The cover features a black and white photograph of several salmon-like fish lying on a metal conveyor belt. A large, semi-transparent teal shape is overlaid on the right side of the image, containing the title text. The background shows a person in a white lab coat and gloves working with the fish.

# Fish Processing **Licensing** Policy Manual

The logo consists of three stylized flowers in red, orange, and yellow.

Newfoundland  
&  
Labrador



<b>1.0 Policy Overview</b> .....	1
1.1 Definitions .....	1
1.2 Policy Objectives.....	4
1.3 Licensing Authority.....	4
1.4 Roles and Responsibilities .....	5
1.4.1 Licensing Board.....	5
1.4.2 Secretariat.....	5
1.4.3 Minister .....	6
1.5 Species Licensing.....	6
1.6 Maintaining Species (Minimum Production/Activity Requirements).....	6
<b>2.0 Licensing Criteria</b> .....	8
2.1 Resource Thresholds.....	8
2.2 Resource Availability .....	9
2.3 Viable Business Plan.....	10
2.4 Regional Balance.....	10
2.5 Location Criteria.....	11
2.5.1 Proximity to Resources.....	11
2.5.2 Proximity to Adequate Area Labour Pool.....	11
2.5.3 Existing Processing Facilities.....	12
2.5.4 Existing Harbour Facilities .....	12
2.5.5 Existing Industrial Infrastructure .....	13
2.5.6 Proximity to Community Services.....	13
2.6 Corporate Concentration.....	13
<b>3.0 Application Process</b> .....	14
Applicant.....	14
Secretariat.....	15
Licensing Board.....	15
Minister .....	16
<b>4.0 Licence Types and Associated Policies</b> .....	17
4.1 Primary Processing Licences.....	17
4.1.1 Policy.....	17
4.2 Secondary Processing .....	17
4.2.1 Policy.....	17
4.3 Aquaculture Processing Licences.....	18
4.3.1 Policy.....	18
4.4 In-Province Retail Processing Licences.....	18
4.4.1 Policy.....	18
4.5 Fish Buyers Licences .....	19
4.5.1 Policy.....	19



4.6	All-Species (Excluding Sea Urchin) Buyer’s Licence.....	19
4.7	Licence Transfers.....	20
4.7.1	Policy.....	21
4.8	Change of Operator.....	21
4.8.1	Policy.....	22
4.9	Plant Closures.....	22
4.9.1	Policy.....	22
<b>5.0</b>	<b>Other Policies and Procedures.....</b>	<b>23</b>
5.1	Advertisement of Application.....	23
5.1.1	Policy.....	23
5.1.2	Procedure.....	23
5.2	Licence Activity.....	24
5.2.1	Policy.....	24
5.2.2	Procedure.....	24
5.3	Agency Agreements.....	25
5.3.1	Policy.....	25
5.3.1	Procedure.....	25
5.4	Labrador.....	25
5.4.1	Policy.....	26
5.4.2	Rationale.....	26
5.5	Collection of Data.....	26
5.5.1	Policy.....	26
5.5.2	Procedure.....	27
5.6	Audit of Fish Processing.....	27
5.6.1	Policy.....	27
5.6.2	Procedure.....	28
<b>6.0</b>	<b>Appeals Related to Species Category Authorizations.....</b>	<b>28</b>
6.0.1	Policy.....	28
6.0.2	Procedure.....	28
<b>7.0</b>	<b>Licensing Policy for Companies with Financial Obligations to the Province.....</b>	<b>29</b>
7.1	Companies in Default/Arrears.....	29
7.2	Associated Company (de facto control).....	30
7.3	Related Persons.....	30
	<b>ANNEX A – Licensing Fees.....</b>	<b>31</b>
	<b>ANNEX B – Application Forms.....</b>	<b>32</b>
	<b>ANNEX C – Non-Refundable Application Fees.....</b>	<b>32</b>
	<b>ANNEX D – Advertisement Specifications.....</b>	<b>33</b>
	<b>ANNEX E – NAFO Management Zones.....</b>	<b>35</b>

## 1.0 Policy Overview

This manual provides guidance to the review and assessment process of the Fish Processing Licensing Board and identifies important factors in the recommendation-making process. The Board's analysis will consider the implications of a new licence or licence transfer on the region and the province. The justification for the issuance of a new licence or licence transfer will be consistent with government policies and consider all of the criteria outlined in this manual. It will be the applicant's responsibility to identify and address, as fully as possible, all matters relevant to the specific proposal and to comply with all governmental and regulatory requirements.

Policies contained in this manual are subject to change.

### 1.1 Definitions

The terms below are referenced in this manual and working definitions have been adopted for this policy manual. For other terms not listed below, the definition where contained in the **Fish Inspection Act** and the associated regulations will apply; otherwise, the commonly understood meaning will apply.

**Agency Agreement** means an agreement between a fish processor licensed to buy and process a particular species category and another licence holder not licensed for the species category in question. The Agency Agreement enables the latter to buy fish or marine plants on behalf of the former.

**Aquaculture Products** are those fish products that are harvested from an aquaculture site licensed under The Aquaculture Act and processed in Newfoundland and Labrador.

**Carton** includes a type of receptacle, package, wrapper or confining band used in holding, storing, packing or marketing fish or marine plants.

**Change of Operator** means a change in the corporate structure of the company currently holding/controlling a fish processing or fish buyers licence, either through an issuance or transfer of shares which affects de facto control; or through an outright sale of assets; or, through a lease arrangement.

**Container** refers to any means by which fish or marine plants may be held and includes a vessel hold, boat pen, vehicle storage area, tote pan, fish bag and an insulated box.

**Corporate Concentration** is defined as the accumulation of production and market power by firms through internal growth or by corporate acquisition.

**De Facto Control** refers to the ability to control 'in fact' by direct or indirect influence of a person, corporation and/or shareholder.

**Department** refers to the Department of Fisheries, Forestry and Agriculture, unless stated otherwise.

**Emerging Fisheries** are developmental fisheries for species which have not traditionally been harvested to any significant extent.

**Establishment** means a place where fish or marine plants are handled, processed, graded or stored, or where records relating to that handling, processing, grading or storing are kept.

**Fish** includes finfish, marine invertebrates or marine mammals, whether caught or farmed, and parts, products or by-products of them.

**Fish Landing Station** means any site where fish or marine plants are offloaded for the purpose of marketing.

**Food Establishment Licence** means a licence that has been approved by the Department of Health and Community Services and has been issued to a facility by the Department of Digital Government and Service NL, under the authority of the Food Premises Regulations of the Food and Drug Act for the preparation of fish products for over-the-counter sales.

**In-Province Retail Processors** are processors who are authorized to buy and process all species categories for the purpose of supplying fish products for sale in the Province of Newfoundland and Labrador: (a) to the ultimate consumer; (b) to retail establishments (e.g., convenience stores and supermarkets) for sale to the ultimate consumer; or (c) to food establishments (e.g., restaurants) that prepare and serve fish products to the ultimate consumer.

**Inspector** means an inspector, officer or other person designated by the Minister to exercise the powers of an inspector under the **Fish Inspection Act** or the regulations.

**Licence (or Processing Licence)** is a written authorization from the Minister which enables a fish processing facility to process one or more species categories.

**Licence Transfer** is the movement of one or more species categories from one fish processing facility to another, resulting in the elimination of those species categories from the originating licence.

**Licensing (or Fish Processing Licensing) Board** means a Board appointed under the authority of the **Fish Processing Licensing Board Act** to consider fish processing licensing applications and make recommendations to the Minister.

**Licence (Licensing) Year** runs from April 1 of a year to March 31 of the following year. Any licence issued during a licensing year automatically expires at the end of the licensing year (i.e., March 31).

