, as principal, defaults with regard to these obligations, the principal and surety (jointly and severally) agree to pay liquidated damages of \$5,000 for each violation, to a maximum of \$100,000 per conveyance arrival.

(f) *Agreement to comply with Importer Security Filing requirements.* If the principal elects to provide the Importer Security Filing information to Customs and Border Protection (CBP), the principal agrees to comply with all Importer Security Filing requirements set forth in part 149 of this chapter including but not limited to providing security filing information to CBP in the manner and in the time period pre-

scribed by regulation. If the principal defaults with regard to any obligation, the principal and surety (jointly and severally) agree to pay liquidated damages of \$5,000 for each violation.

(g) *Agreement to comply with vessel stow plan requirements.* If the principal causes a vessel to arrive within the limits of a port in the United States, the principal agrees to submit a stow plan in the manner and in the time period required pursuant to part 4.7c of this chapter. If the principal defaults with regard to this obligation, the principal and surety (jointly and severally) agree to pay liquidated damages of \$50,000 for each vessel arrival.

(h) *Agreement to comply with container status message requirements.* If the principal causes a vessel to arrive within the limits of a port in the United States, the principal agrees to submit container status messages in the manner and in the time period required pursuant to part 4.7d of this chapter. If the principal defaults with regard to these obligations, the principal and surety (jointly and severally) agree to pay liquidated damages of \$5,000 for each violation, to a maximum of \$100,000 per vessel arrival.

(i) *Agreement to comply with Air Cargo Advance Screening (ACAS) requirements.* (1) The inbound air carrier agrees to comply with all ACAS requirements set forth in §§ 122.48a and 122.48b of this chapter including, but not limited to, providing ACAS data to U.S. Customs and Border Protection (CBP) in the manner and in the time period prescribed by regulation and taking the necessary action to address ACAS referrals and Do-Not-Load (DNL) instructions as prescribed by regulation. If the inbound air carrier, as principal, defaults with regard to these obligations, the principal and surety (jointly and severally) agree to pay liquidated damages of \$5,000 for each violation, to a maximum of \$100,000 per conveyance arrival.

(2) If a party specified in § 122.48b(c)(2) of this chapter provides the ACAS data to CBP, that party, as principal under this bond, agrees to comply with all ACAS requirements set forth in §§ 122.48a and 122.48b of this chapter including, but not limited to, providing ACAS data to CBP in the manner and

in the time period prescribed by regulation and taking the necessary action to address ACAS referrals and Do-Not-Load (DNL) instructions as prescribed by regulation. If the principal defaults with regard to these obligations, the principal and surety (jointly and severally) agree to pay liquidated damages of \$5,000 for each violation, to a maximum of \$100,000 per conveyance arrival.

(j) *Agreement to Deliver Export Documents.* If the principal's vessel, vehicle, or aircraft is granted clearance without filing a complete outward manifest and all required export documents, the principal agrees to file timely the required manifest and all required export documents. If the principal defaults, the obligors agree to pay liquidated damages of \$1,100 for each day's delinquency beyond the prescribed period, but not more than \$10,000 per violation.

(k) *Agreement to comply with CBP regulations applicable to customs security areas at airports.* If access to customs security areas at airports is desired, the principal (including its employees, agents, and contractors) agrees to comply with the CBP regulations applicable to customs security areas at airports. If the principal defaults, the obligors (principal and surety, jointly and severally) agree to pay liquidated damages of \$1000 for each default or such other amount as may be authorized by law or regulation.

(l) *Exoneration of the United States.* The obligors agree to exonerate the United States and its officers from any risk, loss, or expense arising out of entry or clearance of the carrier, or handling of the articles on board.

(m) *Unlawful disposition.* (1) Principal agrees that it will not allow seized or detained merchandise, marked with warning labels of the fact of seizure or detention, to be placed on board a vessel, vehicle, or aircraft for exportation or to be otherwise disposed of without written permission from CBP, and that if it fails to prevent such placement or other disposition, it will redeliver the merchandise to CBP within 30 days, upon demand made within 10 days of CBP discovery of the unlawful placement or other disposition.

