



Manufacturing, Importing, and Exporting Tobacco Products: Applying for a Permit and Reporting Changes

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Overview

- What you need to know about applying for a permit with TTB
- Changes you should report once you have a permit with TTB
- How to report those changes
- Common problems encountered during the application process

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What do I need to know about applying for a permit with TTB?



Federal Laws and Regulations

- **Internal Revenue Code**
 - 26 U.S.C. Chapter 52
- **Title 27 Code of Federal Regulations (CFR)**
 - 27 CFR part 40: Manufacturer of Tobacco Products (TP)
 - 27 CFR part 44: Proprietor of Export Warehouse (EW)
 - 27 CFR part 41: Importer of Tobacco Products (TI)
 - 27 CFR part 40, Subpart K: Manufacturer of Cigarette Papers and Tubes (PT)

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Products Regulated by TTB

Tobacco Products—Definitions 27 CFR 40.11, 41.11, and 44.11

1. Cigars
2. Cigarettes
3. Smokeless Tobacco
 - a) Snuff
 - b) Chewing Tobacco
4. Roll-your-own (RYO)
5. Pipe Tobacco

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Where Do I Obtain an Application Packet?

- Application packets are on our Web site, www.ttb.gov
- Download all information, including the TTB forms
- Review the regulations in 27 CFR that apply to the application you will be filing—available at www.ttb.gov
- Submit a complete application packet to the National Revenue Center (NRC)
- The NRC cannot process incomplete applications. The application packet may be returned to you due to missing or incomplete information.

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When Do I Need an Application?

- Applications are filed:
 - To start a new business as a manufacturer of tobacco products, an importer of tobacco products or an export warehouse proprietor
 - For a change in ownership of an existing business (change in proprietorship)
 - For a change in control of an existing business (actual or legal control)
 - To renew permit (for tobacco importers only)

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Manufacturer of Tobacco Products

- Any person who manufactures cigars, cigarettes, smokeless tobacco, pipe tobacco, or roll-your-own, but does not include:
 1. A person who produces tobacco products for personal use; or
 2. A proprietor of a Customs bonded manufacturing warehouse (Class 6), (where cigars are manufactured of imported tobacco)

27 CFR 40.11

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Manufacturer of Tobacco Products

- To apply, you must file with the NRC (Cincinnati, Ohio):
 - Application for Permit, TTB F 5200.3
 - Tobacco Bond – Surety, TTB F 5200.26, **OR** Tobacco Bond – Collateral, TTB F 5200.25
 - Personnel Questionnaire, TTB F 5000.9
 - Environmental Information, TTB F 5000.29
 - Supplemental Information on Water Quality, TTB F 5000.30
 - Special Tax Registration and Return, TTB F 5630.5
 - Diagram of factory premises

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Proprietor of an Export Warehouse

- Defined as any person who operates an export warehouse
- What is an export warehouse?
 - A bonded internal revenue warehouse for the storage of tobacco products and cigarette papers and tubes, upon which the internal revenue tax has not been paid, for subsequent shipment to a foreign country, Puerto Rico (PR), the Virgin Islands (VI) or a possession of the U.S., or for consumption beyond the jurisdiction of the internal revenue laws of the U.S.

27 CFR 44.11

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Export Warehouse Proprietors

- You must file with the NRC:
 - Application for Permit, TTB F 5200.3
 - Tobacco Bond – Surety, TTB F 5200.26, **OR**
Tobacco Bond – Collateral, TTB F 5200.25
 - Personnel Questionnaire, TTB F 5000.9
 - Special Tax Registration and Return, TTB F 5630.5
 - Diagram of export warehouse premises (27 CFR 44.88)

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Importer of Tobacco Products

- Any person in the U.S. to whom non-taxpaid tobacco products or cigarette papers or tubes manufactured in a foreign country, PR, the VI, or a possession of the U.S. are shipped or consigned;
- Any person who removes cigars for sale or consumption in the U.S. from a Customs “bonded manufacturing warehouse;”

27 CFR 41.11

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Importer of Tobacco Products (Cont'd)

Any person who smuggles or otherwise unlawfully brings tobacco products or cigarette papers or tubes into the U.S.

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Importer of Tobacco Products

- You must file with the NRC:
 - Application for Permit, TTB F 5230.4
 - Personnel Questionnaire, TTB F 5000.9 (if applicable)
 - A copy of a contract or letter of intent from foreign supplier
 - For importation of trademarked tobacco products, a copy of the contract or written authorization from the owner of the trademarked brand allowing the applicant to import and distribute the brand in the U.S.