**Marine Plants** includes Irish moss, kelp, and other marine plants, parts, products or by-products of them.

**Marketing** means the buying, selling, holding in possession, offering or advertising for sale of fish or marine plants. **Minimum Processing Requirement** means the minimum amount of transformation of a species from its live and/or landed state before the product may be shipped from Newfoundland and Labrador.

**Minimum Processing Requirement** means the minimum amount of transformation of a species from its live and/or landed state before the product may be shipped from Newfoundland and Labrador.

**Minimum Production Requirement** means the minimum amount of production required by the Minister to be processed by a processor in order to maintain a species category authorization.

**Minister** refers to the Minister of Fisheries, Forestry and Agriculture.

**Northern Labrador** is defined as the portion of Labrador located North of Lake Melville.

**Person** includes a corporation and the heirs, executors, administrators or other legal representative of a person.

**Primary Processing** means the processing of fish as part of its preparation for market by applying any one or more of the following processes to it: washing, cleaning, icing, skinning, shucking, filleting, portioning, pickling, cooking, salting, curing, drying, freezing or canning. A primary processed fish or seafood product is one that has been washed, cleaned, iced, skinned, shucked, filleted, portioned, pickled, cooked, salted, cured, dried, frozen and/or canned.

**Regional Balance** means a degree of balance between the amount of a species landed in a region and the amount processed there.

**Resource Threshold** refers to the average volume of raw material of a species category that must be available per year per active processing licence before additional processing facilities may be eligible to be considered for a new authorization for the species category in question.

**Secondary Processing (Products)** means the processing of fish as part of its preparation for market beyond the primary processing stage. This can be achieved by (1) adding one or more ingredient(s), other than water or salt, which results in a substantive increase to the bulk and/or a substantive transformation to the taste and texture of the fish as a food product (e.g., au gratin, chowder or sauce); or (2) applying some other treatment or process to it, other than salting or curing, which results in a significant taste, flavour and/or texture enhancement of the fish as a food product (e.g., breeding, battering, smoking, marinating or pasteurizing).

**Species** means a single biological species.

**Species Category** means a single biological species or a group of related species (e.g., pelagics) for which one licensing authorization may be given.

**Value-Added Processing of Snow Crab** means the processing of snow crab for market in any form other than as crab section industrial packs and/or whole crab. Examples include: snap and eat, consumer pack and meat products.

“**Snap and Eat**” products are identified as sections on which the individual legs have been scored or notched in order to allow the consumer to more easily break the shell of the crab section and to extract the meat.

“**Consumer pack**” products are identified as packages or containers of snow crab sections, not exceeding ten pounds, which contains a quantity of product which would be sold at retail establishments for sale to a final consumer.

“**Meat products**” are identified as cap-on claws; cap-off claws; broken leg meat; leg meat; minced; combination packs; and, salad packs.

## 1.2 Policy Objectives

The primary objectives of government’s fish processing licensing policies are to:

- provide the conditions for a stable and competitive processing sector to exist with minimal public support;
- promote employment levels that provide adequate incomes;
- promote cooperation in the industry that enhances product quality and optimizes total returns from processing available resources; and,
- seek a regional balance of resource availability and processing capacity.

## 1.3 Licensing Authority

The licensing of fish processors and fish buyers is authorized under the **Fish Inspection Act** and the **Fish Inspection Administrative Regulations**.

The Act and its regulations are designed to ensure that all fish and fish products intended for market meet certain health, quality and safety standards. As well, the Province’s **Fish Inspection Act** establishes the authority of government and the Minister to provide for the regional distribution of processing licences, the development of the fishing industry in the province and other matters not directly related to fish quality.

The **Fish Inspection Act** was enacted in 1954 and the associated regulations were first introduced in 1969. The Act and its regulations have been reviewed and amended periodically to address industry concerns and to support the implementation of government policy. The Minister of Fisheries, Forestry and Agriculture has authority under the **Fish Inspection Act** to



make regulations to prescribe criteria for fish buying and processing operations. The most recent amendment was made in October 2008. The accompanying regulations include:

- **Fish Inspection Administrative Regulations**
- **Fish Inspection Operations Regulations**
- **Fish Inspection Ticket Offences Regulations**

## 1.4 Roles and Responsibilities

### 1.4.1 Licensing Board

The Board's main objectives are:

- to assess and make recommendations to the Minister of Fisheries, Forestry and Agriculture regarding licensing applications, including: applications for new licences; change of operator for existing licences; and, the consolidation and transfer of licences;
- to assess and make recommendations to the Minister of Fisheries, Forestry and Agriculture regarding applications for the addition of new species categories to existing fish processing licences, and where appropriate, make recommendations regarding licensing on a regional basis;
- to assess and make recommendations to the Minister of Fisheries, Forestry and Agriculture regarding corporate concentration, merger and acquisition issues in the context of fish processing licensing matters; and,
- to assess and make recommendations to the Minister of Fisheries, Forestry and Agriculture regarding appeal for reinstatement of licences cancelled due to inactivity.

The Minister may also establish additional objectives for the Board.

The recommendations of the Board will be based on policy guidelines outlined in this manual as well as criteria and directions given to the Board in a public manner by the Minister.

The Board's recommendations to the Minister on all licensing applications will be made public as will the final decision of the Minister. The Minister's decision will not be subject to appeal, other than through the Courts.

### 1.4.2 Secretariat

The Licensing, Inspection and Quality Assurance Division of the Department of Fisheries, Forestry and Agriculture will act as Secretariat to the Board. The Secretariat will perform all administrative functions associated with the Board. It will coordinate the review of any applications by the Marketing Division and regional and other appropriate departmental staff, and provide the necessary background and relevant information to the Board. All proposals and requests will be submitted to the Board and copied to the Minister.

The Director of the Licensing, Inspection and Quality Assurance Division will act as Recording Secretary for the Board. The Secretary will be responsible for keeping minutes of all meetings and decisions of the Board and will also prepare a record of recommendations to be submitted to the Minister. The record of recommendations is to be signed by the Chair or the Vice-Chair prior to submission to the Minister.

### 1.4.3 Minister

The Minister will:

- Provide the Board with licensing policy guidelines, criteria and direction;
- Receive and review recommendations from the Board on licensing applications and appeals; and,
- Publicly release the Board's recommendations and his/her final decisions on applications.

## 1.5 Species Licensing

All fish processing licences will indicate which species and species categories the licence holder may purchase and process. In general:

- Primary processing licence holders are only authorized to process those species categories indicated on their processing licences.
- In-province retail processing licence holders are authorized to process all species categories, but all marketing must be confined to sales within Newfoundland and Labrador.
- Fish buyers licence holders are only authorized to purchase those species categories listed on their Buyers Licences.
- Secondary processing licence holders are authorized to process all species categories, but the product forms produced must conform to the definition of Secondary Processing as defined in the **Fish Inspection Administrative Regulations**.
- Aquaculture processing licence holders may be authorized to process all cultured/farmed fish and marine plants sourced from Newfoundland and Labrador aquaculture sites licensed under the **Aquaculture Act**.

## 1.6 Maintaining Species (Minimum Production/Activity Requirements)

For a primary processing facility to maintain its authorization to process a species or species category, it must have produced a minimum round-weight-equivalent volume of production for that species or species category in two of five consecutive calendar years. Note, for the species snow crab, the requirement is annually. The current list of species categories and the corresponding minimum production volumes required to maintain these species categories is outlined in Table 1. If a processing facility has been inactive for two consecutive calendar years, the licences associated with the facility will be permanently cancelled.