(2) Principal agrees that it will act, in regard to merchandise in its posses-

sion on the date the redelivery demand is issued, in accordance with any CBP demand for redelivery made within 10 days of CBP discovery that there is reasonable cause to believe that the merchandise was exported in violation of the export control laws.

(3) Obligors agree that if the principal defaults in either of these obligations, they will pay, as liquidated damages, an amount equal to three times the value of the merchandise which was not redelivered.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting §113.64, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at www.govinfo.gov.

§ 113.65 Repayment of erroneous drawback payment bond conditions.

A bond for repayment of erroneous drawback must contain the conditions listed in this section and may be either a single transaction or continuous bond.

REPAYMENT OF ERRONEOUS DRAWBACK
PAYMENT BOND CONDITIONS

(a) *Agreement Under Exporter's Summary Procedure.* If the principal is permitted to file drawback claims under the exporter's summary procedure and the principal's drawback claims are paid before a final determination that the principal:

(1) Is entitled to the drawback claimed.

(2) Correctly described the exported articles in the claim.

(3) Correctly stated the facts of exportation in the claim; the principal and surety, jointly and severally agree to refund, on demand, any money claimed by CBP to have been erroneously paid as a result of an incorrect statement on the drawback claim, and

(4) The principal agrees to pay any charges due CBP as provided by law or regulation.

(b) *Agreement Under Accelerated Payment of Drawback.* If the principal receives an accelerated payment of drawback based on the principal's calculation of the drawback claim, the principal and surety, jointly and severally agree to refund on demand the full

U.S. Cust. and Border Prof., DHS; Treas.

§ 113.66

amount of any overpayment, as determined on liquidation of the drawback claim.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by T.D. 86-178, 51 FR 34959, Oct. 1, 1986; T.D. 88-72, 53 FR 45902, Nov. 15, 1988; CBP Dec. 15-15, 80 FR 70168, Nov. 13, 2015]

§ 113.66 Control of containers and instruments of international traffic bond conditions.

A bond for control of containers and instruments of international traffic must contain the conditions listed in this section and must be a continuous bond.

CONTROL OF CONTAINERS AND INSTRUMENTS OF INTERNATIONAL TRAFFIC BOND CONDITIONS

(a) *Agreement to Enter Any Diverted Instrument of International Traffic.* If a principal brings in and takes out of the customs territory of the United States an instrument of international traffic without entry and without payment of duty, as provided by the CBP regulations and section 322(a), Tariff Act of 1930, as amended (19 U.S.C. 1322(a)) the principal agrees to:

(1) Report promptly to CBP when the instrument is diverted to point-to-point local traffic in the customs territory of the United States or when the instrument is otherwise withdrawn in the customs territory of the United States from its use as an instrument of international traffic.

(2) Promptly enter the instrument unless exempt from entry; and

(3) Pay any duty due on the instrument at the rate in effect and in its condition on the date of diversion or withdrawal.

(b) *Agreement to Comply With the Provisions of subheading 9801.00.10, or 9803.00.50 Harmonized Tariff Schedule of the United States (HTSUS).* If the principal gets free release of any serially numbered shipping container classifiable under subheading 9801.00.10 or 9803.00.50, HTSUS, the principal agrees:

(1) Not to advance the value or improve its condition abroad or claim (or make a previous claim) drawback on, any container released under subheading 9801.00.10, HTSUS;

(2) To pay the initial duty due and otherwise comply with every condition

in subheading 9803.00.50, HTSUS, on any container released under that item;

(3) To mark that container in the manner required by CBP;

(4) To keep records which show the current status of that container in service and the disposition of that container if taken out of service; and

(5) To remove or strike out the markings on that container when it is taken out of service or when the principal transfers ownership of it.

(c) *Agreement to comply with application approved under 19 CFR 10.41b(b).* If the principal establishes a program for the cross-border movements of shipping devices based upon an application approved as provided in §10.41b(b) of this chapter (19 CFR 10.41b(b)), the principal agrees:

(1) To timely file complete and accurate reports on the shipping devices, and to pay any applicable duty due on the devices and repairs made to such devices, as provided in the approved application;

(2) To retain complete and accurate records regarding the shipping devices, and to make such records available to CBP for inspection and audit upon reasonable notice, as also required in the approved application; and

(3) To otherwise comply with every other condition of the approved application.

