



INDUSTRY CIRCULAR

DEPARTMENT OF
THE TREASURY

Bureau of Alcohol, Tobacco and Firearms
Washington, D.C. 20226

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Use of Commercial Records in Lieu of Certain Transfer Forms

To proprietors of distilled spirits plants, bonded wine cellars or bonded wineries, dealers in specially denatured alcohol, brewers and others concerned:

PURPOSE. The purpose of this circular is to inform you of a forthcoming ATF Ruling which, upon approved application, will permit the use of commercial records in lieu of certain prescribed ATF transfer forms. The ATF Ruling will read as follows:

"The Bureau of Alcohol, Tobacco and Firearms has been asked whether commercial records may be used in lieu of prescribed ATF forms where ethanol-containing products are transferred in a nontaxpaid status to consignees who are qualified to receive them.

"Under the following ATF regulations, proprietors of distilled spirits plants, bonded wine cellars or bonded wineries, dealers in specially denatured alcohol, and brewers must submit prescribed forms in order to transfer their products in a nontaxpaid status:

1. Section 19.508, 27 C.F.R. pertaining to distilled spirits (ATF Form 236 (5110.27) required);
2. Section 240.613, 27 C.F.R. pertaining to wine (ATF Form 703 (5120.23) required);
3. Section 240.828, 27 C.F.R. pertaining to wine spirits (ATF Form 2629 (5110.26) required);
4. Section 211.148, 27 C.F.R. pertaining to specially denatured alcohol (ATF Form 1473 (5110.16) required);
5. Section 245.145, 27 C.F.R. pertaining to beer (ATF Form 2035 required).

"The following regulations authorize the Director to approve alternate methods or procedures in lieu of those otherwise prescribed provided that good cause is shown for the use of the alternate method, that the method is consistent with the purpose of the regulation and affords equivalent security to the revenue, and that the method will not be contrary to any provision of law and will not result in an increase in cost to the Government or hinder effective administration of the regulations pertaining to the applicable class of products.

1. Section 19.62, 27 C.F.R. for proprietors of distilled spirits plants; and
2. Section 211.22, 27 C.F.R. for dealers in specially denatured alcohol.

"Additionally, section 19.744 provides that distilled spirits plant proprietors may modify certain prescribed forms or maintain substitute records in lieu thereof upon the filing of notice to the Director. Such modified forms or substitute records must contain the information which would have been on the prescribed form or record.

"As far as proprietors of bonded wine cellars or bonded wineries are concerned, section 240.941, 27 C.F.R. provides that the Director may approve methods of operations other than those prescribed in Part 240 where it is shown that the variation is necessary, will not hinder effective administration of Part 240, will not jeopardize the revenue, and is not contrary to any provision of law. As far as brewers are concerned, section 245.221, 27 C.F.R. provides that the Director may approve methods in lieu of those specified in Part 245 where it is shown that it is impractical to conform to the prescribed specifications and where the methods will afford the security and protection to the revenue intended by the prescribed specifications, will not hinder effective administration of Part 245, and will not be contrary to any provision of law.

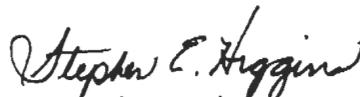
"Proprietors who transfer products upon submission of one of the forms set forth above typically maintain commercial records regarding the transfer which contain all the information required to be set forth on the applicable form. Accordingly, to require proprietors to submit a form which contains no more

information than already exists in their records imposes an unnecessary burden upon them. In effect, they are required to simply duplicate their records.

"Held, proprietors of distilled spirits plants (pursuant to 27 C.F.R. §§ 19.62 and 19.744), proprietors of bonded wine cellars or bonded wineries (pursuant to 27 C.F.R. § 240.942), dealers in specially denatured alcohol (pursuant to 27 C.F.R. § 211.22), and brewers (pursuant to 27 C.F.R. § 245.222) may submit applications requesting to use commercial records in lieu of the transfer forms enumerated herein. Such applications will be approved if the proprietor maintains commercial records which reflect the same information called for by the particular form and if the application satisfies the requirements of the particular provision under which the application is made."

An application shall be accompanied by copies of commercial records which the proprietor wishes to use in lieu of a particular prescribed form, with sample entries appearing on commercial records. As a condition to approval of an application, ATF will provide instructions to the applicant pertaining to distribution of the commercial records.

INQUIRIES. Inquiries concerning this circular should refer to its number and be addressed to the Assistant Director (Regulatory Enforcement), Bureau of Alcohol, Tobacco and Firearms, 1200 Pennsylvania Avenue, NW., Washington, DC 20226.


Acting Director