In-Province retail processing licences, secondary processing licences, and aquaculture processing licences are not restricted with respect to the species categories which may be processed; however, if there is no activity whatsoever under the authority of the licence for one of the two consecutive calendar years, the licence will be permanently cancelled.

A fish buyers licence lists those species or species categories which may be purchased under the licence.

However, there are no minimum specified volumes required to maintain the species category authorization, so any buying activity for a particular species category in one of two consecutive calendar years will be sufficient to maintain that species category authorization for the following licensing year.

In the event of the cancellation of a species or species category authorization or a full licence, any appeals based on extenuating circumstances will be directed to the Licensing Board for review.

The Minister of Fisheries, Forestry and Agriculture has the right to reconsider the minimum production requirements from time to time as required and amend the **Fish Inspection Operations Regulations** accordingly.

**Table 1: Minimum Production Requirements for Primary Processing Licence Holders**

Species/ Species Group	Species and/or Products Included	Minimum Round-Weight-Equivalent Production to Maintain Species or Species Group (Tonnes)	
		2019	2024
<b>Clam</b>	Clam, Cockle	10	10
<b>Groundfish</b>	Catfish, Cod, Cusk, Dogfish, Flounder, Grenadier, Hagfish, Hake, Halibut, Haddock, Monkfish, Pollock, Redfish, Shark, Skate, Turbot, Wolffish (including Groundfish By-Products)	20	20
<b>Other Crab</b>	Rock, Toad, Atlantic King, Porcupine, etc.	5	5
<b>Pelagics</b>	Capelin, Herring, Mackerel, Smelt, Tuna, Swordfish, Squid	20	20
<b>Salmonids (Wild)</b>	Arctic Char	1	1
<b>Sea Cucumber</b>	Sea Cucumber	1	10
<b>Shrimp</b>	Shrimp	500	500
<b>Snow Crab</b>	Snow Crab	100 Annually (50 in Labrador)	200 Annually (50 in Labrador)
<b>Whelk</b>	Whelk	5	5
<b>All other species</b>	No minimum requirement; however, if a processing facility has been inactive for two consecutive calendar years, the licences associated with the facility will be permanently cancelled.		

Note: This list may be amended by the Minister from time to time.

## 2.0 Licensing Criteria

The following sections explain these criteria in more detail. The Minister may also provide the Board with other criteria and direction as per section 10(2)(a) of the **Fish Processing Licensing Board Act**.

### 2.1 Resource Thresholds

In 2003, the Dunne Report on Fish Processing Licensing Policy recommended a resource threshold approach be adopted to guide the issuance of new licences. The establishment of thresholds provides the Licensing Board with clear, measurable criteria in their assessment of applications. The report noted that: “One of the major deficiencies in licensing actions to date has been the lack of any clear or explicit connection to the amount of raw material required by existing or newly licensed facilities. Licences have been issued with no apparent assessment of whether the necessary raw material would be available on an incremental basis or would simply come from an already fully subscribed supply. In all too many cases, the latter was the reality.”

A resource threshold is a target amount of raw material that should be available, on average, to each active holder of a species category authorization before the issuance of additional species category authorizations will be continued. For example, the target resource threshold for shrimp is 4,000 tonnes. This means that the existing six (6) shrimp processors should have a combined access to 24,000 tonnes of inshore shrimp quota (4,000 tonnes x 6) before consideration is given to adding further shrimp authorizations. Resource thresholds can be achieved by either quota increases, or a reduction in the number of species category authorizations issued, or both.

The resource threshold approach is meant to provide a balance between the available resource and the ability of plants to process fish harvested. The inshore sector is seasonal and, as such, the number of processing licences and the amount of fish processed must coincide with the landings pattern, market demand and relative capacity utilization in the industry. In considering the issuing of new licences, the Licensing Board will use the applicable resource threshold as a means to assess whether existing licence holders’ resource requirements have been reasonably accommodated.

The applicable resource thresholds will be reviewed periodically by Government with an automatic review triggered when the average raw material available for processing per active plant in a given year reaches 85 percent of the threshold levels outlined. This will ensure that the established thresholds continue to meet government policy objectives.

The following resource thresholds have been established for shrimp, snow crab, groundfish, and pelagics species categories.

Table 2: Summary of Resource Thresholds

Species Category	Average Tonnes Per Active Licence	Review Level (tonnes)
Shrimp	4,000	3,400
Snow Crab	2,000	1,700
Groundfish	1,000	850
Pelagics*	1,600	1,360

\* excluding squid and smelt

**Other species categories:** Other species categories have no resource thresholds at this time. Therefore, consideration of new licences for other species categories will take into account resource availability which will have to be demonstrated by applicants in submission of their licensing applications and business plans.

## 2.2 Resource Availability

Resource availability changes dramatically from time to time and, as a result, the processing industry in Newfoundland and Labrador will continue to face challenges related to the quantity of fish that is available for processing. Government’s licensing policy aims to minimize the impacts of resource fluctuations so that viable fish processing activities can contribute positively to rural economic conditions. Processing capacity is influenced by many factors including seasonality, market conditions and technology. Addressing overcapacity is a challenge but managing processing licences subject to resource availability is a measure that over time will contribute to narrowing the gap between resource availability and processing capacity.

Applicants for new licences, licence transfers or changes of operator must clearly demonstrate that they have access to the fish resources they plan to process. This access should not negatively impact other processing operations or regions within the province. The Board will have to assess whether or not there is ample resource available to warrant a new license or license transfer such as insufficient regional capacity, lack of sales outlets for harvesters or resource gluts that cannot be handled by current license-holders.



## 2.3 Viable Business Plan

Proponents must demonstrate in their licensing application the viability of the proposed venture and provide detailed information on the following:

- Raw Material Sources (information to demonstrate the ability to access the amount of raw material necessary to maintain a viable operation);
- Physical Plant (a description of the plant and the nature and extent of any capital investments required);
- Production Plan (description of processing methods and product types to be produced);
- Marketing Plan (information should be provided to indicate the anticipated products to be produced, target markets, anticipated prices and promotional plans);
- Management (outline the level of experience and expertise which would influence the likelihood of the success of the proposed venture);
- Employment (information indicating the local availability of labour, the number of persons who will be employed including operating periods and anticipated wages and salaries);
- Financing (information to demonstrate the ability to obtain the appropriate financing for the venture);
- Previous Year's Financial Information (prepared by an accountant or other person competent to express an opinion on the financial information provided);
- Pro-forma Financial Information (Pro-forma financials should include financial data showing the projected cash flows on a monthly basis for the first year and on a yearly basis for the following 3 years. Pro-forma balance sheets and income statements should be prepared on a yearly basis for four years); and,
- Copy of Articles of Incorporation and confirmation of good standing with Registrar of Companies.

## 2.4 Regional Balance

In its broadest context, regional balance refers to a matching of processing capacity to adjacent resources in a geographical area. The Licensing Board will consider regional balance issues in cases where overall province-wide capacity reduction objectives will not be adversely affected. Regional balance is a desirable objective and will be an important consideration in assessing applications.

The nature of the industry prevents a mathematical formula approach to the application of the regional balance criterion. Nevertheless, regions can often be defined based on geographic features such as peninsulas (e.g., Burin Peninsula, Northern Peninsula, Bonavista Peninsula and Avalon Peninsula). Each of these peninsulas or regions is adjacent to NAFO Management Zones (see Annex E) and adjacent harvesters are licensed to prosecute fisheries in the regions. Consideration should be given to the volumes of raw material landed in a region versus the number of plants in that region and the associated processing capacity.

Some regions will be net importers of raw material while others will be net exporters. As a general guide, applications for new licences and transfers should not normally be considered in

regions that are net importers of a particular species of raw material. In addition, the fact that an area is a net exporter of raw material is not sufficient in and of itself to warrant the addition of a new species licence.

