

**18 U.S.C. 923(g): RECORDS REQUIRED TO BE MAINTAINED BY FEDERAL FIREARMS LICENSEES**  
**27 CFR PART 478, SUBPART H: RECORDS**  
**27 CFR 478.22: ALTERNATIVE METHODS OR PROCEDURES; EMERGENCY VARIATIONS FROM REQUIREMENTS**

*A Federal firearms licensee (FFL) who has an approved variance to use a computerized acquisition and disposition record may periodically download the required records to portable data storage devices instead of printing out such records, even if the original variance did not include this provision.*

**ATF Rul. 2007- 4**

The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) has received inquiries from members of the firearms industry for whom ATF has approved a variance permitting the maintenance of required acquisition and disposition records on computer. Most of these variances require licensees to periodically print a hard copy of the record and store the printout as part of their permanent records. Licensees have asked ATF whether they may download this information to portable data storage devices instead of printing out the information.

The Gun Control Act of 1968 (GCA), as amended, 18 U.S.C. Chapter 44, requires each licensed importer, licensed manufacturer, and licensed dealer to maintain such records of importation, production, shipment, receipt, sale, or other disposition of firearms at his or her place of business for such period, and in such form, as the Attorney General may by regulations prescribe. 18 U.S.C. 923(g)(1)(A). The Attorney General has delegated the authority to administer and enforce the GCA to the Director, ATF. 28 CFR 0.130. Regulations in 27 CFR Part 478 implement the provisions of the GCA.

Subpart H of 27 CFR Part 478 specifies the records required to be created and maintained by an FFL. Subpart H generally requires that a record of an FFL's acquisition and disposition of firearms be maintained in what is commonly referred to as a "bound book." See 27 CFR 478.122 (importers); 478.123 (manufacturers); and 478.125 (dealers and collectors). These regulations specifically allow ATF to authorize an FFL to maintain alternate records when it is shown that such alternate records will accurately and readily disclose the information required to be kept. The regulations further require that an FFL who proposes to use alternate records must submit a letter application to ATF describing the alternate records and the need therefor. Such alternate records shall not be employed by the FFL until approval is received from ATF.

In addition, 27 CFR 478.22 allows for the approval and use of an alternate method or procedure in lieu of a method or procedure specifically prescribed in Part 478. ATF may approve an alternate method or procedure when it is found 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.

ATF recognizes that many businesses rely upon computers to maintain records of inventory, sales, customer lists and other business information. Creating and maintaining records in a computer database, rather than in paper form, is accepted throughout the business community as a reliable, cost-efficient means of maintaining business records.

ATF has approved a significant number of variances allowing an FFL to maintain computerized acquisition and disposition records instead of the handwritten bound book. ATF routinely approves requests to utilize computerized records, finding that the use of such records is substantially equivalent to the methods set forth in Subpart H of 27 CFR Part 478. All approvals of such variances are conditional and may be withdrawn at any time.

One of the conditions that ATF generally places on an FFL receiving such a variance is that the FFL must periodically print out acquisition and disposition records from the computer system. In this regard, ATF usually mandates that the FFL print out the records: (1) at least semiannually; (2) upon the request of an ATF official; (3) when the database is purged; and (4) when the license is terminated. When requested, ATF has authorized an FFL to download the required acquisition and disposition records to portable storage devices such as Compact Discs (CDs), Digital Versatile Discs (DVDs), and USB Flash Drives, instead of conducting the periodic printout of those records, provided that the records are capable of being presented in a printed format at ATF's request. ATF recognizes that printed records take up space and are not as easy to search as records maintained in a digital format.

Accordingly, ATF believes that good cause exists for authorizing the use of computers and portable storage devices to maintain the records of acquisition and disposition of firearms required by 27 CFR Part 478. The use of computers and portable storage devices to maintain required acquisition and disposition records, contingent upon the requirements outlined in the approved variance, is consistent with the intent of the GCA, as it will result in a permanent, reliable record that will accurately indicate acquisitions and dispositions of firearms and armor piercing ammunition. Allowing flexibility through variances permitting the downloading and maintenance of records on portable storage devices will increase the effective administration of the GCA by ATF.

*Held*, FFLs holding an approved variance to keep required records on computer may periodically (at periods specified in the variance) download such records onto portable

storage media, such as CDS, DVDs, and USB Flash Drives instead of periodically printing out such records under the following conditions:

1. The FFL has received an approved computer recordkeeping variance from ATF.
2. The records must be downloaded to portable storage media at the time periods specified in the original variance, and in any event at least semiannually.
3. The FFL and the computer system in use by the FFL must have the capability of printing required records at ATF's request.
4. The records must be printed and stored as part of the FFL's permanent records when the database is purged.
5. The records must be printed and maintained as part of the FFL's permanent records when the license is terminated.

If administrative difficulties arise through the use of portable storage media instead of paper printouts, the FFL will be required to provide periodic paper printouts of such records at the request of the Director of Industry Operations.

FFLs must comply with all other provisions of 27 CFR Part 478 as prescribed.

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Acting Director