

can be made to verify the accuracy of the record balance.

(iii) *Other alternative inventory methods.* Other alternative inventory systems may be used, if CBP approval is obtained. Importers or proprietors who wish to use an alternative inventory method other than FIFO must apply to CBP Headquarters, Regulations and Rulings, Office of International Trade, for approval.

(9) *Miscellaneous responsibilities.* The proprietor is responsible for complying with requirements for transport to his warehouse, deposit, manipulation, manufacture, destruction, shortage or overage, inventory control and record-keeping systems, and other requirements as specified in this part.

[T.D. 97-19, 62 FR 15834, Apr. 3, 1997, as amended by T.D. 98-22, 63 FR 11825, Mar. 11, 1998; T.D. 98-56, 63 FR 32944, June 16, 1998]

§ 19.5 [Reserved]

§ 19.6 Deposits, withdrawals, blanket permits to withdraw and sealing requirements.

(a)(1) *Deposit in warehouse.* The port director may authorize the deposit of merchandise in designated bonded warehouses, without physical supervision by a CBP officer. Goods for which a warehouse or rewarehouse entry has been accepted, according to the procedures in part 144, subpart B, of this chapter, will be examined or inspected at the place of unloading, bonded warehouse, or other location as ordered by the port director. When merchandise is deposited in a proprietor's warehouse or is accepted and receipted for by a proprietor or his agent for transport to the proprietor's warehouse, the proprietor will be responsible for the quantity and condition of merchandise reflected on entry documentation adjusted by (i) any allowance made under part 158, subparts A and B, of this chapter by the port director, and (ii) any discrepancy report made jointly on the appropriate cartage documents as set forth in §125.31 of this chapter by the warehouse proprietor and the bonded carrier or licensed cartman or lighterman delivering the goods to the warehouse, or an independent weigher, gauger, measurer, and signed by an authorized represent-

ative of the above within 15 calendar days after deposit. A copy of any joint report of discrepancy must be made within five business days of agreement and provided to the port director on the appropriate cartage documents as set forth in §125.31 of this chapter. If the proprietor of the bonded warehouse transports the goods to the warehouse, no discrepancy report will be necessary.

(2) *Allowance after deposit.* After merchandise has been deposited in the warehouse the proprietor's liability may be further modified by any adjustment for duties allowed by the port director for concealed shortages (i.e., §158.5(a)), casualty loss (i.e., part 158, subpart C), destruction (i.e., §158.43), or manipulation (i.e., §19.11, 19 U.S.C. 1562).

(b)(1) *Withdrawal and removal from warehouse.* The port director may authorize the withdrawal and removal of merchandise, without physical supervision or examination by a CBP officer under permit issued under the procedure set forth in §144.39 of this chapter. When a withdrawal or removal is not physically supervised by a CBP officer, the warehouse proprietor will be relieved of responsibility only for the merchandise in its warehouse in the condition and quantity as shown on the application for withdrawal or removal. In the case of merchandise to be carted or transported in bond from the warehouse, the proprietor will be relieved of responsibility only if it receives the signed receipt on the withdrawal or removal document of the carrier named in the document. The proprietor's responsibility may be adjusted by any discrepancy report made jointly by the warehouse proprietor, and the licensed cartman or lighterman, bonded carrier, weigher, gauger, or measurer and signed by the authorized representative of the above within 15 calendar days after removal from the warehouse. The adjustments must be noted on the permit copy of the withdrawal or removal document. A copy of any joint report of discrepancy must be promptly provided to the port director.

(2) *Retention in warehouse after withdrawal.* Merchandise for which a permit

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for withdrawal has been issued, whether duty-paid or not, need not be physically removed from the warehouse. However, such merchandise must be segregated or physically marked to maintain its identity as merchandise for which a withdrawal permit has been issued. Duty-paid or unconditionally duty-free merchandise which has been withdrawn, but not removed, from a warehouse is no longer deemed to be in CBP custody. All other goods which have been withdrawn, but not removed, remain in CBP custody until the end of the warehouse entry bond period (see §144.5 of this chapter).

(c) *CBP determination of liability.* When a CBP officer physically supervises the deposit or removal of merchandise under paragraphs (a)(1) or (b)(1) of this section, the CBP officer's report of merchandise received or removed will be determinative of the quantity and condition of merchandise received or removed from the warehouse for CBP purposes.

(d) *Blanket permits to withdraw*—(1) *General.* (i) Blanket permits may be used to withdraw merchandise from bonded warehouses for:

(A) Delivery to individuals departing directly from the customs territory for exportation under the sales ticket procedure of §144.37(h) of this chapter (Class 9 warehouses only);

(B) Aircraft or vessel supplies under §309 or 317, Tariff Act of 1930, as amended (19 U.S.C. 1309, 1317); or

(C) The personal or official use of personnel of foreign governments and international organizations set forth in subpart I, part 148 of this chapter; or

(D) A combination of the foregoing.

