

ATIKAMEKSHENG ANISHNAWBEK

TOBACCO POLICY



TABLE OF CONTENTS

SECTION 01: INTRODUCTION

01-01 Annual Review of the Policy..... 3
01-02 Purpose..... 4
01-03 Glossary of Terms 5

SECTION 02: ELIGIBILITY

02-01 Requirements 6
02-02 Criteria 7

SECTION 03: APPLICATION PROCESS

03-01 Initial and Recurring Application 8

SECTION 04: TOBACCO QUOTA DETERMINATION AND FEES

04-01 Calculation of Tobacco Quota..... 9
04-02 Transfer of Tobacco Quota..... 10
04-03 Tobacco Quota Fees..... 11

SECTION 05: REVOCATION OF TOBACCO RETAILER LICENSE AND TOBACCO QUOTA

05-01 Revocation of Tobacco Quota..... 12

APPENDICES:

- 1. Atikameksheng Anishnawbek Tobacco Retailer License and Tobacco Quota Application Form

Section: **Introduction**
Policy Title: **ANNUAL REVIEW OF THE POLICY**
Policy #: **01-01**
Date Approved: **December 16, 2019**

Previous Date Reviewed:
Previous Date Approved:

In order to reflect the changing environment and the needs of the Atikameksheng Anishnawbek (AA), the Tobacco Policy will typically be reviewed on an annual basis. The policy will be reviewed both in terms of content and format.

1.1 Components of the Review

The policy will be reviewed for any one or more of the following reasons:

- Increasing consistency throughout the policy
- Improving user friendliness
- Making revisions to procedures
- Reducing duplication
- Identifying and incorporating required policies that are not in place
- Improving clarity of meaning and readability
- Maintaining consistency with changes

1.2 Who Is Responsible

The Chief Executive Officer and Director of Planning and Infrastructure will be responsible for reviewing the policy on an annual basis. The Planning and Infrastructure Staff will act as a resource.

1.3 Policy Disclaimer

This policy will supersede all previous rules, regulations, Band Motions, and practices regarding Tobacco Quota Allocations and compliance.

This policy may be amended from time to time by Chief and Council during the duly convened process of Council Meetings. Atikameksheng Members will be notified in writing of any changes to the Tobacco Policy.

Section: **Introduction**
Policy Title: **PURPOSE OF THE POLICY**
Policy #: **01-02**
Date Approved: **December 16, 2019**

Previous Date Reviewed:
Previous Date Approved:

The Tobacco Policy has been developed to provide consistency, transparency, fairness and accountability to all Members and Retailers when it comes to the management and distribution of tax exempt quota tobacco available to Atikameksheng Anishnawbek from the Ontario First Nation Cigarette Allocations (OFNCA); and to assist in the development of own source revenues.

The Tobacco Policy will outline:

1. Who is eligible to apply for AA tobacco retail store license and tobacco quota
2. The criteria for qualification for a tobacco retail store license and tobacco quota
3. The application for a tobacco license and a tobacco quota
4. Tobacco quota allocation determination methodology and fees
5. The criteria for revocation of AA tobacco retailer license and tobacco quota allocation

Policy Layout

The policies and procedures are grouped into 5 sections.

Section: **Introduction**
Policy Title: **GLOSSARY OF TERMS**
Policy #: **01-03**
Date Approved: **December 16, 2019**

Previous Date Reviewed:
Previous Date Approved:

AA: Atikameksheng Anishnawbek

MOF-TB: Ministry of Finance Tax Branch

OFNCA: Ontario First Nations Cigarette Allocations

Quota Cigarettes: Tobacco products with federal peach colored stamp only.