It must be kept in mind that many processing facilities process fish that is landed by harvesters from many areas of the province. As well, many harvesters in a region do not necessarily land their fish in the NAFO area in which the fish is caught. As such, caution is warranted when applying the principle of regional balance.

Regional balance will continue to be a principle focus for licence transfer applications or new licence applications.

## 2.5 Location Criteria

Applications for new licences and licence transfers will be assessed taking into account the following criteria:

- Proximity to resources to be processed;
- Proximity to an adequate area labour pool;
- Existing processing facilities;
- Existing harbour facilities for landing, offloading and tie-up requirements;
- Existing industrial infrastructures; and,
- Proximity to acceptable levels of social, educational, health, telecommunications and commercial services.

The assessment process could involve the comparison of a number of applications for a new licence for the same species categories in which case the proposal(s) that best meets the above criteria may be issued a licence.

### 2.5.1 Proximity to Resources

Where the Board is considering multiple applications for a species or species category within a region, licensing applications for the given species category will be assessed based on the proposed processing facility's proximity to the fish resource. Proximity will be a key factor in determining the addition or transfer of a species category, and will focus on efficient delivery of raw material to the plant in question to minimize trucking and steaming distances.

### 2.5.2 Proximity to Adequate Area Labour Pool

It is the responsibility of the applicant to demonstrate that there is an adequate area labour pool to meet the demands of a new licence or transfer. It is desirable that there should be a sufficient population base upon which the facility could draw the required number of appropriately skilled or trainable workers. As well, characteristics such as age, gender, education level and occupation types should match the profile of the workers required for the operation. It is also important for the available workforce to be sustainable over the longer term. Newfoundland and Labrador's processing sector is facing increased challenges to maintain a stable workforce.

Workers are getting older and recruitment is becoming more difficult. For example, projections may show that the demographics of a certain area are expected to change drastically in the future which could affect the available labour pool the applicant must show in the application how this can be addressed. In these circumstances, the applicant should outline how these challenges will be addressed.

### 2.5.3 Existing Processing Facilities

There is a general acceptance that there is excess primary processing capacity in the province for most, if not all, species. In an effort to utilize existing capacity and avoid investment in further capacity, the addition of species category authorizations to primary processing licences, and licence and species category transfers, will only be available to existing, active plants. The facility must also be suitable for the species licence being requested. The applicant must therefore provide the following details on the existing facility:

#### A. Current Overview of the Plant

- History of plant;
- Species processed;
- Infrastructure (e.g., icing, freezing, offloading, processing equipment, etc.);
- Capacity (e.g., volume production/day, frozen storage capacity, etc.);
- Number of employees, duration of employment, wages and salaries paid;
- Level of processing;
- Length of season; and,
- Plans for future expansion/development.

#### B. Projections for New Species/Licence

- Species to be processed;
- Infrastructure to be utilized (e.g., icing, freezing, offloading, processing equipment, etc.);
- Capacity (e.g., volume production/day, frozen storage capacity, etc.);
- Number of employees, duration of employment, wages and salaries to be paid;
- Level of processing;
- Length of season; and,
- Plans for future expansion/development.

### 2.5.4 Existing Harbour Facilities

Wherever possible, it is important that licences are associated with facilities that have adequate harbour facilities already in place and in close proximity. Otherwise, there may be a substantial cost involved in setting up the necessary infrastructure or upgrading existing facilities. Also, without adequate harbour facilities in close proximity, potential delays in handling and transportation of fish to the processing facility are likely, affecting quality and safety.

It is important that a processing facility is in close proximity to adequate harbour facilities. The Licensing Board will review the following information in its assessment:

- Location of harbour facilities for the species to be purchased;
- Types of facilities and services (e.g., offloading wharves, handling devices for offloading, handling system from dockside to transportation or holding units, trucking operation at wharf, fish holding units, refrigeration, transportation to processing facilities, supply of ice, electric power supply, salt/pickled storage, fresh and salt water supply);
- Function, dimensions, capacity;
- Proximity to other infrastructure;
- Ability of site to handle landings; and,
- Anticipated changes required based on species or species group(s) requested.

### 2.5.5 Existing Industrial Infrastructure

A fish processing licence should not be approved for an area that does not have the existing industrial infrastructure to sustain the operation or is unable to accommodate the operation without negatively affecting the services of existing users. Developing this infrastructure and duplicating services when there may be excess capacity in other areas of the province should also be discouraged.

Consequently, the applicant must show that the industrial infrastructure listed below is sufficient for the operation and there will be no detrimental impact on existing systems and no substantial public cost required in supplying this infrastructure.

- Adequate volume of fresh and salt water for operation;
- Appropriate electrical power (e.g., three-phase);
- Adequate waste disposal services; and,
- Sufficient transportation network.

### 2.5.6 Proximity to Social, Educational, Health, Telecommunications and Commercial Services

Factors such as personal health, cost of living, social and environmental setting, community services, education, and telecommunications all play a key role in contributing to the quality of life within a community. The applicant must demonstrate the availability of community services, hospitals, schools, telecommunications services and commercial services and the relative proximity of these services to the proposed operation and its workforce.

## 2.6 Corporate Concentration

The Board will take into account the level of concentration of ownership as it considers requests for changes of operator, licence transfers, and the issuance of new licences. The intent of this policy is to ensure that any one company or corporate group does not acquire a position within the industry that could result in it having an undue influence in day-to-day dealings with harvesters or other processors.

Most of the product produced in the province is destined for export markets, and as such, the Licensing Board should not normally be concerned with the impact of a firm's behaviour on the price the fish products receive in the marketplace. The main focus of the Board should be on the impact of corporate concentration on the price paid for raw material and provision of services in the region(s) where fish is to be purchased.

Wherever possible, a region will be defined relative to the actual sales and purchases of fish products between harvesters and buyers in a given geographic area. When assessing applications, the Board should consider the buying patterns of companies within the region where the company will operate. The Secretariat will compile this information which should help indicate the level of activity within an area and the potential impact within a region.

If the Board believes that the degree of corporate concentration associated with an application is of concern, it should take the following factors into consideration:

- geographic area;
- potential for influence on raw material price or services;
- collectively bargained versus non-bargained species prices;
- degree of competition as indicated by the number of buyers operating in an area;
- anticipated degree of potential impact;
- Competition Bureau regulations and guidelines pertaining to mergers (If the Competition Bureau is reviewing a merger notification, the Board should await the outcome before making a recommendation on the application.);
- any public input received in response to the licence application; and,
- other relevant information.

All applicants must provide a profile of company ownership. This must include a complete list of all shareholders. For non-publicly traded companies, any shareholder that has a five percent or greater interest in the company and also operates or shares the ownership of another fish processing company in the province must indicate their interests in that company or companies as well.

### 3.0 Application Process

This section outlines the application process and the policies and procedures for dealing with various types of licences and applications.

#### Applicant

The Applicant will:

- publicly advertise the intent to submit an application in accordance with the policy outlined in Section 5.1 – Advertisement of Applications;
- provide copies of all advertisements to the Secretariat; and,
- submit the completed application together with the corresponding non-refundable licence application fee (Annex C).



