

Alcohol Importers

Presented by

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Background

Calendar Year 2008 Statistics:

- Received:
 - 1,169 importer applications
 - 1,882 wholesaler applications
- Issued:
 - 849 importer basic permits
 - 1,531 wholesaler basic permits

Background (Continued)

- Total Regulated Beverage Industry Members (as of May 2009):
 - Importers – 9,673
 - Wholesalers – 17,547
 - Wineries – 6,589
 - DSP – 656
 - Breweries – 1,871

Overview

- Laws and Regulations
- Application Process
- Changes after Qualification
- Frequently Asked Questions (FAQs)
- Importer Records and Operating Issues
- Import Product Integrity and Safety Initiatives and Activities

Laws and Regulations

Laws and Regulations

- Federal Alcohol Administration Act of 1935 (FAA Act)
- Internal Revenue Code of 1986 (IRC)
- Title 27 of the Code of Federal Regulations (CFR)

Laws and Regulations (Continued)

- 27 CFR Part 1 – Basic Permit requirements under FAA Act:
 - Applications
 - How a change in control, ownership, or management affects a permit
 - Amendment and Duration of Permits
 - Revocation or suspension

Labeling of Imports

- Imported products must conform to labeling requirements:
 - 27 CFR Part 4 – Wine
 - 27 CFR Part 5 – Distilled Spirits
 - 27 CFR Part 7 – Malt Beverages
- Products will not be released from Customs custody without approved COLA
- Products must comply with standards of fill
- Other certifications as necessary

Importation Regulations

- 27 CFR Part 27 – Importation of Distilled Spirits, Wines, and Beer:
 - Subpart C – Special Occupational Taxes
 - Subpart D – Tax on Imported Distilled Spirits, Wines, and Beer
 - Subpart E – General Requirements
 - Subpart H – Importation of Distilled Spirits in Bulk
 - Subpart I – Importers’ Records and Report
 - Including certification requirements for wine

Importation Regulations (Continued)

- 27 CFR Part 27 (Continued):
 - Subpart L – Transfer of Distilled Spirits from Customs Custody to Bonded Premises of DSP
 - Subpart M – Withdrawal of Imported Distilled Spirits from Customs Custody Free of Tax for Use in U.S.
 - Subpart N – Requirements for Liquor Bottles
 - Subpart O – Miscellaneous Provisions

Internal Revenue Code

- Chapter 51 covers Distilled Spirits, Wines, and Beer:
 - 26 U.S.C. 5001 – Imposition and rate of tax on distilled spirits
 - 26 U.S.C. 5010 – “5010 Tax Credit”
(see also 27 CFR 27.76 – 27.77)
 - 26 U.S.C. 5041 – Imposition and rate of tax on wines
 - 26 U.S.C. 5051 – Imposition and rate of tax on beer
 - 26 U.S.C. 5062(c) – Exportation of imported products

Application Processing

Overview

- Importing defined
- Need for importer Basic Permit
- Original qualification
- TTB screening and investigative process
- Reporting changes after qualification
- Change(s) in control and/or ownership
- Frequently Asked Questions (FAQs)
- Presentation referrals

Definition

- Importing defined by U.S. Customs and Border Protection (CBP):
 - Importation – occurs when vessel enters port limits with intent to discharge load in U.S. territory (see www.cbp.gov)
- 27 CFR 27.11 – Definition of importer:
 - Any person who imports distilled spirits, wines, or beer into the United States

Need for Importer Basic Permit

- Why do I need a Federal Importer basic permit?
- 27 CFR 1.20 reads:
 - No person, except pursuant to a basic permit issued under the Act, shall:
 - Engage in the business of importing into the United States distilled spirits, wine, or malt beverages; or
 - While so engaged, sell, offer or deliver for sale, contract to sell, or ship, in interstate or foreign commerce, directly or indirectly or through an affiliate, distilled spirits, wine, or malt beverages so imported.

