

LICENSING, REGULATION AND ALCOHOL STRATEGY

Licence for Pawnbrokers

This fact sheet has been developed to inform business and individuals of the responsibilities when operating as a Pawnbroker in the Territory, and details of the licensing requirements under the *Consumer Affairs and Fair Trading Act*.

A person who carries on the business of a “Pawnbroker” must hold a licence in the Northern Territory. Operating as a Pawnbroker without a licence may incur a maximum fine of 2500 penalty units. The *Penalty Units Act* prescribes the monetary value of a penalty unit, its indexation and change of value by regulation. As at 1 July 2009, a penalty unit means \$130.

Definition of a “Pawnbroker” In The Northern Territory

The *Consumer Affairs and Fair Trading Act* defines a Pawnbroker as a person (includes partnership) conducting the business of:

- lending money on the security of pawned goods; or
- receiving goods under a contract for sale where the seller has a right to buy back the goods.

but does not include –

- an Auctioneer within the meaning of the *Auctioneer Act*, a dealer within the meaning of the *Firearms Act*, a Motor Vehicle Dealer within the meaning of Part 10 of the *Consumer Affairs and Fair Trading Act*;
- a registered corporation within the meaning of the *Financial Corporations Act 1994* of the Commonwealth, a bank within the meaning of the *Banking Act 1959* of the Commonwealth or a bank constituted under a law of the Commonwealth, State or Territory or a financial institution within the meaning of the Financial Institutions (NT) Code.

Obtaining a Pawnbrokers Licence

These are the key requirements to obtaining a licence.

Character Test

Applicants (including directors of corporations) must be of good character and not have a criminal history containing, for example: dishonesty, fraud or stealing

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offences. The delegate of the Commissioner of Consumer Affairs will take into account the reputation of the applicant in deciding whether they are a fit and proper person to be granted a licence. Members of the public have an opportunity to object to the granting of a licence on specific criteria.

Material & Financial Resources

An applicant must satisfy the Commissioner that they have the necessary material and financial resources to effectively carry out business. This includes the personal or corporate finances of the applicant, any lines of credit and the premises and any equipment that would support the applicant in carrying on the business.

Fees and Duration of Licence

An application fee* applies, and differs for an individual or corporation. It is to be attached when the application is lodged. Fees are non-refundable and cover the costs of assessment.

Upon the grant of a licence for either an individual or corporation, licensees can nominate the duration of the licence from between one and three years and pay the prescribed fee*.

In relation to a combined Pawnbroker and / or Second-hand Dealer's licence, an additional application fee* applies and differs for an individual or corporation. This is once again non-refundable and covers the costs of assessment.

Upon the grant of this combined Pawnbroker and / or Second-hand Dealer's licence for either an individual or corporation, licensees can nominate the duration of the licence from between one and three years and pay the prescribed fee*.

A Pawnbroker's licence cannot be granted, or renewed, for a period in excess of 3 years (each time) in the Northern Territory.

All fees are GST exempt.

Please note: a licence is not transferable.

Where the licence will relate to more than one business premises, the fee* will be determined in relation to each additional business premises.

The applicant must lodge an application for renewal of a licence not later than 28 days before the licence is due to expire otherwise a further fee* will be incurred.

Renewals are due on 1 March of the year specified as its expiry date.

Undertaking a Criminal History Check

Please note applicants for a criminal history check are required to attend a police station to lodge their criminal history check. The Police will photocopy your identification (drivers licence/ 18+ card, birth certificate/extract or passport) and witness the Authority to Release Criminal History. The criminal history check can only be witnessed by an authorised officer. Authorised officers are Northern

Territory Police Fire and Emergency Services employees and interstate and overseas Police Officers.

The fee* for lodging a criminal check is to be paid at the police station. Please supply a copy of a receipt showing payment of your criminal history check fee when lodging your application.

Consider which type of application is required. A Pawnbroker's licence can be granted to either an individual, a partnership or a corporation.

