

GUIDELINES FOR CANCELLATION OF CLAIMS FOR FAILURE TO REDELIVER EXPORT MERCHANDISE - 19 C.F.R. 113.64 (T.D. 02-20)

The holder of an International Carrier Bond, the terms of which are set forth in 19 C.F.R. 113.64, agrees, as a condition of that bond, to redeliver merchandise into CBP custody upon the timely issuance of a demand for redelivery by CBP.

Although CBP is not required to grant relief in any specific case, CBP may reference these guidelines when deciding whether to grant relief in a specific case and, if CBP deems that relief is appropriate, to determine the mitigation, remission, or cancellation amount. CBP reviews the specific facts and circumstances of each case individually and may deviate from these guidelines if CBP determines that such deviation is appropriate. Pursuant to 19 U.S.C. 1618, 1623, as well as other applicable regulatory authorities, duly authorized CBP officials are entitled to grant relief under such terms and conditions as they deem appropriate, sufficient, reasonable and/or just.

I. Assessment

CBP may assess claims for liquidated damages in an amount equal to 3 times the value for any merchandise that is not timely redelivered in response to a demand for outbound redelivery issued pursuant to 19 C.F.R. 113.64(m).

II. Mitigation

- A. There will be no mitigation of the claim for liquidated damages if CBP determines that law enforcement goals were compromised by the violation. For example, if goods 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.
- B. For all other cases, the following guidelines may apply to the cancellation of the claim for liquidated damages.
 - 1. 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).
 - 2. 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.