



LIVESTOCK
ASSURANCE
FUNDS TRIBUNAL

WARNING TO ALL DEALERS:

If you fail to pay the levy on the supply or sale of cattle and horses you have no protection from non-payment under the assurance funds. Please read the information below and use the new forms.

**ASSURANCE FUND LEVIES
PAYMENT, COLLECTION AND REMITTANCE
BY LIVESTOCK DEALERS**

ASSURANCE FUNDS

There are two assurance funds for cattle and horses (“assured livestock”) under the *Livestock Identification and Commerce Act*:

a) **Livestock Assurance Fund (LAF)**

This fund protects a producer or livestock dealer from non-payment by you provided the producer or livestock dealer selling or supplying the assured livestock to you:

- is an Alberta resident;
- is not an associated person;
- pays the LAF levy; and
- meets the other eligibility requirements in the Act and Regulations.

This fund also protects you from non-payment by another livestock dealer provided you:

- are an Alberta resident;
- are not an associated person of that other livestock dealer;
- pay the LAF levy; and
- meet the other eligibility requirements in the Act and Regulations.

In both cases, the assured livestock must be either:

- supplied or sold in Alberta; or
- supplied to an approved livestock market in Dawson Creek, British Columbia or Lloydminster, Saskatchewan.

b) **Livestock Dealers’ Assurance Fund (LDAF)**

This fund protects you from non-payment by an unlicensed person provided you:

- are an Alberta resident and are licensed as a livestock dealer in Alberta;
- are not an associated person of the unlicensed person;
- sell the assured livestock in Alberta;
- pay the LDAF levy; and
- meet the other eligibility requirements in the Act and Regulations.

Definitions

“**associated person**”, with respect to a person, means another person who is:

- a member of the immediate family of that person,
- a trustee of that person,
- a shareholder of that person,
- an employee, director or officer of that person,
- a partner of that person where that person is a partner in a partnership within the meaning of the Partnership Act, or
- a person who is engaged with that person in a business activity for a common purpose through an unincorporated organization that is not a partnership referred to in sub-clause (v).

“**Alberta resident**” means:

- a person whose ordinary place of residence is in Alberta;
- a corporation registered under the Alberta *Business Corporations Act*, or
- a partnership where the majority of the partners meet the above criteria.

“**supplied**” means provided, delivered or contributed. When assured livestock are supplied to a livestock dealer, the livestock dealer does not purchase the assured livestock but rather, as the owner’s agent, arranges for the sale of the assured livestock to a purchaser.

“**sold**” means that the livestock dealer purchases the assured livestock from the owner and takes title to the assured livestock and resells the assured livestock, as the owner, to a purchaser.

“**unlicensed person**” or “**producer**” means a person who is not licensed as a livestock dealer in Alberta

SCENARIOS

Supply or Sale TO You			Supply or Sale BY You		
Producer or Livestock Dealer see 1(a)	⇒ Inspection	YOU	YOU	⇒ No Inspection	Livestock Dealer see 2(a)
Producer see 1(b)(i)	⇒ No Inspection	YOU	YOU	⇒ No Inspection	Unlicensed Person see 3
Livestock Dealer see 1(b)(ii)	⇒ No inspection	YOU	YOU	⇒ Inspection	Livestock Dealer see 2(b)
			YOU	⇒ Inspection	Unlicensed Person see 3

LEVY PAYMENT

The levy for the LAF and the LDAF is 10 cents per head of assured livestock supplied or sold. Producers do not remit their LAF levy themselves. Livestock dealers are required to deduct the producer's LAF levies from their sale proceeds and remit the producers' LAF levy to LIS on their behalf.

Livestock dealers either remit their own LAF levy themselves or have their LAF levy deducted by another livestock dealer from the sale proceeds payable to them. Livestock dealers will only have their LAF levy deducted from their sale proceeds and remitted on their behalf by another livestock dealer if the assured livestock is inspected by LIS.

Livestock dealers always have to remit their own LDAF levy.

1. Supply or sale of assured livestock TO YOU

When assured livestock is supplied or sold **to you** and the assured livestock:

- (a) is **inspected** by LIS, you are required to deduct the LAF levy and the inspection fee from the sale proceeds payable to the producer or livestock dealer supplying or selling the assured livestock to you. LIS will invoice you for both the LAF levy and the inspection fee.

Note: The LAF levy charged to you appears on the LIS Invoice (Livestock Inspection Control Card Listing) as "Lvsk Assur". Payment of the LIS invoice is due within 7 days of receipt of the invoice.