(d) *Consequence of Default.* (1) If the principal defaults on agreements in these conditions, the obligors (principal and surety, jointly and severally) agree to pay liquidated damages equal to the value of the merchandise involved in the default or such other amount as may be authorized by law or regulation.

(2) It is understood and agreed that the amount to be collected under these conditions will be based upon the quantity and value of the merchandise as determined by CBP.

(3) If the principal defaults on the agreements in these conditions and the default does not involve merchandise, the obligors agree to pay liquidated damages of \$1,000 for each default or

§ 113.67

such other amount as may be authorized by law or regulation. It is understood and agreed that whether the default involves merchandise is determined by CBP.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by T.D. 88-72, 53 FR 45902, Nov. 15, 1988; T.D. 89-1, 53 FR 51255, Dec. 21, 1988; T.D. 96-20, 61 FR 7990, Mar. 1, 1996; CBP Dec. 15-15, 80 FR 70169, Nov. 13, 2015]

§ 113.67 Commercial gauger and commercial laboratory bond conditions.

COMMERCIAL GAUGER BOND CONDITIONS

(a) *Commercial gauger bond conditions.* A commercial gauger's bond must contain the conditions listed in this section and must be a continuous bond.

(1) If the principal is a commercial gauger whose reports of gauging or whose samples are accepted for CBP purposes, the principal agrees to:

(i) Gauge or sample merchandise according to the standards and procedures set out in the CBP regulations;

(ii) Abide by the requirements set out in § 151.13(b) of this chapter; and

(iii) Submit properly any required report, proof, abstract, or sample to CBP.

(2)(i) If the principal defaults, the obligors (principal and surety) agree to pay liquidated damages equal to the value of the merchandise involved in the default or three times the value of the merchandise involved in the default if the merchandise is restricted or prohibited merchandise or alcoholic beverages or such other amount as may be authorized by law or regulation.

(ii) If the principal defaults on the agreements in these conditions and the default does not involve merchandise, the obligors agree to pay liquidated damages of \$1,000 for each default or such other amount as may be authorized by law or regulation.

(iii) It is understood and agreed that whether the default involves merchandise is determined by CBP, that the amount to be collected under this condition will be based on the quantity and value of the merchandise as determined by CBP and that value as used in these provisions means value as determined under 19 U.S.C. 1401a.

19 CFR Ch. I (4-1-24 Edition)

COMMERCIAL LABORATORY BOND
CONDITIONS

(b) *Commercial laboratory bond conditions.* A commercial laboratory's bond must contain the conditions listed in this subsection and must be a continuous bond.

(1) If the principal is a commercial laboratory whose laboratory analysis reports are accepted for CBP purposes, the principal agrees to:

(i) Conduct laboratory analyses according to the standards and procedures set out in the CBP regulations;

(ii) Abide by the requirements set out in §§ 151.12(c) and 151.14 of this chapter; and

(iii) Submit properly any required report, proof, abstract, or sample to CBP.

(2)(i) If the principal defaults, the obligors (principal and surety, jointly and severally) agree to pay liquidated damages equal to the value of the merchandise involved in the default or three times the value of the merchandise involved in the default if the merchandise is restricted or prohibited merchandise or alcoholic beverages or such other amount as may be authorized by law or regulation.

(ii) If the principal defaults on the agreements in these conditions and the default does not involve merchandise, the obligors agree to pay liquidated damages of \$1,000 for each default or such other amount as may be authorized by law or regulation.

(iii) It is understood and agreed that whether the default involves merchandise is determined by CBP, that the amount to be collected under this condition shall be based on the quantity and value of the merchandise as determined by CBP and that value as used in these provisions means value as determined under 19 U.S.C. 1401a.

[T.D. 87-39, 52 FR 9787, Mar. 26, 1987, as amended by T.D. 88-72, 53 FR 45902, Nov. 15, 1988; T.D. 99-67, 64 FR 48534, Sept. 7, 1999; T.D. 01-26, 66 FR 16854, Mar. 28, 2001; CBP Dec. 15-15, 80 FR 70169, Nov. 13, 2015]

§ 113.68 Wool and fur products labeling acts and fiber products identification act bond conditions.