## Secretariat

The Secretariat will:

- record the application for a new licence, licence transfer or change of operator;
- ensure the application fee is submitted and all required information is included with application;
- acknowledge receipt and outline the assessment procedure to the applicant;
- copy the application to Licensing Board members;
- coordinate the review of the application and prepare necessary background and relevant information;
- seek comments and information from applicable branches/divisions within the department on the application and business plan (comments and information should include background information on the applicant, the effect that the new licence, transfer or change of operator will have on the communities involved, proposed operating season, employment numbers and employment area, any quality initiatives involved and types of products to be produced);
- seek comments and relevant information from other government departments and agencies, where appropriate;
- receive and summarize any comments provided by interested parties in response to the public advertisement of the licence application;
- compile background information and comments/information from Regional Supervisors and other departments and agencies;
- handle administration and logistics for public meetings (if required); and,
- put the application on the agenda for the next Board meeting; provide Board with the application and all relevant background materials and assessments; and, take minutes and prepare a record of recommendations for submission to the Minister.

## Licensing Board

The Licensing Board will:

- review the application and comments and relevant information from the Secretariat including assessment and comments from Regional Supervisors, other branches/ divisions and other government departments and agencies, as well as any responses received as a result of the proponent's public advertisement of the application;
- hold open public meetings (if necessary);
- evaluate the application based on government policy and assessment criteria taking into account all comments and information received from various stakeholders;
- reach a consensus on a recommendation, but where a consensus cannot be achieved, vote on the application with the final recommendation based on majority rule; and,
- submit summary minutes and a recommendation to the Minister.

## Minister

The Minister will:

- review the recommendation of the Board;
- make a final decision on the application;
- inform the applicant in writing of his/her final decision; and,
- publicly release the Board's recommendation and his/her final decision by posting this information on the department's Website ([www.fishaq.gov.nl.ca/](http://www.fishaq.gov.nl.ca/)).

**All Government officials dealing with an applications and members of the Licensing Board are bound to maintain the confidentiality of the details within the application and the association documents, in accordance with the provisions of the Fisheries Act.**



## 4.0 Licence Types and Associated Policies

This section deals with government policies regarding: new and existing primary, secondary, aquaculture and in-province retail processing licences; fish buyer's licences; licence transfers; and, changes in operators of processing facilities.

### 4.1 Primary Processing Licences

Primary processing licences are the most prevalent in the industry and so are more closely controlled to address over capacity concerns.

#### 4.1.1 Policy

Primary processing licence holders may source fish directly from harvesters.

Primary processors may only process those species categories specifically authorized on their processing licence.

Primary processors must process each authorized species to meet or exceed the minimum processing requirements at contained in the Schedule to the **Fish Inspection Operations Regulations**.

Secondary processing is encouraged, so holders of primary processing licences may also produce secondary processed products for those species categories they are licensed to process.

Limited numbers of species category authorizations (normally up to six) may be issued to active primary processing licence holder for emerging fisheries species based on resource availability and regional balance as outlined in **Sections 2.2 and 2.4** respectively. Further licences for emerging fisheries species will only be considered when there is evidence that there is enough resource for expansion.

### 4.2 Secondary Processing Licences

The policy on secondary processing licences reflects Government's desire to encourage value-added and further processing of fish products beyond the primary processed stage.

#### 4.2.1 Policy

Secondary processing licence holders may source fish directly from harvesters.

Secondary processors must process all products for at least the minimum required to be considered “secondary products” (see definition) and will not be authorized to engage in the production for sale of primary processed products.

There are no species restrictions on secondary processing licences. Applications for new secondary processing licences may be considered.

### 4.3 Aquaculture Processing Licences

The aquaculture industry is characterized by sites dispersed over a number of geographical areas of the province and harvested year round. It is usually uneconomical for established processors of commercial fish species to operate their facilities to accommodate the processing of farmed fish on this basis. Thus, there may be a requirement for processing facilities that process fish sourced from aquaculture operations. In addition, proximity of the processing facility to the aquaculture site is crucial to preserving quality, particularly for species which are marketed live.

#### 4.3.1 Policy

Aquaculture processing licence holders are limited to processing only raw material sourced from Newfoundland and Labrador aquaculture sites licensed under the **Aquaculture Act**.

New licences for aquaculture processing establishments may be considered on a case-by-case basis where a detailed, viable application is submitted.

### 4.4 In-Province Retail Processing Licences

In 1991, the In-province Retail Processing Licence was established to improve the quality of seafood being prepared for local consumption. Retail processors are authorized to buy fish directly from harvesters, but must sell their products within Newfoundland and Labrador.

Due to concerns over the possible implications for increases in groundfish processing capacity, a freeze has been implemented on the issuance of new in-province retail processing licences since the Northern cod moratorium of 1992.

#### 4.4.1 Policy

There are no species restrictions for in-province retail processing licences. This will enable licence holders to purchase and process all available species for sale within the province.

In-province retail processors may source fish directly from harvesters. No new in-province retail fish processing licences will be issued. Existing in-province retail processing licences may be transferred in accordance with the policy on licence transfers.

As an alternative to a retail processing licence, seafood retailers may apply for a Food Establishment Licence through the Department of Digital Government and Service NL. These retail establishments are authorized to source fish directly from harvesters.

## 4.5 Regular Fish Buyers Licences

Holders of this licence are only authorized to purchase or market the species/species group indicated on their licence. All species other than live lobster and eel have to be transported to a fish processing facility licensed under the Fish Inspection Act to process such species.

### 4.5.1 Policy

There is a freeze on the issuance of new regular fish buyers licences.

Licence holders are authorized to engage in or engage in a specific aspect of grading the species or species group noted on the licence.

Holders of fish buyers licences may purchase fish directly from harvesters.

Existing holders of buyers licences will not be granted authority to add or transfer any additional species to their licences.

If an individual holds an active buyers licence and wishes to incorporate, he/she may submit a request to the Board for the licence to be issued in a company name and the Board may recommend to the Minister that the licence be issued in this company name.

If a number of active buyers licence holders wish to amalgamate their licences under a new company, they may submit a request to the Board for a change of operator and the Board may recommend to the Minister that the licences be issued in the new company name.

Consideration may be given by the Minister to approve to sharing the ownership of the licence within the immediate family of the holder (e.g., parent to child), on a permanent basis only.

## 4.6 New All-Species (Excluding Sea Urchin) Buyer's Licence

Holders of fish buyers licences may purchase fish directly from harvesters.

Licence holders are exempt from the Minimum Processing Requirements as outlined in the Schedule of the Fish Inspection Operations Regulations.

Licence holders are authorized to engage in or engage in a specific aspect of grading the species or species group noted on the licence.



Applications for All-Species (Excluding Sea Urchin) Buyer's Licences will be accepted from interested companies meeting the following criteria:

1. Company is registered and in Good Standing in the Province of Newfoundland and Labrador
2. Company is registered and in good standing with the Workplace Health, Safety and Compensation Commission
3. No outstanding monies owed to the Government of Newfoundland and Labrador

Successful applicants will be required to:

- Deduct Employment Insurance premiums on behalf of harvesters
- Register with Workplace NL and submit returns

Applications for completion and submission are available at the following link: [Fish Buyers License Application Form](#)

The fee for an All-Species (Excluding Sea Urchin) Buyer's Licence is \$1,000 and may be paid [here](#).

To register to operate as an incorporated company in Newfoundland and Labrador or to verify that you are considered in good standing by the Registry of Corporations in Newfoundland and Labrador, please call 709.729.3317.

To register and verify whether you are in good standing with the Workplace Health, Safety and Compensation Commission, please contact 709.778.1291 or 709.778.1000.

To register your business with Workplace NL, please click on the following link: <https://workplacenl.ca/employers/register-my-business>

Completed applications and required information should be submitted via email to [fishbuyers@gov.nl.ca](mailto:fishbuyers@gov.nl.ca)

## 4.7 Licence Transfers

The licence transfer policy helps provide some flexibility for processing facilities where viability and resource availability are demonstrated. Transferring licences also avoids the need to increase the number of facilities engaged in primary or retail processing.