Applicants may apply for a combined Pawnbroker/Second-hand dealer's licence. Refer to the fact sheet on Second-hand Dealers to ascertain if the current business activities require the applicant to hold such an additional licence.

Obtain and complete the relevant forms being -

- an application for licence form; together with,
- the Authority to Release Criminal History form. In relation to a Corporation each director must complete an Authority to Release Criminal History Form.

A certificate from the Business Names Registrar (NT) that each business name specified in the application has been registered under the Business Names Act must accompany the application. In addition, if the applicant intends to carry on business as a body corporate, proof of the body corporate incorporation must also accompany the application form.

When lodging the completed application the applicant must provide photographic proof of identity in the form of a current passport or drivers licence for each person covered by an Authority to Release Criminal History form and pay the prescribed fees*. Please note the Commissioner of Consumer Affairs will only accept applications which have been completed in full. If the application is being lodged by post, the applicant should ensure the relevant fees* are enclosed, and include a certified true copy of proof of identity for each person covered by an Authority to Release Criminal History form.

Cheque payments to be made payable to the Receiver of Territory Monies, or electronic payment (Visa and Mastercard) can be made through Territory Business Centres, telephone (08) 89821700.

Applicants must place an advertisement in the Northern Territory News (and another local newspaper if available) notifying the public of the application and inviting objections within a period of 28 days. (Refer to the [Guide to Advertising](#) for further details and a pro-forma advertisement).

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Applications under the Mutual Recognition Act

If the applicant holds a current individual equivalent licence to a Pawnbroker's licence issued in another State of Australia or the ACT, they will be able to register and have granted to them a Pawnbroker's licence in the Northern Territory under the *Mutual Recognition Act*.

The Key Obligations of a Pawnbroker Once Licensed

A Pawnbroker must at all times carry on their business fairly and ensure that there will be adequate management, supervision and control of the business operations.

A licensee must ensure that certain employee records are kept and provided to the Police on request where the employee's function includes entering into contracts. These records must include the full name and current residential address and date of birth of the employee, a photograph certified by the licensee to be a true photograph of the employee together with all records provided by the employee when making an application for employment at the premises.

In relation to pawned goods a Pawnbroker must ensure there are adequate arrangements for their safekeeping and that detailed records are kept in relation to the pawned goods contract. A copy of all pawn tickets and affidavits provided to the Pawnbroker must be kept for at least one year.

A Pawnbroker must ensure that a pawn ticket which sets out the contract conditions is signed by the parties entering into the contract before lending any money.

A Pawnbroker must not enter into a contract until the Pawnbroker has ascertained the person's full name and address, verified the person's true identity, ensured the person's age is over 18 years and the person is not affected by alcohol or drugs.

A Pawnbroker must ensure that where a contract is entered into in relation to a compact disc, the title of the disc and the name of the artist are recorded as soon as the information becomes available to the Pawnbroker, or a person entering into the contract on behalf of the Pawnbroker.

A Pawnbroker must record details in relation to each contract entered into in an electronic form or bound book and use a distinguishing number for the contract.

A Pawnbroker must ensure that records of transactions are kept which include:

- i. a description of the goods to be pawned;
- ii. the amount of money lent in respect of each of the pawned goods;
- iii. the amount of interest to be paid on the money lent (expressed as a percentage rate and as an amount in dollar terms to be paid each week or month as the case may be);
- iv. the type of charges that may become payable, for example, in the event of the sale of the goods;
- v. the redemption period if it is longer than one month;
- vi. the amount of any repayment made towards the satisfaction of the loan;
- vii. the full address where the goods will be located during the redemption period;
- viii. if the goods are redeemed, record the date of the redemption;
- ix. if unredeemed goods are sold, record the date of sale.

Renewals are due on 1 March of the year specified as its expiry date. An application for renewal should be lodged 28 days before the due date, to allow time for assessment.

**Please refer to the relevant schedule of fees.*

TERRITORY BUSINESS CENTRES

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