

authority as required for the execution of the bond.

(72 Stat. 1421; 26 U.S.C. 5711)

§ 270.408 Approval of bond and extension of coverage of bond.

No person shall commence operations under any bond, nor extend operations, until such person receives from the regional director (compliance) notice of approval of the bond or an appropriate extension of coverage of the bond required under this subpart. Upon receipt of an approved bond or extension of coverage of bond from the regional director (compliance), such bond or extension of coverage of bond shall be retained by the manufacturer of cigarette papers and tubes in factory and shall be made available for inspection by any ATF officer upon request.

(72 Stat. 1421; 26 U.S.C. 5711)

§ 270.409 Termination of liability of surety under bond.

The liability of a surety on any bond required by this subpart shall be terminated only as to operations on and after the effective date of a superseding bond, or the date of approval of the discontinuance of operations by the manufacturer of cigarette papers and tubes, or otherwise in accordance with the termination provisions of the bond. The surety shall remain bound in respect of any liability for unpaid taxes, penalties and interest, not in excess of the amount of the bond, incurred by the manufacturer while the bond is in force.

(72 Stat. 1421; 26 U.S.C. 5711)

§ 270.410 Release of pledged securities.

Securities of the United States pledged and deposited as provided in § 270.403 shall be released only in accordance with the provisions of 31 CFR part 225. Such securities will not be released by the regional director (compliance) until liability under the bond for which they were pledged has been terminated. When the regional director (compliance) is satisfied that they may be released, the regional director (compliance) shall fix the date or dates on which a part or all of such securities may be released. At any time prior to the release of such securities, the re-

gional director (compliance) may extend the date of release for such additional length of time as is deemed necessary.

(61 Stat. 650, 72 Stat. 1421; 31 U.S.C. 9301, 9303; 26 U.S.C. 5711)

OPERATIONS BY MANUFACTURERS

Records

§ 270.421 General.

Every manufacturer of cigarette papers and tubes shall keep records of the daily operations and transactions, which shall reflect the date and number of books or sets of cigarette papers of each different numerical content and the date and number of cigarette tubes:

- (a) Manufactured;
- (b) Received, without payment of tax from another factory, an export warehouse, customs custody, or by withdrawal from the market;
- (c) Removed subject to tax;
- (d) Removed, without payment of tax, for export purposes, use of the transfer in bond pursuant to § 270.451; or
- (e) Lost or destroyed.

The entries for each day in the records maintained or kept under this subpart will be considered timely if made by the close of the business day following that on which the operations or transactions occur. No particular form of records is prescribed, but the information required shall be readily ascertainable from the records kept.

(72 Stat. 1423; 26 U.S.C. 5741)

Reports

§ 270.422 General.

Every manufacturer of cigarette papers and tubes shall make a report, on ATF Form 2138 (5230.3), to the regional director (compliance), of the number of books or sets of cigarette papers of each different numerical content and the number of cigarette tubes manufactured, received, removed, and lost or destroyed. The report shall be made at the times specified in this subpart and shall be made whether or not any operations or transactions occurred during the period covered by the report. A copy of each report shall be retained by