



Liquor Line

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Contract Manufacturing

If you are a manufacturer, you may agree to produce liquor for others. This is called contract manufacturing. The rules you must follow depend on who you are producing liquor for.



We know that some licensees have concerns about this policy, and we are currently reviewing it. If changes are warranted, we will consult industry before making any.

You may produce liquor for either (1) another person who may hold a trademark on a liquor product but does not hold a liquor manufacturing licence in BC or (2) another licensed manufacturer.

In the first case, when you contract with a person who may be the owner of a liquor trademark but does not hold a liquor manufacturing licence, you own the liquor.

Therefore:

- You continue to own the liquor until you sell it to either the public, other establishments or to the Liquor Distribution Branch (LDB);
- You register the liquor with the LDB;
- You conduct all sales to the public, licensees and the LDB;
- You store the liquor at your establishment or at your registered offsite storage location and it is under your care and control;
- You conduct any advertising of the product (including websites); and
- You include your name and location on the label in a manner that clearly identifies you as the manufacturer.

As the owner of the liquor, you may hire the person who has requested the liquor be manufactured as a marketing representative.

In the second case, when you contract with another licensed manufacturer (for example 'Manufacturer B'), there are certain conditions that must be met, including:

- Both manufacturers must be producing liquor at their own sites, including meeting any minimum onsite production requirements; and
- The licensee that ultimately owns the product ('Manufacturer B') must register the product with the LDB and keep records showing the movement and source of the manufactured liquor.

It's important to remember that in any contracting situation, you can only make or purchase the type of liquor you are licensed to manufacture (for example, breweries can only make beer).

Prior to agreeing to contract manufacture, you should ensure the agreements are permitted by your manufacturing agreement with the Liquor Distribution Branch.

Any time you are engaging in contract manufacturing, you must follow the terms and conditions of your manufacturing licence.

For more details, refer to the Manufacturer Terms and Conditions Handbook available on our website. ■

Your Contact Details

Your licence renewal notice and any other communications from the Branch are sent to the mailing address and contact details provided in your initial application. To ensure you do not miss important information, be sure to keep your contact details, including email addresses, up to date.

Call us at 1 866 209-2111 to make an update. ■





You may have heard that the Liquor Control and Licensing Branch is now a part of the Ministry of Attorney General. This change will not impact you or your interactions with the Branch.

Our focus remains a commitment to helping you succeed, and a key priority is our service delivery to you. One aspect of service delivery is ensuring we are providing clear and accessible information. As a result, you will notice updates and clarifications have been made to some of the Terms and Conditions Handbooks.

Last May we successfully launched the Licensee Education Program and I am very pleased with the positive feedback we have received. The program offers licensees the chance to meet branch staff face to face, ask questions, and learn tips for operating successfully. If you haven't had the chance to attend a session, visit our website for the tour schedule or email us to join our notification list and be contacted when a session is scheduled near you.

Whether you are able to attend a session or not, our staff are always here to help you and are happy to answer any questions. To learn more about what we are working on visit our website and read about the Licensee Education Program and recent changes to terms and conditions.

Michelle Carr
Assistant Deputy Minister and
General Manager

Serving It Right

Everyone who sells or serves liquor to the public is required to hold a valid Serving It Right certificate. From floor staff to management and owners, the principles of responsible beverage service are the same. Serving It Right is a single program that teaches and reinforces the same messages to all employees. This provides a business with consistent training that helps everyone stay safe.

Refresh your skills at www.servingitright.com and ensure all staff have SIR training. ■



From our partners at Go2HR...

Duty of Care: The Changing Landscape for Licensees

This article from Go2HR provides general information and must not be taken as legal advice.

What is duty of care?

Licensees, and their management and staff, are legally required to protect their patrons and third parties from harm that can result from consuming alcohol. This "duty of care" is owed whether the harm occurs on or off the licensed premises.

A licensee's first duty is to provide a safe environment for patrons and staff. The law requires a licensed establishment to take steps to keep the premises reasonably safe for all people on site, including people who have been consuming alcohol.

Duty of care also extends for some time after patrons leave the premises and includes a duty to the patrons themselves and to members of the public who could be affected by those patrons' conduct off the premises. Therefore, reasonable steps must be taken to prevent harm that could result from alcohol consumed on the premises.

Legal liabilities

When duty of care is not met, an injured party may take legal action against the licensee, manager, or server. This most often happens when a patron over-consumes alcohol at a licensed establishment and is subsequently involved in a motor-vehicle accident.

