



# A TIMELY APPROACH TO TERMINATING AND REPLACING CUSTOMS BONDS

## Essential Steps for Seamless Bond Transition

### REQUEST THE CORRECT TERMINATION DATE:

The termination date should be **one day before** the renewal date. Bonds terminate at 11:59 PM on the termination date, which will allow the new bond period to begin seamlessly at 12:00 AM the next day.

► **TERMINATION DATE = RENEWAL DATE MINUS 1 DAY!**

If you terminate on the renewal date, the bond will renew. Both the importer and surety will be liable for the full amount of the renewed bond (even if only effective for one day) and as such, a renewal invoice will be generated. This also results in stacking liability for the importer and the surety. Canceling the day before the renewal date avoids these issues.

► **REMEMBER: TERMINATION DATE CANNOT = RENEWAL DATE!**

### GIVE PROPER ADVANCED NOTICE:

CBP requires notice of bond terminations at least **15 days prior** to the termination date. Build your timelines accordingly. If proper notice isn't given, the bond may renew before cancellation, and the importer and the surety will be liable to CBP for the full bond amount.

► **TERMINATION REQUEST DATE = RENEWAL DATE MINUS 15+ DAYS**

### DON'T GIVE TOO MUCH NOTICE:

Advanced notice is important, but submitting a termination request too early (e.g., 90 days before renewal) can cause issues. Once a bond is placed in termination status, CBP will not allow the date to be changed. If CBP finds the bond insufficient during this period, entries cannot be made under the bond, creating a gap in coverage and forcing the use of single-entry bonds. The importer is locked into a bond that cannot be used and a new bond can only become effective after the requested termination date.

### TIME ACTIONS APPROPRIATELY:

To avoid coverage gaps, don't initiate termination or replacement more than 30 days in advance. The ideal window is 20–30 days before the renewal date.

Proactive planning and precise timing ensure continuous bond coverage and minimizes risks of disruption. If you have questions, contact your local Avalon representative.



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