- (b) is **not inspected** by LIS, then if the assured livestock was supplied or sold to you:

- (i) **by a producer**, you must deduct the LAF levy from the sale proceeds payable to the seller and remit the LAF levy to LIS by completing Part A of the *Assurance Funds Levy Remittance Form*; and
- (ii) **by another livestock dealer**, that other livestock dealer is responsible for remitting his own LAF levy to LIS by completing Part B of the *Assurance Funds Levy Remittance Form*. When assured livestock are **not** inspected, you are **not** required to deduct the LAF levy from the sale proceeds payable to another livestock dealer.

The LAF levy described above protects the producer or livestock dealer supplying or selling the assured livestock to you from non-payment by you or any other livestock dealer in the future.

2. Supply or sale of assured livestock BY YOU to another livestock dealer

When you supply or sell assured livestock to another livestock dealer and the assured livestock:

- (a) is **not inspected** by LIS, you are required to remit your own LAF levy to LIS by completing Part B of the *Assurance Funds Levy Remittance Form*;
- (b) is **inspected** by LIS, the other livestock dealer will deduct the LAF levy and the inspection fee from your sale proceeds and LIS will invoice the other livestock dealer for both the LAF levy and inspection fee payable by you.

The LAF levy described above protects you from non-payment by that other livestock dealer or by any other livestock dealer in the future.

3. Supply or sale of assured livestock BY YOU to an unlicensed person

When you supply or sell assured livestock to an **unlicensed person**, you are required to remit your own LDAF levy to LIS by completing Part C of the *Assurance Funds Levy Remittance Form*. This applies whether or not the assured livestock is inspected by LIS.

The LDAF levy protects you from non-payment by this unlicensed person or by any other unlicensed person in the future.

Assurance Funds Levy Remittance Form

You must submit a completed *Assurance Funds Levy Remittance Form* and remit the LAF and LDAF levies payable by you to LIS no later than the 25th day of the month next following the month in which assured livestock were either supplied or sold to you or supplied or sold by you. A sample copy of the *Assurance Funds Levy Remittance Form* is attached as **Schedule "I"**.

Note: The *Assurance Funds Levy Remittance Form* is not to be used to remit the LAF Levy invoiced to you by LIS.

Verification of payment of levies

In completing the *Assurance Funds Levy Remittance Form*, you can verify that you are remitting the required levy by comparing the levy remitted on the supply or sale of assured livestock TO you with the levy remitted on the supply or sale of assured livestock BY you. The numbers should be approximately the same. The process to verify the levy remittance is to calculate the:

LAF Levy payable on assured livestock supplied or sold TO you (incoming)

- being A number of head of assured livestock supplied or sold **to** you
- less B number of ineligible head supplied or sold **to** you by:
- non-Alberta residents
 - associated persons
- equals C number of head eligible for the LAF where:
- the LAF levy on the number head inspected is included on the LIS invoice to you along with the inspection fee - see **1(a)**; and
 - the levy on the number of head not inspected is paid by you to LIS on Part A of the *Livestock Assurance Remittance Form* – see **1(b)(i)**.

LAF levy payable on assured livestock supplied or sold BY you to livestock dealers

- being A number of head of assured livestock supplied or sold **by** you to livestock dealers
- less B number of ineligible head you supplied or sold
- outside Alberta
 - to associated persons
 - to other livestock dealers that were inspected – see **2(b)**
- equals C number of head eligible for the LAF, where the levy on the number of head sold to **livestock dealers** (LAF) is paid to LIS by you on Part B of the *Livestock Assurance Remittance Form* – see **2(a)**

LDAF levy payable on assured livestock supplied or sold BY you to unlicensed persons

being	A	number of head of assured livestock supplied or sold by you to unlicensed persons
less	B	number of ineligible head you supplied or sold <ul style="list-style-type: none">• outside Alberta• to associated persons
equals	C	number of head eligible for LDAF, where the levy on the number of head sold to unlicensed persons (LDAF) is paid to LIS by you on Part C of the <i>Livestock Assurance Remittance Form</i> – see 3 .

WAIVER OF ASSURANCE FUND ELIGIBILITY

You may waive your ability to claim against either or both assurance funds. The waiver must be in the prescribed form and filed with LIS prior to December 31 of any year to be effective the following calendar year. A sample copy of the *Assurance Funds Waiver Form* is attached as **Schedule “II”**.

If you file an *Assurance Funds Waiver Form* with LIS, you may:

- a) apply for a refund of any levies deducted from the sale proceeds by another livestock dealer and remitted to LIS; and
- b) be excused from paying levies for assured livestock you supply or sell to:
 - (i) other livestock dealers – being a waiver in relation to the LAF; and
 - (ii) unlicensed persons – being a waiver in relation to the LDAF.

