



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

Office of the Director

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- 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 478.129: RECORD RETENTION**
- 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, 478.123, 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. 2013-5, Requirements to Keep Firearms Acquisition and Disposition Records Electronically.

ATF Rul. 2016-1

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 prescribes.

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 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 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 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, utilizing various technology (*e.g.*, bar codes). This technology may facilitate better accountability of inventory and reduce the potential for recording 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), 478.125(f), and 27 CFR 479.131, as applicable. Required information includes a record of both the manufacturer and the importer (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 electronic acquisition and disposition bound book software must track corrections and changes utilizing one of the following methods of tracking changes:
 - a. The system must retain any correction as an entirely new entry, without deleting or modifying the original entry. When the software generates the bound book, the system must be able to quickly and easily change views of the bound book as follows:
 1. Only view the original entries;
 2. Only view the corrected entries; and
 3. View both the original and corrected entries in the same bound book.

OR

- b. The system must be able to print the corrections as a separate report containing the same parameters as are required for a paper bound book, including the firearm information, acquisition details, and disposition details. The format of the correction report may follow the traditional bound book format, or may be presented in any column format as long as the necessary information outlined above exists in the report (which may include a notes column).

OR

- c. If a spreadsheet program (*e.g.*, excel) is being utilized, the system must be able to track any edits/corrections/amendments in a “notes” column. Any edits/corrections/amendments may overwrite the original entry so long as the “notes” column explains any edits/corrections/amendments and/or tracked changes (*i.e.*, what was changed, who made the change, and why the change was needed).

3. The system cannot rely upon invoices or other paper/manual systems to provide any of the required information. Also, if a licensee chooses to use an electronic recordkeeping system for any of its required acquisition and disposition records, then all acquisition and disposition records, regardless of type (*e.g.*, gunsmithing, sales, NFA), must also be in the electronic format as prescribed by this ruling.
4. The system must allow queries by firearm serial number, acquisition date, name of the manufacturer or importer, name of the purchaser, address of purchaser or other transferee, and ATF Form 4473 transferor's transaction serial number (if any).
5. The licensee must download all records from the system to a physical storage device (*e.g.* hard drive, Compact Disc (CD), Digital Versatile Disc (DVD), or Universal Serial Bus (USB) Flash Drive) at the licensee's business premises, or print and maintain them at the licensee's business premises:
 - a. at least semiannually; however, if the records are downloaded, from a host facility (*e.g.*, remote server or cloud storage provider) contracted/leased by the licensee as provided in condition #9, they must be downloaded at least daily. In all cases, the records must be downloaded in a format that is unencrypted with the required information readily apparent;
 - b. upon request of an ATF officer (must be provided within 24 hours);
 - c. prior to discontinuance or change of: the software (program); the database system, whether or not maintained by a host facility (*e.g.*, remote server or cloud storage provider); and/or the host facility (if applicable); and
 - d. prior to discontinuance of the licensee's firearms business.

The downloads/printouts 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 downloads/printouts may contain additional columns capturing certain additional information, provided that the required information is readily apparent.

6. If a licensee downloads the records onto a physical storage device (*e.g.*, hard drive, CD, DVD, or USB Flash Drive), the download must be retained on the physical 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.
7. If the licensee prints out the records, the printout must be retained until the next printout is prepared.
8. Downloads/printouts may include antique firearms, but cannot include other merchandise. However, antique firearms must be identified as such in the "firearm type" column.

9. Electronic firearms acquisition and disposition records may be stored on a computer server or device owned and operated by the licensee, or contracted/leased by the licensee through a host facility (*e.g.*, remote server or cloud storage provider), *provided* that:
 - a. The firearms acquisition and disposition records are readily accessible through a computer or device located at the licensed premises during regular business hours; and
 - b. The licensee's server is located within the United States or its territories, or if a host facility is used, that facility must have a business premises within the United States or its territories, and must be subject to U.S. legal process.

Licensees are strongly encouraged to ensure that there are proper and robust security protection measures in place (*e.g.*, encryption) to ensure all data is protected.

10. If the licensee contracts with, leases from, or changes a host facility (*e.g.*, remote server or cloud storage provider), the licensee must, within 30 days, notify his/her respective ATF Area Office of the name and address of the host facility.
11. Each licensee must maintain its firearms acquisition and disposition records on a separate/partitioned database that cannot be intermingled with the records associated with another license.
12. The storage system must back-up the firearms acquisition and disposition records on at least a daily basis to protect the data from accidental deletion or system failure.
13. Licensees must retain all records in accordance with 27 CFR 478.129, ATF Rul. 2010-8, *Consolidation of Required Records for Manufacturers*, and ATF Rul. 2011-1, *Consolidation of Required Records for Importers* (as applicable). It is strongly recommended that upon reaching 20 years, those electronic firearms acquisition and disposition records be either permanently maintained by the licensee or forwarded to the ATF Out-of-Business Records Center for preservation.
14. Upon discontinuance of business, the licensee must send required records to the ATF Out-of-Business Center in accordance with 27 CFR 478.127. The licensee must print out the required records or download them to a physical storage device (as defined in paragraph 5) or, at the discretion of the licensee, both. The complete printout or download 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. The complete printout or downloaded ASCII text file (and file description) must contain all information prescribed by regulation. The NTC converts these files into image files not searchable by name.

All laws, regulations, rulings, procedures, and policies 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.

Held further, this ruling supersedes all previous rulings regarding alternate methods or procedures for electronically maintaining firearms acquisition and disposition records, including ATF Rul. 2013-5, *Requirements to Keep Firearms Acquisition and Disposition Records Electronically*, approved December 17, 2013. Any reference to ATF Rul. 2008-2, *Records Required for Firearms Licensees*, approved August 25, 2008, 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.

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Deputy Director