

# Changes after Original DSP Qualification

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# Overview

- DSP Organizational Changes
- Changes to DSP Premises
- Changes to DSP Bond
- DSP Discontinuance

# DSP Organizational Changes

# DSP Organizational Changes

- Change in Proprietorship
- Change in Partnership
- Change in Control
- Change in Name Only
- Change in “dba” or Trade Name
- Change in Officers, Directors, Stockholders, Partners or LLC Members

# Change in Proprietorship

- When a change in proprietorship occurs:
  - Within 10 days – file Letter Notice of Change
  - Within 30 days – file FAA Act Basic Permit Application
- New Owner – Under IRC, you must qualify as a new DSP (prior to conducting operations)
- Predecessor – file discontinuance notice according to 27 CFR 19.211

# Change in Partnership

- When a change in partnership occurs:
  - Within 10 Days – file Letter Notice
  - Within 30 Days – file FAA Act Basic Permit Application
  - Under IRC – partnership must qualify as a new DSP (prior to conducting operations)
- Examples of change in partnership:
  - Addition or withdrawal of a partner
  - Limited partnership change in General Partner (GP)

27 CFR 1.42, 1.44, 19.181, 19.188

# Change in Control

- When a change in control occurs:
  - Within 10 days – file Letter Notice
  - Within 30 days – must:
    - File amended DSP Registration F 5110.41 with Supplemental Pages to Registration
    - File application for new Basic and/or Operating Permit
    - Surrender current permit

# Change in Name Only

- When a change in name only occurs:
  - Must file:
    - Amended DSP Registration, F 5110.41
    - Application for amended Basic Permit and/or Operating Permit
    - Copy of amended Articles or other evidence of State registration of the new name
- Note: DSP cannot operate under new name until Registration is approved and new permit is issued



# Change in Operating Name or in Trade Name

- When a change in operating name or change in trade name occurs:
  - Amended Basic Permit Application, TTB F 5100.18
  - Application for Operating Permit, TTB F 5110.25
  - Proof of Trade Name Registration, or
  - Statement that State Registration not required
- Note: DSP cannot operate under new name until amended/new permit is issued

# Changes in Officers, Directors, Stockholders

- When changes in Officers, Directors, or Stockholders (except where change is a change in control) occurs:
  - Within 30 days file:
    - Amended Registration, TTB F 5110.41
    - A complete list of Officers, Directors, and Stockholders with 10% or more interest
    - Personnel Questionnaire, TTB F 5000.9, for any persons not already on record with TTB

27 CFR 19.184 and 19.185

# Changes to DSP Premises

# Extension or Curtailment of Premises

- For extension or curtailment of premises:
  - Amended Registration, TTB F 5110.41
  - File only those Supplemental Pages affected by the change
- Exception: An amended registration is not required for changes in premises approved under 27 CFR 19.201 – 19.206

# Change in Location

- When a change in location occurs:
  - Within 30 days file:
    - Amended Registration with Supplemental Pages
    - Amended Permit Application, (Basic or Operating) Superseding DSP Bond TTB F 5110.56, or
    - Change in Bond (Consent of Surety) TTB F 5000.18
    - Environmental TTB F 5000.29
    - Water Quality TTB F 5000.30

## Change in Construction or Use of Buildings and Equipment

- When a change in construction or use of buildings and equipment (other than changes to or alternating premises) occurs:
  - Prior to change – file letter notice
  - Must incorporate changes on the next amended registration TTB F 5110.41 filed

# Alternating Use of Premises

- Alternating use of premises can be:
  - With another DSP proprietor
  - With a bonded winery (BW)
  - With a taxpaid wine bottling house (TPWBH)
  - For use as general premises
  - For Customs purposes
  - For the manufacture of nonbeverage products (MNBP)

# Alternating Use of Premises (Continued)

- If you are alternating use of premises:
  - Must file a registration that describes the alternating areas
  - Must file a special diagram that depicts the areas subject to alternation
  - In some instances, must file a Change in Bond (Consent of Surety) on TTB F 5000.18 to cover the alternation



# DSP Alternation with Brewery

- This type of alternation is currently not provided for in 27 CFR part 19
- DSP must file a request for an alternate method or procedure under 27 CFR 19.62
- DSP may not alternate under this type of arrangement until TTB approval is received

# Changes to DSP Bond

# Types of Changes to DSP Bonds

- Change in Penal Sum of Bond
- Change of Surety Company
- Change in Plant Operations
- Change in Bond Kind, Type, or Category

# Change in Penal Sum

- Penal Sum must be sufficient to cover the tax liability on spirits produced on, stored on, and in transit to bonded premises
- Increase or decrease in operations may require a new bond to be submitted

# Change of Bonding Company

- DSP may change surety company
- Surety must be authorized to write Treasury Bonds
- List of Approved Sureties at [www.ttb.gov](http://www.ttb.gov) (under the Spirits tab)

# Change in Plant Operations

- Whenever the operations of a plant change, a Superseding Bond must be submitted to cover the new operations:
  - Distilling Operations
  - Warehousing Operations
  - Processing Operations

# Change in Type of Bond

- Operations Bond – Required for all DSPs
- Withdrawal Bond – Optional coverage (may be added after original approval)
- Unit Bond – Operations and Withdrawal coverage combined

Note: A DSP with an adjacent winery may include wine operations coverage on the DSP Bond; DSP must be qualified to produce

# Change in Bond Category

<b>Category Options:</b>	
Surety Bond	Underwritten by an insurance company
Cash Bond	Total penal sum submitted to TTB; no interest is paid – held while DSP in operation
Treasury Note	DSP purchases T-Note and receives interest payments



# Change in Kind of Bond

<b>Change in Kind of Bond:</b>	
Original Bond	Filed with original application
Superseding Bond	Replaces original bond
Strengthening Bond	“Adds to” the penal sum of current bond and both bonds remain in force

# Change in Bond

- Change in Bond (Consent of Surety)  
TTB F 5000.18 to extend terms of bond
- Examples of when a consent is required:
  - Alternating Premises (with another DSP proprietor, winery or TPWBH)
  - Movement of spirits between bonded portions of plant over any other premises
  - Spirits removed from DSP for voluntary destruction off site

# Transfer of Spirits in Bond (TTB F 5100.16)

- Application for Transfer of Spirits in Bond, TTB F 5100.16:
  - When a DSP receives bulk spirits from another DSP, an approved Transfer in Bond form must be in place prior to making the transfer
- Note: If a superseding bond is filed, new Transfer in Bond Applications are also required

# Permanent Discontinuance of DSP Operations

# Discontinuance of Business

- Requires:
  - Registration TTB F 5110.41 marked “final”
  - Letter notice that contains following information:
    - Date of discontinuance
    - Request that permit(s) be cancelled

# Discontinuance of Business (Continued)

- Also required:
  - Statement disclosing:
    - Whether all spirits, articles, etc., have been lawfully disposed of
    - That no spirits or wines are in transit to DSP premises
    - That all approved applications for Transfer of Sprits (TTB F 5100.16) have been returned to the NRC for cancellation
  - File “final” Monthly Reports and Tax Returns

# Contact Information

- **National Revenue Center**

- **Phone:** (513) 684-7150

- **Mail:** Spirits Application Section  
National Revenue Center  
550 Main Street, Suite 8002  
Cincinnati, OH 45202