



Office of State Revenue
NSW TREASURY

ABN: 77 456 270 638

Revenue Ruling No. BF6

Notification of Change in Source of Supply of Tobacco and Petroleum Products

PREAMBLE

Section 37 of the Business Franchise Licences (Tobacco) Act, 1987 and section 36 of the Business Franchise Licences (Petroleum Products) Act, 1987 detail the particulars to be furnished by applicants for licences. Common to both Acts is the requirement to provide the names and addresses of the persons from whom tobacco or petroleum products will be purchased (see section 37(d) of the Tobacco Act and section 36(d) of the Petroleum Products Act) before obtaining a licence. It is also necessary that this information be kept up to date.

Section 40 of the Tobacco Act and section 39 of the Petroleum Products Act require a person who holds a licence under either Act to notify the Chief Commissioner of any change in the particulars last furnished to the Chief Commissioner in accordance with Sections 37 and 40 of the Tobacco Act and Sections 36 and 39 of the Petroleum Products Act.

RULING

1. The names of suppliers are critical to the assessment of franchise fees since, if any product sold was purchased from a person who was not the holder of a licence under the relevant Act, additional licence fees are payable by the purchaser, in accordance with section 41 (1)(c) and (d) of the Tobacco Act or section 40(1)(c) and (d) of the Petroleum Products Act.
2. The Acts require applicants for licences to supply the names and addresses of all persons from whom goods will be purchased.
3. The Acts impose an obligation on licensees to notify the Chief Commissioner of all changes in source of supply, no matter how casual or brief the change may be. This information is required to enable the correct assessment of licence fees and to identify unlicensed suppliers.
4. The licences of existing licensees will not be automatically renewed unless the Department has been advised of changed circumstances including any change in source of supply before the expiration of the existing licensing period.
5. Similarly, if a licensee decides to make a change in future source of supply which will take effect during a current licence period or the next licence period, the licensee should not wait until a purchase from the new supplier has been made or until the licence is due for renewal, but should notify the Chief Commissioner of the proposed change immediately to ensure continuity of the licence.

Lang Centre
Cnr Hunter and Marsden Streets
Parramatta NSW
GPO Box 4042
Sydney NSW 2001
DX 456 Sydney
Phone (02) 9639 6200
Facsimile (02) 9639 6464
Internet www.nsw.gov.au

6. Any person who continues to trade even though their licence was not automatically renewed, may be prosecuted for trading without a licence, for which the maximum penalty is \$5,000. In addition, any tobacco or petroleum in the person's possession which exceeds the prescribed quantities and which represents evidence of an offence, such as trading without a licence, may be seized and kept until proceedings for the offence have been dealt with. If the offence is proved the Court may order the product to be forfeited to the Crown.

A. D. CLYNE,
Chief Commissioner for Business,
Franchise Licences (Tobacco) and Business,
Franchise Licences (Petroleum Products).
29th December 1987