By submitting this Waiver Form, you are ineligible to claim against an assurance fund while the waiver is in effect.

Revocation of Waiver

You can revoke a Waiver at any time. The revocation must be in the prescribed form and filed with LIS. A sample copy of the *Revocation of Assurance Funds Waiver Form* is attached as **Schedule “III”**.

If you make claim for a non-payment that occurs in the first calendar year after revoking a Waiver, your maximum recovery will be either 25%, 50% or 75% of the amount you would otherwise receive depending on when the claim is made in that first calendar year.

REFUND OF LEVIES PAID WHEN INELIGIBLE TO CLAIM

If you have had LAF levies deducted from your sale proceeds when you were ineligible to make a claim against the *Livestock Assurance Fund*, you are entitled to apply for a refund of the levies paid. Approved refunds are paid by LIS within 90 days of receipt of refund application.

All applications for LAF levy refunds must be made on the prescribed form and received by LIS no later than March 31 of the year following the year in which the levy was paid. A sample copy of the *Livestock Assurance Fund Levy Refund Application* is attached as **Schedule “IV”**.

You are entitled to apply for a refund of LAF levies if you:

- filed an *Assurance Funds Waiver Form* with LIS;
- you were not an Alberta resident at the time of the supply or sale of assured livestock to a livestock dealer in Alberta; and
- you were an associated person of the livestock dealer to whom you supplied or sold assured livestock.

Forms and Legislation

PDF versions of the forms are available from the LIS Website at: www.lis-alberta.com under LIS Forms link.

The above is a summary of the provisions set out in the *Livestock Identification and Commerce Act* and the *Livestock Identification and Commerce General Regulation*. Copies of the Act and Regulations can be obtained from Alberta Queen's Printer at: www.qp.alberta.ca.

SCHEDULE "I"



LIVESTOCK
ASSURANCE
FUNDS TRIBUNAL

Livestock Identification and Commerce Act

ASSURANCE FUNDS LEVY REMITTANCE FORM

Please read attached Instructions before completing this form.

Remitter Information

This Remittance is for the month of _____, 20 _____

Livestock Dealer Name: _____

Telephone number: _____ Fax: _____

E-mail Address: _____

Part A: LAF levies you deducted from sale proceeds payable to producers or livestock dealers

This Part is used to remit LAF Levy deducted from sale proceeds payable to producers for assured livestock supplied or sold to you that were NOT inspected and invoiced by LIS - See instructions paragraph 1(b)(i).

Number of head of supplied or sold TO you _____

• less number of ineligible head supplied or sold to you _____

• less number of head inspected and invoiced by LIS _____

equals

head of assured livestock NOT inspected and
invoiced by LIS on which LAF is payable _____ X .10 / head \$ _____

Part B: Your LAF levies for uninspected livestock supplied or sold by you to another dealer

This Part is used to remit your LAF Levy for assured livestock you supplied or sold to another livestock dealer that were NOT inspected by LIS – See Instructions paragraph 2(a).

of head of supplied or sold BY you to livestock dealers _____

• less number of ineligible head supplied or sold by you _____

• less number of head inspected by LIS _____

equals

head of assured livestock supplied or sold to
livestock dealers on which LAF levies are payable _____ X .10 / head \$ _____

Part C: Your LDAF levies for any assured livestock sold by you to an unlicensed person

This Part is used to remit the LDAF Levy for inspected or uninspected assured livestock you sold in Alberta to an unlicensed person – see instructions paragraph 3.

of head of supplied or sold BY you to unlicensed persons _____

less number of ineligible head supplied or sold by you _____

equals

head of assured livestock supplied or sold to
unlicensed persons on which LDAF levies are payable _____ X .10 / head \$ _____

Total levies remitted with this form (Parts A, B and C) is: \$ _____

Date

Printed name

SCHEDULE "II"



LIVESTOCK
ASSURANCE
FUNDS TRIBUNAL

Livestock Identification and Commerce Act

LIVESTOCK DEALER ASSURANCE FUNDS WAIVER FORM

Under section 38 of the Livestock Identification and Commerce Regulation a livestock dealer:

- a) may waive the ability to claim against the *Livestock Assurance Fund (LAF)*; and
- b) may waive the ability to claim against the *Livestock Dealers' Assurance Fund (LDAF)*.

By submitting this Waiver Form, a livestock dealer will be ineligible to claim against an assurance fund while the waiver is in effect. While the Waiver is in effect for the LAF, a livestock dealer may apply for a refund of any LAF levies paid while the livestock dealer is ineligible to claim against the LAF. While the Waiver is in effect for the LDAF, a livestock dealer is not required to pay any LDAF levies.

