

subject to the redelivery order were stolen or were being exported to a country for which exportations of the specific goods are embargoed, no relief should be given from the liquidated damages claim.

2. For all other cases, the following guidelines apply to the cancellation of the claim for liquidated damages:
 - a. First violation - Cancel the claim for liquidated damages upon payment of an amount between 10 and 50 percent of the value of the cargo but in no case will the claim be cancelled upon an amount less than two times the freight charges (if calculable). This is necessary in order to offset any economic advantage that might be gained through a failure to redeliver.
 - b. Second and subsequent violations - Cancel the liquidated damages claim upon payment of an amount no less than the value of the cargo or five times the freight charges (if calculable), whichever is larger.

XX. Guidelines for Assessment and Cancellation of Claims for Failure or Late Filing of NAFTA Duty Deferral Entries (T.D. 02-20)

A. Filing of NAFTA Duty Deferral Entry

1. If merchandise originally entered into a duty-deferral program here in US (TIB, bonded warehouse or FTZ) and then exported to Canada or Mexico or entered into a duty-deferral program in Canada or Mexico, a NAFTA duty-deferral entry must be filed.
2. A CF 7501 Summary reporting export and duty-owed information must be filed with Customs 10 working days from the date of export or entry into the duty-deferral program in Canada or Mexico.
3. If summary is never filed or filed after 10-working day filing period, a liquidated damages claim citing 19 C.F.R. 113.62(b)(4) and 181.53(a)(2)(iii)(B) may be initiated for a NAFTA duty deferral non- or late file. Claim is assessed at value of merchandise exported

B. Payment of NAFTA Duty Deferral Duties

1. Payment of duties due with the NAFTA duty-deferral entry must be deposited with Customs no later than 60 calendar days from the date of export or entry into the duty-deferral program in Canada or Mexico. See, 19 C.F.R. 181.53(a)(2)(iii)(C). This includes any

reduced duties that must be deposited with the filing of any claim for reduced duties per 19 C.F.R. 181.53(a)(3)(ii).

2. Failure to deposit or late deposit of duties will result in the assessment of a claim for liquidated damages for double the unpaid duties or \$1,000, whichever is greater, for violation of 19 C.F.R. 113.62(a)(1) and 19 C.F.R. 181.53(a)(2)(iii)(C).

C. Mitigation Guidelines

1. Late file of the duty-deferral entry (no revenue consequence) where 7501 is filed outside the 10-working day period, but the NAFTA deferral duties are paid timely (as in A.3. above) - Option 1 amount of \$100. If the principal or surety petitions for relief and cannot show that the violation did not occur, or only occurred as a result of Customs error, then mitigate to an amount no lower than \$200.
2. Failure to deposit duties within 60 calendar days of export or entry into a duty-deferral program in Canada or Mexico, (as in B.2. above), no mitigation shall be afforded until duties are deposited.
3. Late payment of duties after issuance of a claim for failure to deposit duties, Option 1 amount of \$200 + interest amount calculated in same manner as for late payment of estimated duties. If the principal or surety petitions for relief and cannot show that the violation did not occur, or only occurred as a result of Customs error, then mitigate to an amount no lower than \$300 plus the appropriate interest amount.
4. Late payment of duties when a failure to deposit claim was not issued, Option 1 amount of \$100 + interest amount calculated in same manner as for late payment of estimated duties. If the principal or surety petitions for relief and cannot show that the violation did not occur, or only occurred as a result of Customs error, then mitigate to an amount no lower than \$200 plus the appropriate interest amount.

XXI. Guidelines for Cancellation of Claims for Violations Arising From Failure to Comply With Trade Fair Regulations (T.D. 02-20)

- A. Trade Fair Operators are required to file a Basic Importation Bond covering articles entered for the Fair per 19 C.F.R. 147.2.
- B. If payments required by 19 C.F.R. 147.33 (relating to reimbursement to the Government by the fair operator of certain expenses), 19 C.F.R. 147.41 (relating to merchandise removed from the fair not in accordance with