

**Bureau of Alcohol, Tobacco and Firearms, Treasury**

**§ 20.79**

political subdivision of a State, or the District of Columbia.

[T.D. ATF-199, 50 FR 9162, Mar. 6, 1985, as amended by 50 FR 20099, May 14, 1985]

**§ 20.72 Evaluation of bond penal sum.**

(a) *Permittee's evaluation.* Each permittee shall, for the period from July 1 through the following June 30, make an annual evaluation of the permittee's previous and future needs for specially denatured spirits. Based on the results of this evaluation:

(1) The permittee shall file a new bond in increased penal sum, if the existing bond no longer meets the penal sum requirements of § 20.71, or

(2) The permittee may file a new bond in decreased penal sum, if the existing bond exceeds the penal sum requirements of § 20.71.

(b) *Authority of appropriate ATF officer.* The appropriate ATF officer may, at any time, require a permittee to file a new bond in a larger penal sum, or require a satisfactory explanation why a new bond should not be filed.

**§ 20.73 Corporate surety.**

(a) Surety bonds required by this part may be given only with corporate sureties holding certificates of authority from, and subject to the limitations prescribed by, the Secretary in the current revision of Treasury Department Circular No. 570.

(b) Treasury Department Circular No. 570 is published in the FEDERAL REGISTER annually as of the first workday in July. As they occur, interim revisions of the circular are published in the FEDERAL REGISTER. Copies may be obtained from the Surety Bond Branch, Financial Management Service, Department of the Treasury, Washington, DC 20226.

[T.D. ATF-199, 50 FR 9162, Mar. 6, 1985; 50 FR 20099, May 14, 1985]

**§ 20.74 Filing of powers of attorney.**

Each bond, and each consent to changes in the terms of a bond, must be accompanied by a power of attorney authorizing the agent or officer who executed the bond or consent to act on behalf of the surety. The appropriate ATF officer who is authorized to approve the bond may require additional

evidence of the authority of the agent or officer to execute the bond or consent.

**§ 20.75 Execution of powers of attorney.**

The power of attorney shall be prepared on a form provided by the surety company and executed under the corporate seal of the company. If the power of attorney submitted is not a manually signed original, it shall be accompanied by certification of its validity.

**§ 20.76 Deposit of securities instead of corporate surety.**

Instead of corporate surety, the principal may pledge and deposit as surety for the bond, securities which are transferable and which are guaranteed as to both interest and principal by the United States, under the provisions of 31 CFR part 225.

**§ 20.77 Consents of surety.**

Consents of surety to changes in the terms of bonds shall be executed on Form 1533 by the principal and by the surety with the same formality and proof of authority as is required for the execution of bonds.

**§ 20.78 Strengthening bonds.**

(a) When the penal sum of any bond becomes insufficient, the principal shall either give a strengthening bond with the same surety to attain a sufficient penal sum, or give a new bond to cover the entire liability. A strengthening bond will not be approved if it bears any notation which is intended or which may be considered:

(1) To be a release of any former bond, or

(2) As limiting the amount of any bond to less than its full penal sum.

(b) Strengthening bonds shall show the date of execution and the effective date, and shall be marked "Strengthening Bond."

**§ 20.79 Superseding bonds.**

Superseding bonds are required when insolvency or removal of any surety occurs. Superseding bonds may also be required at the discretion of the appropriate ATF officer when any other contingency affects the validity or impairs