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Importer of Tobacco Products (Cont'd)

- A list of the States into which the applicant is currently distributing tobacco products and a copy of any associated licensing
- A list of the States that have prohibited the applicant or other individuals or businesses listed on the application from conducting tobacco operations within their State

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Manufacturer of Cigarette Papers and/or Cigarette Tubes

- Any person who manufactures cigarette paper, or makes up cigarette paper into tubes, except for his own personal use or consumption

27 CFR 40.11

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Manufacturer of Cigarette Papers & Tubes

- You must file with the NRC:
 - Tobacco Bond – Surety (TTB F 5200.26), **OR** Tobacco Bond – Collateral (TTB F 5200.25)
 - Environmental Information, TTB F 5000.29
 - Supplemental Information on Water Quality, TTB F 5000.30
 - Personnel Questionnaire, TTB F 5000.9
 - Special Tax Registration and Return, TTB F 5630.5

Note: Permits are NOT issued to paper and tube manufacturers. When the bond is approved, a number is assigned to the factory of the manufacturer for internal revenue purposes only.

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Supplemental Information for Applications*

- **Trade Name Registration** (if required by State or local government)
- **Signing Authority:**
 - Signing Authority for Corporate and LLC Officials, TTB F 5100.1
 - Power of Attorney, TTB F 5000.8
 - Corporate or LLC resolutions or specific notification in the corporate or organizational documents

*includes paper & tube manufacturers

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Supplemental Information (Cont'd)

- **Organizational documents if you are filing as a corporation:**
 - Certificate and Articles of Incorporation
 - Copy of Bylaws
 - List of Officers, including their titles, Directors, and Stockholders holding more than 10% of the stock—including the number of shares held

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Supplemental Information (Cont'd)

- **Organizational documents if your are filing as a Limited Liability Company:**
 - Certificate and Articles of Organization on file with the State
 - Copy of Operating Agreement
 - List of members/managers and their percentage of ownership interest

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Supplemental Information (Cont'd)

- **If you are filing as a Partnership, you must file:**
 - Copy of the Partnership Agreement—*if* a verbal agreement exists, please provide a written statement to that effect signed by all partners
 - *IF* no single partner has signing authority on behalf of the partnership, all partners must sign each form sent to our office
 - List of the partners and their percentage of ownership
 - Copy of the certificate of partnership when required to be filed by any State, county, or municipality

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Supplemental Information (Cont'd)

- Statement advising that the premises is covered by the National Historic Preservation Act (if applicable)
- If operating in a State other than the State in which incorporated or organized, you must provide the certificate which allows you to operate in that State as a foreign corporation
- Legible photocopy of the driver's license or official State ID card of the primary contact person who will be interviewed by TTB regarding the application

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Supplemental Information (Cont'd)

- Source of funds documentation (bank statements)
- If premises leased, a copy of the lease agreement
- If premises owned, verification of ownership (e.g., a copy of a deed)

To be filed with the IRS:

- Application for Employer Identification Number, SS-4

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What Does the NRC Do With My Application?

- The application is assigned to a Specialist
- The Specialist will contact the applicant to review the forms and discuss the supplemental information
- After this process is complete:
 - A permit may be issued; *OR*
 - The application may be forwarded to the Trade Investigations Division for investigation; *OR*
 - The specialist may recommend disapproval

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How Long Does Processing Take?

- This depends upon:
 - Completeness of initial application
 - Prompt return of corrections/additions
 - NRC Specialist's workload
 - Investigator's workload

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Tobacco Importer Permits

- Tobacco Importer Permits renew every three years
- Importers wishing to continue operations must renew their permit by making application:
 1. Within 30 days of expiration date on current approved permit, file TTB F 5230.4, Application For Permit Under 26 U.S.C. Chapter 52 Importer of Tobacco Products; and
 2. Surrender current approved permit.

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27 CFR 41.200 – 41.203



Problems with Tobacco Importer Renewals

- Changes have occurred without TTB notification
- Monthly reports for all periods are not filed
- Industry member never transacted any business

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Changes to Report to TTB



Changes to Report to TTB

- When there is a change to the information TTB has on file for any and all of your permits, you must notify TTB!
- If you are unsure about ANY change, please contact the NRC with a detailed listing of the change(s) to see if any paperwork is required!

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Types of Changes to Report

- Personnel
- Premises
- Business Name(s)
- Signature Authority
- Bonds
- Discontinuance of Operations

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Personnel Changes

- Change in Ownership
- Change in Stock Control
- Change in Corporate Officers, Directors, Partners, Members, etc.
- Changes in distribution of stock or percentage of ownership

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Changes at the Premises

- Location
- Address but not location
- Change in factory premises (including extension or curtailment of premises)
- Use of factory/export warehouse premises
- Non-contiguous extension of premises

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Name Changes

- Individual
- Trade/Operating Name of the Company
- Corporate Name

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Trade Name Registration

- Registration may be required with your State/local authorities.

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- Superseding
- Strengthening
- Blanket (only filed by manufacturers of tobacco products that have multiple manufacturer permits with TTB)
- Change in Bond (formerly called Extension of Coverage of Bond)


NOTE: Tobacco importers deal in taxpaid tobacco products and do not file bonds, except TTB F 5200.17, Bond—Drawback of Tax on Tobacco Products.