Section: Eligibility
Policy Title: REQUIREMENTS
Policy #: 02-01
Date Approved: December 16, 2019

Previous Date Reviewed:
Previous Date Approved:

- 1.1. Applicant Retailers must be a registered Atikameksheng Anishnawbek Band Member.
- 1.2. Retailers must make an application for a Tobacco Retailer License and Tobacco Quota each year and ensure compliance to the Atikameksheng Anishnawbek Tobacco Policy to receive quota each year.
- 1.3. Retailers understand that Atikameksheng Anishnawbek reserves the right to amend quota amounts as and when needed per Atikameksheng Anishnawbek Tobacco Policy and allocations as defined by MOF-TB.
- 1.4. Retailers understand and acknowledge that under the First Nations Cigarette Allocation System, only First Nations individuals can buy allocation cigarettes on a reserve for their exclusive use.
- 1.5. Retailers understand that they may be subject to a waiting period of up to one (1) year upon opening their business before receiving quota.
- 1.6. Retailers must follow Atikameksheng Anishnawbek Tobacco Policy and relevant laws that may come into effect from time to time.
- 1.7. Retailers must not be in contravention or in violation of any Atikameksheng Anishnawbek laws or bylaws.
- 1.8. Retailers may not be considered for license renewal if they had their license revoked during the previous year (see Section 05-01 – Revocation of AA Tobacco License and Tobacco Quota of this policy).

Section: **Eligibility**

Policy Title: **CRITERIA**

Policy #: **02-02**

Date Approved: **December 16, 2019**

Previous Date Reviewed:

Previous Date Approved:

- 1.1. Retailers must submit an application and be approved as an Atikameksheng Anishnawbek Tobacco Retailer and Tobacco Quota holder.
- 1.2. Retailers must have a stand-alone building on Reserve (a store – not a residence) with signage indicating business name.
- 1.3. The Retailer must have regular store hours that are posted and visible.
- 1.4. Approved Retailers will be provided with an Atikameksheng Anishnawbek Tobacco Retail License and must display the license at the approved retail location.
- 1.5. Retailers must safely secure all tobacco products.
- 1.6. Tobacco Quota products must be sold from the official business address only as a part of the normal daily business activity.

Section: **Application Process**
Policy Title: **INITIAL AND RECURRING APPLICATION**
Policy #: **03-01**
Date Approved: **December 16, 2019**

Previous Date Reviewed:
Previous Date Approved:

An Application form for an Atikameksheng Anishnawbek Tobacco Retailer License and a Tobacco Quota Allocation must be submitted and approved prior to any Retailer receiving an AA Tobacco Retailer License and AA Tobacco Quota allocation.

An application fee of \$20 must be submitted to AA Finance Department. The Application Form with payment receipt from Finance must be submitted to the Economic Development Officer or Designate (Planning and Infrastructure Department) in person at the main office or by mail. The Application form must be signed, and payment submitted prior to January 15th annually in order to receive an AA Tobacco Retailer License and a Tobacco Quota allocation in the subsequent fiscal year.

All new or recurring signed application forms will be directed to the Economic Development Officer or designate (Planning and Infrastructure Department) to assess eligibility, summarize eligible applications and will recommend final list for approval by Chief and Council. The Economic Development Officer's recommendations will be submitted for final approval to AA Chief and Council.

The Application Form must include:

1. Members Name and Certificate of Indian Status Registration Number
2. Band Members residential and mailing address.
3. Complete business name, physical address and mailing address and business telephone number.
4. A brief description of the business (e.g. convenience store, gasoline station) demonstrating how the business meets the **CRITERIA FOR A TOBACCO RETAILER LICENSE AND A TOBACCO QUOTA ALLOCATION** listed above.
5. The amount of AA Tobacco Quota requested in cartons.
6. Mailed or hand-delivered signed application form must be received by 4:00 pm on the deadline date of January 15th.
7. Incomplete or late Applications **WILL NOT** be considered; the onus is on the Band Member to ensure all application criteria are met and that their application form is submitted by the deadline date.
8. All Applicants will be notified in writing by February 1st of their AA Tobacco Retailer License approval status (approved or not with reasons why not) and the determination of tobacco quota allocation status based on their Application.

Section: **Quota Allocation**
Policy Title: **CALCULATION OF TOBACCO QUOTAS**
Policy #: **04-01**
Date Approved: **December 16, 2019**

Previous Date Reviewed:
Previous Date Approved:

CALCULATION OF AA TOBACCO QUOTAS

Through an annual allocation, the Ministry of Finance Tobacco Branch (MOF-TB) distributes tax-exempt tobacco products based on the Atikameksheng Anishnawbek registered, on reserve adult population. The approved Ministry of Finance Tobacco Branch (MOF-TB) statement of allocation will determine the available OFNCA allocations for AA Tobacco Quota.

