

Selling Your Taxi Licence

Some information to help you through the Process!

If there a lessee on the Taxi Plate you are selling, you should let the lessee know immediately.

Do you have a legal contract with the lessee? Consider the implications if there is a current legal contract.

The lessee must be told whether the new owner will be continuing with the lease arrangement and be given an opportunity to discuss an agreement with the proposed new owner.

The lessee should be given sufficient notice to organise a lease with the new owner of the taxi plate. They must attend the Taxi Council SA (TCSA) office at the time of transfer, to sign off from the current lease and sign up with the new owner.

Lessees must be given consideration as they are on the road working. Their car has been registered and fitted out for with your taxi plate number and they must recoup their expense.

Does the new owner have Operator Accreditation?

If not, they must apply and have it approved by the Accreditation and Licensing Centre (ALC) before the plate can be transferred. They must obtain a National Police Certificate. If there is to be more than one owner, each person must obtain a National Police Certificate. If the new owner of the licence is a company, each Director of the company must obtain a National Police Certificate. The National Police Certificate must be less than three months old when application for Operator Accreditation is presented to the ALC.

If the new owner has current driver accreditation no Police Certificate is required for Operator Accreditation.

Before applying for Operator Accreditation, you require a \$5 million Public Liability Insurance policy. A copy of the policy must be provided with the application to the ALC. If the Operator Accreditation is to be in a Company name a Company Extract must be provided at the time of transfer and to obtain Accreditation.

An application for Operator Accreditation must be completed and submitted at the ALC for approval, processing and payment of fees.

A Certificate for Operator Accreditation will be provided by the ALC. This must be presented to the TCSA for the transfer to be approved. Do not forget this certificate, without it the TCSA cannot process the transfer. Operator Accreditation is valid for a period of five years. Installment payments are required each year, you will receive a installment notice in the mail which can be paid at the ALC. You will receive a "Receipt for Installment of Operator Accreditation".

If you have Operator Accreditation and you plan to purchase or sell a Taxi licence, you must bring your "Receipt for Installment of Operator Accreditation". Without it we cannot process the transfer.

Operator Accreditation must be current and that evidence must be provided to TCSA at the time of transfer.

Once you have found a purchaser.

Attend the TCSA office and fill out an "Information Statement". Bring your current MR242 for this taxi licence. The MR242 is the "Certificate of Taxi Licence". It is paid annually through renewals from DTEI.

The process cannot continue without a current copy of this certificate.

The new owners must also attend the office and fill out the Information Statement.

At this stage their Operator Accreditation is not required, so if the new owner is applying we can process this stage of the transfer.

The Information Statement gives us authority to commence a search on the licence and the owners to determine whether there are encumbrances on the plate.

The bankruptcy register is searched and the Lands Titles Office register is looked into for evidence of a Bill of Sale. TCSA also holds interests on some Licences on behalf of financial institutions, so we check our registers.

If you do have finance on the plate you must contact your financial institution to clear the debt so that the transfer can take place.

Both the current and new owners should come to the TCSA together to fill out the Information Statement. Sometimes this is not possible; the new owner may be interstate for example. We will do what we can to assist you with faxing documents etc. to get this moving. However we must insist on all parties being present when the transfer takes place.

Information Statement completed

Once this has been completed and the necessary paper work (MR242) provided, we send it to our Lawyers to have the search conducted.

There is administrative work behind the scenes in preparing the plate for sale. We check our register; if there is a "notation of interest" on the plate we contact the relevant financial institution. We would hope that you have done this too. We request a written clearance from the financial institution. We cannot proceed unless we can have the taxi plate released.

Once cleared

Once our lawyers have notified us that all is clear, and once our own registers are clear we contact you. You can make an appointment at the TCSA for the transfer to take place. All parties must attend together. If there is a lessee they must also attend.

You must bring Operator Accreditations for the current and new owners. Remember all must be current!

There are a number of different scenarios for plate transfers. Select the one below that is relevant to your situation and note down and bring the necessary paper work with you.

Scenario 1

Plate leased and will continue to be leased by same person.

Current Owner:

Operator Accreditation (usually Receipt for Installment)

New Owner/s:

Operator Accreditation

Lessee must also attend.

Scenario 2

Plate leased and will be leased to somebody else.

Current Owner:

Operator Accreditation (usually Receipt for Installment)

New Owner/s:

Operator Accreditation

Current Lessee:

Must also attend to cancel lease and cancel vehicle off the plate. Bring the registration label off the taxi.

New Lessee must attend and bring:

Operator Accreditation (current)

Inspection Certificate (current).

Scenario 3

Plate leased and will be Owner Operated.

Current Owner:

Operator Accreditation (usually Receipt for Installment)

New Owner/s:

Operator Accreditation, new vehicle details and Inspection Certificate (current).

Lessee:

Must also attend to cancel lease and cancel vehicle off the plate.

Scenario 4

Plate Owner Operated and will continue to be Owner Operated with new Owner.

Current Owner:

Operator Accreditation (usually Receipt for Installment)

New Owner/s:

Operator Accreditation, new vehicle details and Inspection Certificate (current). If the vehicle to become a taxi is registered privately bring the registration label off the vehicle.

Scenario 5

Plate Owner Operated and will be leased.

Current Owner:

Operator Accreditation (usually Receipt for Installment)

New Owner/s:

Operator Accreditation

New Lessee:

Operator Accreditation (current), Inspection Certificate (current).

There is payment required at the TCSA before you leave the office. The exact amount is dependent on the cost of the search and any services provided.

Once the transfer takes place all paper work must be lodged at the Accreditation and Licensing Centre at Netley, where a new Certificate of Taxi Licence (MR242) will be provided with the new owner's names. You may need to lodge a new lease application and/or the registration papers if a new car is going on the plate (the paper work for this is completed at the TCSA).

The new owners must also consider the payment to RevenueSA for Stamp duty. Stamp duty is charged at \$2,830 for the first \$100,000 and between 4% and 4.75% per \$ over that. The TCSA must notify RevenueSA of all monthly transfers and the information provided will allow them to send you an account.

And importantly, when selling or buying a taxi licence don't forget the GST. Whether it is payable depends on whether it is the sale of a going concern. You must speak to the Australian Taxation Office or your Accountant if you are unsure.

A Final reminder.....

All paper work must be current.

All parties must be present.

Appointments must be made at the TCSA.