



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

Office of the Director

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18 U.S.C. 921(a)(1): DEFINITIONS

18 U.S.C. 923(g)(1)(A): LICENSING

27 CFR 478.22: ALTERNATE METHODS OR PROCEDURES

27 CFR 478.121: RECORDS REQUIRED - GENERAL

27 CFR 478.122: RECORDS MAINTAINED BY IMPORTERS

27 CFR 478.123: RECORDS MAINTAINED BY MANUFACTURERS

27 CFR 478.124: FIREARMS TRANSACTION RECORD

27 CFR 478.125: RECORD OF RECEIPT AND DISPOSITION

27 CFR 478.127: DISCONTINUANCE OF BUSINESS

27 CFR 479.26: ALTERNATE METHODS OR PROCEDURES

27 CFR 479.131: RECORDS

The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) authorizes an alternate method or procedure to the firearms acquisition and disposition recordkeeping requirements contained in Title 27, Code of Federal Regulations (CFR) 478.121, 478.122(a), 478.123(a), 478.125(e), 478.125(f), and 27 CFR 479.131. Specifically, ATF authorizes licensed importers, licensed manufacturers, licensed dealers, and licensed collectors to maintain their firearms acquisition and disposition records electronically instead of in paper format provided the conditions set forth in this ruling are met. This ruling supersedes ATF Rul. 2008-2, Records Required for Firearms Licensees.

ATF Rul. 2013-5

ATF has received inquiries from members of the firearms industry seeking to maintain their required firearms acquisition and disposition records electronically on a computer, rather than in paper form.

The Gun Control Act of 1968 (GCA), Title 18, United States Code (U.S.C.), section 923(g)(1)(A), and the implementing regulations at 27 CFR 478.121, provide, in part, that each licensed importer, licensed manufacturer, licensed dealer, and licensed collector (licensee) must maintain records of importation, production, shipment, receipt, sale, or other disposition of firearms at the licensed premises for such period, and in such form, as the Attorney General by regulations prescribe.

The regulation at 27 CFR 478.122(a) requires a licensed importer to record, within 15 days of the date of importation or other acquisition, the type, model, caliber or gauge, manufacturer, country of manufacture, and the serial number of each firearm imported or otherwise acquired, and the date of importation or other acquisition. Further, 27 CFR 478.122(b) requires a licensed importer to record the disposition of firearms to another licensee showing the quantity, type, manufacturer, country of manufacture, caliber or gauge, model, serial number of the firearms transferred, the name and license number of the licensee to whom the firearms were transferred, and the date of the transaction. This information must be entered in the proper record book not later than the seventh day following the date of the transaction, and such information must be recorded in the format prescribed by 27 CFR 478.122. Also, 27 CFR 478.122(d) provides that a licensed importer must maintain separate records of dispositions of firearms to non-licensees, and that such records shall be maintained in the form and manner prescribed by 27 CFR 478.124 and 27 CFR 478.125.

The regulation at 27 CFR 478.123(a) requires a licensed manufacturer to record the type, model, caliber or gauge, and serial number of each complete firearm manufactured or otherwise acquired and the date of such manufacture or other acquisition. This information must be recorded not later than the seventh day following the date of such manufacture or other acquisition was made. Further, 27 CFR 478.123(b) requires a manufacturer to record the disposition of firearms to another licensee showing the quantity, type, model, manufacturer, caliber, size or gauge, serial number of the firearms transferred, the name and license number of the licensee to whom the firearms were transferred, and the date of the transaction. This information must be entered in the proper record book not later than the seventh day following the transaction date, and must use the record format prescribed by 27 CFR 478.122, except that the name of the manufacturer need not be recorded if the firearm is of the licensee's own manufacture. Also, 27 CFR 478.123(d) requires that each licensed manufacturer maintain separate records of dispositions of firearms to non-licensees in the format specified by 27 CFR 478.124 and 27 CFR 478.125.

The regulation at 27 CFR 478.125(e) requires a licensed dealer to record, no later than the close of the next business day following the date a firearm was received, the date of receipt, name and address or the name and license number of the person from whom the firearm was received, name of the manufacturer and importer (if any), model, serial number, type, and caliber or gauge. This section further requires a dealer to record the disposition of firearms showing the date of sale or other disposition, and the name and address or the name and license number (if a licensee) of the person to whom the firearm was transferred. This information must be entered not later than seven days following the date of such transaction, and must be maintained in bound form under the format prescribed by 27 CFR 478.125(e).