Original Qualification

Original Qualification

- **TTB F 5100.24** — Application for Basic Permit Under the Federal Alcohol Administration Act
- **TTB F 5630.5(d)** — Alcohol Dealer Registration
- **TTB F 5100.31** — Application for and Certification/Exemption of Label/Bottle Approval (COLA)

Original Qualification (Continued)

- Common errors on application:
 - Block 1 – Entity Name/State Organized
 - Block 4 – Operating Name
 - Block 5 – Labeling Trade Name
 - Block 8 – Titles/Source of Funds
 - Block 9 – Social Security Number
 - Block 11 – Charges/Convictions
 - Block 12 – Title/Original Signature

DEPARTMENT OF THE TREASURY
 BUREAU OF ALCOHOL, TOBACCO AND FIREARMS
APPLICATION FOR BASIC PERMIT UNDER THE FEDERAL ALCOHOL ADMINISTRATION ACT

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**Entity name
State Organized**

1. FULL NAME AND PREMISES ADDRESS
National Importers and Wholesalers, Inc.
 550 Main St., Room 8002
 Cincinnati, OH 45202

3. EMPLOYER IDENTIFICATION NUMBER (EIN)
(Social Security number is not acceptable)
 93-9999999

4. OPERATING NAME (USA), if any
 National Importers and Wholesalers

EIN

Operations being conducted

2. MAILING ADDRESS (if different from premises address)
 P. O. Box 550
 Cincinnati, OH 45202

5. LABELING TRADE NAME(S), if any
 International Importing Company

6. BUSINESS(ES) TO BE CONDUCTED AT PREMISES ADDRESS (Check applicable boxes)

a. DISTILLED SPIRITS PLANT (BEVERAGE)
 DISTILLING
 WAREHOUSING AND BOTTLING DISTILLED SPIRITS
 BLENDING WINE

b. IMPORTING INTO THE UNITED STATES
 DISTILLED SPIRITS
 WINE
 MALT BEVERAGES

c. PURCHASING FOR RESALE AT WHOLESALE
 DISTILLED SPIRITS
 WINE
 MALT BEVERAGES

**#4 Operating Name
#5 Labeling Trade Name**

or while so engaged, sell, offer, or deliver for sale, contract to sell, or ship in interstate or foreign commerce the alcoholic beverages so distilled produced, rectified, blended or bottled, warehoused and bottled, imported or purchased for resale at wholesale.

7. REASON FOR THE APPLICATION

a. NEW BUSINESS
 Anticipated start date _____

b. CHANGE IN CONTROL (Actual or Legal)
 Submit Basic Permit(s) with this application.
 Date of Change _____

c. CHANGE IN OWNERSHIP
 Date of Change April 1, 2004
 Name, address and permit number(s) of predecessor
 International Importing, L.P.
 1212 Importation Lane, Suite 700
 Cincinnati, OH 45202 OH-1-22004, OH-P-23008

**Owners, Officers,
Directors, Partners,
& Members**

8. OWNER INFORMATION (List sole owner, all general partners, LLC member/managers, corporate officers and directors, and shareholders with more than 10% voting stock. Each listed person must also furnish the information in Item 9.)

NAME	TITLE	% VOTING STOCK INTEREST (if applicable)	INVESTMENT IN BUSINESS (Item 6)	SOURCE OF FUNDS INVESTED (savings, loans, gift or specify other)
John D. Doe	President	50%	\$5,000.00	Savings Federal Savings Bank
Doris R. Doe	Vice President	50%	\$5,000.00	1001 Independence St. Cincinnati, OH 45200

Source of Funds

**Personal info for
those listed
In Item 8**

IF APPLICANT IS ACTUALLY OR LEGALLY CONTROLLED BY PERSONS OR BUSINESSES NOT IDENTIFIED ABOVE, PROVIDE ON A SEPARATE SHEET INFORMATION (as specified for Item 8) FOR EACH PERSON OR BUSINESS AND STATE THE EXTENT AND MANNER OF THE CONTROL. BUSINESSES SHOULD INCLUDE THEIR EIN.

