

**§ 113.71**

United States and its employees, and the importer or owner of those articles, jointly and severally, harmless from any material depreciation of those articles and any loss or damage caused by the detention in the event it is finally determined that the articles are not a piratical copy of the material.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by T.D. 88-72, 53 FR 45902, Nov. 15, 1988]

**§ 113.71 Bond condition to observe neutrality.**

A bond to observe neutrality shall contain the conditions listed in this section and shall be a single entry bond.

**BOND CONDITION TO OBSERVE NEUTRALITY**

(a) If clearance is granted to the principal's vessel, which is armed or is built for a war-like purpose, with a cargo of arms and munitions, so that it is likely to be used to commit hostilities against people or countries with whom the Government of the United States is at peace, the principal guarantees that the vessel will not be used to commit hostilities against any country, state, colony, or people with whom the Government is at peace.

(b) If the principal defaults, the obligors (principal and surety, jointly and severally) agree to pay liquidated damages equal to twice the value of the vessel and cargo.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by T.D. 88-72, 53 FR 45902, Nov. 15, 1988]

**§ 113.72 Bond condition to pay court costs (condemned goods).**

A bond to pay court costs (condemned goods) shall contain the condition listed in this section and shall be a single entry bond.

**BOND CONDITION TO PAY COURT COSTS (CONDEMNED GOODS)**

If any seized goods belonging to principal are condemned the obligors (principal and surety, jointly and severally)

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agree to pay all costs of the condemnation proceedings.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by T.D. 88-72, 53 FR 45902, Nov. 15, 1988]

**§ 113.73 Foreign trade zone operator bond conditions.**

A bond of a foreign trade zone operator shall contain the conditions listed in this section and shall be a continuous bond.

**FOREIGN TRADE ZONE OPERATOR BOND CONDITIONS**

If the principal is authorized to operate a foreign trade zone or subzone:

(a) *Receipt, Handling, and Disposition of Merchandise.* The principal agrees to comply with:

(1) The law and Customs Regulations relating to the receipt (including merchandise received and receipted for transport to his zone), admission, status, handling, transfer, and removal of merchandise from the foreign trade zone or subzone, and

(2) The Customs Regulations concerning the maintenance of inventory control and recordkeeping systems covering merchandise in the foreign trade zone or subzone. If the principal defaults and the default involves merchandise other than domestic merchandise for which no permit for admission is required, the obligors (principal and surety, jointly and severally) agree to pay liquidated damages equal to the value of the merchandise involved in the default, or three times the value of the merchandise involved in the default if the merchandise is restricted or prohibited merchandise or alcoholic beverages, or such other amount as may be authorized by law or regulation. It is understood and agreed that whether the default involves merchandise is a determination made by Customs, that the amount to be collected under this condition shall be based upon the quantity and value of the merchandise as determined by Customs, and that value as used in these provisions means value as determined under 19 U.S.C. 1401a. If the principal defaults and the default does not involve merchandise, the obligors agree to pay liquidated damages of \$1,000 for each default, or such other amount as

may be authorized by law or regulations.

(b) *Agreement to Pay Duties, Taxes, and Charges.* The obligors agree to pay any duties, taxes, and charges found to be due on any merchandise, properly admitted to the foreign trade zone or subzone, which is found to be missing from the zone or cannot be accounted for in the zone, it being expressly understood and agreed that the amount of said duties, taxes, and charges shall be determined solely by Customs.

(c) *Reimbursement and Exoneration of the United States.* The obligors agree to:

(1) Exonerate the United States and its officers from any risk, loss, or expense arising from the principal's operation of the foreign trade zone or subzone;

(2) Pay the compensation and expenses of any Customs officer, as required by law or regulations.

(d) *Payment of Annual Fee.* The principal agrees to pay timely any annual fee or fees as provided in the Customs Regulations. If the principal defaults, the obligors agree to pay liquidated damages equal to the amount of the annual fee due but not paid and an amount equal to one percent of the annual fee for each of the first seven days the annual fee is in arrears, two percent of the annual fee for each of the succeeding seven days the annual fee is in arrears, and three percent of the annual fee for each day thereafter in which the annual fee is in arrears.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by T.D. 86-16, 51 FR 5063, Feb. 11, 1986; T.D. 88-72, 53 FR 45902, Nov. 15, 1988; T.D. 94-81, 59 FR 51495, Oct. 12, 1994; T.D. 01-26, 66 FR 16854, Mar. 28, 2001]

**§ 113.74 Bond conditions to indemnify a complainant under section 337 of Tariff Act of 1930, as amended.**

A bond to indemnify a complainant under section 337 of the Tariff Act of 1930, as amended, must contain the conditions listed in appendix B to this part. The bond must be a single entry bond and must be filed in accordance with the provisions set forth in 19 CFR 12.39(b)(2). For the forfeiture or return of this bond, the provisions of 19 CFR 210.50(d) will apply.

[T.D. 00-87, 65 FR 77815, Dec. 13, 2000]

**§ 113.75 Bond conditions for deferral of duty on large yachts imported for sale at United States boat shows.**

A bond for the deferral of entry completion and duty deposit pursuant to 19 U.S.C. 1484b for a dutiable large yacht imported for sale at a United States boat show must conform to the terms of appendix C to this part. The bond must be filed in accordance with the provisions set forth in § 4.94a of this chapter.

[68 FR 13626, Mar. 20, 2003]

APPENDIX A TO PART 113—AIRPORT  
CUSTOMS SECURITY AREA BOND

AIRPORT CUSTOMS SECURITY AREA BOND

\_\_\_\_\_  
(name of principal)  
of \_\_\_\_\_  
and \_\_\_\_\_

\_\_\_\_\_  
(name of surety)  
of \_\_\_\_\_  
are held and firmly bound unto the United States of America in the sum of \_\_\_\_\_ dollars (\$\_\_\_\_), for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WITNESS our hands and seals this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.  
WHEREAS, the principal (including the principal's employees, agents, and contractors) desires access to Customs airports security areas located at \_\_\_\_\_ Airport during the period of one year beginning on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, and ending on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, both dates inclusive;

Now, Therefore, the Condition of this Obligation is Such That—

The principal agrees to comply with the Customs Regulations applicable to Customs security areas at airports.

If the principal defaults on the condition of this obligation, the principal and surety jointly and severally, agree to pay liquidated damages of \$1,000 for each default or such other amount as may be authorized by law or regulation.

*Signed, Sealed, and Delivered in the Presence of—*

\_\_\_\_\_  
Name  
Address  
\_\_\_\_\_  
\_\_\_\_\_