

## ***Livestock Identification and Commerce Act – Frequently Asked Questions (FAQs)***

### **Livestock Marketing FAQs**

When must a buyer pay for livestock?

All purchasers will be required to pay within two business days after the later of possession or price discovery. An example of this would be if the livestock are being sold rail grade, then the payment must occur within two business days following the grading.

This provision for prompt payment will apply to all transactions and contracting out of this requirement is not permitted.

A dealer has to purchase and make payment under the name which the dealer is licensed.

Further clarification on what constitutes payment, possession and price discovery will be provided in the regulations.

What about misleading statements?

A dealer and dealer's agent will continue to be prohibited from making misleading statements about the livestock or their services.

Will livestock dealers be required to maintain trust accounts?

The money the dealer receives for the sale of livestock must be held in a trust account when the dealer is selling on behalf of another individual. A dealer will not be required to deposit sale proceeds into a trust account when the dealer is selling livestock the dealer owns.

Will dealers be required to post a bond or other security?

Dealers will be required to post a bond, irrevocable letter of guarantee or other security acceptable to the Minister. If the dealer fails to pay the seller for the livestock, the unpaid seller can claim against the dealer's bond or other security.

Shortfalls in the bond or other security can result in a claim to the Livestock Assurance Fund.

No bond or other security is required from a person who does not handle sale proceeds and only assists in the buying or selling of livestock by compiling or providing information on livestock that are for sale and who charges a fee for this service.

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Will the level of fines increase?

Fines will increase for violations of the legislation. Previously, fines were assessed up to \$5,000. The legislation now provides for the assessment of fines up to \$10,000 for the first offence and up to \$20,000 for a second offence. The fine for an offence may be imposed for each day of the contravention. The judge may impose the fine on each head of livestock in respect of the proven contravention.