A bond to comply with wool and fur products labeling acts and fiber products identification act must contain

U.S. Cust. and Border Prof., DHS; Treas.

§ 113.71

the conditions listed in this section and must be a single transaction bond.

brought on a claim for loss based on the release without production of a valid bill of lading.

WOOL AND FUR PRODUCTS LABELING ACTS AND FIBER PRODUCTS IDENTIFICATION ACT

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by T.D. 88-72, 53 FR 45902, Nov. 15, 1988; CBP Dec. 15-15, 80 FR 70169, Nov. 13, 2015]

(a) If the principal obtains release from CBP custody of any wool or fur product (hereafter "merchandise") that is subject to the provisions of the Wool Products Labeling Act of 1939, the Fur Products Labeling Act, or the Fiber Products Identification Act, the principal guarantees that the merchandise complies with every provision of those Acts, as applicable.

§ 113.70 Bond condition to indemnify United States for detention of copyrighted material.

A bond to indemnify the United States for detention of copyrighted material must contain the conditions listed in this section and must be a single transaction bond.

(b) If any of the released merchandise does not comply with each applicable provision of the Wool Products Labeling Act of 1939, the Fur Products Labeling Act, or the Fiber Products Identification Act, the obligors (principal or surety, jointly and severally) agree to pay liquidated damages equal to two times the value of the merchandise involved in the default and duty thereon. It is understood and agreed that the amount to be collected under this condition will be based upon the quantity and value of the merchandise as determined by CBP. Value as used in these provisions means value as determined under 19 U.S.C. 1401a.

BOND CONDITION TO INDEMNIFY UNITED STATES FOR DETENTION OF COPYRIGHTED MATERIAL

If CBP detains any articles alleged by the principal to be a piratical copy of material covered by the principal's copyright pending a final determination whether the articles are prohibited entry under the copyright laws, the obligors (principal and surety, jointly and severally) agree to hold the United States and its employees, and the importer or owner of those articles, jointly and severally, harmless from any material depreciation of those articles and any loss or damage caused by the detention in the event it is finally determined that the articles are not a piratical copy of the material.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by T.D. 88-72, 53 FR 45902, Nov. 15, 1988; CBP Dec. 15-15, 80 FR 70169, Nov. 13, 2015]

§ 113.69 Production of bills of lading bond conditions.

A bond to produce a bill of lading must contain the conditions listed in this section and must be a single transaction bond.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by T.D. 88-72, 53 FR 45902, Nov. 15, 1988; CBP Dec. 15-15, 80 FR 70169, Nov. 13, 2015]

§ 113.71 Bond condition to observe neutrality.

A bond to observe neutrality must contain the conditions listed in this section and must be a single transaction bond.

PRODUCTION OF BILL OF LADING BOND CONDITIONS

If the principal obtains release of any merchandise before filing a valid bill of lading on that merchandise with CBP, the obligors (principal and surety, jointly and severally) agree to:

BOND CONDITION TO OBSERVE NEUTRALITY

(a) Produce timely a valid bill of lading for the merchandise; and

(a) If clearance is granted to the principal's vessel, which is armed or is built for a war-like purpose, with a cargo of arms and munitions, so that it is likely to be used to commit hostilities against people or countries with whom the Government of the United States is at peace, the principal

(b) Relieve the United States and its employees from all liability, to indemnify the United States and its employees against loss, and defend any action

§ 113.72

19 CFR Ch. I (4-1-24 Edition)

guarantees that the vessel will not be used to commit hostilities against any country, state, colony, or people with whom the Government is at peace.

(b) If the principal defaults, the obligors (principal and surety, jointly and severally) agree to pay liquidated damages equal to twice the value of the vessel and cargo.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by T.D. 88-72, 53 FR 45902, Nov. 15, 1988; CBP Dec. 15-15, 80 FR 70169, Nov. 13, 2015]

§ 113.72 Bond condition to pay court costs (condemned goods).

A bond to pay court costs (condemned goods) must contain the condition listed in this section and must be a single transaction bond.

