

(d) *Payment of duties.* The importer of record will be billed for payment of duties when Customs and Border Protection determines that such payment is due. If a refund of a deposit made pursuant to paragraph (a)(4) of this section is due, the importer should contact Customs and Border Protection officials at the port of entry, not the Department of Commerce.

[47 FR 32517, July 28, 1982, as amended at 66 FR 28834, May 25, 2001; 74 FR 30463, June 26, 2009]

**§ 301.9 Uses and disposition of instruments entered under subheading 9810.00.60, HTSUS.**

(a) An instrument granted duty-free entry may be transferred from the applicant institution to another eligible institution provided the receiving institution agrees not to use the instrument for commercial purposes within 5 years of the date of entry of the instrument. In such cases title to the instrument must be transferred directly between the institutions involved. An institution transferring a foreign instrument entered under subheading 9810.00.60, HTSUS within 5 years of its entry shall so inform the CBP Port in writing and shall include the following information:

- (1) The name and address of the transferring institution.
- (2) The name and address of the transferee.
- (3) The date of transfer.
- (4) A detailed description of the instrument.
- (5) The serial number of the instrument and any accompanying accessories.
- (6) The entry number, date of entry, and port of entry of the instrument.

(b) Whenever the circumstances warrant, and occasionally in any event, the fact of continued use for 5 years for noncommercial purposes by the applicant institution shall be verified by Customs and Border Protection.

(c) If an instrument is transferred in a manner other than specified above or is used for commercial purposes within 5 years of entry, the institution for which such instrument was entered shall promptly notify the Customs and Border Protection officials at the Port and shall be liable for the payment of

duty in an amount determined on the basis of its condition as imported and the rate applicable to it.

[47 FR 32517, July 28, 1982, as amended at 66 FR 28834, May 25, 2001; 74 FR 30463, June 26, 2009]

**§ 301.10 Importation of repair components and maintenance tools under HTSUS subheadings 9810.00.65 and 9810.00.67 for instruments previously the subject of an entry liquidated under subheading 9810.00.60, HTSUS.**

(a) An institution owning an instrument that was the subject of an entry liquidated duty-free under subheading 9810.00.60, HTSUS, that wishes to enter repair components or maintenance tools for that instrument may do so without regard to the application procedures required for entry under subheading 9810.00.60, HTSUS. The institution must certify to Customs and Border Protection officials at the port of entry that such components are repair components for that instrument under subheading 9810.00.65, HTSUS, or that the tools are maintenance tools necessary for the repair, checking, gauging or maintenance of that instrument under subheading 9810.00.67, HTSUS.

(b) Instruments entered under subheading 9810.00.60, HTSUS, and subsequently returned to the foreign manufacturer for repair, replacement or modification are not covered by subheading 9810.00.65 or 9810.00.67, HTSUS, although they may, upon return to the United States, be eligible for a reduced duty payment under subheading 9802.00.40 or 9802.00.50, HTSUS (covering articles exported for repairs or alterations) or may be made the subject of a new application under subheading 9810.00.60, HTSUS.

[66 FR 28834, May 25, 2001, as amended at 74 FR 30463, June 26, 2009]

**PART 302 [RESERVED]**

**PART 303—WATCHES, WATCH  
MOVEMENTS AND JEWELRY PRO-  
GRAM**

**Subpart A—Watches and Watch  
Movements**

- Sec.  
303.1 Purpose.  
303.2 Definitions and forms.  
303.3 Determination of the total annual duty-exemption.  
303.4 Determination of territorial distribution.  
303.5 Application for annual allocations of duty-exemptions and duty-refunds.  
303.6 Allocation and reallocation of exemptions among producers.  
303.7 Issuance of licenses and shipment permits.  
303.8 Maintenance of duty-exemption entitlements.  
303.9 Restrictions on the transfer of duty-exemptions.  
303.10–303.11 [Reserved]  
303.12 Issuance and use of production incentive certificates.  
303.13 Appeals.  
303.14 Allocation factors, duty refund calculations and miscellaneous provisions.

**Subpart B—Jewelry**

- 303.15 Purpose.  
303.16 Definitions and forms.  
303.17 Application for annual duty-refunds.  
303.18 Sale and transfer of business.  
303.19 Issuance and use of production incentive certificates.  
303.20 Duty refund.  
303.21 Appeals.

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SOURCE: 49 FR 17740, Apr. 25, 1984, unless otherwise noted.

EDITORIAL NOTE: Nomenclature changes to part 303 appear at 68 FR 56555, Oct. 1, 2003.

**Subpart A—Watches and Watch  
Movements**

**§ 303.1 Purpose.**

(a) This part implements the responsibilities of the Secretaries of Commerce and the Interior (“the Secretaries”) under Pub. L. 97–446, enacted on 12 January 1983, which substantially amended Pub. L. 89–805, enacted 10 November 1966, amended by Pub. L. 94–88, enacted 8 August 1975, and amended by

Pub. L. 94–241, enacted 24 March 1976, amended by Public Law 103–465, enacted 8 December 1994 and amended by Public Law 108–429 enacted 3 December 2004. The law provides for exemption from duty of territorial watches and watch movements without regard to the value of the foreign materials they contain, if they conform with the provisions of U.S. Legal Note 5 to Chapter 91 of the Harmonized Tariff Schedule of the United States (“91/5”). 91/5 denies this benefit to articles containing any material which is the product of any country with respect to which Column 2 rates of duty apply; authorizes the Secretaries to establish the total quantity of such articles, provided that the quantity so established does not exceed 10,000,000 units or one-ninth of apparent domestic consumption, whichever is greater, and provided also that the quantity is not decreased by more than ten percent nor increased by more than twenty percent (or to more than 7,000,000 units, whichever is greater) of the quantity established in the previous year.

(b) The law directs the International Trade Commission to determine apparent domestic consumption for the preceding calendar year in the first year U.S. insular imports of watches and watch movements exceed 9,000,000 units. 91/5 authorizes the Secretaries to establish territorial shares of the overall duty-exemption within specified limits; and provides for the annual allocation of the duty-exemption among insular watch producers equitably and on the basis of allocation criteria, including minimum assembly requirements, that will reasonably maximize the net amount of direct economic benefits to the insular possessions.

(c) The amended law also provides for the issuance to producers of certificates entitling the holder (or any transferee) to obtain duty refunds on any article imported into the customs territory of the United States duty paid except for any article containing a material which is the product of a country to which column 2 rates of duty apply. The amounts of these certificates may not exceed specified percentages of the producers’ verified