

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

regulation) and 19 C.F.R. 147.43 (relating to entry of merchandise from a fair) are not made upon demand, then liquidated damages may be assessed per 19 C.F.R. 147.3 and 19 C.F.R. 113.62(h) or 113.62(g).

- C. Failure to use or handle merchandise in a manner which entitles it to duty-free entry (i.e., removing it from the Fair other than in accordance with regulation including failure to make entry, if appropriate) will result in assessment of liquidated damages equal to the value of the merchandise involved in the violation (or three times the value if the merchandise is prohibited, restricted or alcoholic beverages) in accordance with 19 C.F.R. 147.3, 147.41, 147.43, 113.62(h) and 113.62(l)(1).
- D. Failing to exonerate the United States from risk or loss relating to the expenses incurred regarding the Fair will result in a claim for those expenses pursuant to 19 C.F.R. 147.3, 147.33 and 113.62(g).
- E. Cancellation standards.
 - 1. There will be no mitigation from any claim made for failure to exonerate the Government from risk or loss per 19 C.F.R. 113.62(g).
 - 2. For failure to use or handle the merchandise in a manner entitling it to duty-free entry, the claim will be cancelled upon payment of an amount between one and five times the loss of revenue (if a revenue loss violation) or upon payment of 5 to 30 percent of value (if no revenue loss is involved) depending on the presence of mitigating or aggravating circumstances.

XXII. Guidelines for Cancellation of Claims When Petitions for Relief Are Filed Untimely (T.D. 02-20)

- A. Petitions may be accepted at the discretion of the FP&F Officer at any time prior to commencement of any sanctioning action against a bond principal or the issuance of any notice to show cause against a surety.
- B. If a petition is received untimely, Customs shall first consider the petition as though it had been filed timely and shall determine the amount of mitigation that would have been afforded in the case had the petition been filed timely. For purposes of these guidelines, this determination shall be known as the base amount.
- C. Once the base amount has been determined, Customs shall charge an additional amount in excess of the base amount by calculating the number of calendar days that a petition is late and charging an additional mitigation amount of 0.1 percent (.001) per day, but in no case shall the additional amount be less than \$400.