A Waiver can be revoked at any time by submitting the *Assurance Funds Waiver Revocation Form*. If a livestock dealer makes a claim for a non-payment that occurs in the first calendar year after revoking a Waiver, the maximum recovery is either 25%, 50% or 75% of the amount of the livestock dealer would otherwise receive depending on when the claim is made in that first calendar year.

Livestock Dealer Information

Full Legal Name: _____

If a company or partnership

Authorized signing authority: _____

Telephone number: _____ Fax: _____

E-mail Address: _____

WAIVER

The above-named participant hereby waives the ability to claim against the following fund(s):

- Livestock Assurance Fund (LAF)
- Livestock Dealers' Assurance Fund (LDAF)

The above-named participant understands and agrees that:

- a) this waiver shall be effective January 1 of the year following the year in which the signed Waiver form is received by Livestock Identification Services Ltd; and
- b) to claim a refund of the LAF levies a *LAF Levy Refund Request Form* must be filed with LIS by March 31 of the year the Waiver is effective.

Date

Signature of Livestock Dealer

Mail this Waiver Form to:

Livestock Identification Services Ltd. #109, 264 Midpark Way SE Calgary, AB T2X 1J6

SCHEDULE "III"



LIVESTOCK
ASSURANCE
FUNDS TRIBUNAL

Livestock Identification and Commerce Act
**LIVESTOCK DEALER
ASSURANCE FUNDS
REVOCATION OF WAIVER FORM**

Livestock Dealer Information

Full Legal Name: _____

If a company or partnership

Authorized signing authority: _____

Telephone number: _____ Fax: _____

E-mail Address: _____

REVOCATION OF WAIVER

The above-named livestock dealer filed an *Assurance Funds Waiver Form* with LIS and waived the ability to claim against the following assurance fund(s):

- Livestock Assurance Fund
- Livestock Dealers' Assurance Fund

The above-named livestock dealer hereby revokes the Waiver filed with respect to the following fund(s):

- Livestock Assurance Fund
- Livestock Dealers' Assurance Fund

The above-named participant understands and agrees that:

- this Revocation of Waiver shall be effective on the date the signed Revocation of Waiver is received by Livestock Identification Services Ltd.; and
- If the above-named livestock dealer makes a claim for a non-payment that occurs in the first calendar year after revoking a Waiver, the maximum recovery is either 25%, 50% or 75% of the amount of the livestock dealer would otherwise receive depending on when the claim is made in that first calendar year.

Date

Signature of Livestock Dealer

Mail this Revocation of Waiver Form to:

Livestock Identification Services Ltd. #109, 264 Midpark Way SE Calgary, AB T2X 1J6

SCHEDULE "IV"



LIVESTOCK
ASSURANCE
FUNDS TRIBUNAL

Livestock Identification and Commerce Act

LIVESTOCK DEALER LIVESTOCK ASSURANCE FUND LEVY REFUND APPLICATION

Note: All requests for LAF levy refunds must be received by LIS no later than March 31 of the year following the year in which the levy was paid.

Livestock Dealer Information

Full Legal Name: _____

If a company or partnership

Authorized signing authority: _____

Telephone number: _____ Fax: _____

E-mail Address: _____

LAF LEVY REFUND REQUEST

The reason for this LAF Levy Refund Application is: (check one)

- 1. The above-named livestock dealer filed an *Assurance Funds Waiver Form* with LIS under section 38 of the General Regulation.
- 2. The above-named livestock dealer was not an Alberta resident at the time of the supply or sale of assured livestock to a livestock dealer in Alberta.
- 3. The above-named livestock dealer was an associated person of the livestock dealer to whom the assured livestock was supplied or sold.

1. Claims based on a s. 38 Waiver

If you are requesting a refund because you have filed an *Assurance Funds Waiver Form*, LIS will provide you with a report listing the Livestock Manifests inspected by LIS for which you would have been charged the LAF levy along with LIS' calculation of the refund of the LAF levy. You will have one (1) month from the date you receive the report to compare the report to your records and advise whether you accept the refund amount calculated by LIS.

2. All other Claims

If you are requesting a refund for any other reason, this *LAF Levy Refund Application* must be accompanied by such documents as may be required by LIS to prove, to the satisfaction of LIS, that (a) the LAF levy was not payable on the sale or supply of assured livestock; and (b) the LAF Levy was deducted from the sale proceeds by a livestock dealer and remitted to LIS.

Date

Signature of Livestock Dealer

Mail this Livestock Assurance Fund Levy Refund Application to:

Livestock Identification Services Ltd. #109, 264 Midpark Way SE Calgary, AB T2X 1J6