(ii) Except as provided in paragraph (d)(1)(iii) of this section, blanket permits to withdraw may be used only for delivery at the port where withdrawn and not for transportation in bond to another port. Blanket permits to withdraw may not be used for delivery to a location for retention or splitting of shipments under the provisions of §18.24 of this chapter. A withdrawer who desires a blanket permit must state on the warehouse entry, or on the warehouse entry/entry summary when used as an entry, that “Some or all of the merchandise will be withdrawn under blanket permit per §19.6(d), CBP

Regulations.” CBP's acceptance of the entry will constitute approval of the blanket permit. A copy of the entry will be delivered to the proprietor, whereupon merchandise may be withdrawn under the terms of the blanket permit. The permit may be revoked by the port director in favor of individual applications and permits if the permit is found to be used for other purposes, or if necessary to protect the revenue or properly enforce any law or regulation CBP is charged with administering. Merchandise covered by an entry for which a blanket permit was issued may be withdrawn for purposes other than those specified in this paragraph if a withdrawal is properly filed as required in subpart D, part 144, of this chapter.

(iii) Blanket permits to withdraw may be used for a withdrawal for transportation to another port by a duty-free sales enterprise which meets the requirements for exemption as stated in §144.34(c) of this chapter. In addition, blanket permits to withdraw may be used for a withdrawal from a Class 9 warehouse for transportation in bond to another port of duty-free merchandise intended for passengers' on-board purchases when expressly authorized in writing by the appropriate Director, Field Operations, provided that both the Class 9 warehouse and port of destination are under that Director's authority and the vessel is destined for a foreign destination.

(2) *Withdrawals under blanket permit.* Withdrawals may be made under blanket permit without any further CBP approval, and must be documented by placing a copy of the withdrawal document in the proprietor's permit file folder. Each withdrawal must be filed on CBP Form 7501 and must be consecutively numbered, prefixed with the letter “B”. The withdrawal must specify the quantity and value of each type of merchandise to be withdrawn. Each copy must bear the summary statement described in §144.32(a) of this chapter, reflecting the balance of merchandise covered by the warehouse entry. Any joint discrepancy report of the proprietor and the bonded carrier, licensed cartman or lighterman, or weigher, gauger, or measurer for a supplementary withdrawal must be made

on the copy and reported to the port director as provided in paragraph (b)(1) of this section. A copy of the withdrawal must be retained in the records of the proprietor as provided in §19.12(d)(4) of this part. Merchandise must not be removed from the warehouse prior to the preparation of the supplementary withdrawal. If merchandise is so removed, the proprietor will be subject to liquidated damages as if it were removed without a CBP permit.

(3) *Withdrawals under blanket permit from duty-free stores.* Withdrawals under blanket permit from duty-free stores must be made on the sales ticket described in §144.37(h) of this chapter. The sales ticket need not contain the summary statement described in §144.32(a) of this chapter, since the information required is included in the sales ticket register. The sales ticket must be serially numbered as provided in §144.37(h)(2) of this chapter.

(4) *Withdrawals under blanket permit for aircraft or vessel supplies.* Multiple withdrawals under a blanket permit for aircraft or vessel supplies, if consigned to the same daily aircraft flight number or vessel sailing, may be filed on one CBP Form 7512; however, an attachment form, developed by the warehouse proprietor and approved by the port director may be used for all withdrawals. This attachment form must provide a sufficient summary of the goods being withdrawn, and must include the warehouse entry number, the quantity and weight being withdrawn, the Harmonized Tariff Schedule of the United States number(s), the value of the goods, import and export lading information, the duty rate and amount, and any applicable Internal Revenue tax calculation, for each warehouse entry being withdrawn. A copy of CBP Form 7512 and the summary attachment must be attached to each permit file folder unless the warehouse proprietor qualifies for the permit file folder exemption under §19.12(d)(4)(iii) of this part.

(5) *Blanket permit summary.* When all of the merchandise covered by an entry on which a blanket permit to withdraw was issued has been withdrawn, including withdrawals made for purposes other than duty-free store delivery, vessel or aircraft supply, or diplomatic

use, the proprietor must prepare a report on a copy of CBP Form 7501, or a form on the letterhead of the proprietor, which provides an account of the disposition of the merchandise covered by the blanket permit. The form must bear the words "BLANKET PERMIT SUMMARY" in capital letters conspicuously printed or stamped in the top margin. On the form, the proprietor must certify that the merchandise listed thereunder was withdrawn in compliance with §19.6(d), and must account for all of the merchandise withdrawn under blanket permit by HTSUS (Harmonized Tariff Schedule of the United States) number, HTSUS quantity (where applicable) and value. If applicable, the account must separately list and identify merchandise withdrawn for

(i) Duty-free store exportation,
(ii) Vessel or aircraft supply use, and
(iii) Personal or official use of persons and organizations set forth in subpart I, part 148, of this chapter. If all of the merchandise was withdrawn under the sales ticket procedure of §144.37(h) of this chapter, the sales ticket register may be substituted for the blanket permit summary. The form will be placed in the permit file folder and treated as provided in §19.12(a) of this part.