#### 4.7.1 Policy

Transfer requests for species categories other than snow crab, shrimp, groundfish, and pelagics may be approved based on the established assessment criteria.

No transfer requests for shrimp, groundfish, and pelagics species category authorizations will be approved unless the transfer will result in the closure of a plant and a reduction in the overall number of species authorizations outstanding.

There will be no transfers of snow crab licences.

There will be no temporary transfers.

Transfers may only be considered for licences that have been validated for the year in which the transfer request is made.

Individual species categories held on a licence may only be transferred between active facilities.

A transfer request from an active facility to an unlicensed facility will only be considered if all species categories on the licence are to be transferred, resulting in the closure of the originating plant.

The transfer must take into account resource considerations in the regional area from where the licence is transferred as well as the area to where the licence is being transferred.

NAFO Management Zones (see Annex E), may be used in determining the impact on regional balance between resource availability and processing activity. Transfers may be considered within and between management zones. Licence transfers within a management zone need not consider the balance between resource availability and processing capacity. Licence transfers between management zones will consider the balance between regional processing capacity and resource availability.

#### 4.8 Change of Operator

The control of a licensed processing establishment sometimes changes with the new operator applying for licences held by the previous operator. It is necessary for the new operator to submit a business plan, in order for the Licensing Board to determine the new company's ability to operate the facility and meet their objectives, with respect to employment, operating season and quality initiatives, and the viability of its plans.

A change of operator is not the same as a licence transfer. When a licence is transferred, the licence is moved to a new location, whereas a change of operator involves new principal shareholders but the physical location remains the same.

#### 4.8.1 Policy

There will be no change of operator for snow crab licences.

A change of operator will only be considered for active plants or active buyers licences that have been validated for the year in which the application is made.

When a plant owner proposes to sell or lease a licensed plant, the proposed new operator must make application to the Board for the issuance of the fish processing licence in the new operator's name.

A change of operator of a fish buyers licence may only be considered where the purchaser buys the company holding the licence, or a licence holder proposes to pass the licence to a member of the immediate family.

### 4.9 Plant Closures

After a company announces a closure or has their processing licences cancelled due to inactivity, any future reopening would be on the basis of established policies related to the new licence.

There will be no option to reopen closed primary processing plants unless resource thresholds and all other applicable policy considerations have been achieved.

#### 4.9.1 Policy

A company may 'temporarily' close a plant to consider restructuring options due to unanticipated changes in resource, market or other conditions.

If the plant is to be reopened after a year of closure, the licence fees required to reissue the licence will include the fees for the year of closure and the year in which the licence is to be reissued.

If a processing facility has been inactive for two consecutive calendar years, the licences associated with the facility will be permanently cancelled.

## 5.0 Other Policies and Procedures

To provide for a more open and transparent licensing system, the public must be fully aware of all applications for new licences, licence transfers or changes in operator. Advertisements in province-wide and local newspapers will give people an opportunity to provide comments to the Board prior to its consideration of the application in the early stages of the review process.

### 5.1 Advertisement of Application

This section deals with the policy and procedure for advertising the applicant's intent to apply for a new licence, licence transfer or change of operator.

#### 5.1.1 Policy

An applicant for a new licence, licence transfer or change of operator shall give notice of his or her intention to apply for the licence, by advertisement in the form prescribed in Annex D, once a week for two consecutive weeks. The application may be submitted concurrently with the placement of the advertisement.

For a new licence or change in operator, the advertisement must appear in the Classified Section of: (1) a newspaper (Saturday edition) with province-wide circulation and (2) a newspaper circulating in the area in which the licence or change of operator is requested.

For a licence transfer, the advertisement must appear in the Classified Section of: (1) a newspaper (Saturday edition) with province-wide circulation; (2) a newspaper circulating in the area to where the licence is being transferred; and, (3) a newspaper circulating in the area from where the licence is being transferred.

The applicant must demonstrate that the advertisement has been placed in the appropriate manner by submitting a copy of the advertisement, the newspapers utilized and the dates of placement. This information should be submitted to the Secretariat immediately after the advertisement has been published.

No application will be considered by the Board until appropriate advertisements have been placed for the time periods specified.

#### 5.1.2 Procedure

The Secretariat will review the advertisement and confirm that the appropriate policy and procedure has been followed. A copy of the advertisement will be included in the application file for the Board.

## 5.2 Licence Activity

Requiring processing facilities and buyers to remain active is a means of ensuring that licences are being utilized. As well, the elimination of inactive species categories and licences will bring about a measure of rationalization over time, resulting in a better balance of processing capacity with resource availability.

### 5.2.1 Policy

The Minister will set the minimum production requirements which must be achieved in order for the species category to be deemed “active”.

Activity for a fish processing operation is determined based on monthly production reports.

Activity for a buyers licence is determined based on purchase information provided by the Department of Fisheries and Oceans.

A species category on a primary processing licence is considered active if the plant achieves at least the minimum production (based on round weight equivalent) required for that species category in two of five consecutive calendar years immediately preceding the licensing year in question. Note, for the species snow crab, the requirement is annually.

A species category on a buyers licence is considered active if the buyer purchases at least one pound of that species category in either of the two calendar years immediately preceding the licensing year in question.

If a species category on a fish processing licence or buyers licence is deemed to be inactive, that particular species category will be removed from the licence.

If a renewal request for any type of licence is not received for two consecutive licensing years, the licence will be cancelled permanently.

### 5.2.2 Procedure

The department will:

- generate an annual production and purchase report for each processor and buyer, in January of each year;
- review data to determine inactivity for licensed species categories; and,
- determine inactive species categories on licences as well as completely inactive licences. Only active licences and active species categories will be eligible for licence renewal.

## 5.3 Agency Agreements

The implementation of this agency agreement policy will allow established processors and buyers to maintain their business relationships with their fish harvesters for all species landed.

### 5.3.1 Policy

A licensed fish processor holding a processing authorization for a particular species category (the principle) may enter into an Agency Agreement with another licensed fish buyer or fish processor (the agent) who does not hold a similar authorization, enabling them to purchase that species category on behalf of the principal.

All fish purchased by an agent must be shipped in the form in which it was purchased, directly to the processor or buyer they represent.

An agent must issue the Department of Fisheries and Oceans purchase receipts to harvesters in their name followed by the name of the buyer or processor they represent.

Once approved, it is the responsibility of the buyer or processor to update the department on the status of their Agency Agreements.

A person or company who does not hold a fish processing or fish buyers licence must be employed by a fish processor or buyer in order to buy fish directly from a harvester, and must issue the Department of Fisheries and Oceans official purchase receipts in the licence holder's name.

### 5.3.1 Procedure

- Any licensed processor can establish an agency agreement with any eligible agent (i.e., another licensed processor or fish buyer) by completing the appropriate agency agreement form and submitting copies as required.
- An Agency Agreement must be in writing in the approved form (Annex B), with one copy forwarded to the Licensing, Inspection and Quality Assurance Division of the department, and copies retained by both the Agent and the Principle, and made available for inspection by an inspector upon request.
- The Licensing, Inspection and Quality Assurance Division will forward copies of the Agency Agreement to the Department of Fisheries and Oceans and to the Department's Fisheries Supervisors for distribution to inspection staff.

## 5.4 Labrador

In order to support and further develop the fishing industry in Labrador, special consideration may be given to processing plants in this region for the issuance of new licences and additional species authorizations to existing licences.



### 5.4.1 Policy

All plants situated in Labrador may be given special consideration where resource availability warrants such consideration. New licences and species category authorizations may be added to processing licences in this area without consideration of factors such as resource thresholds.

Any recommendations made by the Board with respect to Labrador are subject to the merits of each submission and must take into consideration provisions contained in any relevant Land Claim Agreement(s).

