reasonable times have access to, for
the purpose of examination, and the
right to copy any documentary evi-
dence of any person, partnership, or
corporation being investigated or pro-
ceeded against. An appropriate TTB of-
icer shall also have the power to re-
quire by subpoena the attendance and
testimony of witnesses and the produc-
tion of all such documentary evidence
relating to any matter under investiga-
tion, upon a satisfactory showing the
requested evidence may reasonably be
expected to yield information relevant
to any matter being investigated under
the Act.

Subpart B—Definitions

§ 11.11 Meaning of terms.

As used in this part, unless the con-
text otherwise requires, terms have the
meanings given in this section. Any
other term defined in the Federal Alco-
hol Administration Act and used in
this part shall have the meaning as-
signed to it by that Act.

Act. The Federal Alcohol Administra-
tion Act.

Administrator. The Administrator, Al-
cohol and Tobacco Tax and Trade Bu-
reau, Department of the Treasury, Wash-
ington, DC.

Appropriate TTB officer. An officer or
employee of the Alcohol and Tobacco
Tax and Trade Bureau (TTB) author-
ized to perform any functions relating
to the administration or enforcement
of this part by TTB Order 1135.11, Dele-
gation of the Administrator’s Authori-
ties in 27 CFR Part 11, Consignment
Sales.

Exchange. The transfer of distilled
spirits, wine, or malt beverages from a
trade buyer to an industry member
with other products taken as a replace-
ment.

Industry member. Any person engaged
in business as a distiller, brewer, rec-
tifier, blender, or other producer, or as
an importer or wholesaler of distilled
spirits, wine or malt beverages, or as a
bottler or warehouseman and bottler,
of distilled spirits.

Product. Distilled spirits, wine or
malt beverages, as defined in the Fed-
eral Alcohol Administration Act.

Retailer. Any person engaged in the
sale of distilled spirits, wine or malt
beverages to consumers. A wholesaler
who makes incidental retail sales rep-
resenting less than five percent of the
wholesaler’s total sales volume for the
preceding two-month period shall not
be considered a retailer with respect to
such incidental sales.

Return. The transfer of distilled spir-
its, wine, or malt beverages from a
trade buyer to the industry member
from whom purchased, for cash or cred-
it.

Trade buyer. Any person who is a
wholesaler or retailer of distilled spir-
its, wine or malt beverages.

Subpart C—Unlawful Sales
Arrangements

§ 11.21 General.

It is unlawful for an industry mem-
ber to sell, offer for sale, or contract to
sell to any trade buyer, or for any such
trade buyer to purchase, offer to pur-
chase, or contract to purchase any
products (a) on consignment; or (b)
under conditional sale; or (c) with the
privilege of return; or (d) on any basis
other than a bona fide sale; or (e) if any
part of the sale involves, directly or in-
directly, the acquisition by such person
of other products from the trade buyer
or the agreement to acquire other
products from the trade buyer. Trans-
actions involving the bona fide return
of products for ordinary and usual com-
mercial reasons arising after the prod-
uct has been sold are not prohibited.

§ 11.22 Consignment sales.

Consignment sales are arrangements
wherein the trade buyer is under no ob-
ligation to pay for distilled spirits,
wine, or malt beverages until they are
sold by the trade buyer.