(e) *Affixing or breaking of seals.* The port director may authorize a warehouse proprietor to: (1) Break CBP in bond seals affixed under §18.4 of this chapter, or under any CBP order or directive, on any vehicle or container of goods entered for warehouse upon arrival of the vehicle or container at the warehouse; or (2) affix CBP in bond seals to any vehicle or container of goods for which a withdrawal document has been approved for movement in bond. The affixing or breaking of seals so authorized, will be deemed to have been done under CBP supervision. The proprietor must report to the port director any seal found, upon arrival of the vehicle or container at the warehouse, to be broken, missing, or improperly affixed, and hold the vehicle or container and its contents intact

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pending instructions from the port director.

[T.D. 82-204, 47 FR 49370, Nov. 1, 1982, as amended by T.D. 84-149, 49 FR 28698, July 16, 1984; T.D. 92-81, 57 FR 37697, Aug. 20, 1992; T.D. 94-81, 59 FR 51494, Oct. 12, 1994; T.D. 95-81, 60 FR 52295, Oct. 6, 1995; T.D. 97-19, 62 FR 15836, Apr. 3, 1997; CBP Dec. 09-48, 74 FR 68684, Dec. 29, 2009]

§ 19.7 Expenses of labor and storage.

(a) All merchandise deposited in public stores or in bonded warehouses shall be held liable for the expenses of labor and storage chargeable thereon at the customary rates and for all other expenses accruing upon the goods.

(b) The rates of storage and labor shall be agreed upon between the importer and the warehouse proprietor, but in case of disagreement the port director may, with the consent of all parties in interest, determine the rates to be charged.

(c) Except in cases provided for by §141.102(d) of this chapter, when merchandise is stored in a public store under a warehouse entry, general order, or otherwise, the charges for storage due the Government shall be paid before the packages are delivered. The charges shall be based upon the existing bonded warehouse tariff of the port for storage and labor.

[28 FR 14763, Dec. 31, 1963, as amended by T.D. 73-175, 38 FR 17446, July 2, 1973]

§ 19.8 Examination of goods by importer; sampling; repacking; examination of merchandise by prospective purchasers.

Importers may, upon application approved by the port director on Customs Form 3499 examine, sample, and re-pack¹² or transfer merchandise in bonded warehouse. Where there will be no interference with the orderly conduct of Customs business and no danger to the revenue prospective purchaser may be permitted to examine merchandise in bonded warehouses upon the written request of the owner, importer, consignee, or transferee.

[28 FR 14763, Dec. 31, 1963, as amended by T.D. 82-204, 47 FR 49371, Nov. 1, 1982]

¹²Repacking shall be considered a manipulation within the purview of sec. 562, Tariff Act of 1930, as amended.

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§ 19.9 General order, abandoned, and seized merchandise.

(a) *Acceptance of merchandise.* The arriving carrier (or other party to whom custody of the merchandise was transferred by the carrier under a Customs-authorized permit to transfer or in-bond entry) is responsible for preparing a Customs Form (CF) 6043 (Delivery Ticket), or other similar Customs document as designated by the port director or an electronic equivalent as authorized by Customs, to cover the proprietor's receipt of the merchandise and its transport to the warehouse from the custody of the arriving carrier (or other party to whom custody of the merchandise was transferred by the carrier under a Customs-authorized permit to transfer or in-bond entry). A joint determination will be made by the warehouse proprietor and the bonded carrier of the quantity and condition of the goods or articles so delivered to the warehouse. Within two working days of the joint determination, the warehouse proprietor will report to the port director any discrepancy between the quantity and condition of the goods and that reported on CF 6043, or other similar Customs document as designated by the port director or an electronic equivalent as authorized by Customs.

(b) *Recording and storing.* General order, abandoned, and seized goods and articles shall be recorded and stored in the warehouse as prescribed by § 19.12.

(c) *Release of merchandise.* Merchandise in general order may be released by the warehouse proprietor, after Customs inspection or examination as ordered by the port director, to the person named in a release order under § 141.11 of this chapter. The release may only be made by the proprietor upon presentation of a permit to release or delivery authorization signed by the appropriate Customs officer on Customs Form 3461, 7501, 368 or 368A or other Customs form as designated by the port director. General order goods which have been unclaimed under § 127.11 of this chapter, voluntarily abandoned, or seized and forfeited may be released for transfer to the place of sale upon presentation to the warehouse proprietor of an approved copy of Customs Form 5251 (Order to Transfer