

§ 12.150

MERCHANDISE SUBJECT TO ECONOMIC
SANCTIONS

§ 12.150 **Merchandise prohibited by economic sanctions; detention; seizure or other disposition; blocked property.**

(a) *Generally.* Merchandise from certain countries designated by the President as constituting a threat to the national security, foreign policy, or economy of the United States shall be detained until the question of its release, seizure, or other disposition has been determined under law and regulations issued by the Treasury Department's Office of Foreign Assets Control (OFAC) (31 CFR Chapter V).

(b) *Seizure.* When an unlicensed importation of merchandise subject to OFAC's regulations is determined to be prohibited, no entry for any purpose shall be permitted and, unless the immediate reexportation or other disposition of such merchandise under Customs supervision has previously been authorized by OFAC, the merchandise shall be seized.

(c) *Licenses.* OFAC's regulations may authorize OFAC to issue licenses on a case-by-case basis authorizing the importation of otherwise prohibited merchandise under certain conditions. If such a license is issued subsequent to the attempted entry and seizure of the merchandise, importation shall be conditioned upon the importer:

(1) Agreeing in writing to hold the Government harmless, and

(2) Paying any storage and other Customs fees, costs, or expenses, as well as any mitigated forfeiture amount or monetary penalty imposed or assessed by Customs or OFAC, or both.

(d) *Blocked property.* Merchandise which constitutes property in which the government or any national of certain designated countries has an interest may be blocked (frozen) pursuant to OFAC's regulations and may not be transferred, sold, or otherwise disposed of without an OFAC license.

(e) *Additional information.* For further information concerning importing merchandise prohibited under economic sanctions programs currently in effect, the Office of Foreign Assets Control of the Department of the Treasury should be contacted. The address of that office

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is 1500 Pennsylvania Ave., NW., Annex 2nd Floor, Washington, DC 20220.

[T.D. 96-42, 61 FR 24889, May 17, 1996]

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AUTHORITY: 5 U.S.C. 301; 19 U.S.C. 66, 1202 (General Note 22, Harmonized Tariff Schedule of the United States), 1551, 1552, 1553, 1623, 1624;

Section 18.3 also issued under 19 U.S.C. 1565;

Section 18.4 also issued under 19 U.S.C. 1322, 1323;

Section 18.7 also issued under 19 U.S.C. 1557; 1646a;

Section 18.10 also issued under 19 U.S.C. 1557;

Section 18.11 also issued under 19 U.S.C. 1484;

Section 18.12 also issued under 19 U.S.C. 1448, 1484, 1490;

Section 18.13 also issued under 19 U.S.C. 1498(a);

Section 18.14 also issued under 19 U.S.C. 1498.

Section 18.31 also issued under 19 U.S.C. 1553a.

SOURCE: 28 FR 14755, Dec. 31, 1963, unless otherwise noted.

GENERAL PROVISIONS

§ 18.1 Carriers; application to bond.

(a)(1) Merchandise to be transported from one port to another in the United States in bond, except as provided for in paragraph (b) of this section, shall be delivered to a common carrier, contract carrier, freight forwarder, or private carrier bonded for that purpose, but such merchandise delivered to a common carrier, contract carrier, or freight forwarder may be transported with the use of facilities of other bonded or nonbonded carriers. For the purposes of this section, the term "common carrier" means a common carrier of merchandise owning or operating a railroad, steamship, pipeline, or other transportation line or route. Only vessels entitled to engage in the coastwise trade (see § 4.80 of this chapter) shall be entitled to transport merchandise under this section.

(2) Merchandise to be transported from one port to another in the United States under cover of a TIR carnet (see part 114 of this chapter), except merchandise not otherwise subject to Customs control, as provided in §§ 18.41 through 18.45, shall be delivered to a common carrier or contract carrier bonded for that purpose, but the merchandise thereafter may be transported with the use of other bonded or nonbonded common or contract carriers. The TIR carnet shall be responsible for liability incurred in the carriage of merchandise under the carnet, and the carrier's bond shall be responsible as provided in § 114.22(d) of this chapter.

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

(b) Pursuant to Public Resolution 108, of June 19, 1936, (19 U.S.C. 1551, 1551a) and subject to compliance with all other applicable provisions of this part, the port director, upon the request of the party in interest, may permit merchandise entered and examined for Customs purposes to be transported in bond between the ports named in the resolution by bonded cartmen or lightermen duly qualified in accordance with the provisions of part 112 of this chapter, if the port director is satisfied that the transportation of such merchandise in this manner will not endanger the revenue.

[28 FR 14755, Dec. 31, 1963, as amended by T.D. 71-70, 36 FR 4485, Mar. 6, 1971; T.D. 71-263, 36 FR 20291, Oct. 20, 1971; T.D. 73-140, 38 FR 13550, May 23, 1973; T.D. 78-99, 43 FR 13061, Mar. 29, 1978; T.D. 82-116, 47 FR 27261, June 24, 1982; T.D. 82-145, 47 FR 35478, Aug. 16, 1982; 47 FR 39478, Sept. 8, 1982; T.D. 84-149, 49 FR 28698, July 16, 1984; T.D. 89-1, 53 FR 51254, Dec. 21, 1988; T.D. 96-18, 61 FR 6779, Feb. 22, 1996; T.D. 98-10, 63 FR 4167, Jan. 28, 1998]

§ 18.2 Receipt by carrier; manifest.

(a)(1) *Merchandise other than from warehouse or foreign trade zone delivered to bonded carrier.* Except as set forth in paragraphs (a)(2) and (a)(3) of this section, within 5 working days after presentation of an entry for merchandise to be transported in-bond, the forwarding carrier shall take receipt of the merchandise if no other entry is filed. If the forwarding carrier fails to take receipt of the merchandise within the prescribed period, the transportation entry shall be canceled and the merchandise shall be treated as unclaimed as of the date of original arrival.

(2) When merchandise is delivered to a bonded carrier for transportation in-bond, the merchandise shall be laden on the conveyance under supervision of a Customs officer unless—

(i) The transporting conveyance is not to be sealed with Customs seals, or

(ii) The lading inspector accepts the check of the carrier as to the merchandise laden. The carrier's receipt shall be given immediately to the lading inspector on the Customs in-bond document (the appropriate Customs Form 7512, or the carnet) covering the merchandise. In the case of a carnet, the receipt shall be given on the appropriate vouchers in the following form:

Received the cargo listed herein for delivery to Customs at the indicated port of destination or exportation, or for direct exportation.

Name of Carrier (or Exporter) _____
 Attorney-in-fact or Agent of Carrier (or Exporter) _____

Date _____

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

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

(b) A Customs in-bond document, containing a description of the mer-

chandise, shall be prepared by the carrier or any of the parties named in § 18.11(b), whenever merchandise is being transported in bond. The Customs in-bond document thus prepared shall then be signed by the carrier or any of the parties named in § 18.11(b). All copies of the in-bond document shall be signed by the importing carrier or his agent and the in-bond carrier or his agent to indicate the quantity delivered for transportation in bond. When there is no discrepancy between the quantity manifested by the importing carrier and the quantity delivered to the in-bond carrier, the port director may authorize waiving the signature of the parties in interest as to delivered quantities. Quantities of goods transported in bond from a Customs bonded warehouse shall be accounted for under the procedures set forth in § 19.6 of this chapter. Except as prescribed in subpart D of part 123 of this chapter, relating to merchandise in transit through the United States between ports in contiguous foreign territory, a separate set shall be prepared for each entry and, if the consignment is contained in more than one conveyance, a separate set shall be prepared for each conveyance.

