



CBMA 2023 – Producer Set Up & Allocation Assignments

Dear Partner:

We are writing today to update you on the producer set up and allocation assignments for CBMA 2023. The purpose of this communication is to provide instructions as to how to proceed with receiving CBMA allocations for 2023.

Please note this communication will not address the refund process in 2023. The refund process will begin at the end of Q1 2023 and will be done via an importer portal on the TTB website. The portal is not yet released, the expected release date is in Q1 2023. Swirl Bev will continue to track CBMA ready shipments starting again on January 1st, 2023. We encourage all clients to also create a log to track all shipments where a refund could be applied for so it can be compared to the Swirl Bev tracker as an additional verification source.

At the end of October 2022, the TTB launched the CBMA Foreign Producer Portal on myTTB.gov. Foreign producers will be responsible for registering on the myTTB.gov website and assigning allocations to importers. The TTB has a user-friendly “how to guide” for foreign producers to complete their own registration and assignments

(https://www.ttb.gov/images/pdfs/cbma/Foreign_Producer_System_External_User_Guide_2022-10-25.pdf). The guide contains the necessary details and steps to properly set up and enable accurate and timely processing of refunds in 2023, and we request you forward this information to your producers as soon as possible for completion. Please reach out to the Swirl Bev CBMA team with any questions regarding producer registration.

Please note the producer will need to identify the importer of record for which they are granting the allocation. If Swirl Bev is the importer of record our Federal Import Permit number is NY-I-1727. If the client is the importer of record the client will have to provide their producer(s) with their Federal Import Permit number as it is needed for the assignment process.

Should the producer choose to use a third party for a producer set up on the myTTB website, a third party authorization letter from the producer is required by the TTB (any party acting on behalf of a producer to complete the set up and allocation assignment is considered a third party). The letter should authorize the third party to set up the account and assign the allocation on the producer’s behalf based on the truthful and accurate information provided by the



producer.

The letter needs to be signed by both the producer and third party and should be kept on file by the producer, third party and Swirl Bev in case it is requested by the TTB.

Producer Ownership

We did want to take an opportunity to highlight the request for ownership information on the myTTB portal. The TTB is now requiring producers to list all entities that have 10% or more ownership in another producer that is also assigning allocations. The inclusion of the 10% or more ownership information is separate from the regulations surrounding a control group, which remains at 50% or more ownership. Therefore, you must list the ownership (10% or more), but it will not be considered a control group (thus eligible for only one allocation per control group and not per producer) unless the shared ownership is 50% or more. Please refer to the attached document CBMA Key Terms and Tax Rates for further clarification.

Information to provide to Swirl Bev after the assignment is completed in the producer portal.

Swirl Bev will track assignments per client / producer as well as 2023 usage in order to apply for the associated refunds.

In order for Swirl Bev to properly track and apply for refunds the following must occur:

- Each producer and client combination must complete the attached form – 2023 CBMA – Client Producer Form. And send back to Swirl Bev.
- Each producer and client combination must export the assignment section from the myTTB portal and send back to Swirl Bev.

From Swirl Bev Client

- One completed form (2023 CBMA – Client Producer Form) per producer / client combination. (Client is to complete section 1 and each producer must complete section 2 as noted below.)
- Producer's exported excel assignment section – with the file name being the name of the producer.

From Producer



- Each producer must complete section 2 of the form and return to the Swirl Bev client
- Each producer must export the assignment section from the myTTB portal (explained in instructions) and submit to the Swirl Bev client (along with section 2 of the aforementioned form).

- If applicable, each producer must return the signed third party authorization

form.

A completed packet (per producer / client combination) should be sent to:

cbma@swirlbev.com

Upon receipt of a packet, the information will be reviewed by the CBMA team. If additional information is required, the team will follow up with specific requests. Once all information is confirmed, the client will receive a request to sign an indemnification letter via DocuSign. Once the indemnification letter is signed the CBMA team will confirm that the producer is established as 2023 CBMA ready.



Additional Information

In order to proceed with CBMA 2023, the Swirl Bev CBMA team (cbma@swirlbev.com) requests the aforementioned documents as soon as possible. While it is possible to establish a producer throughout 2023 for 2023 shipments (producers must be established by December 31st, 2023 to apply for a 2023 CBMA refund) we would like to prepare in advance. Swirl Bev will not flag an entry as CBMA-eligible until all documentation is in place, including the signed indemnification agreement (which is consistent with our current policy) and for 2023, the producer documentation. If the shipment is not flagged as CBMA-eligible at the time of entry but ultimately is CBMA eligible, a post summary correction must be filed with US Customs and Border Patrol to apply for a refund. A post summary correction can only be filed by a licensed US Customs Broker, which will likely result in additional fees. However, if all documentation is in place, Swirl Bev can flag applicable entries as CBMA-eligible at the time of entry, avoiding the time and cost associated with filling a post summary correction.

We understand this is a lot of information and we appreciate the time you are taking to review everything. We are working closely with industry trade partners to ensure we have the most up to date information and are in turn establishing processes to adhere to the changes and communicating with our clients.

Should you have questions please reach out to our CBMA team.

Thank you from the team at Swirl.