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- **Manufacturers of Tobacco Products**
 - 27 CFR Subpart J (40.331)
- **Export Warehouse Proprietors**
 - 27 CFR Subpart H (44.161)
- **Importers of Tobacco Products**
 - 27 CFR 41.206(d)
 - 27 CFR 41.226
- **Manufacturers of Cigarette Papers and Cigarette Tubes**
 - 27 CFR 40.461

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How to Report Changes to TTB



TTB Form 5200.16

OMB No. 1513-0078 (12/31/2008)

DEPARTMENT OF THE TREASURY ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB) APPLICATION FOR AMENDED PERMIT AS A MANUFACTURER OF TOBACCO PRODUCTS OR AN EXPORT WAREHOUSE PROPRIETOR	FOR TTB USE ONLY Number _____ Date _____
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1. My TTB permit _____ (enter permit number) to conduct business as a:

<input type="checkbox"/> Manufacturer of Tobacco Products	OR	<input type="checkbox"/> Proprietor of an Export Warehouse
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2. My employer identification number is: (Read Instruction H) _____

□□	-	□□□□□□□□
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3. I have attached my permit to this TTB form for amendment (Read Instruction I).
 OR
 I have NOT attached my permit to this application because: _____
4. My new legal name is (Read Instruction J): _____ AND
 I have attached the document(s) to show this change.
 OR
 I have NOT attached the document(s) to show this change because: _____
5. I am changing, discontinuing, or adding the trade name(s) (Read Instruction K) as follows: _____

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TTB Form 5230.5

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)
APPLICATION FOR AMENDED PERMIT UNDER 26 U.S.C. 5712
IMPORTER OF TOBACCO PRODUCTS

INSTRUCTIONS

This form must be filed in duplicate by every importer of tobacco products when required by 26 U.S.C. 5712 and the regulations in 27 CFR Part 41. Both copies are to be filed with the National Revenue Center, Alcohol and Tobacco Tax and Trade Bureau.

All supporting documents required by the regulations, and any additional information the National Revenue Center may require, must be made part of this application. All the information called for by the items below and any separate instructions relating to this form must be furnished. If additional space is needed for any item, use the reverse or attach a separate sheet.

TO: DIRECTOR, NATIONAL REVENUE CENTER ALCOHOL AND TOBACCO TAX AND TRADE BUREAU STE 8902 559 MAIN ST CINCINNATI, OHIO 45202-5215	1. DATE OF APPLICATION
	2. NUMBER OF PERMIT NOW HELD
	3. EFFECTIVE DATE OF PERMIT NOW HELD

THE UNDERSIGNED HEREBY MAKES APPLICATION FOR AN AMENDED PERMIT AS INDICATED BELOW

4. NAME AND PERMIT ADDRESS	5. MAILING ADDRESS
6. EMPLOYER IDENTIFICATION NUMBER	7. DAYTIME TELEPHONE NUMBER (including area code)
8. CHANGE OF LOCATION/ADDRESS (Number, street/route, city/town, county, State, and ZIP code)	

9. TRADE NAME	REASON FOR USE OF TRADE NAME	10. CHANGE IN NAME
<input type="checkbox"/> ADDITION <input type="checkbox"/> DELETION		

The applicant agrees, by accepting the amended permit applied for herein, that issuance thereof shall not relieve him of any liability heretofore incurred. All data, written statements, affidavits, evidence, or other documents heretofore filed and those submitted in support hereof, or upon any hearing, shall be deemed to be a part of this application.

I, under the penalties of perjury, declare that all statements made in this application for amended permit and all data, written statements, affidavits,

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Common Problems



Compliance Concerns: Unreported Changes

- Unreported changes of ownership, control, company principals
- Inadequate bond coverage
- Unauthorized signatures on documents

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Common Bond Problems

- Principal name must appear exactly as it is registered with the State
- Item 9—confusion regarding box checked for “Individual” vs. “Blanket bond”
- Surety power of attorney must be attached and properly signed and dated

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Common Application Problems

- Principal name must appear exactly as it is registered with the State
- Signing authority for individuals signing the forms
- Brand names listed as trade names (Manufacturer of Tobacco Products)

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Common Application Problems (Cont'd)

- Description of premises must be on attached page
 - Diagram required per 27 CFR 40.69 (Tobacco Manufacturer) and 27 CFR 44.88 (Export Warehouse Proprietor)
- Incomplete investment information
- Lease information missing

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- A permit is required to manufacture, import, and export tobacco products.
- A permit is not issued to manufacture cigarette papers and tubes. A number is issued when the bond is approved.
- The application packets are on the TTB Web site, www.ttb.gov.
- Any change to the permit information on file with TTB must be reported to TTB.

- Changes may be reported to TTB on F 5200.16, Application for Amended Permit—TP/EW.
- Changes for TI may be reported on TTB F 5230.5.
- Common problems with application forms and bond forms.
- Compliance concerns.



Contact Information

- **Mail:**
 - 550 Main Street, Ste. 8002
Cincinnati, OH 45202-5215
- **Phone (Wine and Tobacco Applications Branch):**
 - 513-684-6882
- **E-mail:**
 - Linda Meier (Permit Specialist): linda.meier@ttb.gov
 - Pam Becker (Industry Specialist): pamela.becker@ttb.gov
 - Karin Barwick (Supervisor): karin.barwick@ttb.gov

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