

explosive materials, enter the following information in a separate record:

- (i) Date of acquisition;
- (ii) Name or brand name of manufacturer;
- (iii) Manufacturer's marks of identification;
- (iv) Quantity (applicable quantity units, such as pounds of explosives, number of detonators, number of display fireworks, etc.);
- (v) Description (dynamite (dyn), blasting agents (ba), detonators (det), display fireworks (df), etc., and size (length and diameter or diameter only of display fireworks)); and
- (vi) Name, address, and license number of the persons from whom the explosive materials are received.

(3) Each permittee must, not later than the close of the next business day following the date of disposition of surplus explosive materials to another permittee or a licensee, enter in a separate record the information prescribed in § 555.124(c).

(4) Each permittee must maintain separate records of disposition of surplus stocks of explosive materials to nonlicensees or nonpermittees as prescribed in § 555.126.

(5) The regional director (compliance) may authorize alternate records to be maintained by a permittee to record his acquisition of explosive materials, when it is shown by the permittee that alternate records will accurately and readily disclose the required information. A permittee who proposes to use alternate records must submit a letter application to the regional director (compliance) and must describe the proposed alternate records and the need for them. Alternate records are not to be employed by the permittee until approval is received from the regional director (compliance).

(b) *Records maintained by permittees on and after May 24, 2003.* (1) Each holder of a user permit 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;
- (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 (b)(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. The record of the yearly inventory, other than a special inventory required by paragraphs (b)(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 holder of a limited permit must take true and accurate physical inventories, at least annually, that will include all explosive materials on hand required to be accounted for in the records kept under this part.

(3) Each holder of a user permit or a limited permit must, not later than the close of the next business day following the date of acquisition of explosive materials, enter the following information in a separate record:

- (i) Date of acquisition;
- (ii) Name or brand name of manufacturer;
- (iii) Manufacturer's marks of identification;
- (iv) Quantity (applicable quantity units, such as pounds of explosives, number of detonators, number of display fireworks, etc.);
- (v) Description (dynamite (dyn), blasting agents (ba), detonators (det), display fireworks (df), etc., and size (length and diameter or diameter only of display fireworks)); and
- (vi) Name, address, and license number of the persons from whom the explosive materials are received.

(4) Each holder of a user permit or a limited permit must, not later than the close of the next business day following the date of disposition of surplus explosive materials to another permittee or a licensee, enter in a separate record the information prescribed in § 555.124(c).

(5) When a record book is used as a permittee's permanent record the permittee may delay entry of the required information for a period not to exceed seven days if the commercial record contains all of the required information prescribed by paragraphs (b)(3) and (b)(4) of this section. However, the commercial record may be used instead of a record book as a permanent record provided that the record contains all of the required information prescribed by paragraphs (b)(3) and (b)(4) of this section.

(6) Each holder of a user permit or a limited permit must maintain separate records of disposition of surplus stocks of explosive materials to holders of a

limited permit as prescribed in § 555.126.

(7) The regional director (compliance) may authorize alternate records to be maintained by a holder of a user permit or a limited permit to record his acquisition of explosive materials, when it is shown by the permittee that alternate records will accurately and readily disclose the required information. A permittee who proposes to use alternate records must submit a letter application to the regional director (compliance) and must describe the proposed alternate records and the need for them. Alternate records are not to be employed by the permittee until approval is received from the regional director (compliance).

(Approved by the Office of Management and Budget under control number 1140-0030)

Par. 25. Section 555.126 is amended by:

- a. Revising the section heading;
- b. Adding a new heading to paragraph (a);
- c. Redesignating paragraphs (a) through (f) as (a)(1) through (a)(6);
- d. Removing “§ 555.105(c)” in redesignated paragraph (a)(2) and adding in its place “§ 555.105(a)(3)”;
- e. Removing “paragraph (d)” in redesignated paragraph (a)(3) and adding in its place “paragraph (a)(4)”;
- f. Adding a new paragraph (b); and
- g. Revising the parenthetical text at the end of the section to read as follows:

§ 555.126 Explosives transaction record for distribution of explosive materials prior to May 24, 2003 and Limited Permittee Transaction Report for distribution of explosive materials on and after May 24, 2003.

(a) *Explosives transaction record for distribution of explosive materials prior to May 24, 2003.*

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(b) *Limited Permittee Transaction Report for distribution of explosive materials on and after May 24, 2003.* (1) A licensee or permittee may not distribute explosive materials to any person who is not a licensee or permittee. A licensee or permittee may not distribute explosive materials to a limited permittee unless the distributor records the transaction on ATF Form 5400.4, Limited Permittee Transaction Report.

(2) Before distributing explosive materials to a limited permittee, the licensee or permittee must obtain an executed Form 5400.4 from the limited permittee with an original unaltered and unexpired Intrastate Purchase of Explosives Coupon (IPEC) affixed. Except when delivery of explosive materials is made by a common or