



U.S. Department of Justice

Bureau of Alcohol, Tobacco,  
Firearms and Explosives

*Area Supervisor, Helena II*

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*Denver Field Division*

[www.atf.gov](http://www.atf.gov)

April 25, 2024

Gary Marbut  
President, Montana Shooting Sports Association  
P.O. Box 4924  
Missoula, MT 59806

Mr. Marbut,

The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) is in receipt of your letter, dated April 16, 2024, in which you posed questions relating to ATF's Final Rule 2022R-17F, Definition of "Engaged in the Business" as a Dealer in Firearms, which amends ATF's regulations in title 27, Code of Federal Regulations ("CFR"), part 478. Please note that in an effort to answer many common questions from the public and to clarify the intent and purpose of Final Rule 2022R-17F, ATF has made available many resources on its public website, which can found at the following link: [Final Rule: Definition of "Engaged in the Business" as a Dealer in Firearms | Bureau of Alcohol, Tobacco, Firearms and Explosives \(atf.gov\)](#). Available on ATF's public website is a list of Questions & Answers relating to Final Rule 2022R-17F, including (but not limited to) the following:

**Q – Is every firearm sale deemed to be done with a predominant intent to earn a profit (PEP), thus requiring a license?**

A – No. For example, a person may wish to get rid of unsuitable or damaged firearms quickly, so the person intends to sell them at a loss for less than fair market value. In that case, there is only an intent to minimize a pecuniary loss, not obtain a pecuniary gain. Likewise, a person who transfers firearms—as bona fide gifts; occasionally to obtain more valuable, desirable, or useful firearms for the person's personal collection; occasionally to a licensee or to a family member for lawful purposes; to liquidate all or part of a personal collection; or to liquidate firearms that are inherited, or pursuant to court order—does not usually have a predominant intent to earn a profit from those activities. This is true even if the seller has a secondary motive to earn pecuniary gain from those sales. To make this clear, the final regulatory text now expressly states that any such evidence, if reliable, may be used to rebut the PEP presumptions.

**Q – Does the final rule place additional restrictions on law-abiding citizens who wish to transfer firearms to family or friends, or to sell all or part of a personal collection of firearms?**

A – This rule does not place additional restrictions on law-abiding citizens who occasionally acquire or sell personal firearms to enhance a personal collection or for a hobby. This rule does not prevent law abiding persons from purchasing or possessing firearms, from selling inherited firearms, or from using their personal firearms for lawful purposes such as self-defense, reenactments, or hunting. The rule includes a non-exhaustive list of conduct that does not constitute being engaged in the business and that may also be used to rebut the presumptions, as well as other examples of conduct that does not demonstrate a predominant intent to profit.

**Q – I have many firearms purchased for hunting, but now want to sell them for a profit. How does this rule apply to me?**

A – Firearms purchased for the hobby of hunting fall within the rule’s definition of “personal collection” and may, for example, be sold occasionally to obtain more valuable, desirable, or useful firearms for the person’s personal collection, occasionally to a licensee or to a family member for lawful purposes, or sold as part of a liquidation (without restocking) of all or part of a personal collection. This is true even if the seller has a secondary motive to obtain pecuniary gain from those sales.

We believe the above Questions & Answers adequately address your situation and the questions posed in your letter. However, if after reviewing the information contained in this response and the information provided in the attached link to the ATF public website, should you have further questions, feel free to contact ATF’s Firearms Industry Programs Branch at [fipb@atf.gov](mailto:fipb@atf.gov).

Sincerely yours,



Lori Schroeder  
Helena II Area Supervisor  
Bureau of Alcohol, Tobacco, Firearms and Explosives