9. COMPLETE FOR EACH PERSON LISTED IN ITEM 8.

a. FULL GIVEN NAME
Jonathan D. Doe

b. DATE AND PLACE OF BIRTH
Jan. 10, 1957
Arlington, Ohio

c. SOCIAL SECURITY OR EMPLOYER IDENTIFICATION NUMBER
555-55-5555

d. ARE YOU A U.S. CITIZEN?
 YES NO

e. MALE FEMALE

f. OTHER NAMES USED (Maiden name, nicknames, etc.)
Jon Smith

g. RESIDENCE(S) OVER THE LAST FIVE YEARS
 555 Jersey Lane, Smithsonian, OH 45535
 7489 Lincoln St., Apt. 5B, Midwest, OH 48342

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Personal info
cont'd

a. FULL GIVEN NAME Doris R. Doe	b. DATE AND PLACE OF BIRTH 8/12/1970 Cincinnati, Ohio	c. SOCIAL SECURITY OR EMPLOYER IDENTIFICATION NUMBER 888-88-8888	d. ARE YOU A U.S. CITIZEN? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
e. <input type="checkbox"/> MALE <input checked="" type="checkbox"/> FEMALE		f. OTHER NAMES USED (Maiden name, nicknames, etc.) Doris Ann Smith	
g. RESIDENCE(S) OVER THE LAST FIVE YEARS 8892 S. Independence Circle Tri-County, OH 45321			

a. FULL GIVEN NAME	b. DATE AND PLACE OF BIRTH	c. SOCIAL SECURITY OR EMPLOYER IDENTIFICATION NUMBER	d. ARE YOU A U.S. CITIZEN? <input type="checkbox"/> YES <input type="checkbox"/> NO
e. <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE		f. OTHER NAMES USED (Maiden name, nicknames, etc.)	
g. RESIDENCE(S) OVER THE LAST FIVE YEARS			

a. FULL GIVEN NAME	b. DATE AND PLACE OF BIRTH	c. SOCIAL SECURITY OR EMPLOYER IDENTIFICATION NUMBER	d. ARE YOU A U.S. CITIZEN? <input type="checkbox"/> YES <input type="checkbox"/> NO
e. <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE		f. OTHER NAMES USED (Maiden name, nicknames, etc.)	
g. RESIDENCE(S) OVER THE LAST FIVE YEARS			

a. FULL GIVEN NAME	b. DATE AND PLACE OF BIRTH	c. SOCIAL SECURITY OR EMPLOYER IDENTIFICATION NUMBER	d. ARE YOU A U.S. CITIZEN? <input type="checkbox"/> YES <input type="checkbox"/> NO
e. <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE		f. OTHER NAMES USED (Maiden name, nicknames, etc.)	
g. RESIDENCE(S) OVER THE LAST FIVE YEARS			

Charges/
Convictions

10. HAS THE APPLICANT OR ANY PERSON LISTED FOR ITEMS 8 OR 9 EVER BEEN DENIED A PERMIT, LICENSE OR OTHER AUTHORIZATION TO ENGAGE IN ANY BUSINESS TO MANUFACTURE, DISTRIBUTE, IMPORT, SELL OR USE ALCOHOL PRODUCTS (beverage or nonbeverage) BY ANY GOVERNMENT AGENCY (Federal, State, local or foreign) OR HAD SUCH PERMIT, LICENSE OR OTHER AUTHORIZATION REVOKED, SUSPENDED OR OTHERWISE TERMINATED?
 YES. State details of each event on a separate sheet. NO

11. HAS THE APPLICANT OR ANY PERSON LISTED FOR ITEMS 8 OR 9 EVER BEEN ARRESTED FOR, CHARGED WITH, OR CONVICTED OF ANY CRIME UNDER FEDERAL, STATE OR FOREIGN LAWS other than traffic violations or convictions that are not felonies under Federal or State law.
 YES. State details of each event on a separate sheet. NO Jonathan Doe charged with DUI 1/12/2000 - Attended driving school and paid \$900 fine.