Additionally, 27 CFR 478.125(f) requires a licensed collector to record, not later than the close of the next business day following the date of purchase or other acquisition of a curio or relic, the date of receipt, the name and address or the name and license number of the person from whom the curio or relic was received, the name of the manufacturer and importer (if any), the model, serial number, type, and the caliber or gauge of the firearm curio or relic. This section further requires a collector to record the date of the sale or other disposition of each firearm curio or relic, the name and address of the person to whom the firearm curio or relic is transferred, or the

name and license number of the person to whom transferred if such person is a licensee, and the date of birth of the transferee if other than a licensee. This information must be entered not later than seven days following the date of such transaction, and must be maintained in bound form under the format prescribed by 27 CFR 478.125(f).

The regulation at 27 CFR 479.131 requires each manufacturer, importer, and dealer in National Firearms Act (NFA), 26 U.S.C., Chapter 53, firearms to keep and maintain records regarding the manufacture, importation, acquisition (whether by making, transfer, or otherwise), receipt, and disposition of NFA firearms as described by 27 CFR Part 478.

Licensees may seek ATF approval to use an alternate method or procedure to record the acquisition and disposition of firearms. Pursuant to 27 CFR 478.122(c), 478.123(c), and 478.125(h), ATF may authorize alternate records of firearms, as well as acquisition, when it is shown by the licensee that the alternate records will accurately and readily disclose the information required to be maintained.

The regulations at 27 CFR 478.22 and 27 CFR 479.26, provide that the Director may approve an alternate method or procedure in lieu of a method or procedure specifically prescribed in the regulations when he or she finds that: (1) good cause is shown for the use of the alternate method or procedure; (2) the alternate method or procedure is within the purpose of, and consistent with the effect intended by, the specifically prescribed method or procedure, and that the alternate method or procedure is substantially equivalent to that specifically prescribed method or procedure; and (3) the alternate method or procedure will not be contrary to any provision of law and will not result in an increase in cost to the Government or hinder the effective administration of 27 CFR Part 478 or 479.

ATF understands that using computers to record and maintain firearms acquisition and disposition records saves time and money in bookkeeping and auditing expenses. Most businesses computerize inventory, sales, customer lists, and other business records. This allows companies to automate inventories, using technology such as bar codes or radio frequency identification (RFID) chips. Furthermore, this technology may facilitate better accountability of inventory, and reduce the potential for accounting errors. Computerized records also facilitate tracing and tracking of firearms through licensee inventories, thus reducing time spent by ATF officials examining records during the inspection process. Additionally, the search capability of electronically stored records makes it easier and faster for licensees to locate specific records and respond to ATF trace requests. Therefore, ATF finds that there is good cause to authorize a variance from the firearms acquisition and disposition recordkeeping requirements of the Federal firearms regulations.

ATF also finds that, provided certain conditions are met, the alternate method set forth in this ruling is within the purpose of and consistent with the provisions of 27 CFR 478.121, 478.122, 478.123, 478.125(e) and 478.125(f), and 27 CFR 479.131, because the same required information will be captured in the electronic acquisition and disposition record. Further, this alternate method is not contrary to any provision of law, will not increase costs to ATF, and will not hinder the effective administration of the regulations.

Held, pursuant to 27 CFR 478.22, 478.122(c), 478.123(c), 478.125(h), and 27 CFR 479.26, ATF authorizes an alternate method or procedure to the paper bound firearms acquisition and disposition recordkeeping requirements of 27 CFR 478.122, 478.123, 478.125(e), and 478.125(f), and 27 CFR 479.131. Specifically, ATF authorizes licensed importers, licensed manufacturers, licensed dealers, and licensed collectors to maintain their firearms acquisition and disposition records electronically, *provided* all of the following conditions are met.

