

Sample – assignment of taxi-cab licence agreement

The attached agreement is a sample assignment agreement.

If you wish to use the attached sample agreement, please remove this page and complete the agreement as required.

Alternatively, parties are able to determine their own terms of the assignment arrangement, so long as the terms comply with all relevant laws, including the *Transport (Compliance and Miscellaneous) Act 1983* and contain all of the required information (as listed in the Application for authority to assign a taxi-cab licence).

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Assignment of Taxi-cab Licence Agreement

Dated

D	D	M	M	Y	Y
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Between [name of Assignor]

ABN, if applicable

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Address

And [name of Assignee]

ABN, if applicable

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Address

Introduction:

1. The Assignor is the holder of a taxi-cab licence under Part VI of the Transport (Compliance and Miscellaneous) Act 1983 ("the Act") being the licence specified in Item 1 of the Schedule ("Licence"); and
2. The Assignor agrees not to operate a vehicle under the Licence and to assign the right to operate a vehicle under the Licence to the Assignee, in each case for the period specified in Item 3 of the Schedule ("**Term**").
3. The Assignee is accredited as a Permit Holder (taxi-cab operator) under Part VI of the Act.
4. The Assignee accepts the assignment and agrees to operate a vehicle under the Licence in a proper manner on the terms and conditions contained in this Agreement.

Operative Provisions:

1. Assignment

- 1.1 For the duration of the Term (but subject to clause 8), the Assignor:
 - (a) must not operate a vehicle under the Licence, and
 - (b) assigns the right to operate a vehicle under the Licence to the Assignee on the terms and conditions set out in this Agreement.
- 1.2 The Assignee accepts the assignment in accordance with section 150 of the Act and the terms of this Agreement.

2. Licensing Authority Approval

- 2.1 This Agreement (other than this clause 2 and clause 11) is conditional upon the Licensing Authority (within the meaning of the Act) ("**Licensing Authority**") authorising the assignment of the right to operate a vehicle under the Licence on the terms of this Agreement (as is required under section 150 of the Act) and, notwithstanding any other provision of this Agreement, the assignment will not become operative before the date of the authorisation ("**Authorisation Date**").
- 2.2 As soon as reasonably practicable after, but no later than 14 days after, the date of this Agreement the Assignor must apply to the Licensing Authority as required by or under the Act for authority to assign the right to operate a vehicle under the Licence to the Assignee. If requested by the Assignor, the Assignee must provide the Assignor with any documents, information or things within the Assignee's possession or control necessary to enable the Assignor to seek that authority.
- 2.3 The parties must use their respective best endeavours and do all things reasonably necessary to procure the satisfaction of the condition in clause 2.1.
- 2.4 If the condition in clause 2.1 is not satisfied on or before the date that is 30 days after the date of this Agreement then this Agreement (other than clause 11) will immediately terminate and, except so far as any claims may have arisen prior to the termination, no party will have any obligation or bear any liability to the other party.

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3. Statutory Conditions

- 3.1 The assignee must submit the vehicle operated under the Licence (Licensed Vehicle) for inspection when required by the Licensing Authority or an officer or inspector of the Licensing Authority.
- 3.2 The Assignor must:
- (a) at all times during the currency of this Agreement, make all necessary applications to the Licensing Authority for renewal of the Licence the rights under which are assigned by this Agreement and shall pay the fees for such renewal and any amount payable by way of seating tax, or annual licence fee;
 - (b) to return to the Licensing Authority for safe keeping the licence and allow all the endorsements required to be made thereon by or under the Act.
 - (c) to apply to the Licensing Authority as required by or under the Act for authority to assign the rights under the Licence in accordance with clause 2.2 of this Agreement.
- 3.3 The Assignee must give the Assignor access to the records of the information specified in paragraphs 1(a), 1(i), 1(j), 1(k) and 1(l) of Schedule 1 to the Transport (Taxi-Cab Industry Accreditation) Regulations 2007 (Vic) that the Assignee is required to keep under regulation 7 of those Regulations.