**BOND CONDITION TO PAY COURT COSTS
(CONDEMNED GOODS)**

If any seized goods belonging to principal are condemned the obligors (principal and surety, jointly and severally) agree to pay all costs of the condemnation proceedings.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by T.D. 88-72, 53 FR 45902, Nov. 15, 1988; CBP Dec. 15-15, 80 FR 70169, Nov. 13, 2015]

§ 113.73 Foreign trade zone operator bond conditions.

A bond of a foreign trade zone operator must contain the conditions listed in this section and must be a continuous bond.

**FOREIGN TRADE ZONE OPERATOR BOND
CONDITIONS**

If the principal is authorized to operate a foreign trade zone or subzone:

(a) *Receipt, Handling, and Disposition of Merchandise.* The principal agrees to comply with:

(1) The law and CBP regulations relating to the receipt (including merchandise received and receipted for transport to his zone), admission, status, handling, transfer, and removal of merchandise from the foreign trade zone or subzone, and

(2) The CBP regulations concerning the maintenance of inventory control and recordkeeping systems covering merchandise in the foreign trade zone

or subzone. If the principal defaults and the default involves merchandise other than domestic merchandise for which no permit for admission is required, the obligors (principal and surety, jointly and severally) agree to pay liquidated damages equal to the value of the merchandise involved in the default, or three times the value of the merchandise involved in the default if the merchandise is restricted or prohibited merchandise or alcoholic beverages, or such other amount as may be authorized by law or regulation. It is understood and agreed that whether the default involves merchandise is a determination made by CBP, that the amount to be collected under this condition will be based upon the quantity and value of the merchandise as determined by CBP, and that value as used in these provisions means value as determined under 19 U.S.C. 1401a. If the principal defaults and the default does not involve merchandise, the obligors agree to pay liquidated damages of \$1,000 for each default, or such other amount as may be authorized by law or regulations.

(b) *Agreement to Pay Duties, Taxes, and Charges.* The obligors agree to pay any duties, taxes, and charges found to be due on any merchandise, properly admitted to the foreign trade zone or subzone, which is found to be missing from the zone or cannot be accounted for in the zone, it being expressly understood and agreed that the amount of said duties, taxes, and charges will be determined solely by CBP.

(c) *Agreement to comply with Importer Security Filing requirements.* The principal agrees to comply with all Importer Security Filing requirements set forth in part 149 of this chapter including but not limited to providing security filing information to CBP in the manner and in the time period prescribed by regulation. If the principal defaults with regard to any obligation, the principal and surety (jointly and severally) agree to pay liquidated damages of \$5,000 for each violation.

(d) *Reimbursement and Exoneration of the United States.* The obligors agree to:

(1) Exonerate the United States and its officers from any risk, loss, or expense arising from the principal's operation of the foreign trade zone or subzone;

(2) Pay the compensation and expenses of any CBP Officer, as required by law or regulations.

(e) *Payment of Annual Fee.* The principal agrees to pay timely any annual fee or fees as provided in the CBP regulations. If the principal defaults, the obligors agree to pay liquidated damages equal to the amount of the annual fee due but not paid and an amount equal to one percent of the annual fee for each of the first seven days the annual fee is in arrears, two percent of the annual fee for each of the succeeding seven days the annual fee is in arrears, and three percent of the annual fee for each day thereafter in which the annual fee is in arrears.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by T.D. 86-16, 51 FR 5063, Feb. 11, 1986; T.D. 88-72, 53 FR 45902, Nov. 15, 1988; T.D. 94-81, 59 FR 51495, Oct. 12, 1994; T.D. 01-26, 66 FR 16854, Mar. 28, 2001; CBP Dec. 08-46, 73 FR 71781, Nov. 25, 2008; CBP Dec. 15-15, 80 FR 70169, Nov. 13, 2015]

§ 113.74 Bond conditions to indemnify a complainant under section 337 of Tariff Act of 1930, as amended.

A bond to indemnify a complainant under section 337 of the Tariff Act of 1930, as amended, must contain the conditions listed in appendix B to this part. The bond must be a single transaction bond and must be filed in accordance with the provisions set forth in 19 CFR 12.39(b)(2). For the forfeiture or return of this bond, the provisions of 19 CFR 210.50(d) will apply.