Atikameksheng Anishnawbek will not hold physical inventory of allocated tobacco products but will provide the MOF-TB with a listing of approved retailers and their annual allocations.

The distribution of AA Tobacco Quota amounts will be based on principles of equality between approved licensed retailers. Specifically, all requests will be tallied on a spreadsheet and if the requested amounts collectively exceed the total AA tobacco quota available in a given year, then individual amounts will be assigned by using a multiple rounds of allocation methodology.

For example, the total number of cartons available in a given year is 15,000, and there are only 3 Retailers that request 1,000 cartons; 5,000 cartons and 30,000 cartons respectively, then Round 1 allocates 1,000 cartons to each of the 3 Retailers. Retailer 1 does not go to Round 2 as their request for 1,000 cartons has been met. 12,000 cartons remain for allotment. In Round 2, Retailers 2 and 3 are allotted 4,000 cartons each and Retailer 2 does not go to Round 3 as their request for 5,000 cartons has been met. 4,000 cartons remain and they are allotted to Retailer 3.

1. Retailers are encouraged to request only the amount of AA Tobacco Quota that they can afford.
2. Once approved and notified, Retailers must have paid all AA Tobacco Quota fees associated with their assigned AA tobacco allocation by February 20th (before AA submits the Tobacco Quota List to the Ministry of Finance on March 1st).
3. If a Retailer does not submit the full payment by February 20th, their whole minimum allocation will be re-allocated and their AA Tobacco Retailer License and Tobacco Quota Allocation will not be granted for that year.
4. Surplus AA Tobacco Quota will be reallocated to retailers who have depleted their initial quota or who received less AA Tobacco Quota than initially requested.

Section: **Quota Allocation**
Policy Title: **TRANSFER OF TOBACCO QUOTA**
Policy #: **04-02**
Date Approved: **December 16, 2019**

Previous Date Reviewed:
Previous Date Approved:

TRANSFER OF AA TOBACCO QUOTA

AA Tobacco Quotas are not transferable.



Section: **Quota Allocation**
Policy Title: **QUOTA FEES**
Policy #: **04-03**
Date Approved: **December 16, 2019**

Previous Date Reviewed:
Previous Date Approved:

AA TOBACCO QUOTA FEE

The allocation of AA Tobacco Quota to an approved AA Tobacco Retailer is contingent on payment of the AA Tobacco Quota fee of \$3.00/carton by the Retailer to Atikameksheng Anishnawbek.

Should an approved retailer no longer require or pay for their annual tobacco quota allocation, it will revert to AA for re-allocation.

AA will notify all other approved and paid up quota holders for that given year in writing and request their written interest in receiving additional quota allocation. Those retailers interested would then be granted additional quota for that year using the multiple rounds of allocation methodology noted in Section: Quota Allocation, Policy Title: Calculation of Tobacco Quotas; Policy # 04-01.

- 1.1. Payments can be made by Certified Cheque, Cash, Debit or Money Order, payable to Atikameksheng Anishnawbek.
- 1.2. The Finance Department shall provide the Retailer with a receipt of such payment.

Section: **Revocation**
Policy Title: **REVOCATION OF AA TOBACCO LICENSE AND QUOTA**
Policy #: **05-01** Previous Date Reviewed:
Date Approved: **December 16, 2019** Previous Date Approved:

REVOCATION OF AA TOBACCO RETAIL LICENSE AND TOBACCO QUOTA

AA Tobacco Retailer License and Tobacco Quota will be revoked by AA without notice and the MOF-TB and all tobacco suppliers will be notified if:

1. The business ceases to operate at the approved business address or fails to meet eligibility requirements.
2. Retailer fails to pay for their entire minimum AA allocated tobacco quota by February 20th, AA will notify the retailer and reallocate to existing retailers. (see Policy #: 04-03)
3. Retailer is in contravention or in violation of any Atikameksheng Anishnawbek laws or bylaws.
4. Council receives a notice of conviction that the retailer is selling tobacco to any person younger than 19 years of age.
5. A Retailer who has any form of financial debt, personal or business, owing to AA may have quota allocations suspended until the debt is paid in full.