(c)(1) After the merchandise has been laden and the in-bond carrier or his agent has receipted the in-bond document, Customs Form 7512 (in duplicate), together with any related carnet shall be delivered as a manifest to the conductor, master, or person in charge to accompany the merchandise to its port of destination or exportation. If more than one conveyance is used to transport the merchandise, two copies of Customs Form 7512 shall accompany each conveyance as a manifest of the merchandise transported by that conveyance. A TIR carnet (see § 18.3(b)) shall not be used if more than one conveyance is required.

(2) Except transit air cargo provided for in § 122.118 of this chapter, bonded merchandise destined to a final port of destination in the United States, or for export from the United States, shall be delivered to Customs at the port of destination or exportation within 30 days after the date of receipt by the forwarding carrier at the port of origin, if transported on land. If the merchandise

is transported on board a vessel engaged in the United States coastwise trade, delivery to Customs at the port of destination or exportation shall be within 60 days after the date of receipt by the forwarding carrier at the port of origin. Failure to deliver the merchandise within the prescribed period shall constitute an irregular delivery and the initial bonded carrier shall be subject to applicable penalties (see § 18.8).

(d) Promptly, but no more than 2 working days after the arrival of any portion of the in-bond shipment at the port of destination, the delivering carrier shall surrender the in-bond manifest (the in-bond document any related carnet) to the port director as notice of arrival of the merchandise. If the in-bond manifest is lost in transit, the in-bond carrier shall report the arrival of the merchandise within the prescribed period and shall be responsible for obtaining copies of the original in-bond manifest. Failure to surrender the in-bond manifest or report the arrival of bonded merchandise within the prescribed period shall constitute an irregular delivery and the initial bonded carrier shall be subject to applicable penalties (see § 18.8).

[T.D. 71-70, 36 FR 4485, Mar. 6, 1971, as amended by T.D. 81-243, 46 FR 45602, Sept. 14, 1981; T.D. 82-204, 47 FR 49368, Nov. 1, 1982; T.D. 84-212, 49 FR 39046, Oct. 3, 1984; T.D. 86-16, 51 FR 5063, Feb. 11, 1986; T.D. 87-75, 52 FR 20067, May 29, 1987; T.D. 88-12, 53 FR 9315, Mar. 22, 1988; T.D. 98-74, 63 FR 51288, Sept. 25, 1998; T.D. 00-22, 65 FR 16517, Mar. 29, 2000]

§ 18.3 Transshipment; transfer by bonded cartmen.

(a) When bonded merchandise in one conveyance is to be transshipped under Customs supervision to another single conveyance while en route to the port of destination or exportation, the in-bond document which accompanied the merchandise shall be presented to the port director at the place of transshipment for execution of a certificate of transfer thereon. The in-bond document shall be returned to the carrier to accompany the merchandise to the port of destination or exportation. Except as provided in paragraph (c) of this section, merchandise covered by a TIR carnet shall not be transshipped if the transshipment involves the unlad-

ing of the merchandise from a container or road vehicle.

(b) When bonded merchandise, other than merchandise covered by a TIR carnet, is to be transshipped to more than one conveyance, the carrier or any of the parties named in § 18.11(b) shall prepare for each such conveyance two additional copies of the Customs Form 7512 which accompanied the merchandise to the place of transshipment. The Customs Form 7512 which accompanied the shipment to the place of transshipment shall be presented to the port director there. The Customs officer supervising the transshipment shall execute a certificate of transfer on all copies of the Customs Form 7512. The original copies of the Customs Form 7512 shall be delivered to the conductor, master, or person in charge of the first conveyance. Two additional copies of the Customs Form 7512 shall be delivered to the person in charge of each additional conveyance in which the merchandise is forwarded for delivery to the director of the port of destination or exportation.

(c) Merchandise covered by a TIR carnet may be transshipped in a case involving the unloading of the merchandise from a container or road vehicle only if the transshipment is necessitated by casualty en route. In the event of transshipment, a TIR approved container or road vehicle shall be used if available. If the transshipment takes place under Customs supervision, the Customs officer shall execute a certificate of transfer on the appropriate TIR carnet voucher.

(d) If it becomes necessary at any point in transit to remove the Customs seals from a conveyance or container containing bonded merchandise for the purpose of transferring its contents to another conveyance or container, or to gain access to the shipment because of casualty or for other good reason, and it cannot be done under Customs supervision because of the element of time involved or because there is no Customs officer stationed at such point, a responsible agent of the carrier may remove the seals, supervise the transfer or handling of the merchandise, seal the conveyance or container in which the shipment goes forward, and make appropriate notation of his action on

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the conductor's or master's copy of the manifest, or the outside back cover of the TIR carnet, including the date, serial numbers of the new seals applied, and the reason therefor. This authorization shall not apply in any case not involving a real emergency.

(e) All transfers to or from the conveyance or warehouse of merchandise undergoing transportation in bond shall be made under the provisions of part 125 of this chapter and at the expense of the parties in interest, unless the bond of the carrier on Customs Form 301, containing the bond conditions set forth in § 113.63 of this chapter or a TIR carnet is liable for the safekeeping and delivery of the merchandise while it is being transferred.

[T.D. 71-70, 36 FR 4486, Mar. 6, 1971, as amended by T.D. 82-204, 47 FR 49368, Nov. 1, 1982; T.D. 84-212, 49 FR 39046, Oct. 3, 1984; T.D. 84-213, 49 FR 41168, Oct. 19, 1984; T.D. 89-1, 53 FR 51254, Dec. 21, 1988; T.D. 00-22, 65 FR 16517, Mar. 29, 2000]

§ 18.4 Sealing conveyances and compartments; labeling packages; warning cards.

(a)(1) Conveyances or compartments in which carload lots of bonded merchandise are transported shall be sealed with commercial shipper seals, Customs red in-bond seals, or other accepted seals. High-security Customs seals will be required on carload or containerized shipments where the Customs officer reviewing the in-bond entry determines it is required to adequately protect the revenue and prevent violations of Customs laws. The bonded carrier will provide Customs with the necessary seals. When the compartment or conveyance cannot be effectively sealed, as in the case of merchandise shipped in open cars or barges, or on the decks of vessels, or when it is known that any seals would necessarily be removed outside the jurisdiction of the United States for the purpose of discharging or taking on cargo, or when it is known that the breaking of the seals will be necessary to ventilate the hatches, or in other similar circumstances, such sealings may be waived with the consent of the carrier and an appropriate notation of such waiver shall be made on the manifest. The Commissioner of Customs

may authorize the waiver of sealing of conveyances or compartments in which bonded merchandise is transported in other cases when in his opinion the sealing thereof is unnecessary to protect the revenue or to prevent violations of the Customs laws and regulations.

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

(b) Ports at which the facilities are insufficient to maintain continuous customs supervision over vessels arriving with bonded cargo while the bonded merchandise is not under Customs seals shall permit the vessels to proceed to destination without further sealing and notation to this effect shall be made on the manifest.

(c)(1) Merchandise not under bond may be transported in sealed conveyances or compartments containing bonded goods when destined for the same place or places beyond, but not when intended for intermediate places.

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

(d) The seals to be used in sealing conveyances, compartments, or packages must meet Customs standards provided in § 24.13a of this chapter, and may be obtained in accordance with § 24.13 of this chapter.

