

**LICENCING PROCEDURE
VENDOR'S (DIRECT SELLERS) LICENCE
CONSUMER PROTECTION and BUSINESS PRACTICES ACT**

A **DIRECT SELLER** is a supplier who solicits to enter into an agreement between a consumer and a supplier that is negotiated or concluded in person at a place other than the supplier's place of business; or other than a market place, an auction, trade fair, agricultural fair or exhibition. This would include a supplier who: goes from house to house; contacts occupants of houses by telephone, or through advertising or otherwise; requests consumers to contact the direct seller by telephone or present themselves at non-business premises, for the purpose of selling or offering for sale goods or services to them or soliciting orders for the future delivery to them of goods or services.

CORPORATE APPLICANT

If the applicant is a corporation, a copy of the Certificate of Incorporation issued under the *Corporations Act* is required. Contact the Registry of Companies at (709) 729-3317 for information.

ADDRESS FOR SERVICE

The applicant shall indicate on the application a current **Address for Service** in the Province. A document sent or served to the applicant under the *Consumer Protection and Business Practices Act* shall be considered to be sufficiently sent or served if delivered personally or mailed by registered mail to the licensee at the Address for Service stated in the application for licence.

BOND REQUIREMENT

The bond amount is determined by the cost of the goods and/or services to the consumer and the number of salespersons/distributors to be appointed; as follows:

1.(a) where the vendor is an individual and there are no salespersons and where:

(i) sales to any one individual do not ordinarily exceed \$500 - **\$1,000 bond**

(ii) sales to any one individual ordinarily exceed \$500 - **\$5,000 bond**

2.(a) where the vendor is a corporation or partnership, regardless of the amount of any one individual sale:

(i) not more than 5 salespersons - **\$5,000 bond**

(ii) more than 5 salespersons - **\$10,000 bond**

GOODS AND/OR SERVICES SOLD

The applicant must clearly indicate **the goods and/or services to be sold**. This information will be printed on the licence and the applicant is restricted to the sale of these goods and/or services.

DESIGNATED REPRESENTATIVE

The applicant is required to appoint a **designated representative** for this Province. The designated representative is authorized to act as the holder of the vendor's licence on behalf of the corporation.

SALESPERSON/DISTRIBUTORS

The maximum number of salespersons or distributors must be provided. Salespersons/distributors are not required to hold licences, however, *the acts of any individual in the vendor's employ or acting on behalf of the vendor are considered to be not only the individual's act but also the acts of the vendor.*

BUYER'S RIGHT TO CANCEL

A **ten day rescission clause** must be clearly shown on the direct sales contract. A copy of the direct sales contract must accompany the application.

LICENCE FEES

Where there are:

- No sales persons/distributors \$ 100.00
- One to ten salespersons/distributors 300.00
- Eleven to twenty salespersons/distributors 400.00
- More than twenty salespersons/distributors 500.00

Payment via cheque is made payable to **Newfoundland Exchequer Account**. Online payments can be made by following the link below.

<https://www.gov.nl.ca/pay-online/>

Debit/Credit payments are also accepted by completing the Authorization form attached.

LICENCE TERM

Licences issued under the *Consumer Protection and Business Practices Act* remain in effect subject to the filing of annual reports and payment of an annual fee as prescribed by the Minister until it is withdrawn by the registered person or is suspended or cancelled under the Act. The annual filing due date is the last day of the month twelve (12) months from the effective date of the original licence.