[T.D. 00-87, 65 FR 77815, Dec. 13, 2000, as amended by CBP Dec. 15-15, 80 FR 70169, Nov. 13, 2015]

§ 113.75 Bond conditions for deferral of duty on large yachts imported for sale at United States boat shows.

A bond for the deferral of entry completion and duty deposit pursuant to 19 U.S.C. 1484b for a dutiable large yacht imported for sale at a United States boat show must conform to the terms of appendix C to this part. The bond must be filed in accordance with the

provisions set forth in § 4.94a of this chapter.

[68 FR 13626, Mar. 20, 2003]

APPENDIX A TO PART 113—AIRPORT
CUSTOMS SECURITY AREA BOND
AIRPORT CUSTOMS SECURITY AREA
BOND

____ (name of principal) of ____ (address) and ____ (name of surety) of ____ (address) are held and firmly bound unto the United States of America in the sum of ____ dollars (\$____), for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, by these conditions.

WITNESS our hands and seals this ____ day of ____, 20___. WHEREAS, the principal (including the principal's employees, agents, and contractors) desires access to airport customs security areas;

Now, Therefore, the Condition of this Obligation is Such That—

The principal agrees to comply with the CBP regulations applicable to customs security areas at airports. If the principal defaults on the condition of this obligation, the principal and surety, jointly and severally, agree to pay liquidated damages of \$1,000 for each default; or such other amount as may be authorized by law or regulation. This bond is effective ____, 20__, and remains in force for one year beginning with the effective date and for each succeeding annual period, or until terminated. This bond constitutes a separate bond for each annual period in the amount listed above for liabilities that accrue in each annual period.

Signed, Sealed, and Delivered in the Presence of —

Name
Address

Name
Address
Principal (SEAL)

Name
Address

Name
Address

Name
Address
Surety (SEAL)

Pt. 113, App. B

19 CFR Ch. I (4-1-24 Edition)

Name
Address

[CBP Dec. 15-15, 80 FR 70169, Nov. 13, 2015]

APPENDIX B TO PART 113—BOND TO INDEMNIFY COMPLAINANT UNDER SECTION 337, TARIFF ACT OF 1930, AS AMENDED

This appendix contains the bond to indemnify a complainant under section 337 of the Tariff Act of 1930, as amended. The provisions contained in §§12.39(b)(2) and 113.74 of the CBP Regulations (19 CFR Chapter I) and §210.50(d) of the U.S. International Trade Commission Regulations (19 CFR Chapter II) apply.

BOND TOTO INDEMNIFY COMPLAINANT UNDER SECTION 337, TARIFF ACT OF 1930, AS AMENDED

_____ as principal and _____ as surety, are held and bound to _____, as the complainant in U.S. International Trade Commission case/investigation number _____, of unfair practices or methods of competition in import trade in violation of section 337, Tariff Act of 1930, as amended, in the sum of _____ dollars (\$_____), for payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, by these conditions.

Pursuant to the provisions of section 337, Tariff Act of 1930, as amended, the principal and surety recognize that the Commission has, according to the conditions described in its order, excluded from, or authorized, entry into the United States of the following merchandise

_____ under entry number _____, dated _____.

The principal and surety recognize that the Commission has excluded that merchandise from entry until its investigation is completed, or until its decision that there is a violation of section 337 becomes final.

The principal and surety recognize that certain merchandise excluded from entry by the Commission was, or may be, offered for entry into the United States while the Commission's prohibition is in effect.

The principal and surety recognize that the principal desires to obtain a release of that merchandise pending a final determination of the merchandise's admissibility into the United States, as provided under section 337, and, for that purpose, the principal and surety execute this stipulation:

If it is determined, as provided in section 337 of the Tariff Act of 1930, as amended, to exclude that merchandise from the United States, then, on notification from the CBP, the principal is obligated to export or destroy under CBP supervision the merchan-

dise released under this stipulation within 30 days from the date of the CBP's notification.

The principal and surety, jointly and severally, agree that if the principal defaults on that obligation, the principal and surety shall pay to the complainant an amount equal to the face value of the bond as may be demanded by him/her under the applicable law and regulations.

Witness our hands and seals this _____ day of _____ (month), _____ (year).