(e) Except as otherwise provided for in this paragraph, packages shipped in bond or by a carrier permitted to transport articles under the last sentence of section 553 of the tariff act, as amended, shall be corded and sealed or, in lieu thereof, the carrier shall furnish and attach to each such package a

warning label on bright red paper, not less than 5 by 8 inches in size, containing the following legend in black or white lettering of a conspicuous size:

U.S. CUSTOMS

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

WARNING. Two years' imprisonment, \$5,000 fine, or both, is the penalty for unlawful removal of this package or any of its contents. Transportation Entry No. _____; From _____ To _____; This package to be delivered to Customs at _____ (If other than port of destination)

A carrier at its option may omit the last three lines of the above legend from the warning label but if not omitted the information called for must be filled in. If the size of the package renders the use of a 5 × 8 inch warning label impracticable because of lack of space, a 3 × 5 inch label may be used. A high visibility, pressure-sensitive warning label, whether as a continuous series in tape form or otherwise, but not less than 1½ by 3 inches in size, may be used on any size package. Such cording and sealing or labeling of the packages so shipped is not required either when the packages are transported in a conveyance or compartment sealed with Customs seals, or when the sealing of the conveyance or compartment in which the packages are transported is waived under paragraph (a) or (b) of this section. When the packages are shipped in a railroad car the sealing of which is practicable but which is not sealed because merchandise not being transported in bond is or may be carried in the same car, the packages being transported in bond shall be corded and sealed or labeled.

(f) The warning label, when used, shall be pasted securely on the package under Customs supervision as close as practicable to the mark or number on the package. Additional labels may be required by the port director in such places on the package as he shall specify in any case where he is of the opinion that one is not adequate.

(g) When, in the case of crates and similar packages, it is impossible to attach the warning labels by pasting,

bright red shipping tags of convenient size, large enough to be conspicuous and containing the same legend as the labels, shall be used in lieu of labels. Such tags shall be wired or otherwise securely fastened to the packages in such manner as not to injure the merchandise.

(h) Bonded carriers shall furnish and securely attach to the side doors of cars, to the doors of compartments, and on vehicles carrying bonded merchandise which are secured with Customs seals, bright red cards, 8 by 10¼ inches in size, which shall be attached near such seals and on which shall be printed in large, clear, black letters the following:

United States Customs. Two years' imprisonment, or \$5,000 fine, or both, is the penalty for the unlawful removal of United States Customs seals on this car, vehicle, or compartment. United States Customs officers only are authorized to break these seals.

Car or vessel _____
 Number or name _____
 From _____
 To _____

NOTICE: The merchandise in this car, vehicle, or compartment shall be delivered to the chief officer of the customs at _____.

(i) *Removal of seals.* Except as provided in §18.3(d) and §19.6(e) of this chapter, seals affixed under this section shall be removed only under Customs supervision.

[28 FR 14755, Dec. 31, 1963]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting §18.4, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and on GPO Access.

§ 18.4a Containers or road vehicles accepted for transport under customs seal; requirements.

(a)(1) Containers covered by the Customs Convention on Containers shall be accepted for transport under Customs seal (see §18.4) if (i) durably marked with the name and address of the owner, particulars of tare, and identification marks and numbers, and (ii) constructed and equipped as outlined in Annex 1 to the Customs Convention on Containers, as evidenced by an accompanying unexpired certificate of approval in the form prescribed by Annex 2 to that Convention or by a

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metal plate showing design type approval by a competent authority.

(2) Containers carrying merchandise covered by a TIR carnet shall be accepted for transport under Customs seal (see §18.4) if (i) durably marked with the name and address of the owner, particulars of tare, and identification marks and numbers, (ii) constructed and equipped as outlined in Annex 6 to the TIR Convention, as evidenced by an accompanying unexpired certificate of approval in the form prescribed by Annex 8 to that Convention, or by a metal plate showing design type approval by a competent authority, and (iii) if the container or road vehicle hauling the container has affixed to it a rectangular plate bearing the letters "TIR" in accordance with Article 31 of the TIR Convention.

(b) Road vehicles carrying merchandise covered by a TIR carnet shall be accepted for transport under Customs seal if (1) durably marked with the name and address of the owner, particulars of tare, and identification marks and numbers, (2) constructed and equipped as outlined in Annex 3 to the TIR Convention, as evidenced by an accompanying unexpired certificate of approval in the form prescribed by Annex 5 to that Convention, or by a metal plate showing design type approval by a competent authority, and (3) if the road vehicle has affixed to it a rectangular plate bearing the letters "TIR" in accordance with Article 31 of the TIR Convention.

(c) The port director may refuse to accept for transport under Customs seal a container or road vehicle bearing evidence of approval if, in his opinion, the container or road vehicle no longer meets the requirements of the applicable Convention.

(d) Containers or road vehicles which are not approved under the provisions of a Customs Convention may be accepted for transport under Customs seal only if the port director at the port of origin is satisfied that (1) the container or road vehicle can be effectively sealed and (2) no goods can be removed from or introduced into the container or road vehicle without obvious damage to it or without breaking the seal. A container or road vehicle so ac-

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cepted shall not carry merchandise covered by a TIR carnet.

[T.D. 71-70, 36 FR 4486, Mar. 6, 1971, as amended by T.D. 89-1, 53 FR 51254, Dec. 21, 1988]

§ 18.5 Diversion.

(a) Merchandise forwarded under any class of transportation entry may be diverted to any port other than the port named in the entry at the option of the consignee or agent. Except as provided for in paragraphs (c), (d), (e) and (f) of this section, prior application or approval of such diversion is not required.

(b) The director of the port to which merchandise is diverted may permit merchandise in transit under bond under any class of transportation entry to be entered at his port for consumption, warehouse, exportation, further transportation in bond, or under any provisions of the tariff laws.

(c) When merchandise which has been delivered to the director of the port of original destination or port of diversion under any class of transportation entry is to be forwarded to another port or returned to the port of origin, a new transportation entry shall be required. If the merchandise is moving under cover of a carnet, the carnet may be accepted as a transportation entry.

(d) If it is desired to split a shipment at a port of destination and to enter a portion for consumption or warehouse and forward the balance in bond, or to divert the entire shipment or a part thereof to more than one port, the director of the port where diversion takes place shall complete the original transaction and shall require the filing of a new transportation entry or entries for the portion or portions forwarded. In the case, however, of merchandise being transported under cover of a carnet, splitting up of a shipment shall not be permitted.

(e) The diversion of shipments in bond which are subject on importation to restriction or prohibition under quarantines and regulations of the Agricultural Research Service of the Department of Agriculture shall be allowed only upon written permission or under regulations issued by the agency concerned.

(f) The diversion of in-bond shipments, which contain textiles or textile products subject to section 204, Agricultural Act of 1956, as amended (7 U.S.C. 1854), during the in-bond movement shall be allowed only upon the prior written permission of the director of the port of origin.

[T.D. 71-70, 36 FR 4487, Mar. 6, 1971, as amended by T.D. 82-116, 47 FR 27261, June 24, 1982; T.D. 84-207, 49 FR 38247, Sept. 28, 1984; T.D. 85-38, 50 FR 8723, Mar. 5, 1985]

§ 18.6 Short shipments; shortages; entry and allowance.

(a) When there has been a short shipment and the short-shipped packages are subsequently received, they may be forwarded only under a new transportation entry referenced to the original entry.

