bond is on file that the surety desires, after a date named, to be relieved of li-
ability under the bond. Unless the no-
tice is withdrawn, in writing, before
the date named in it, the notice shall
take effect on that date. The date shall
not be less than 60 days after the date
on which both the notice and proof of
service on the principal have been re-
cieved by the appropriate TTB officer.
The surety shall deliver one copy of the
notice to the principal and the original
to the appropriate TTB officer. The
surety shall also file with the appro-
priate TTB officer an acknowledgment
or other proof of service on the prin-
cipal.

§ 17.113 Extent of release of surety
from liability under bond.

The rights of the principal as sup-
ported by the bond shall cease as of the
date when termination of the bond
takes effect, and the surety shall be re-
lieved from liability for drawback al-
lowed on and after that date. Liability
for drawback previously allowed shall
continue until the claims for such
drawback have been properly verified
by the appropriate TTB officer accord-
ing to law and this part.

§ 17.114 Release of collateral.

The release of collateral security
pledged and deposited to satisfy the
bond requirement of this part is gov-
erned by the provisions of 31 CFR part
225. When the appropriate TTB officer
determines that there is no out-
standing liability under the bond, and
is satisfied that the interests of the
Government will not be jeopardized,
the security shall be released and re-
turned to the principal.

Subpart F—Formulas and Samples

§ 17.121 Product formulas.

(a) General. Except as provided in
§§17.132 and 17.182, manufacturers shall
file quantitative formulas for all prep-
arations for which they intend to file
drawback claims. Such formulas shall
state the quantity of each ingredient,
and shall separately state the quantity
of spirits to be recovered or to be con-
sumed as an essential part of the man-
ufacturing process.

(b) Filing. Formulas shall be filed on
TTB Form 5154.1, Formula and Process
for Nonbeverage Products. Filing shall
be accomplished no later than 6
months after the end of the quarter in
which taxpaid distilled spirits were
first used to manufacture the product
for purposes of drawback. If a product’s
formula is disapproved, no drawback
shall be allowed on spirits used to man-
ufacture that product, unless it is later
used as an intermediate product, as
provided in §17.137.

(c) Numbering. The formulas shall be
serially numbered by the manufactu-
er, commencing with number 1 and
continuing thereafter in numerical se-
quence. However, a new formula for use
at several plants shall be given the
highest number next in sequence at
any of those plants. The numbers that
were skipped at the other plants shall
not be used subsequently.

(d) Distribution and retention of ap-
proved formulas. One copy of each ap-
proved Form 5154.1 shall be returned to
the manufacturer. The formulas re-
turned to manufacturers shall be kept
in serial order at the place of manufac-
ture, as provided in §17.170, and shall
be made available to appropriate TTB
officers for examination in the inves-
tigation of drawback claims.

[T.D. ATF–179, 61 FR 31412, June 20, 1996, as
19, 2001]

§ 17.122 Amended or revised formulas.

Except as provided in this section,
amended or revised formulas are con-
sidered to be new formulas and shall be
numbered accordingly. Minor changes
may be made to a current formula on
TTB Form 5154.1 with retention of the
original formula number, if approval is
obtained from the appropriate TTB of-
icer. In order to obtain approval to
make a minor formula change, the per-
son holding the Form 5154.1 shall sub-
mit a letter of application to the ap-
propriate TTB officer, indicating the
formula change and requesting that
the proposed change be considered a
minor change. Each such application
shall clearly identify the original for-
mula by number, date of approval, and
name of product. The application shall
§ 17.126 Formulas for intermediate products.

(a) The manufacturer shall submit a formula on TTB Form 5154.1 for each self-manufactured ingredient made with taxpaid spirits and intended for the manufacturer's own use in nonbeverage products, unless the formula for any such ingredient is fully expressed as part of the approved formula for each nonbeverage product in which that ingredient is used, or unless the formula for the ingredient is contained in one of the pharmaceutical publications listed in §17.132.

(b) Upon receipt of Form 5154.1 covering a self-manufactured ingredient made with taxpaid spirits, the formula shall be examined under §17.131. If the formula is approved for drawback, the ingredient shall be treated as a finished nonbeverage product for purposes of this part, rather than as an intermediate product, notwithstanding its use by the manufacturer. (For example,