### 5.4.2 Rationale

This revision to policy for special consideration to include all of Labrador is warranted due to recent reductions in the number of processing plants and the limited number and distribution of species licences to accommodate landings in the region.

It is understood that there are many factors that contribute to the difficulties in harvesting and processing fish in Labrador. Some of these factors include geographic isolation, environmental factors (ice), challenges in transportation, short operating season, etc. Processing licensing policy in the region must be sufficiently flexible to address these concerns and should apply to all of Labrador rather than just the Northern portion.

## 5.5 Collection of Data

In order to monitor the processing sector, respond to changing conditions, and formulate appropriate policies, it is important that statistics are available as needed. Therefore, the collection of daily, weekly and monthly production and purchase data, employment statistics and other required information is essential.

### 5.5.1 Policy

Licensed fish processors for capelin and lump fish are required to submit daily production forms on the day following each day of production.

Licensed fish processors of shrimp and snow crab are required to submit weekly production forms on the Tuesday following each week of production.

Licensed fish processors for all other species are required to submit monthly production and employment forms by the 10th day of the month following the month of production.

Licensed fish processors may be required to submit additional production and employment information as required from time to time throughout the year.

If a company's production or employment is NIL for a particular month, then the company must submit the form, indicating "NIL".

When a processor has finished production for the year or for an extended period of time, the department may be advised accordingly and the reporting requirements will be suspended until production resumes.

The department may request additional information as needed.

If the required report or information requested is not received by the specified deadline, administrative penalties as prescribed in the Fish Inspection Administrative Regulations may be applied or charges may be laid against the processor or fish buyer in question.

All information provided by a processor or fish buyer will be treated confidentially, in accordance with the provisions of the **Fisheries Act**.

### 5.5.2 Procedure

The department will:

- Make available the appropriate reporting forms to all licensed fish processors and fish buyers through the department's website.
- Monitor reporting to ensure that completed forms are received by the appropriate deadlines. If a company does not submit a report on time, they will receive one warning, after which continued non-compliance will result in administrative penalties. In extreme cases, charges may be laid.
- Enter all data into the Processing and Licensing Application for Notification and Tracking (ACCELA) system, which will support the production of standardized and ad hoc reports.

## 5.6 Audit of Fish Processing

The Department of Fisheries, Forestry and Agriculture is responsible for the collection of fish plant production data and the production of statistical reports. These statistics are used by the department to support policy analysis, as well as to assess licence activity and licence fee surcharges. An audit will ensure that companies are reporting production consistently in the form required by the department and will ensure accuracy of the data.

### 5.6.1 Policy

The **Fish Inspection Operations Regulations** require that all fish processing licence holders report their production and other data as requested by the Minister.

In order to ensure that licence holders are submitting accurate production reports, the Licensing, Inspection and Quality Assurance Division will conduct regular audits of fish plant production and more frequent audits, if necessary. Auditors have the same powers as "inspectors" under the **Fish Inspection Act** and regulations.

## 5.6.2 Procedure

The department will schedule and carry out plant audits; prepare reports; and, file reports with the Director of Licensing, Inspection and Quality Assurance.

# 6.0 Appeals Related to Species Category Authorizations

There may be circumstances beyond the control of some operations that prevented them from meeting the criteria to be reissued a processing licence or a particular species category authorization. The appeal process enables the processor or fish buyer to provide additional information and present their case to the Board.

## 6.0.1 Policy

A processors or fish buyer may submit an appeal regarding species category authorizations that were cancelled for failing to meet activity requirements, based on factors such extenuating circumstances (e.g., fire, labour dispute, natural disaster) and/or discrepancies in production data provided to the department.

## 6.0.2 Procedure

### Secretariat

In cases where production data discrepancies can be verified and confirm eligibility for the species category authorization to be reissued, the Director of Licensing, Inspection and Quality Assurance will grant the appeal. If the appeal is based on other circumstances, the Secretariat will:

- Record the appeal and ensure it meets guidelines;
- Acknowledge receipt and outline the appeal process to the applicant;
- Copy the appeal to Board members and the Minister;
- Review the appeal and prepare necessary background and relevant information;
- Seek comments and information from Regional Supervisors;
- Compile background information and comments from departmental staff; and,
- Add the appeal to the agenda for the next Board meeting, provide the Board with an information summary, take minutes, and prepare a record of recommendation for submission to the Minister.

### Licensing Board

The Board will:

- Review the appeal and relevant information from the Secretariat;
- Evaluate the appeal based on government policy and appeal guidelines;

- Reach a consensus on a recommendation, but where a consensus cannot be achieved, vote on the appeal with the final recommendation based on majority rule; and,
- Submit its recommendation to the Minister for his/her final decision.

## Minister

The Minister will:

- Review the recommendation from the Board;
- Make a final decision on the appeal; and,
- Inform the applicant of the final decision.

## 7.0 Licensing Policy for Companies with Financial Obligations to the Province

### 7.1 Companies in Default/Arrears

Applications other than for annual renewal of an existing licence will not be considered if the applicant or an associated company of the applicant is in default on financial obligations to the Government of Newfoundland and Labrador.

Licence applications outlined in Annex C will not be considered if one or more of the following circumstances exist:

- The applicant or an associated company of the applicant, as defined below, is in arrears to the Government of Newfoundland and Labrador;
- The company/associated company from whom a licence will be transferred to the applicant is in arrears to the Government of Newfoundland and Labrador;
- The company whose controlling interest is being transferred through a change of ownership application is in arrears to the Government of Newfoundland and Labrador;
- A department of the Government of Newfoundland and Labrador holds preferred shares in the company submitting the application or an associated company of that applicant;
- A department of the Government of Newfoundland and Labrador holds preferred shares in the company transferring the licence or turning over ownership;
- A department of the Government of Newfoundland and Labrador holds preferred shares in an associated company of the company transferring the licence or turning over ownership;

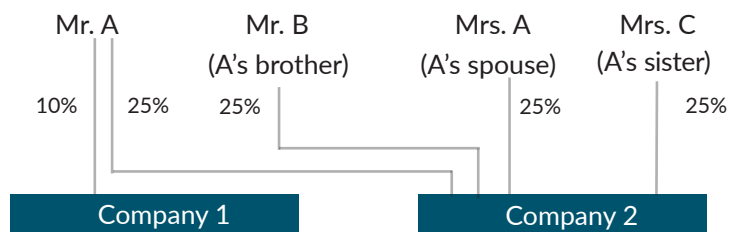
Unless the expressed written clearance is provided by the applicable government department.

## 7.2 Associated Company (de facto control)

Two companies are considered to be associated if one or more of the following conditions exist:

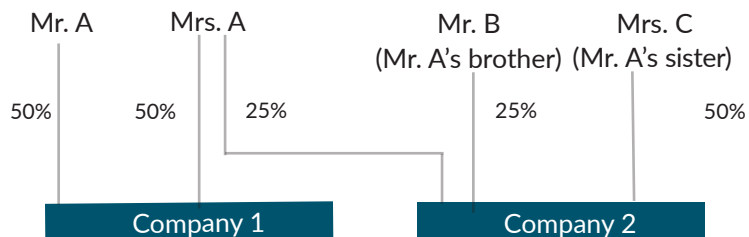
- one of the companies has de facto control of the other.
- a person or group of persons hold de facto control of both companies.
- the person controlling Company 1 is “related”, as defined in subsection 7.3 to the person or persons controlling Company 2 and the person controlling Company 1 owns at least
  - ▶ 25 per cent of the issued shares in Company 2.