(b) When there is a shortage of one or more packages, or nondelivery of an entire shipment, or delivery to unauthorized locations, or delivery to the consignee without the permission of Customs, the port director may demand return of the merchandise to Customs custody. The demand shall be made no later than 30 days after the shortage, delivery, or nondelivery is discovered by Customs. The demand for the return of the merchandise to Customs custody shall be made on the bonded carrier, cartman, or lighterman identified on the Transportation Entry and Manifest of Goods Subject to Customs Inspection and Permit, Customs Form 7512, the Transit Air Cargo Manifest (TACM), or other appropriate document. The demand for the return of the merchandise shall be made on Customs Form 4647, Notice of Redelivery, or other appropriate form or by letter. A copy of the demand with the date of mailing or delivery noted thereon, shall be retained by the port director and made part of the in-bond entry record. Entry of the merchandise may be accepted if the merchandise can be recovered intact without any of the packages having been opened. In such cases, any shortage from the invoice quantity shall be presumed to have occurred while the merchandise was in the possession of the bonded carrier.

(c) If the merchandise cannot be recovered intact, as specified above, entry shall be accepted in accordance

with §141.4 of this chapter for the full manifested quantity unless a lesser amount is otherwise permitted in accordance with subpart A of part 158. Except as provided in paragraph (d) of this section, if the merchandise is not returned to Customs custody within 30 days of the date of mailing or date of delivery of the demand for redelivery, there shall be sent to the initial bonded carrier a demand for liquidated damages on Customs Form 5955-A, in the case of nondelivery of an entire shipment or on Customs Form 5931, in the case of a partial shortage.

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

(e) An allowance in duty on merchandise reported short at destination, including merchandise found by the appraising officer to be damaged and worthless, and animals and birds found by the discharging officer to be dead on arrival at destination, shall be made in the liquidation of the entry.

(f) In the case of shipments arriving in the United States by rail or seatrian which are forwarded under Customs in-bond seals under the provisions of subpart D of part 123 of this chapter, and §18.11, or §18.20, a notation shall be made by the carrier or shipper on the in-bond manifest, Customs Form 7512, to show whether the shipment was transferred to the car designated in the manifest or whether it was laden in the car in the foreign country, which shall be named.

[T.D. 71-70, 36 FR 4487, Mar. 6, 1971, as amended by T.D. 82-116, 47 FR 27261, June 24, 1982; T.D. 82-158, 47 FR 37881, Aug. 27, 1982; T.D. 84-213, 49 FR 41168, Oct. 19, 1984; T.D. 85-180, 50 FR 42517, Oct. 21, 1985; T.D. 97-82, 62 FR 51770, Oct. 3, 1997]

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§ 18.7 Lading for exportation, verification of.

(a) Promptly, but no more than 2 working days, after arrival of any portion of the in-bond shipment at the port of exportation, the delivering carrier shall surrender the in-bond manifest (the in-bond document any related carnet) to the port director as notice of arrival of the merchandise. If the in-bond manifest is lost in transit, the in-bond carrier shall report the arrival of the merchandise within the prescribed period and shall be responsible for obtaining copies of the original in-bond manifest. Failure to surrender the in-bond manifest or report the arrival of bonded merchandise within the prescribed period shall constitute an irregular delivery and the initial bonded carrier shall be subject to applicable penalties (see § 18.8).

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

(c) Whenever the circumstances warrant, and occasionally in any event, port directors shall request the Office of Enforcement to check export entries and withdrawals against the records of the exporting carriers. Such check or verification shall include an examination of the carrier's records of claims and settlement of export freight charges and any other records which may relate to the transaction. The exporting carrier shall maintain these records for 5 years from the date of exportation of the merchandise.

[28 FR 14755, Dec. 31, 1963, as amended by T.D. 79-159, 44 FR 31967, June 4, 1979; T.D. 84-212, 49 FR 39047, Oct. 3, 1984; T.D. 91-77, 56 FR 46114, Sept. 10, 1991; T.D. 00-22, 65 FR 16517, Mar. 29, 2000]

§ 18.8 Liability for shortage, irregular delivery, or nondelivery; penalties.

(a) The initial bonded carrier shall be responsible for shortage, irregular delivery, or nondelivery at the port of destination or exportation of bonded merchandise received by it for carriage. An acceptable proof of proper delivery of bonded merchandise to cus-

toms at the port of destination or exportation is a properly receipted copy of the in-bond document (the appropriate Customs Form 7512 or 7520, or the carnet). When sealing is waived, any loss found to exist at the port of destination or exportation shall be presumed to have occurred while the merchandise was in the possession of the carrier, unless conclusive evidence to the contrary is produced.

(b) Carriers shall be liable for payment of liquidated damages under the carriers bond for any shortage, failure to deliver, or irregular delivery, as provided in such bond.

(c) In addition to the penalties described in paragraph (b) of this section, the carrier shall pay any internal-revenue taxes, duties, or other taxes accruing to the United States on the missing merchandise, together with all costs, charges, and expenses caused by the failure to make the required transportation, report, and delivery.

(d) In any case in which liquidated damages are imposed in accordance with this section and the Fines, Penalties, and Forfeitures Officer is satisfied by evidence submitted to him with a petition for relief filed in accordance with the provisions of Part 172 of this chapter that any violation of the terms and conditions of the bond occurred without any intent to evade any law or regulation, the Fines, Penalties, and Forfeitures Officer, in accordance with delegated authority, may cancel such claim upon the payment of any lesser amount or without the payment of any amount as may be deemed appropriate under the law and in view of the circumstances.

(e)(1) The domestic guaranteeing association shall be jointly and severally liable with the initial bonded carrier for duties and taxes accruing to the U.S., and any other charges imposed, in lieu thereof, as the result of any shortage, irregular delivery, or nondelivery at the port of destination or port of exit of merchandise covered by a TIR carnet. The liability of the domestic guaranteeing association is limited to \$50,000 per TIR carnet for duties, taxes, and sums collected in lieu thereof. Penalties imposed as liquidated damages on the initial bonded carrier, and sums assessed the guaranteeing association

in lieu of duties and taxes for any shortage, irregular delivery, or non-delivery shall be in accordance with this section. If a TIR carnet has not been discharged or has been discharged subject to a reservation, the guaranteeing association shall be notified within 1 year of the date upon which the carnet is taken on charge, including time for receipt of the notification, except that if the discharge shall have been obtained improperly or fraudulently the period shall be 2 years. However, in cases which become the subject of legal proceedings during the above-mentioned period, no claim for payment shall be made more than 1 year after the date when the decision of the court becomes enforceable.

(2) Within 3 months from the date demand for payment is made by the port director as provided by §18.6(d), the guaranteeing association shall pay the amount claimed, except that if the amount claimed exceeds the liability of the guaranteeing association under the carnet (see §14.22(d) of this chapter), the carrier shall pay the excess. The amount paid shall be refunded if, within a period of 1 year from the date on which the claim for payment was made, it is established to the satisfaction of the Commissioner of Customs that no irregularity occurred. The Fines, Penalties, and Forfeitures Officer may cancel liquidated damages assessed against the guaranteeing association to the extent authorized by paragraph (d) of this section.