4. Consideration

- 4.1 In consideration of the assignment of the right to operate the Licensed Vehicle under the Licence for the Term, the Assignee must pay to the Assignor the amount(s) specified at Item 4 of the Schedule ("**Assignment Fee**").
- 4.2 The Assignment Fee is payable in advance at the times and in the manner specified in Item 4 of the Schedule. Where the Assignment Fee is payable in periodic instalments (for example, monthly, quarterly or annually) and the instalment is for part of a period then that instalment will be reduced pro rata with reference to the proportion which the number of days in that part-period bears to the total number of days in the entire period.
- 4.3 If the Assignee does not pay any amount payable by it under this Agreement on time, it must, upon demand by the Assignor, pay to the Assignor interest upon the unpaid amount at the rate for the time being fixed under Section 2 of *Penalty Interest Rates Act 1983* from the relevant time from the date the unpaid amount was due until such time as it is received by the Assignor.

5. Assignee's General Obligations

- 5.1 The Assignee irrevocably undertakes, and covenants, and agrees with the Assignor that at all times during the continuance of this Agreement the Assignee must:
- (a) operate the Licensed Vehicle under the Licence in a proper manner in accordance with all relevant laws regulations and rules of any kind, and will take no action nor permit any action to be taken, that may jeopardize the holding of the Licence by the Assignor;
 - (b) ensure that the Licensed Vehicle meets the standards required by the Licensing Authority for a vehicle being operated as a taxi-cab and satisfies the conditions, if any, attached to the Licence;
 - (c) pay all expenses of any kind (except any licence fee and/or other charges or amounts payable to the Licensing Authority) associated with, or arising from, operating the Licensed Vehicle;
 - (d) not assign, part with in any way, or otherwise deal with the right to operate the Licensed Vehicle under the Licence; and
 - (e) remain accredited under Part VI of the Act as a permit holder throughout the duration of the Term.

6. Assignor's Warranties and Covenants

- 6.1 The Assignor warrants that at the date of this Agreement:
- (a) the Assignor is the legal and beneficial holder of the Licence;
 - (b) the Assignor has, subject to obtaining the authority of the Licensing Authority, the right and power to assign the right to operate a vehicle under the Licence to the Assignee; and
 - (c) the Licence is not subject to any other assignment agreement.

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7. Indemnity

- 7.1 The Assignee is liable for and must indemnify and hold the Assignor harmless against any claim, action, damage, loss, liability, cost, charge, expense, outgoing or payment which the Assignor suffers, pays or is liable for in connection with:
- (a) any act or omission of the Assignee in connection with the Licence by the Assignee or any other person; and
 - (b) any breach of, or default under, this Agreement by the Assignee.

8. Termination

- 8.1 This Agreement may be terminated if both parties agree in writing, to the termination of the Agreement.
- 8.2 A party may terminate this Agreement by notice in writing given to the other party if the other party is in breach of any of its obligations or duties under this Agreement and fails to remedy such breach within seven days of receiving written notice from the other party to do so.
- 8.3 A party may terminate this Agreement by notice in writing given to the other party, if the other party:
- (a) is a natural person and:
 - (i) becomes bankrupt;
 - (ii) takes, or tries to take, advantage of Part X of the *Bankruptcy Act 1966*;
 - (iii) makes an assignment for the benefit of its creditors;
 - (iv) enters into a composition or arrangement with its creditors, or
 - (v) is unable to pay its debts when they fall due; or
 - (b) is not a natural person and, any of the following events occur in relation to it:
 - (i) an order is made, or a resolution is passed, to wind it up except for reconstruction or amalgamation;
 - (ii) an application or order is made to place the party under official management or a resolution is passed to place the party under official management;
 - (iii) a receiver, receiver and manager, official manager, trustee, administrator or similar official is appointed over any of the assets or undertaking of the party;
 - (iv) the party suspends payment of its debts generally;
 - (v) the party ceases or threatens to cease to carry on business;
 - (vi) a judgment in an amount exceeding \$10,000 is obtained against the party and is not set aside or satisfied within seven days;
 - (vii) the party enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them;
 - (viii) without the other party's prior written consent, there is a change in:

9. Effect of Termination or expiry

- 9.1 Upon termination or expiry of this Agreement:
- (a) the Assignee will cease to hold the right to operate the Licensed Vehicle under the Licence and must end all use of the Licence;
 - (b) subject to the Act, the right to operate a vehicle under the Licence reverts to the Assignor;
 - (c) the Assignor must pay to the Assignee any unused portion of the Security Deposit;
 - (d) the Assignee must pay the Assignor all amounts owing by the Assignee to the Assignor whether due at that time or not.