### ○ Example of Associated Companies:



- each company is controlled by a group of people and all of those people, within and between groups, are related. Furthermore, one or more persons who are members of both related groups own, in total, at least 25 per cent of the issued shares of each company.

### ○ Example:



## 7.3 Related Persons

Two people are considered to be related if their relationship is, by blood or in-law, one of the following: spouses, siblings, parents, grandparents, great-grandparents, children, grandchildren, great-grandchildren, aunts, uncles, nieces, nephews, or cousins.

## ANNEX A – Licensing Fees

The following licence fees apply to various types of licences and species category authorizations. Fees associated with species category authorizations apply only to primary processing licence holders.

### Licence Fee Schedule

Licence Category	Base Fee
In-Province Retail Processing	\$1,000
Secondary Processing	\$1,000
Aquaculture Processing	\$1,000
Fish Buyer's	\$1,000
Handling and Grading	\$1,000
Research and Development	\$0
Food Establishment Buyer's	\$100

Primary (Species)	Base Fee	Surcharge/Tonne
Groundfish	\$1,500	\$0.50
Pelagics	\$1,500	\$0.50
Snow Crab	\$4,000	\$5.00
Shrimp	\$2,500	
Clam	\$2,000	\$5.50
Crab, Other	\$500	
Eel	\$500	
Lobster	\$500	
Lumpfish	\$500	
Mussels (Aquaculture)	\$500	
Salmonids (Aquaculture)	\$500	\$1.50
Salmonids (Wild)	\$500	
Scallop	\$500	
Sea Cucumber	\$500	
Sea Urchin	\$500	
Seal	\$500	
-Seal Meat	N/A	
-Seal Oil	N/A	
-Seal Pelts	N/A	
Squid	\$500	
Tuna	\$500	
Whelk	\$500	\$2.00



## ANNEX B – Application Forms

All our forms can be found on line: [www.gov.nl.ca/ffa/fishaq/forms/](http://www.gov.nl.ca/ffa/fishaq/forms/)

## ANNEX C – Non-Refundable Application Fees

Type of Application	Fee
New primary processing licence (one or more species)	\$7,500
New species to be added to a primary processing licence	\$2,500
New emerging species to be added to a primary processing licence	\$1,000
New secondary processing licence (one or more species)	\$1,000
New species to be added to a secondary processing licence	\$1,000
New primary processing licence for aquaculture	\$1,000
New species added to a primary processing licence for aquaculture	\$1,000
Transfer of a whole licence (all species) between existing processing facilities	\$7,500
Transfer of a whole licence (all species) from an existing processing facility to a new fish processing facility	\$7,500
Transfer of one or more species from an active fish processing facility to another active fish processing facility	\$2,500
Transfer of all species of an in-province retail processing licence	\$1,500
Transfer of one or more species from an active in-province retail facility to another active in-province retail facility	\$1,000
Change of operator	\$2,500

## ANNEX D – Advertisement Specifications

The following specifications shall apply for advertisements outlining the applicant's intent to submit an application to the Licensing Board for a new licence, licence transfer or change of operator.

### Information in Advertisements

Depending on the type of licence application, the following information must be included:

#### **New Licence (Primary, Secondary or Aquaculture) or Addition of Species Category**

- Company name and location of applicant
- Type of licence
- Species category being requested
- Location of processing facility
- Deadline for comments must be at least two (2) weeks after the date the advertisement will last appear in the newspaper

#### **Transfer of Species Category Authorization or Licence (i.e., All Species Category Authorizations)**

- Name and location of company to which species category authorization or licence transfer is being requested
- Type of licence being transferred
- Species category authorization(s) being transferred
- Name and location of company from which species category authorization or licence transfer is being requested
- Plant location to where species category authorization or licence transfer is requested
- Deadline for comments must be at least two (2) weeks after the date the advertisement will last appear in the newspaper

#### **Change of Operator**

- Name and location of company planning to purchase or lease the licensed processing facility
- Community in which the processing facility is located
- Company that is currently operating the processing facility
- Deadline for comments must be at least two (2) weeks after the date the advertisement will last appear in the newspaper

### Size of Advertisements

All advertisements must be a minimum size of 2.25 inches in width and 5 inches in height. A sans serif font such as Arial should be used for all text. The heading of the ad must be all capital letters and bold style with a minimum of 11 Point Size. All other text in the ad must be a minimum of 10 Point Size.

## Advertisement Placement

All advertisements must appear in the Classified Section of the newspaper.

## Sample Advertisements

Sample ads for the various types of licence applications are shown below.

## Sample Advertisements

NEW LICENCE	LICENCE TRANSFER	CHANGE OF OPERATOR
<p data-bbox="180 695 542 789"><b>NOTICE OF FISH PROCESSING LICENCING APPLICATION</b></p> <p data-bbox="167 825 557 1121">TAKE NOTICE that ABC Seafood Ltd. of Fish Bight is applying under the provisions of the <i>Fish Inspection Act</i> and <i>Fish Processing Licencing Board Act</i> for the issuance of a Primary processing licence for Pelagics and Groundfish in Fish Bight in the Province of Newfoundland and Labrador.</p> <p data-bbox="167 1157 557 1213">Comments on this application should be directed to:</p> <p data-bbox="167 1249 542 1455">Fish Processing Licensing Board Secretariat P. O. Box 8700 St. John's, NL A1B 4J6 Tel: 709-729-3736 Fax: 709-729-5995 Email: <a href="mailto:fplbsecretariat@gov.nl.ca">fplbsecretariat@gov.nl.ca</a></p> <p data-bbox="167 1486 557 1543">Comments must be received no later than February 27, 2005.</p>	<p data-bbox="623 695 985 789"><b>NOTICE OF FISH PROCESSING LICENCING APPLICATION</b></p> <p data-bbox="610 825 1000 1121">TAKE NOTICE that ABC Seafood Ltd. of Fish Bight is applying under the provisions of the <i>Fish Inspection Act</i> and <i>Fish Processing Licencing Board Act</i> to transfer a Primary processing licence for Sea Cucumber from Tuns-a-Fish Inc. in Fish Harbour to Fish Bight in the Province of Newfoundland and Labrador.</p> <p data-bbox="610 1157 1000 1213">Comments on this application should be directed to:</p> <p data-bbox="610 1249 985 1455">Fish Processing Licensing Board Secretariat P. O. Box 8700 St. John's, NL A1B 4J6 Tel: 709-729-3736 Fax: 709-729-5995 Email: <a href="mailto:fplbsecretariat@gov.nl.ca">fplbsecretariat@gov.nl.ca</a></p> <p data-bbox="610 1486 1000 1543">Comments must be received no later than February 27, 2005.</p>	<p data-bbox="1066 695 1429 789"><b>NOTICE OF FISH PROCESSING LICENCING APPLICATION</b></p> <p data-bbox="1053 825 1443 1121">TAKE NOTICE that ABC Seafood Ltd. of Fish Bight is applying under the provisions of the <i>Fish Inspection Act</i> and <i>Fish Processing Licencing Board Act</i> for a change of operator in the processing facility at Trout Cove currently operated by Lotsa Seafood Co. in the Province of Newfoundland and Labrador.</p> <p data-bbox="1053 1157 1443 1213">Comments on this application should be directed to:</p> <p data-bbox="1053 1249 1429 1455">Fish Processing Licensing Board Secretariat P. O. Box 8700 St. John's, NL A1B 4J6 Tel: 709-729-3736 Fax: 709-729-5995 Email: <a href="mailto:fplbsecretariat@gov.nl.ca">fplbsecretariat@gov.nl.ca</a></p> <p data-bbox="1053 1486 1443 1543">Comments must be received no later than February 27, 2005.</p>

# ANNEX E - NAFO Management Zones