ATF MAY REQUIRE additional information to process this application. If you are applying for a basic permit to operate a distilled spirits plant or bonded wine premises, you must also file additional forms and information required under the Internal Revenue Code. **OPERATION WITHOUT A PERMIT.** Criminal and administrative actions may be taken against persons engaged in a business listed in Item 6 of this form if it is not conducted pursuant to an FAA Act basic permit.

APPLICANT'S AFFIRMATION. Under penalties of perjury, I declare that I have examined this application, including accompanying statements, and to the best of my knowledge and belief, it is true, correct and complete. The applicant will immediately notify the ATF official with whom this application is filed of any change in ownership, management, or control of the applicant (in the case of a corporation, any change in the officers, directors, or persons holding 10 percent or more of the corporate stock). The business for which this application is made does not violate the law of the State in which the business will be conducted. In addition, if this application is approved, the applicant will conduct operations within a reasonable period of time and maintain such operations in conformity with Federal law.

12. APPLICANT'S SIGNATURE (Sole owner, partner, corporate officer, LLC member or manager, or if designated agent, submit ATF F 5000.8) Doris Doe	13. TITLE OF PERSON SIGNING Vice President	14. DATE August 10, 2004
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15. E-MAIL (INTERNET) ADDRESS (optional):

Signature/Title/Date

Original Qualification (Continued)

- Signing authority:
 - Person signing Application for Basic Permit, TTB F 5100.24, must have signature authority
 - TTB F 5100.1 – Signing Authority for Corporate and LLC Officials
 - TTB F 5000.8 – Power of Attorney
 - Corporate document specifying signature authority

Original Qualification (Continued)

- Additional forms submitted as needed:
 - TTB F 5000.9 – Personnel Questionnaire
 - TTB F 5000.8 – Power of Attorney
- Required information for importers:
 - Letter of Intent from Foreign Supplier (letter stating foreign supplier plans on doing business with you)

TTB Screening and Investigative Process

TTB Screening and Investigative Process

- Application is submitted to National Revenue Center (NRC) in Cincinnati, OH
- Specialist will review application and background check results
- Specialist will contact you to correct any errors and obtain any missing information
- Legible photocopy of Driver's License or official State ID card of primary contact person who will be interviewed by phone by TTB regarding application

TTB Screening and Investigative Process (Continued)

- Specialist will conduct in-depth phone interview
- Application may be referred to Trade Investigations Division for onsite inspection
- Recommendation and decision on final action (approval, denial, abandonment) made and taken by NRC

Reporting Changes after Original Qualification

Reporting Changes after Original Qualification

- Filed with NRC on either Letterhead or TTB Form 5100.18:
 - Change of Address/Location
 - Change of Entity Name/Operating Name
 - Addition/Deletion of Trade Names
 - Addition/Deletion of Commodities
 - Addition/Deletion of Officers, Directors, Shareholders, Members, etc.
- Must be signed by someone with signature authority on file

Reporting Changes after Original Qualification

(Continued)

- Basic permit cancellation:
 - Filed with NRC on Letterhead
 - Must be signed by someone with signature authority on file
 - Surrender original basic permit or statement basic permit cannot be located and will submit when/if found

Change(s) in Control and/or Ownership

Change(s) in Control

- Change in legal control occurs when there has been a change in ownership of a majority interest (over 50%) of shares in voting stock of corporation
- Change in actual control is broader — these are changes in who actually manages or controls affairs of business
- Basic Permits are **not** transferrable! Must file new TTB Form 5100.24 within 30 days of change

Change(s) in Ownership

- Change in ownership occurs when company's business is purchased; includes change in business entity type (e.g., sole proprietor to corporation, etc.)
 - **Existing entity no longer owns the business**
- Basic Permits are **not** transferrable! Must file new TTB Form 5100.24 within 30 days of change

Frequently Asked Questions (FAQs)

FAQs

- How Long Does it Take to Get my Permit?
 - NRC tries to process all applications within 65 days of receipt
 - Could take longer if application has problems or application is investigated

FAQs (Continued)

