

*What Every Member of the  
Trade Community Should Know:*

**Mitigation Guidelines:  
Fines, Penalties,  
Forfeitures and  
Liquidated Damages**

**An Informed  
Compliance Publication**

February 2004\*



**U.S. Customs and  
Border Protection**

## NOTICE:

The Mitigation Guidelines Informed Compliance Publication (ICP), is intended to provide guidance and information to the trade community. It reflects the position on or interpretation of the applicable laws or regulations by U.S. Customs and Border Protection (CBP) as of the dates of publication. It does not in any way replace or supersede those laws or regulations. Only the latest official version of the laws or regulations is authoritative.

\*In October 2017, in order to facilitate CBP's efforts to update the paper version of the existing FEBRUARY 2004 Mitigation Guidelines ICP, CBP posted this ICP on [cbp.gov](http://cbp.gov) as 39 separate electronic links, each covering a separate section of the existing ICP as originally issued in FEBRUARY 2004 without change. From this date forward, CBP will be systematically updating each electronic section, with the corresponding updated documents being posted on [cbp.gov](http://cbp.gov). Please note that the updated electronic documents may not necessarily be updated in the same order as originally published and new documents may be added to incorporate new guidelines that were published since February 2004. CBP will indicate that a section has been updated or added by revising the date in parentheses next to the link on [cbp.gov](http://cbp.gov).

## PREFACE

On December 8, 1993, Title VI of the North American Free Trade Agreement Implementation Act (Pub. L. 103-182, 107 Stat. 2057), also known as the Customs Modernization or "Mod" Act, became effective. These provisions amended many sections of the Tariff Act of 1930 and related laws.

Two new concepts that emerge from the Mod Act are "**informed compliance**" and "**shared responsibility**," which are premised on the idea that in order to maximize voluntary compliance with laws and regulations of U.S. Customs and Border Protection (CBP), the trade community needs to be clearly and completely informed of its legal obligations. Accordingly, the Mod Act imposes a greater obligation on CBP to provide the public with improved information concerning the trade community's rights and responsibilities under customs regulations and related laws. In addition, both the trade and CBP share responsibility for carrying out these requirements.

Regulations and Rulings, within the Office of Trade, has a major role in meeting CBP's informed compliance responsibilities. In order to provide information to the public, CBP has issued a series of informed compliance publications, and videos, on new or revised requirements, regulations or procedures, and a variety of informed compliance issues.

This publication, prepared by the Penalties Branch in Regulations and Rulings, is comprised of guidelines for the mitigation of fines, penalties, forfeitures and liquidated damages. "Mitigation Guidelines: Fines, Penalties, Forfeitures and Liquidated Damages" is part of a series of informed compliance publications regarding CBP procedures. We sincerely hope that this material, together with seminars and increased access to rulings of U.S. Customs and Border Protection, will help the trade community to improve voluntary compliance with customs laws and to understand the relevant administrative processes.

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The material in this publication is provided for general information purposes only. Because many complicated factors can be involved in customs issues, an importer may wish to obtain a ruling under Regulations of U.S. Customs and Border Protection, 19 C.F.R. Part 177, or to obtain advice from an expert who specializes in customs matters, for example, a licensed customs broker, attorney or consultant.



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