(3) The domestic guaranteeing association shall be jointly and severally liable with the initial bonded carrier for pecuniary penalties, liquidated damages, duties, and taxes accruing to the United States and any other charges imposed as the result of any shortage, irregular delivery, or nondelivery at the port of destination or port of exit of merchandise covered by an A.T.A. or TECRO/AIT carnet. However, the liability of the guaranteeing association shall not exceed the amount of the import duties by more than 10 percent. If an A.T.A. or TECRO/AIT carnet is unconditionally discharged with respect to certain goods, the guaranteeing association will no longer be liable on the carnet with respect to those goods unless it is subse-

quently discovered that the discharge of the carnet was obtained fraudulently or improperly or that there has been a breach of the conditions of temporary admission or of transit. No claim for payment shall be made more than one year following the date of expiration of the validity of the carnet. The guaranteeing association shall be allowed a period of six months from the date of any claim by the port director in which to furnish proof of the reexportation of the goods or of any other proper discharge of the A.T.A. or TECRO/AIT carnet. If such proof is not furnished within the time specified, the guaranteeing association shall either deposit or provisionally pay the sums. The deposit or payment shall become final three months after the date of the deposit or payment, during which time the guaranteeing association may still furnish proof of the reexportation of the goods to recover the sums deposited or paid.

[28 FR 14755, Dec. 31, 1963]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting §18.8, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and on GPO Access.

§ 18.9 Examination by inspectors of trunk line associations or agents of the Interstate Commerce Commission.

(a) Upon presentation of proper credentials showing the applicant to be a representative of the Trunk Line Association, the Interstate Commerce Commission, the Joint Rate Inspection Bureau of Chicago, or the Southern Weighing and Inspection Bureau of Atlanta, inspectors of Customs in charge shall permit such applicant to open and examine packages containing in-bond merchandise described in the manifest in general terms for the purpose of ascertaining whether the merchandise is properly classified under the interstate commerce laws.

(b) The opening and examination of such packages shall be without expense to the Customs Service or the owner of the goods and shall be done in the presence of a Customs officer. The contents of the cases shall not be removed or disturbed further than is necessary to ascertain the character thereof. The

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Customs officer shall require the packages to be securely closed, and shall note on the manifest the packages so inspected, the date, and by whom inspected.

§ 18.10 Kinds of entry.

(a) The following entries and withdrawals may be made for merchandise to be transported in bond:

(1) Entry for immediate transportation without appraisalment.

(2) Warehouse or rewarehouse withdrawal for transportation.

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

(4) Entry for transportation and exportation.

(5) Entry for exportation.

(b) The copy of each entry or withdrawal made in any of the classes named in paragraph (a) of this section which is retained in the office of the forwarding port director shall be signed by the party making the entry or withdrawal. In the case of shipments to the Virgin Islands (U.S.) under paragraph (a), (3), (4), or (5) of this section, one additional copy of the entry or withdrawal on Customs Form 7512 shall be filed and shall be mailed by the receiving port director to the port director, Charlotte Amalie, St. Thomas, Virgin Island (U.S.). Before shipping merchandise in bond to another port for the purpose of warehousing or rewarehousing, the shipper should ascertain whether warehouse facilities are available at the intended port of destination.

[28 FR 14755, Dec. 21, 1963, as amended by T.D. 89-1, 53 FR 51254, Dec. 21, 1988]

§ 18.10a Special manifest.

(a) *General.* Merchandise for which no other type of bonded movement is appropriate (e.g., prematurely discharged or overcarried merchandise and other such types of movements whereby the normal transportation-in-bond procedures are not applicable) may be shipped in bond from the port of unloading to the destination shown on the importing carrier's manifest (manifested port) when authorized by the port director having custody of the merchandise. For this purpose, Custom's Form

7512 prepared in quadruplicate shall be used as a special manifest.

(b) *Manifest procedures.* (1) Written application shall be made to the port director where the merchandise is being held for permission to return it as a bonded shipment under a special manifest to the manifested port, including to the port of diversion (see section 4.33 of this chapter), when different from the original manifested port.

(2) The application and accompanying completed Customs Form 7512 shall identify the prematurely discharged or overcarried merchandise on the inward manifest of the importing carrier; and also identify the date and entry number of any entry made at the manifested port covering the merchandise to be returned, if known. If the port director is satisfied that the merchandise will be delivered to Customs custody at the manifest port before expiration of 90 days from the date of the entry identified, or 90 days from the date of the importing carrier's arrival at the manifested port when no entry is identified, the port director may approve the shipment under a special manifest.

[T.D. 83-218, 48 FR 48657, Oct. 20, 1983; 48 FR 49655, Oct. 27, 1983]

IMMEDIATE TRANSPORTATION WITHOUT APPRAISEMENT

§ 18.11 Entry; classes of goods for which entry is authorized; form used.

(a) Entry for immediate transportation without appraisalment may be made under section 552, Tariff Act of 1930, (1) for any merchandise, except explosives and prohibited merchandise, upon its arrival at a port of entry, or (2) for merchandise in general-order warehouse at any time within 6 months from the date of importation.

(b) Entry for immediate transportation without appraisalment may be made by (1) the carrier bringing the merchandise to the port of arrival, (2) the carrier who is to accept the merchandise under its bond or a carnet for transportation to the port of destination, or (3) any person shown by the bill of lading or manifest, a certificate of the importing carrier, or by any

other document satisfactory to the port director, to have a sufficient interest in the merchandise for that purpose.

(c) Before a shipment covered by an entry for immediate transportation, including a carnet, or a manifest of baggage shipped in bond (other than baggage to be forwarded in bond to a Customs station—see §18.13(a)), shall be allowed to be transported directly to a place of deposit outside a port of entry for examination and release as contemplated by section 484(f), Tariff Act of 1930, as amended, the consent of the director of the port of entry designated in the transportation entry or baggage manifest (or in the event of diversion under §18.5, for the port of destination of the merchandise or baggage) must first be secured. Before consent may be given, the importer must furnish such port director with a stipulation that, promptly upon the arrival of any part of the merchandise or baggage at the place of deposit, he will file an entry for the shipment at the port of entry designated in the transportation entry or baggage manifest (or in the event of diversion under §18.5, at the port of destination of the merchandise or baggage) and will comply with the provisions of §151.9 of this chapter.

(d) Carload shipments of livestock shall not be entered for immediate transportation without appraisalment unless they will arrive at destination before it becomes necessary to remove the seals for the purpose of watering and feeding the animals, or unless the route be such that the removal of the seals and the watering, feeding, and re-loading of the stock may be done under Customs supervision.

(e) Entries for immediate transportation without appraisalment covering merchandise subject to detention of supervision by any Federal agency shall contain a sufficient description of the merchandise to enable the representative of the agency concerned to determine the contents of the shipment. Such merchandise covered by quarantines and regulations administered by the Bureau of Entomology and Plant Quarantine shall be forwarded under such entries only upon written permission of or under regulations issued by that Bureau. Entries for im-

mediate transportation without appraisalment covering textiles and textile products subject to section 204, Agricultural Act of 1956, as amended (7 U.S.C. 1854), shall be described in such detail as to enable the port director to estimate the duties and taxes, if any, due. The port director may require evidence to satisfy him of the approximate correctness of the value and quantity stated in the entry (e.g. Detailed quantity description, 14 cartons, 2 dozen per carton); Detailed description of the textiles or textile products including type of commodity and chief fiber content (e.g., men's cotton jeans or women's wool sweaters); Net weight of the textiles or textile products (including immediate packing but excluding pallet); Total value of the textiles or textile products; Manufacturer or supplier; Country of origin; Name(s) and address(es) of the person(s) to whom the textiles and textile products are consigned; Harmonized code tariff number (when available).