- Can I Import **and** Wholesale?
 - Okay at Federal level
 - State issue — Check with Alcohol Beverage Control (ABC) board
 - Federal law cannot usurp State law; must be compliant with all State laws and local ordinances

FAQs (Continued)

- Do I need Federal importer **and** wholesaler basic permit?
 - If you just sell what you import, you can do that under your importer basic permit
 - However, if you sell anyone else's alcoholic beverages you did **not** import *or* domestic product, then you would be required to obtain a Federal wholesaler basic permit

FAQs (Continued)

- Are there Other Issues I Should be Concerned with?
 - State ABC licenses
 - FDA — Bioterrorism Act (www.fda.gov) requires all importers to register their products
 - Zoning — you must be in compliance with local zoning ordinances
 - Bottom line — Federal law cannot usurp State law; must be compliant with all State laws and local ordinances

FAQs (Continued)

- Can I Operate Out of My House?
 - Okay at Federal level
 - State ABC may or may not allow it
 - Bottom line — must be compliant with all State laws and local ordinances

FAQs (Continued)

- Can I Sell Into All 50 States?
 - Federal basic permit allows you to sell into all States
 - BUT — State law may allow/prevent you depending on your circumstances
 - ALWAYS — check with each State you plan on selling in
 - Alcohol Beverage Control Boards link at www.ttb.gov (Distilled Spirits Tab > Alcohol Beverage Control Boards under Quick Links)

FAQs (Continued)

- What Federal Excise Tax Do I Owe and Who Do I Pay It To?
- Importer – pays to U.S. Customs
- Tax rates:
 - Distilled Spirits: \$13.50 proof gallon
 - Beer: \$18.00 per barrel
- Tax rates for wine:
 - $\leq 14\%$ — \$1.07 wg
 - $>14\% \leq 21\%$ — \$1.57 wg
 - $>21\% \leq 24\%$ — \$3.15 wg
 - Artificially carbonated — \$3.30 wg
 - Champagne and Sparkling — \$3.40 wg

FAQs (Continued)

- What are the Requirements for Hard Cider?
 - A still wine derived primarily from apples or apple concentrate and water
 - Containing no other fruit products, and containing at least $\frac{1}{2}$ of 1%, and less than 7%, alcohol by volume
 - FET – 22.6 cents per wine gallon
 - No Federal basic permit required to wholesale or import

FAQs (Continued)

- What about Recordkeeping?
 - Receipts and records must be retained for not less than 3 years
 - Available, during business hours, for investigation
 - Part 27 – Importation of Distilled Spirits, Wines, and Beer – Subpart I
 - Sections 27.133 through 27.140
 - Part 31 – Alcohol Beverage Dealers – Subpart O
 - Sections 31.221 through 31.238

FAQs (Continued)

- Do Wholesalers Ever Need a COLA?
 - Yes, when relabeling
- Otherwise:
 - Importer or manufacturer applies for label approval
 - Custom Crush – Winery obtains COLA

FAQs (Continued)

- Can I File for a COLA before I Get my Importer Permit?
 - No, you must obtain a basic permit first
 - COLA application asks for your permit number

FAQs (Continued)

- Can I Import Samples before I Get my Importer Permit?
 - No, you must obtain a basic permit first
 - Can apply for waiver of label approval for samples once basic permit received
 - See procedure on our Web site www.ttb.gov – click on International Trade, then Importing Samples
 - International Trade Division processes waiver of label requirement for samples - (202) 927-8110

FAQs (Continued)

- Where Are my Permits and COLAs Processed?
 - Permits are processed at NRC
 - COLA applications are processed by Advertising, Labeling and Formulation Division (ALFD) at TTB Headquarters in Washington, D.C.

