lieu of surety bonds is available from the Bureau of the Public Debt, Office of the Commissioner, Government Securities Regulations Staff. Current information and guidance from the Bureau of the Public Debt may be found at http://www.publicdebt.treas.gov.

(31 U.S.C. 9301, 9303; 31 CFR part 380)

§ 19.155 Change of surety bond terms—consent of surety.

In order to change the terms of an approved bond, both the principal and the surety company that guaranteed the bond must agree to the change. TTB must also approve the change. All changes to the terms of a bond must be executed on form TTB F 5000.18, Change of Bond (Consent of Surety) by both the principal and the surety with the same formality and proof of authority as required for the original bond. The completed, executed TTB F 5000.18 must be submitted to the National Revenue Center.

(26 U.S.C. 5173)

§ 19.156 Power of attorney for surety.

(a) Requirement for power of attorney. Every bond and every consent of surety filed with TTB in which an agent or officer executed the bond or consent on behalf of the surety must be supported by a power of attorney authorizing the agent or officer to execute the bond or consent. The power of attorney assures TTB that the person who signed the bond on behalf of the surety has the legal authority to obligate the surety.

(b) Form of power of attorney and endorsement. A power of attorney will be prepared on the surety’s own form, and must be executed under the surety’s corporate seal. If the power of attorney submitted is other than a manually signed original, it must be accompanied by a certification from the surety that the power of attorney is valid.

(c) Additional documentation. The appropriate TTB officer authorized to approve and accept the bond may require additional evidence of the authenticity of signatures and the authority of persons signing on behalf of the surety to execute the bond or consent.

(31 U.S.C. 9304, 9306)

§ 19.157 Disapproval of bonds and consents of surety.

(a) Grounds for disapproval. The appropriate TTB officer may disapprove any bond or consent of surety required by this part if the principal or any person having ownership, control or responsibility for actively managing the business of the surety has been previously convicted, in a court of competent jurisdiction of:

1. Any fraudulent noncompliance with any provision of any law of the United States relating to internal revenue or customs taxation of spirits, wines, or beer, or if the offense was compromised by payment of penalties or otherwise,

2. Any felony under a law of any State or the District of Columbia, or the United States, prohibiting the manufacture, sale, importation, or transportation of spirits, wine, beer, or other intoxicating liquor.

(b) Appeal. If the appropriate TTB officer disapproves a bond or consent of surety, the person giving the bond may appeal the disapproval to the Administrator, who will hear the appeal. The decision of the Administrator will be final.

(26 U.S.C. 5551)

Requirements for Operations and Withdrawal Bonds


(a) General. Any person who intends to establish a distilled spirits plant must furnish an operations bond (or a unit bond, see §19.165) covering distilled spirits operations at such plant on TTB F 5110.56 with the original application to register the distilled spirits plant.

(b) Approval of bond. The appropriate TTB officer may require a statement, executed under the penalty of perjury, as to whether the principal, or any person owning, controlling, or managing the business of the applicant has been convicted of, or has compromised any offense listed in §19.157(a)(1), or has been convicted of any offense listed in §19.157(a)(2). If the above statement
§ 19.162 Operations bond for distilled spirits plant and adjacent bonded wine cellar.

(a) One bond satisfying two requirements. A proprietor who operates a bonded wine cellar that is adjacent to the proprietor’s distilled spirits plant may file a single operations bond to cover the operations of the distilled spirits plant and the bonded wine cellar. A proprietor who files this type of bond satisfies the requirement in 26 U.S.C. 5173 for an operations bond covering the distilled spirits plant and the requirement in 26 U.S.C. 5354 for a bond covering wine and spirits possessed at, and in transit to, the bonded wine cellar. (The proprietor may still have to obtain a supplemental bond for the wine cellar to cover liabilities resulting from deferred payment of tax. See the second sentence of 26 U.S.C. 5354.)

(b) One bond combining terms and coverage of separate bonds. An operations bond filed under paragraph (a) of this section must contain the same terms and conditions that would be in separate bonds for the distilled spirits plant and for the bonded wine cellar. The proprietor may not allocate or divide the penal sum between the distilled spirits plant and the bonded wine cellar. The total amount of the bond must be available to satisfy any liability incurred under the terms of the bond at either facility.

(c) Persons qualified for a single bond. A proprietor may choose to file a single operations bond for a distilled spirits plant and adjacent bonded wine cellar only if:

1. Such distilled spirits plant is qualified under subpart D of this part for the production of distilled spirits; and

2. Such wine cellar and distilled spirits plant are operated by the same person (or in the case of a corporation, by such corporation and its controlled subsidiaries).

§ 19.163 Area operations bond.

(a) Area operations bond covering multiple locations. A person who operates more than one distilled spirits plant within the geographical area serviced by the National Revenue Center may submit to TTB an area operations bond covering the operations of any two or more such plants and any bonded wine cellars that are adjacent to such plants and which otherwise could be covered by an operations bond. Area operations bonds filed under this section will be in lieu of the operations bond requirements for single distilled spirits plants under §§19.161 and 19.166 and must contain the same terms and conditions as those contained in separate bonds filed for single distilled spirits plants. Any person who files an area operations bond may not allocate or divide the penal sum of the area operations bond between the separate locations and the total penal sum of the bond must be available to satisfy liability incurred at any of the covered locations.

(b) Area operations bonds filed by corporations. An area operations bond may only cover distilled spirits plants and adjacent bonded wine cellars that are operated by the same person. For purposes of this section, a corporation and its controlled subsidiaries are considered to be one person. Further, a controlled subsidiary is a corporation in which more than 50 percent of the voting power is controlled by the parent corporation. Consequently, an area operations bond may cover distilled spirits plants and adjacent bonded wine cellars operated by a parent corporation and one or more of its controlled subsidiaries. The name of each corporation that operates a covered facility must appear on the bond as a principal, whether the operating corporation is the parent or a subsidiary. The bond must bear an authorized signature for each operating corporation appearing on the bond.