(f) One or more entire packages of merchandise covered by an invoice from one consignor to one consignee may be entered for consumption or warehouse at the port of first arrival, and the remainder entered for immediate transportation without appraisalment, provided all the merchandise covered by the invoice is entered simultaneously and any carnet which may cover such merchandise is discharged as to that merchandise.

(g) Several importations may be consolidated in one immediate transportation without appraisalment entry when bills of lading or carrier's certificates name only one consignee at the port of first arrival. However, merchandise moving under cover of a carnet may not be consolidated with other merchandise.

(h) Either Customs Form 7512, a carnet, or an air waybill (see §122.92 of this chapter), shall be used as a combined transportation entry, invoice, and manifest. If Customs Form 7512 is used, a minimum of three copies shall be required at the port of origin. The port director, however, may require additional copies of Customs Form 7512 or the Goods Manifest of the carnet for use in connection with the delivery of the merchandise to the bonded carrier.

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In lieu of additional copies of the Goods Manifest, the port director may accept copies of a bill of lading covering the merchandise. The merchandise shall be described in such detail as to enable the port director to estimate the duties and taxes, if any, due. The port director may require evidence to satisfy him of the approximate correctness of the value or quantity stated in the entry. If a TIR carnet is used, and the duties and taxes estimated to be due exceed the maximum liability of the guaranteeing association under the carnet, the provisions of §114.22(d) of this chapter shall apply.

(i) The value stated on the entry at the port of first arrival is not binding on the ultimate consignee making entry at the port of destination and does not relieve the importer of the obligation to show the correct value on entry.

[28 FR 14755, Dec. 31, 1963, as amended by T.D. 71-70, 36 FR 4488, Mar. 6, 1971; T.D. 73-175, 38 FR 17446, July 2, 1973; T.D. 82-116, 47 FR 27262, June 24, 1982; T.D. 84-207, 49 FR 38247, Sept. 28, 1984; T.D. 85-38, 50 FR 8723, Mar. 5, 1985; T.D. 89-1, 53 FR 51254, Dec. 21, 1988; T.D. 92-82, 57 FR 38275, Aug. 24, 1992; T.D. 98-74, 63 FR 51288, Sept. 25, 1998]

§ 18.12 Entry at port of destination.

(a) Merchandise received under an immediate transportation without appraisalment entry may be entered for transportation and exportation or for immediate transportation, or under any other form of entry, and shall be subject to all the conditions pertaining to merchandise entered at a port of first arrival if not more than 6 months have elapsed from the date of original importation. If more than 6 months have elapsed, only an entry for consumption shall be accepted. Such entry shall show the name of the port of first arrival, the transporting carrier, and the number of the immediate transportation entry. (See §127.2 of this chapter.)

(b) The right to make entry at the port of destination shall be determined in accordance with the provisions of §141.11 of this chapter.

(c) When a portion of a shipment is entered at the port of first arrival and the remainder is entered for consumption or warehouse at one or more sub-

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sequent ports, the entry at each subsequent port may be made on an extract of the invoice as provided for in §141.84 of this chapter.

(d) All merchandise included in an immediate transportation without appraisalment entry (including carnets) not entered within 15 calendar days after delivery at the port of destination shall be disposed of in accordance with the applicable procedures in §4.37 or §122.50 or §123.10 of this chapter.

[28 FR 14755, Dec. 31, 1963, as amended by T.D. 71-70, 36 FR 4488, Mar. 6, 1971; T.D. 73-175, 38 FR 17446, July 2, 1973; T.D. 74-114, 39 FR 12091, Apr. 3, 1974; T.D. 82-116, 47 FR 27262, June 24, 1982; T.D. 98-74, 63 FR 51288, Sept. 25, 1998]

SHIPMENT OF BAGGAGE IN BOND

§ 18.13 Procedure; manifest.

(a) Baggage may be forwarded in bond to another port of entry, or to a Customs station listed in §101.4 of this chapter, at the request of the passenger, the transportation company, or the agent of either, with the use of a baggage manifest described in paragraph (b) of this section without examination or assessment of duty at the port or station of first arrival. For this purpose, the carrier shall furnish cards of bright red cardboard not less than 2½ by 4 inches in size with the following printed text, for attachment (by wire or cord) to the baggage:

UNITED STATES CUSTOMS
Check No. _____
Baggage in bond: _____
Carrier _____
From _____

TO PORT DIRECTOR

At (destination) _____
This baggage must be delivered by carrier to the director of the port of destination. Failure to do so renders the carrier liable to a fine.

(b) A Customs manifest for baggage shipped in bond, Customs Form 7512, shall be prepared in triplicate for each shipment.

(c) Baggage arriving in bond or otherwise at a port on the Atlantic or Pacific coast, destined to a port on the opposite coast, may be laden under Customs supervision, without examination and without being placed in bond,

on a vessel proceeding to the opposite coast, provided the vessel will proceed to the opposite coast without stopping at any other port on the first coast.

[28 FR 14755, Dec. 31, 1963, as amended by T.D. 70-121, 35 FR 8222, May 26, 1970; T.D. 77-241, 42 FR 54937, Oct. 12, 1977; T.D. 87-75, 52 FR 20067, May 29, 1987; T.D. 00-22, 65 FR 16517, Mar. 29, 2000]

§ 18.14 Shipment of baggage in transit to foreign countries.

The baggage of any person in transit through the United States from one foreign country to another may be shipped over a bonded route for exportation. Such baggage shall be shipped under the regulations prescribed in § 18.13, except that the card or poster shall be printed on yellow paper and shall read "Baggage in bond for export." See § 123.64 of this chapter for the regulations applicable to baggage shipped in transit through the United States between points in Canada or Mexico.

[28 FR 14755, Dec. 31, 1963, as amended by T.D. 70-121, 35 FR 8222, May 26, 1970]

MERCHANDISE IN TRANSIT THROUGH THE UNITED STATES TO FOREIGN COUNTRIES

§ 18.20 Entry procedure; forwarding.

(a) When an importation is entered for transportation and exportation, except as provided for in subparts D, E, F and G of part 123 of this chapter (relating to merchandise in transit through the U.S. between two points in contiguous foreign territory), a carnet, three copies of an air waybill (see § 122.92 of this chapter), or four copies of Customs Form 7512 shall be required. The port director, however, may require additional copies of Customs Form 7512 or the Goods Manifest of the carnet for use in connection with the delivery of the merchandise to, the bonded carrier. In lieu of additional copies of a Goods Manifest, the port director may accept copies of a bill of lading covering the merchandise. Acceptance of transportation and exportation entries shall be subject to the requirements prescribed in § 18.11(b) for entry of merchandise for immediate transportation without appraisal.

(b) Except in respect to merchandise covered by a carnet (see § 18.1(a) (2) and

(3)), in places where no bonded common carrier facilities are reasonably available and merchandise is permitted to be transported otherwise than by a bonded common carrier, the port director may permit entry in accordance with the procedure outlined in paragraph (a) of this section if he is satisfied that the revenue will not be endangered. A bond on Customs Form 301, containing the bond conditions set forth in § 113.62 of this chapter in an amount equal to double the estimated duties shall be required when the port director deems such action necessary. (See § 113.55 of this chapter for cancellation of export bonds.)