FAQs (Continued)

- How much Special Occupational Tax (SOT) Do I Owe?
 - Importers and wholesalers are no longer required to pay SOT – Congress permanently repealed payment
 - Still required to file TTB Form 5630.5(d), Alcohol Dealer Registration, when beginning business, any time there is a change (such as address or ownership), or discontinuance of business

FAQs (Continued)

- Do I Renew my Basic Permit?
 - NO! Basic permits are not renewed
 - Permits stay in effect until suspended, revoked, annulled, voluntarily surrendered, or automatically terminated (unless a new application for a change in control/ownership is filed within 30 days after the change occurs)

FAQs (Continued)

- Which Laws Pertain to Me?
 - Title 27, United States Code, Chapter 8, Federal Alcohol Administration Act, Sections 201 – 219
 - Title 26, Internal Revenue Code

FAQs (Continued)

- How Can I Access Federal Laws and Regulations?
 - On www.ttb.gov under Information by Topic, click on United States Code or Code of Federal Regulations under Laws and Regulations
 - U.S. Code – Title 26 Internal Revenue Code (tax rate)
 - U.S. Code – Title 27 Intoxicating Liquors
Chapter 8 – FAA Act (permits and COLAs)
 - CFR Title 27 – Alcohol, Tobacco Products and Firearms

FAQs (Continued)

- Which Regulations Pertain to Me?
 - Title 27 Code of Federal Regulations:
 - Part 1 – Basic permit requirements under FAA Act
 - Part 4 – Labeling and advertising of wine
 - Part 5 – Labeling and advertising of distilled spirits
 - Part 7 – Labeling and advertising of malt beverages
 - Part 27 – Importation of distilled spirits, wines and beer
 - Part 28 – Exportation of Alcohol
 - Part 31 – Alcohol Beverage Dealers

FAQs (Continued)

- Do I Need a Basic Permit for my Storage Warehouse?
 - No – if you just store product there, you are not required to get basic permit
 - Yes – if you make sales or invoice there, you would then be required to obtain basic permit for that location
 - Exception – some States require basic permits for bailment warehouses in control States (e.g., North Carolina and Ohio)

FAQs (Continued)

- Can I Direct Ship into Other States?
 - This is a State issue; you must check with each State's ABC you ship into or through
 - Liquor Law Repeal and Enforcement Act (Webb-Kenyon Act) prohibits shipments of alcohol beverages from one State into another in violation of any law of receiving State – [27 U.S.C. 122](#)
 - See Industry Circular 1996-3 – www.ttb.gov Electronic Reading Room
 - See ATF Ruling 2000-1 – www.ttb.gov Electronic Reading Room

FAQs (Continued)

- What about Internet Sales?
 - This is also a State issue
 - See Industry Circular 1996-3 – www.ttb.gov
Electronic Reading Room

FAQs (Continued)

- Where Can I Get the Forms I Need?
 - On www.ttb.gov, click on FORMS link on left side of our homepage
 - Then, “View All TTB Forms” or select by “Commodity” or “Frequently Requested TTB Forms”

FAQs (Continued)

- Do I Need Power of Attorney?
 - Yes, if you wish to sign documents or act on behalf of applicant or permit holder
 - Signing authority is usually authorized by articles of incorporation, bylaws, board of directors, partnership agreements, or operating agreements

Presentation Referrals

- We recommend that you attend some other EXPO presentations related to importing/wholesaling:
 - Export Documentation – Alcohol
 - Alcohol Advertising
 - Laboratory Analysis
 - TTB Audits and Investigations
 - FDA – Bioterrorism
 - Tax Credits for Distilled Spirits Products
 - U.S. Customs, FTZ, State ABCs

Contact Information

National Revenue Center:

1-877-882-3277

Brewery & Wholesaler/Importer
Applications Section:

(513) 684-3337

www.ttb.gov

BREAK

Importer Records and Common Operating Issues

Overview

- Required records:
 - General
 - Receipt
 - Sales – distilled spirits and other alcoholic beverages
 - Transfer of spirits in bond
- Wine certifications
- Certificates of Label Approval (COLAs)
- Other documents
- Operating issues

Required Records

General

General

- Keep your records filed at your place of business/permit premises
- Records must be available for inspection and copying by TTB during normal business hours
- Retention Period — You must keep all required records for at least 3 years.

