

information required on the form and by this part. Form 5400.8 must be attached to the distributor's copy of the Form 5400.4 and retained in his permanent records in accordance with § 555.121.

(7) A licensee or permittee disposing of surplus stock may sell or distribute commercially manufactured black powder in quantities of 50 pounds or less to a holder of a limited permit, nonlicensee, or nonpermittee if the black powder is intended to be used solely for sporting, recreational, or cultural purposes in antique firearms as defined in 18 U.S.C. 921(a)(16), or in antique devices as exempted from the term "destructive device" in 18 U.S.C. 921(a)(4).

(Approved by the Office of Management and Budget under control number 1140-0075)

Par. 20. Section 555.106 is amended by:

- a. Revising paragraph (a);
- b. Removing the word "or" at the end of paragraph (c)(3);
- c. Removing the period at the end of paragraph (c)(4) and adding in its place a semicolon;
- d. Adding new paragraphs (c)(5), (c)(6), and (c)(7); and by removing "§ 555.105(g)" in paragraph (d) and adding in its place "§ 555.105(a)(7) or (b)(7)" to read as follows:

§ 555.106 Certain prohibited distributions.

(a) A licensee or permittee may not distribute explosive materials to any person except—

- (1) A licensee;
- (2) A holder of a user permit; or
- (3) A holder of a limited permit who is a resident of the State where distribution is made and in which the premises of the transferor are located.

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(c) * * *

(5) Is an alien, other than an alien who—

- (i) Is lawfully admitted for permanent residence (as that term is defined in section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101));
- (ii) Is in lawful nonimmigrant status, is a refugee admitted under section 207 of the Immigration and Nationality Act (8 U.S.C. 1157), or is in asylum status under section 208 of the Immigration and Nationality Act (8 U.S.C. 1158), and—

(A) Is a foreign law enforcement officer of a friendly foreign government, as determined by the Attorney General in consultation with the Secretary of State, entering the United States on official law enforcement business, and the shipping, transporting, possession, or receipt of explosive materials is in furtherance of this official law enforcement business;

(B) Is a person having the power to direct or cause the direction of the management and policies of a corporation, partnership, or association licensed pursuant to section 843(a), and the shipping, transporting, possession, or receipt of explosive materials is in furtherance of such power;

(C) Is a member of a North Atlantic Treaty Organization (NATO) or other friendly foreign military force, as determined by the Attorney General in consultation with the Secretary of Defense, (whether or not admitted in a nonimmigrant status) who is present in the United States under military orders for training or other military purpose authorized by the United States, and the shipping, transporting, possession, or receipt of explosive materials is in furtherance of the military purpose; or

(D) Is lawfully present in the United States in cooperation with the Director of Central Intelligence, and the shipment, transportation, receipt, or possession of the explosive materials is in furtherance of such cooperation;

(6) Has been discharged from the armed forces under dishonorable conditions; or

(7) Having been a citizen of the United States, has renounced citizenship.

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Par. 21. Section 555.108 is amended by removing the word "permittee" wherever it appears in paragraph (a) and adding in its place the phrase "holder of a user permit."

Par. 22. Section 555.110 is added to subpart F to read as follows:

§ 555.110 Furnishing of samples (Effective on and after January 24, 2003).

(a) *In general.* Licensed manufacturers and licensed importers and persons who manufacture or import explosive materials or ammonium nitrate must, when required by letter issued by the Director, furnish—

- (1) Samples of such explosive materials or ammonium nitrate;
- (2) Information on chemical composition of those products; and
- (3) Any other information that the Director determines is relevant to the identification of the explosive materials or to identification of the ammonium nitrate.

(b) *Reimbursement.* The Director will reimburse the fair market value of samples furnished pursuant to paragraph (a) of this section, as well as reasonable costs of shipment.

(Approved by the Office of Management and Budget under control number 1140-0073)

Par. 23. Section 555.121 is amended by removing the word "subpart" in paragraph (a)(2) and adding in its place the word "part" and by revising paragraph (b) to read as follows:

§ 555.121 General.

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(b) ATF officers may enter the premises of any licensee or holder of a user permit for the purpose of examining or inspecting any record or document required by or obtained under this part (see § 555.24). Section 843(f) of the Act requires licensees and holders of user permits to make all required records available for examination or inspection at all reasonable times. Section 843(f) of the Act also requires licensees and permittees (including holders of limited permits) to submit all reports and information relating to all required records and their contents, as the regulations in this part prescribe.

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Par. 24. Section 555.125 is revised to read as follows:

§ 555.125 Records maintained by permittees.

(a) *Records maintained by permittees prior to May 24, 2003.* (1) Each permittee must take true and accurate physical inventories that will include all explosive materials on hand required to be accounted for in the records kept under this part. The permittee must take a special inventory—

- (i) At the time of commencing business, which is the effective date of the permit issued upon original qualification under this part;
- (ii) At the time of changing the location of his premises to another region;
- (iii) At the time of discontinuing business; and
- (iv) At any other time the regional director (compliance) may in writing require. Each special inventory is to be prepared in duplicate, the original of which is submitted to the regional director (compliance) and the duplicate retained by the permittee. If a special inventory required by paragraphs (a)(1)(i) through (iv) of this section has not been taken during the calendar year, a permittee is required to take at least one physical inventory. However, the record of the yearly inventory, other than a special inventory required by paragraphs (a)(1)(i) through (iv) of this section, will remain on file for inspection instead of being sent to the regional director (compliance). (See also § 555.127.)

(2) Each permittee must, not later than the close of the next business day following the date of acquisition of