(c) The merchandise shall be forwarded in accordance with the general provisions for transportation in bond, §§ 18.1 through 18.8.

[28 FR 14755, Dec. 31, 1963, as amended by T.D. 71-70, 36 FR 4489, Mar. 6, 1971; T.D. 74-227, 39 FR 32015, Sept. 4, 1974; T.D. 82-116, 47 FR 27262, June 24, 1982; T.D. 84-212, 49 FR 39047, Oct. 3, 1984; T.D. 84-213, 49 FR 41168, Oct. 19, 1984; T.D. 89-1, 53 FR 51254, Dec. 21, 1988; T.D. 92-82, 57 FR 38275, Aug. 24, 1992]

§ 18.21 Restricted and prohibited merchandise.

(a) Merchandise subject upon importation to examination, disinfection, or further treatment under quarantines and Quarantine Division, Agricultural Research Service, Department of Agriculture, shall be released for transportation or exportation only upon written permission of, or under regulations issued by, that Bureau. (See §§ 12.10 to 12.15 of this chapter.)

(b) Narcotics and other articles prohibited admission into the commerce of the United States shall not be entered for transportation and exportation and any such merchandise offered for entry for that purpose shall be seized, except that exportation or transportation and exportation may be permitted upon written authority from the proper governmental agency and/or compliance with the regulations of such agency.

(c) Articles in transit manifested merely as drugs, medicines, or chemicals, without evidence to satisfy the port director that they are non-narcotic, shall be detained and subjected, at the carrier's risk and expense, to

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such examination as may be necessary to satisfy the port director whether or not they are of a narcotic character. A properly verified certificate of the shipper, specifying the items in the shipment and stating whether narcotic or not, may be accepted by the port director to establish the character of such a shipment.

(d) Explosives shall not be entered for transportation and/or exportation under a transportation and exportation entry, or an immediate transportation entry unless the importer has first obtained a license or permit from the proper governmental agency.

[28 FR 14755, Dec. 31, 1963, as amended by T.D. 84-77, 49 FR 13491, Apr. 5, 1984; T.D. 99-27, 64 FR 13675, Mar. 22, 1999]

§ 18.22 Procedure at port of exit.

(a) If transfer is necessary, the procedure shall be as prescribed in § 18.3(d).

(b) Upon the arrival at the port of exit of express shipments of articles shown by the manifest, Customs Form 7512, to be baggage and to be deliverable to the owner on board the exporting vessel, such articles may be transferred by the express company, without a permit from the port director and without the use of a transfer ticket or other Customs formality, from its terminal to the exporting vessel for lading under Customs supervision, if the express company is bonded as a common carrier and is responsible under its bond for the delivery of the articles to the Customs officer in charge of the exporting vessel. The manifest shall show the name of the owner of the baggage and the name of the vessel on which he intends to sail.

§ 18.23 Change of destination; change of entry.

(a) The foreign destination of such merchandise may be changed by the parties in interest upon notice to the director of the port of exit from the United States. The director of the port of exit, in his discretion, may report the application for a change of foreign destination to the director of the port of entry.

(b) Such merchandise may be entered for consumption or warehouse or under any other form of entry. If the merchandise is subject on importation to

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quarantine and regulations administered by the Bureau of Entomology and Plant Quarantine, it shall be entered for consumption or warehouse only upon written permission of, or under regulations issued by, that Bureau. (See §§ 12.10 to 12.15 of this chapter.)

§ 18.24 Retention of goods on dock; splitting of shipments.

(a) Upon written application of a party in interest and the written consent of the owner of the dock, the port director, in his discretion, may allow in-transit merchandise, including merchandise covered by a carnet, to remain on the dock under the supervision of a Customs officer without extra expense to the Government for a period not exceeding 90 days. Upon further application, additional extensions of 90 days or less, but not to exceed 1 year from the date of importation, may likewise be granted by the port director. The port director may take possession of the merchandise at any time.

(b) The splitting up of a shipment for exportation shall be permitted when exportation in its entirety is not possible by reason of the different destinations to which portions of the shipment are destined, when the exporting vessel cannot properly accommodate the entire quantity, or in similar circumstances. In the case, however, of merchandise being transported under cover of a carnet, splitting up of a shipment shall not be permitted.

[T.D. 71-70, 36 FR 4489, Mar. 6, 1971, as amended by T.D. 82-116, 47 FR 27262, June 24, 1982; T.D. 00-57, 65 FR 53574, Sept. 5, 2000]

EXPORTATION FROM CUSTOMS CUSTODY OF MERCHANDISE UNENTERED OR COVERED BY AN UNLIQUIDATED CONSUMPTION ENTRY, OR MERCHANDISE DENIED ADMISSION BY THE GOVERNMENT

§ 18.25 Direct exportation.

(a) Except as otherwise provided for in subpart F of part 145 of this chapter, relating to exportations by mail, when no entry has been made or completed for merchandise in Customs custody, or when the merchandise is covered by an unliquidated consumption entry, or when merchandise which has been entered in good faith is found to be prohibited under any law of the United

States, and such merchandise is to be exported directly without transportation to another port, four copies of Customs Form 7512 shall be filed. If a TIR carnet covers the merchandise which is to be exported directly without transportation, the carnet shall be discharged or canceled, as appropriate (see part 114 of this chapter), and four copies of Form 7512 shall be filed. The port director may require an extra copy or copies of Form 7512 to be furnished for use in connection with delivery of the merchandise to the carrier named in the entry. If an A.T.A. carnet covers the merchandise which is to be exported directly without transportation, the carnet shall be discharged by the certification of the appropriate transportation and reexportation vouchers by Customs officers as necessary.

(b) A bond on Customs Form 301, containing the bond conditions set forth in §113.63 of this chapter, shall be required. (See also §158.45 of this chapter.)

(c) If the merchandise has been landed or is transferred from one vessel to another and has not been entered for consumption or, in the case of goods entered for consumption and rejected, such export declaration as required by §30.3(a)(2) of the Foreign Trade Statistics Regulations (15 CFR 30.3(a)(2)) shall be filed.

(d) If the merchandise is exported in the importing vessel without landing, a representative of the exporting carrier who has knowledge of the facts shall certify that the merchandise entered for exportation was not discharged during the vessel's stay in port. A charge shall be made against the continuous bond on Customs Form 301, containing the bond conditions set forth in §113.64 of this chapter, if on file, or if a continuous bond is not on file, a single entry bond containing the bond conditions set forth in §113.64 shall be required as in the case of residue cargo for foreign ports. If the merchandise is covered by a TIR carnet, the carnet shall not be taken on charge (see §114.22(c)(2) of this chapter).

(e) The principal on any bond filed to guarantee direct exportation shall cause the merchandise to be exported and provide such evidence of exportation as required by the port director

under §113.55 of this chapter within 30 days of exportation.

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

[28 FR 14755, Dec. 31, 1963, as amended by T.D. 68-299, 33 FR 18437, Dec. 12, 1968; T.D. 71-70, 36 FR 4489, Mar. 6, 1971; T.D. 72-258, 37 FR 20174, Sept. 27, 1972; T.D. 73-135 38 FR 13369, May 21, 1973; T.D. 82-116, 47 FR 27262, June 24, 1982; T.D. 84-213, 49 FR 41168, Oct. 19, 1984; T.D. 98-74, 63 FR 51288, Sept. 25, 1998]

§ 18.26 Indirect exportation.