General (Continued)

- You must also keep records for drop-shipped goods:
 - You must keep records for goods entered by other importers using your COLAs
 - Record required upon release by CBP

27 CFR 27.133

Required Records

Records of Receipt

Records of Receipt General

- You must keep same records of receipt as required for wholesale and retail dealers

(27 CFR Part 27.133. 27 CFR Part 31 Subpart O)

- Records of receipt of distilled spirits require more information than records of receipt of wine and beer

Records of Receipt Wine and Beer

- Show quantities of wine and beer you receive
- Show vendors/suppliers from whom you acquire wine and beer
- Show dates you received goods
- Record shall consist of either:
 - All purchase invoices and bills, or
 - Book record (keep copies of invoices in file)

Records of Receipt Distilled Spirits

- Keep daily record of spirits received:
 - Name and address of supplier
 - Date of receipt
 - Brand names
 - Names of producers or bottlers
 - Kind of spirits
 - Quantity physically received – number of packages and number of cases by container size and number of containers per case
 - Package ID numbers of spirits received for repacking for industrial use
- Record will be a part of your accounting system and shall consist of suppliers' invoices (or memo of receipt if invoices are not received same day as goods).

Required Records

Records of Disposition

Disposition of Spirits

- You must keep daily record of disposition of spirits showing:
 - Name and address of consignee
 - Date of disposition (physical shipment)
 - Brand names
 - Kind of spirits
 - Number of packages and number of cases by size of container
 - Package ID of spirits to be repacked for industrial use
- Record will be part of your accounting system and shall consist of your sales/shipping invoices (or memo of shipping if you have not prepared an invoice at time of shipping).

Record of Sale Beer or Wine

- For sales of 20 gallons (75.7 liters) or more
- Information required:
 - Date you made sale
 - Name and address of purchaser
 - Description of goods (kind and quantity)

Transfer of Spirits from CBP Bond to TTB Bond

Transfer of Spirits in Bond

- Bulk spirits transfer record (separate record is required for each conveyance):
 - Date you make record
 - Serial number of transfer (start over at “1” every Jan. 1st)
 - Name and permit number of bonded premises
 - Country where spirits were produced
 - Name of foreign producer
 - Kind of spirits
 - Age of spirits in years, months, and days
 - Proof of spirits
 - Type and number of containers
 - Quantity of spirits in proof gallons

27 CFR 27.138 and 27.172

Transfer in Bond of Packaged Spirits

- Package spirits gauge record:
 - Attach supporting record to transfer record
 - Show date you make record
 - Enter related transaction record and serial number
 - For each individual package:
 - Package serial number or other ID
 - Kind of spirits
 - Gross weight
 - Proof
 - Quantity in proof gallons
 - Name of warehouseman receiving spirits from CBP
 - Name of importer of record

27 CFR 27.139 and 27.172

Wine Certifications

Wine Certifications

- Country of origin certification – see Industry Circular 2007-3
- Certification of Natural Wine imported into U.S. – see 27 CFR 27.140:
 - Ensures proper cellar treatment of imported wines
 - Required as of January 1, 2005

Certificates of Label Approval

COLAs

- To support entry of each different label:
 - Retain COLA as long as you intend to use label
 - Recommend you surrender for cancellation when obsolete, or no longer to be used
 - Watch for unnoticed label changes when using older COLAs (more than 5 years old)

Other Documents

Other Documents

- Basic Permit:
 - Post your permit or keep original permit readily available for inspection
- Special Tax Registration:
 - You must file registration even if you do not have to pay the tax
- State License:
 - To verify operations are authorized under State law

Operating Issues

Operating Issues

- You enter goods that are not covered by COLAs:
 - You have no COLA for goods
 - You submit to CBP a COLA for different product
 - Labels on your goods have unauthorized changes and do not conform to COLA submitted to CBP

Operating Issues (Continued)

- Alcohol content on label is wrong
- Your goods are improperly re-labeled:
 - You put “stick over” labels over unauthorized foreign labels
 - You fail to put required “stick over” labels on your goods
 - You re-label goods after release by CBP without TTB authorization

Operating Issues (Continued)

