ACVM fees and charges: business rules

This document provides the business rules that apply to fees and charges for the provision of services under the Agricultural Compounds and Veterinary Medicines (ACVM) Act 1997.

The business rules, which are set out in detail below, cover the following:

- estimation of application fees
- credit policy
- timing for payment of fees and charges
- debt management
- annual charges on products
- fee waivers
- minimum charge
- refunds
- review of fees and charges.

Estimation of application fees

The applicant will be provided with an estimate of the application fees payable, based on the schedule of fees, at the completion of the pre-screen process. This estimate of the fees must be paid to initiate consideration of an application (except where the applicant is an approved creditor).

Credit policy

This credit policy relates to those applicants who would be required to pay application fees in advance. If an applicant has paid their invoices on time for a period of 6 months, he/she will be able to seek approval to be listed as an approved creditor. This allows the applicant to pay on invoice for the application fees that would normally be required in advance. Contact us for more information: approvals@mpi.govt.nz

Timing for payment of fees and charges

The following fees and charges are payable as indicated:

<table>
<thead>
<tr>
<th>Description</th>
<th>Payment Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-screen fee</td>
<td>Payment to be submitted with application</td>
</tr>
<tr>
<td>Application fees</td>
<td>Payment to be received to initiate evaluations (unless the applicant is an approved creditor)</td>
</tr>
<tr>
<td>Accreditation charges</td>
<td>Payment to be submitted with application</td>
</tr>
<tr>
<td>Hourly charges</td>
<td>Payment to be received within one month of the date of the invoice</td>
</tr>
<tr>
<td>Annual charges</td>
<td>Payment to be received within one month of the date of the invoice</td>
</tr>
</tbody>
</table>
Debt management

Non-payment of fees
When invoices are 30 days overdue from the date of issue, a reminder letter will be sent to the applicant. After a further 30 days a final notice letter will be sent to the applicant stating that payment is to be received within 10 days or the details will be referred to our debt collection agency.

If payment of the invoice is not received within a further 15 days, you may be charged penalty fees at the rate of 10% of the debt owing and you will receive notification that you have a further 20 working days to make the payment or we will enforce section 32A of the ACVM Act and your registration will be cancelled.

Section 32A of the ACVM Act (External website)

Application fees
If the estimated application fees are not paid within one month of pre-screen approval notification, the application will be returned to the applicant. The applicant will have to reapply with the appropriate pre-screen fee if they subsequently wish to proceed with their application.

Removal from the approved creditors list
If a person or organisation that is an approved creditor fails to pay their invoices on time on three occasions, they will lose their approved creditor status and will be required to pay all application fees in advance.

Annual charges on products
Full annual charges will be payable on 1 October in each year.

Invoiced will receive a letter early in May in each year requesting that they review their registered trade name products via the ACVM website. They will then need to advise the ACVM Group if any products are to be withdrawn and provide the information requested by the Group. Invoices for annual fees will be sent out in July each year.

Applicants who have their products placed on the register after 1 October each year will be charged the full or a proportion of the annual charges, dependant on the time of the year as follows:

<table>
<thead>
<tr>
<th>Time</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>October to December</td>
<td>Full annual charges</td>
</tr>
<tr>
<td>January to March</td>
<td>75% of annual charges</td>
</tr>
<tr>
<td>April to June</td>
<td>50% of annual charges</td>
</tr>
<tr>
<td>July to September</td>
<td>25% of annual charges</td>
</tr>
</tbody>
</table>

Fee waivers
If the actual time involved in considering an application for which a scheduled or fixed fee applies is less than that estimated, this fee may be partially waived to reflect the actual costs involved.
If the actual costs incurred are 25% more or less than the scheduled or fixed fee and the difference is greater than $150, then an additional charge or refund (as applicable) will be made.

If a registrant applies for multiple changes to one or a number of products and the actual time taken to process the applications is significantly reduced because the applications are processed together, the actual costs will be charged.

**Minimum charge**

If the time spent on a service is less than 15 minutes in any one working day, there will be no charge.

If the time spent on a service is greater than 15 minutes in one working day, a minimum charge of $38.23 incl GST will apply. After the first 30 minutes, each additional 15 minutes will be charged at $152.92/hour incl GST.

**Refunds**

An applicant may withdraw an application at any time. If an application is withdrawn, the applicant may request a refund of fees paid for functions that have not been performed.

Applications for refunds of fees must be submitted at the time of withdrawal of the application to the ACVM Group Operations Manager for consideration.

**Review of fees and charges**

The ACVM Group recognises the need for stability and predictability of costs for stakeholders. All regulated fees and charges will be fixed for two years although fees, charges and delivery of services will be reviewed annually. The operation of a memorandum account will assist the ACVM Group in ensuring that any under- or over-recovery of costs can be accommodated within the budget process.

For more information, contact us (approvals@mpi.govt.nz).