1. The licensee records in the computer system all of the acquisition and disposition information required by 27 CFR 478.121, 478.122, 478.123, 478.125(e) and 478.125 (f), and 27 CFR 479.131, as applicable. Required information includes a record of both the manufacturer and the importer of foreign-made firearms (if any). Additional columns can be utilized to capture certain additional information (e.g. inventory number, new/used, etc.), so long as the additional information is separate from the required information and the required information is readily apparent. An ATF Form 4473 serial number may be used instead of the address for recording the transfer of a firearm to a non-licensee if such forms are filed numerically.
2. The system must retain any correction of errors as an entirely new entry, without deleting or modifying the original entry (*e.g.*, macro created to track changes). Alternatively, the system may allow for entries in a “notes” column to explain any correction and/or track changes (*i.e.*, what was changed, who made the change, why the change was needed). ATF suggests that the recordkeeping system be capable of blocking fields from correction (*e.g.*, protect workbook function).
3. The system cannot rely upon invoices or other paper/manual systems to provide any of the required information.
4. The system must allow queries by serial number, acquisition date, name of the manufacturer or importer, name of the purchaser, and address of purchaser or other transferee.
5. The licensee must print or download all records from the system:
 - a. at least semiannually;
 - b. upon request of an ATF officer (must be provided within 24 hours);
 - c. prior to discontinuance of the database; and
 - d. prior to discontinuance of the licensee’s firearms business.

The printouts/downloads must include all firearms in inventory, as well as all firearms transferred during the period covered, sequentially by date of acquisition, and must be limited to display only the information required by the applicable regulations. The printouts/ downloads may contain additional columns capturing certain additional information, provided that the required information is readily apparent.

6. If the licensee prints out the records, the printout must be retained until the next printout is prepared.

7. Printouts may include antique firearms, but cannot include other merchandise. However, antique firearms must be identified as such in the “firearm type” column.
8. If a licensee downloads the records on a portable storage device (*e.g.*, Compact Disc (CD), Digital Versatile Disc (DVD), or Universal Serial Bus (USB) Flash Drive), the download must be retained on the portable storage device until the next download is prepared. Additionally, the licensee must be able to present the most current version of the requested records in a printed format at ATF’s request.
9. Electronic firearms acquisition and disposition records may be stored on a computer server owned and operated solely by the person (as defined by 18 U.S.C. section 921(a)(1)) holding the license, provided that the records are readily accessible through a computer device located at the licensed premises during regular business hours. The server must be located within the United States.
10. The system must back-up the firearms acquisition and disposition records on a daily basis to protect the data from accidental deletion or system failure.
11. Upon discontinuance of a license, the licensee must provide an American Standard Code for Information Interchange (ASCII) text file (in conformity with industry standards) containing all acquisition and disposition records, and a file description, to ATF Out-of-Business Records Center, in accordance with 27 CFR 478.127. The complete printout and ASCII text file (and file description) must contain all information prescribed by regulation.

All laws, regulations, policies, and procedures applicable to the paper form of the firearms acquisition and disposition records also apply to electronic versions. Licensees are not required to use an electronic acquisition and disposition record, and may continue to use a paper record in the format prescribed by regulation. Licensees are reminded of their responsibility to ensure accuracy and completeness of all of their required records.

Held further, if the licensee fails to abide by the conditions of this ruling, uses any procedure that hinders the effective administration of the Federal firearms laws or regulations, or any legal or administrative difficulties arise due to the use of an electronic acquisition and disposition record, the licensee is no longer authorized to maintain acquisition and disposition records electronically under this ruling until all conditions of this ruling are met.

This ruling supersedes all previous rulings regarding alternate methods or procedures for electronically maintaining firearms acquisition and disposition records, including ATF Rul. 2008-2, *Records Required for Firearms Licensees*, approved August 25, 2008. Further, the references to ATF Rul. 2008-2 in ATF Rul. 2010-8 *Consolidation of Required Records for Manufacturers*, approved December 6, 2010, and ATF Rul. 2011-1, *Consolidation of Required Records for Importers*, approved January 26, 2011, are hereby replaced to reference this ruling.

This ruling replaces and rescinds all previously approved variances covering electronically maintaining firearms acquisition and disposition records. Thus, if a licensee holds a previously approved variance that meets the conditions of this ruling, no ATF variance approval is required to maintain such records.

Date approved: December 17, 2013

B. Todd Jones
Director