10. Notices

- 10.1 Any notice required to be given under this Agreement may be given by post, facsimile or delivery to a party's last known address or registered office.
- 10.2 Posted notices shall be taken to have been received 72 hours after being posted unless proved otherwise.
- 10.3 Notices delivered or sent by facsimile after 5.00 p.m. shall be taken to be received at 9.00 a.m. on the next business day at the place where it is received.

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11. GST

11.1 In this clause 11:

"GST Act" means the *A New Tax System (Goods and Services Tax) Act 1999* (as amended); and Expressions used in this clause 11 have the meanings ascribed to them by the GST Act.

11.2 The following provisions of this clause 11.2 apply if any supply under this Agreement is a taxable supply.

- (a) the consideration expressed to be payable under any other clause of this Agreement for any supply made under, or in connection with, this Agreement does not include GST;
- (b) If GST is imposed on any Supply made under or in accordance with this Agreement, the Recipient of the Taxable Supply must pay to the Supplier an additional amount equal to the GST payable on or for the Taxable Supply, subject to the Recipient receiving a valid Tax Invoice in respect of the Supply at or before the time of payment. Payment of the additional amount must be made at the same time and in the same way as payment for the Taxable Supply is required to be made in accordance with this Agreement;
- (c) If this Agreement requires a party ("**First Party**") to pay for, reimburse, set off or contribute to any expense, loss or outgoing ("**Reimbursable Expense**") suffered or incurred by the other party ("**Other Party**"), the amount required to be paid, reimbursed, set off or contributed by the First Party will be the sum of:
 - (i) the amount of the Reimbursable Expense net of Input Tax Credits (if any) to which the Other Party is entitled in respect of the Reimbursable Expense (Net Amount); and
 - (ii) if the Other Party's recovery from the First Party is a Taxable Supply, any GST payable in respect of that Supply, such that after the Other Party meets the GST liability, it retains the Net Amount.

12. SPECIAL CONDITIONS

Any special conditions noted in Item 6 of the schedule binds the parties as if set out in the body of this agreement and, to the extent of any inconsistency between the contents of Item 6 of the schedule and the general conditions of this agreement then the provisions of Item 6 will prevail.

13. VARIATION TO THIS AGREEMENT

13.1 This Agreement may be varied by written agreement of the parties.

13.2 The variation to the Agreement made under this clause 13 need not take the form of a deed.

13.3 The Assignor must give a copy of the variation made under this clause 13 to the TSC within five business days.

14. DECLARATION

By signing this agreement the Assignor and Assignee declare that this Agreement constitutes the entire agreement including all payments made or due in connection with the assignment of the taxi-cab licence and any chattels (includes motor vehicle and/or taxi equipment) or other items or services associated with any agreement related to the assignment of the taxi-cab licence.

Executed as a Deed

Signed by the ASSIGNOR in the presence of:

Name (please print)

Witness Signature

Name (please print)

or, if Assignor is a company:

EXECUTED by the ASSIGNOR in accordance with Section 127(1) of the Corporations Act 2001 by:

Director/Sole Director & Sole Secretary Signature

Name (please print)

Director/Secretary Signature

Name (please print)

Signed by the ASSIGNEE in the presence of:

Name (please print)

Witness Signature

Name (please print)

or, if Assignee is a company:

EXECUTED by the ASSIGNEE in accordance with Section 127(1) of the Corporations Act 2001 by:

Director/Sole Director & Sole Secretary Signature

Name (please print)

Director/Secretary Signature

Name (please print)

Schedule

Item 1. Licence

Taxi-cab Licence Number

Item 2. Chattels

Vehicle

Make

Model

Reg. No. *or*

V.I.N

Amount paid for vehicle

\$

Value of vehicle as declared on VicRoads Application for Transfer of Registration

\$

Taximeter

Amount paid for taximeter

\$

Taxi Safety Camera

Make

Serial No.

Amount paid for camera

\$

Other Items – specify chattels, equipment or other items or services not listed above that are associated with any agreement related to the assignment of the taxi-cab licence.

Item/service:

Amount paid:

\$

\$

\$

\$

\$

\$

\$

Item 3. Term:

Period commencing on the later of

D	D	M	M	Y	Y
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and the Approval Date (“Commencement Date”);

and Ending on

D	D	M	M	Y	Y
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unless terminated earlier in accordance with this Agreement.

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