- Your goods are declared incorrectly to CBP:
 - You may not be paying correct tax
- Responsibility vs. accountability:
 - Your foreign vendor or broker may cause violation but as TTB permittee, you are accountable for consequences
 - Do not rely on broker to submit correct COLAs to CBP

Operating Issues (Continued)

- You are conducting regulated activities at an unlicensed premises:
 - You may only operate at address printed on your permit
- Your goods are packed in cases or cartons that are marked or labeled incorrectly

Operating Issues (Continued)

- You use another importer's COLA without proper authorization:
 - You must have written authorization from COLA owner
- You are not keeping records of goods entered by other importers who use your COLAs:
 - You are responsible for any wine imported bearing your labels

Operating Issues (Continued)

- You are operating as wholesale dealer without a wholesaler's permit:
 - As an importer, you may only sell goods that you have imported yourself

Operating Issues (Continued)

- You certify applications for COLA waivers for goods that do not comply with waiver requirements
- You abuse COLA waivers to enter non-complying goods for distribution instead of for use by your sales staff

Contact Information

Trade Investigations Division	Phone
Northeast Staff	(215) 580-2002
Southeast Staff	(813) 348-1610
Midwest Staff	(440) 871-6055
Mountain Staff	(651) 290-3905
Western Region II	(206) 553-1700
Western Region I	(916) 930-5600
San Juan, Puerto Rico Staff	(787) 766-5584

Import Product Integrity and Safety Initiatives and Activities

International Trade Division (ITD)

Product Integrity and Safety

- COLA Waivers
- Certificates of Origin Requirements
- Imported Natural Wine Certification
- FDA Bioterrorism Act Requirements

COLA Waivers – Why?

- Allows import of samples for tasting, trade shows, and soliciting orders, when products do not have approved COLA
- TTB will have record of what product came into U.S. and where it went

COLA Waivers – How?

- Letter to ITD with:
 - Company name and address (as shown on permit)
 - Brand name and type and quantity of product
 - Country of origin
 - Permit number
 - Purpose of importation
 - Statement that certain conditions will be met
 - Signature
- E-mail to ITD@ttb.gov or fax to (202) 435-7020
- Visit www.ttb.gov/itd/importing_samples.shtml for complete information

Certificates of Origin Requirements

- Certificates certify identity of product and that it was made in compliance with certain laws or regulations
- If foreign governments authorize issuance of certificates of origin, then those **beverages will not be released from Customs custody without original certificate**
- Countries: Bulgaria, Canada, Chile, France, Germany, Ireland, Jamaica, Mexico, Portugal, Romania, Spain, UK

27 CFR 4.45, 5.52, 5.56

Imported Natural Wine Certification

- Applies to wine:
 - Made from juice or must of sound, ripe grapes or other fruit, and
 - Made with any cellar treatment authorized by 27 CFR Part 24, at 24% abv or less, and
 - Made after December 31, 2004
- Requires either:
 - Statement from government or government-approved entity that practices and procedures used constitute proper cellar treatment; OR
 - Existence of agreement between U.S. and originating country in which U.S. finds country's winemaking practices "acceptable" (EU countries, Argentina, Australia, Canada, Chile, New Zealand)
- Some exemptions apply

27 CFR 4.45(b)

Imported Natural Wine Certification

(Continued)

- Must have certification, if required, in possession when wine is released from Customs custody
- Must submit certification with COLA application
- Must keep certification as records for 3 years if not longer
- Importer may use another importer's certification, if it is the same wine
- Any change in cellar treatment requires new certification

FDA Bioterrorism Act Requirements

- Under Bioterrorism Act, alcohol beverages are “food”
- Certain domestic and foreign food facilities that manufacture, process, pack, or hold food must register with FDA
- Importers must provide FDA with prior notice of food imported or offered for import into U.S.
- Recordkeeping requirements
- FDA may detain food if there is credible evidence it poses threat

ITD Contact Information

- **Phone:** (202) 453-2260
- **E-mail:** ITD@TTB.gov
- **Mail:** International Trade Division
1310 G Street, NW., 400W
Washington, DC 20220