_____ (seal)

Principal

_____ (seal)

Surety

[T.D. 00-87, 65 FR 77815, Dec. 13, 2000; 65 FR 80497, Dec. 21, 2000, as amended by CBP Dec. 15-15, 80 FR 70170, Nov. 13, 2015; CBP Dec. 16-26, 81 FR 93017, Dec. 20, 2016]

APPENDIX C TO PART 113—BOND FOR DEFERRAL OF DUTY ON LARGE YACHTS IMPORTED FOR SALE AT UNITED STATES BOAT SHOWS

BOND FOR DEFERRAL OF DUTY ON LARGE YACHTS IMPORTED FOR SALE AT UNITED STATES BOAT SHOWS

_____, as principal, and _____, as surety, are held and firmly bound to the UNITED STATES OF AMERICA in the sum of _____ dollars (\$_____), for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these conditions.

Pursuant to the provisions of 19 U.S.C. 1484b, the principal has imported at the port of _____ a dutiable large yacht (exceeding 79 feet in length, used primarily for recreation or pleasure, and previously sold by a manufacturer or dealer to a consumer) identified as _____ for sale at a boat show in the United States with deferral of entry completion and duty deposit and has executed this obligation as a condition precedent to that deferral.

A failure to inform CBP in writing of an exportation, or to complete the required entry, within the 6-month bond period will give rise to a claim for liquidated damages unless the principal informs CBP of the exportation or completes the entry within the time limits prescribed in 19 CFR 4.94a. If the principal fails to comply with any condition of this obligation, which includes compliance with any requirement or condition set forth in 19 U.S.C. 1484b or 19 CFR 4.94a, the principal and surety jointly and severally agree to pay to CBP an amount of liquidated damages equal to twice the amount of duty on the large yacht that would otherwise be imposed under subheading 8903.91.00 or 8903.92.00 of the Harmonized Tariff Schedule of the

U.S. Cust. and Border Prot., DHS; Treas.

Pt. 113, App. D

United States. For purposes of this paragraph, the term duty includes any duties, taxes, fees and charges imposed by law.

The principal will exonerate and hold harmless the United States and its officers from or on account of any risk, loss, or expense of any kind or description connected with or arising from the failure to store and deliver the large yacht as required, as well as from any loss or damage resulting from fraud or negligence on the part of any officer, agent, or other person employed by the principal.

WITNESS our hands and seals this _____ day of _____ (month), _____ (Year).

(Name) (Address)
[SEAL]
(Principal)

(Name) (Address) [SEAL]
(Surety)

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, _____, certify that I am the* _____ of the corporation named as principal in the attached bond; that _____, who signed the bond on behalf of the principal, was then _____ of that corporation; that I know his signature, and his signature to the bond is genuine; and that the bond was duly signed, sealed, and attested for and in behalf of the corporation by authority to its governing body.

(CORPORATE SEAL)
(To be used when no power of attorney has been filed with CBP.)

*May be executed by the secretary, assistant secretary, or other officer of the corporation.

[68 FR 13626, Mar. 20, 2003, as amended by CBP Dec. 15-15, 80 FR 70170, Nov. 13, 2015; CBP Dec. 16-26, 81 FR 93017, Dec. 20, 2016]

APPENDIX D TO PART 113—IMPORTER SECURITY FILING BOND

This appendix contains the relevant terms and conditions for Importer Security Filing Bonds.

Importer Security Filing Bond

KNOW ALL MEN BY THESE PRESENTS, that _____ of _____, as principal having Customs and Border Protection (CBP) Identification Number _____ and _____, as surety are held and firmly bound unto the United States of America up to the sum of _____ dollars (\$ _____) for the payment of which we

bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

Whereas, the named principal (including the named principal's employees, agents and contractors) agrees to comply with all Importer Security Filing requirements set forth in 19 CFR part 149, including but not limited to providing security filing information to CBP in the manner and in the time period prescribed by regulation.

If the principal defaults on the conditions of this obligation, the principal and surety jointly and severally, agree to pay liquidated damages of \$5,000 for each violation, or such other amount as may be authorized by law or regulation upon demand by CBP.

[COMPLETE THIS PARAGRAPH ONLY FOR A SINGLE TRANSACTION BOND]

This single transaction bond secures the single transaction identified by Importer Security Filing transaction number _____ issued by CBP on _____, 20_____.