(a) When merchandise of the character enumerated in §18.25(d) is to be transported in bond to another port for exportation, it may be entered for transportation and exportation in accordance with the procedure in §18.20. Upon acceptance of the entry by Customs and acceptance of the merchandise by the bonded carrier, the bonded carrier assumes liability for the transportation and exportation of the merchandise. In the case of merchandise prohibited entry by any Government agency, that fact shall be prominently noted on Customs Form 7512 for the information of the director of the port of exportation. If the merchandise was imported under cover of a TIR carnet, the carnet shall be discharged or canceled at the port of importation and the merchandise transported under an entry on Customs Form 7512 (see §18.25). If merchandise has been imported under cover of an A.T.A. carnet to be transported in bond to another port for exportation, the appropriate transit voucher shall be accepted in lieu of Customs Forms 7512. One transit voucher shall be certified by Customs officers at the port of importation and a second transit voucher, together with the reexportation voucher, shall be certified at the port of exportation.

(b) The merchandise shall be forwarded in accordance with the general provisions for transportation in bond, §§18.1 through 18.8.

(c) If the merchandise is to be transferred after arrival at the selected port

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of exportation, the procedure prescribed in §18.3(d) shall be followed. The provisions of §§18.23 and 18.24 shall also be followed in applicable cases.

(d) The bonded carrier shall cause the merchandise to be exported and provide such evidence of exportation as required by the port director under §113.55 of this chapter within 30 days of exportation.

[28 FR 14755, Dec. 31, 1963, as amended by T.D. 71-70, 36 FR 4489, Mar. 6, 1971; T.D. 82-116, 47 FR 27262, June 24, 1982; T.D. 84-213, 49 FR 41169, Oct. 19, 1984]

§ 18.27 Port marks.

Port marks may be added by authority of the port director and under the supervision of a Customs officer. The original marks and the port marks shall appear in all papers pertaining to the exportation.

MERCHANDISE TRANSPORTED BY PIPELINE

§ 18.31 Pipeline transportation of bonded merchandise.

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

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

(c) *Procedures when pipeline is only carrier.* When a pipeline is the only carrier of bonded merchandise and there is no transfer to another carrier, the bill of lading or equivalent document of receipt issued by the pipeline operator to the shipper shall be included with, and made a part of, the Customs in-bond document (see §18.2(b)). If there are no discrepancies between the bill of lading or equivalent document of receipt and the other documents making up the in-bond manifest for the merchandise, and provided that Customs has no reasonable cause to suspect fraud, the bill of lading or equivalent document of re-

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ceipt shall be accepted by Customs at the port of destination or exportation (see §§18.2(d) and 18.7) as establishing the quantity and identity of the merchandise transported. The pipeline operator shall be responsible for any discrepancies, including shortages, irregular deliveries, or nondeliveries at the port of destination or exportation (see §18.8).

(d) *Procedures when there is more than one carrier (i.e., transfer of the merchandise)*—(1) *Pipeline as initial carrier.* When a pipeline is the initial carrier of bonded merchandise and the merchandise is transferred to another conveyance (either a different mode of transportation or a pipeline operated by another operator), the procedures in §18.3 and paragraph (c) of this section shall be followed, except that—

(i) When the merchandise is to be transferred to one conveyance, a copy of the bill of lading or equivalent document issued by the pipeline operator to the shipper shall be delivered to the person in charge of the conveyance for delivery, along with the in-bond document, to the appropriate Customs official at the port of destination or exportation; or

(ii) When the merchandise is to be transferred to more than one conveyance, a copy of the bill of lading or equivalent document issued by the pipeline operator to the shipper shall be delivered to the person in charge of each additional conveyance, along with the two additional copies of the in-bond document, for delivery to the appropriate Customs official at the port of destination or exportation.

(2) *Transfer to pipeline from initial carrier other than a pipeline.* When bonded merchandise initially transported by a carrier other than a pipeline is transferred to a pipeline, the procedures in §18.3 and paragraph (c) of this section shall be followed, except that the bill of lading or other equivalent document of receipt issued by the pipeline operator to the shipper shall be delivered, along with the in-bond document, to the appropriate Customs officer at the port of destination or exportation.

(3) *Initial carrier liable for discrepancies.* In the case of either paragraph (d)(1) or (d)(2) of this section, the initial carrier shall be responsible for any

discrepancies, including shortages, irregular deliveries, or nondeliveries, at the port of destination or exportation (see §18.8).

(e) *Recordkeeping.* The shipper, pipeline operator, and consignee are subject to the recordkeeping requirements in 19 U.S.C. 1508 and 1509, as provided for in part 162 of this chapter.

[T.D. 96-18, 61 FR 6779, Feb. 22, 1996]

MERCHANDISE NOT OTHERWISE SUBJECT
TO CUSTOMS CONTROL EXPORTED
UNDER COVER OF A TIR CARNET

§ 18.41 Applicability.

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

[T.D. 71-263, 36 FR 20291, Oct. 20, 1971]

§ 18.42 Direct exportation.

At the port of exportation, the container or road vehicle, the merchandise, and the TIR carnet shall be made available to the port director. Any required export declarations shall be filed in accordance with the applicable regulations of the Bureau of the Census (15 CFR part 30) and the Office of Export Control (15 CFR part 386). The port director shall examine the merchandise to the extent he believes necessary to determine that the carnet has been properly completed and shall verify that the container or road vehicle has the necessary certificate of approval or approval plate intact and is in satisfactory condition. After completion of any required examination and supervision of loading, the port director shall cause the container or road vehicle to be sealed with Customs seals and ascertain that the TIR plates are properly affixed and sealed. (See §18.4a.) In the case of heavy or bulky goods moving under cover of a TIR carnet, the port

director shall cause a Customs seal or label, as appropriate, to be affixed. He shall also remove two vouchers from the carnet, execute the appropriate counterfoils, and return the carnet to the carrier or agent to accompany the merchandise.

[T.D. 71-70, 36 FR 4489, Mar. 6, 1971]

§ 18.43 Indirect exportation.

(a) When merchandise is to move from one U.S. port to another for actual exportation at the second port, any export declarations required to be validated shall be filed in accordance with the port of origin procedure described in the applicable regulations of the Bureau of the Census and of the Office of Export Control.

(b) The port director shall follow the procedure provided in §18.42 in respect to examination of the merchandise, supervision of loading, sealing or labeling, and affixing of TIR plates. He shall remove one voucher from the carnet, execute the appropriate counterfoil, and return the carnet to the carrier or agent to accompany the container or road vehicle to the port of actual exportation.

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

[T.D. 71-70, 36 FR 4489, Mar. 6, 1971]

§ 18.44 Abandonment of exportation.

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

[T.D. 71-70, 36 FR 4489, Mar. 6, 1971]

§ 18.45

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§ 18.45 Supervision of exportation.

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

[T.D. 71-70, 36 FR 4489, Mar. 6, 1971]

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

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AUTHORITY: 5 U.S.C. 301; 19 U.S.C. 66, 1202 (General Note 22, Harmonized Tariff Schedule of the United States), 1624;

Section 19.1 also issued under 19 U.S.C. 1311, 1312, 1555, 1556, 1557, 1560, 1561, 1562;

Section 19.6 also issued under 19 U.S.C. 1555;

Section 19.7 also issued under 19 U.S.C. 1555, 1556;

Section 19.11 also issued under 19 U.S.C. 1556, 1562;

Section 19.15 also issued under 19 U.S.C. 1311;