[COMPLETE THIS PARAGRAPH ONLY FOR A CONTINUOUS BOND]

This continuous bond is effective _____, 20_____, and remains in force for one year beginning with the effective date and for each succeeding annual period, or until terminated. This bond constitutes a separate bond for each period in the amount listed above for liabilities that accrue in each period. The intention to terminate this bond must be conveyed within the period and manner prescribed in the CBP Regulations.

This bond is executed on _____, 20_____.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

(Name) (Address)
(Name) (Address)
(Principal Name) (Seal)
(Principal Address)
(Surety Name) (Seal)
Surety No. _____
(Surety Mailing Address)
Surety Agent Name _____

Surety Agent ID Number _____
 [74 FR 68377, Dec. 24, 2009]

PART 114—CARNETS

Sec.
 114.0 Scope.

Subpart A—General Provisions

114.1 Definitions.
 114.2 Customs Conventions and Agreements.
 114.3 Carnets.

Subpart B—Issuing and Guaranteeing Associations

114.11 Approval.
 114.12 Termination of approval.

Subpart C—Processing of Carnets

114.21 Acceptance.
 114.22 Coverage of carnets.
 114.23 Maximum period.
 114.24 Additions.
 114.25 Replacement of carnets.
 114.26 Discharge, nonacceptance, or cancellation of carnets.

Subpart D—Miscellaneous

114.31 Restrictions.
 114.32 Samples for taking orders.
 114.33 Action against carnet user.
 114.34 Cancellation of erroneous charges.

AUTHORITY: 19 U.S.C. 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States), 1623, 1624.

SOURCE: T.D. 70–134, 35 FR 9261, June 13, 1970, unless otherwise noted.

§ 114.0 Scope.

This part is concerned with the use of international Customs documents known as carnets. It also contains provisions concerning the approval of associations to issue carnets in the United States covering merchandise to be exported and to guarantee carnets issued abroad covering merchandise to be imported. The carnet serves simultaneously as a Customs entry document and as a Customs bond.

Subpart A—General Provisions

§ 114.1 Definitions.

The following are general definitions for the purpose of part 114:

(a) *Commissioner*. “Commissioner” means the Commissioner of Customs.

(b) *Issuing association*. “Issuing association” means an association approved by the Commissioner for the issue of carnets in the Customs territory of the United States under a Customs Convention or bilateral Agreement to which the United States has acceded.

(c) *Guaranteeing association*. “Guaranteeing association” means an association approved by the Commissioner to guarantee the payment of obligations under carnets covering merchandise entering the Customs territory of the United States under a Customs Convention or bilateral Agreement to which the United States has acceded.

(d) *A.T.A. carnet*. “A.T.A. carnet” (Admission Temporaire—Temporary Admission) means the document reproduced as the Annex to the Customs Convention on the A.T.A. Carnet for the Temporary Admission of Goods (TIAS 6631).

(e) [Reserved]

(f) *TIR carnet*. “TIR carnet” (Transport International Routier) means the document reproduced as Annex 1 to the Customs Convention on the International Transport of Goods under Cover of TIR Carnets.

(g) *TECRO/AIT Carnet*. “TECRO/AIT carnet” means the document issued pursuant to the Bilateral Agreement between the Taipei Economic and Cultural Representative Office (TECRO) and the American Institute in Taiwan (AIT) to cover the temporary admission of goods.

[T.D. 70–134, 35 FR 9261, June 13, 1970, as amended by T.D. 71–70, 36 FR 4490, Mar. 6, 1971; T.D. 82–116, 47 FR 27262, June 24, 1982; T.D. 85–180, 50 FR 42517, Oct. 21, 1985; T.D. 98–10, 63 FR 4168, Jan. 28, 1998]

§ 114.2 Customs Conventions and Agreements.

The regulations in this part relate to carnets provided for in the following Customs Conventions and Agreements:

(a) Customs Convention on the A.T.A. Carnet for the Temporary Admission of Goods (hereinafter referred to as A.T.A. Convention).

(b) [Reserved]

(c) Customs Convention on the International Transport of Goods Under Cover of TIR Carnets, done at Geneva