Courts are increasingly willing to assign some fault to licensees who do not meet their duty of care. Some of these cases result in expensive financial settlements.

When does duty of care end?

Duty of care ends when the patron is put into the care of a sober and responsible person, or when the patron arrives home. However, a recent court decision has suggested that, in certain cases, a licensee's duty of care can continue even after the guest arrives home.

What does this mean for me?

Licensees must take reasonable steps to ensure that an intoxicated patron has a safe way home, especially if it looks like they tend to drive.

Strategies to support duty of care include:

- ensuring that an intoxicated guest is put into the care of a sober and responsible person;
- offering incentives, such as free parking, to encourage a patron to leave his or her car behind;
- asking the guest whether a friend or relative can be called to get them home safely;
- contacting alternative driving programs, transit, or taxis; and
- offering to pay for a taxi if the patron is unable or unwilling to do so. ■



Providing Samples in Wine Stores

If you are a wine store owner, you may offer customers samples of the wine you carry in your store, but there are specific rules you must follow.

The maximum quantity of wine that can be provided as a sample is 75 ml per patron. This amount can be divided as you choose. For example, if you present three kinds of wine, you may offer each patron a maximum quantity of 25 ml of each wine. You may sell the samples or provide them for free.

You may also invite one or two wine manufacturers or agents to conduct tastings in your store. If you have a manufacturer or agent providing the samples, they may bring in their own samples, but the samples must be of products they make or sell and that are carried in your store. Samples offered to customers by a manufacturer or agent must be free of charge.

You may have a maximum of two manufacturers or agents conducting consumer tastings in your store at any

one time. The timing and duration of a consumer tasting event is up to you and the manufacturers or agents, however all tastings must end 30 minutes before your store closes.

You and the manufacturers and agents conducting a consumer tasting must also ensure:

- Servers do not leave open containers unattended,
- Customers consume samples in your store; they may not take samples away to consume offsite,
- You issue a receipt to the manufacturer or agent if they purchase wine from you for the tasting, and
- You do not charge the manufacturer or agent a rental fee for demonstration space.

For more information on consumer tastings in wine stores, refer to the Wine Store Terms and Conditions Handbook available on our website. ■



Liquor Registry

We know liquor registry policy has raised some questions. While we work to clarify this requirement, below are some helpful tips and guidelines.

If you have a liquor inventory and sell to the public, you must keep a liquor register. A liquor register is a record of all your purchases (i.e. receipts and invoices) for your liquor inventory, including any liquor transfers.

Your register may be hardcopy or digital and must be available for inspection at all times. A liquor inspector or police officer may look at your register and compare it to your stock to make sure you have purchased your liquor lawfully. As a reminder, the rules for purchasing and storing liquor are outlined in the terms and conditions of your liquor licence.

If an inspector is unable to verify that the liquor on your premises was purchased legitimately, the liquor may be seized. It is therefore in your best interest to ensure your records are kept in a legible, orderly fashion so that an inspector can easily match your stock to your records.

You must also be able to account for any liquor that was lost due to spoilage and breakage. This can be done by either keeping a written record in a log book or by making a notation on the original receipt or invoice.

A few tips for keeping a liquor register:

- Keep all your receipts and invoices for liquor purchases in chronological order and separate from receipts and invoices for non-liquor purchases.
- Photocopy or scan receipts printed on thermal paper to protect the record from fading over time.
- Maintain a separate log book to record any liquor lost due to spoilage and breakage. ■

News from the Liquor Distribution Branch...

The Vancouver Distribution Centre is moving

This article is brought to you by our partners at the **Liquor Distribution Branch**

You may have heard that in February 2017, Government announced plans to move the Liquor Distribution Branch's (LDB) Vancouver Distribution Centre (VDC) to a larger site in Delta next spring – a project the LDB is very excited about.

For the past 50 years, the LDB's primary warehousing and distribution centre has operated from its location at 3200 East Broadway in Vancouver. When it opened its doors in 1964, the 220,000 square-foot building was the most modern of five government liquor warehouse locations in Vancouver and supplied 124 government liquor stores and 1,500 licensed hospitality customers around the province. Times were different then.

Today, over 17 million cases and two million bottles are shipped out from LDB's wholesale operations each year. Yet, the VDC has not had any substantial upgrades or expansions since the early 1970s.



To accommodate the increase in volume and ensure the VDC has the capacity to meet LDB's wholesale customer and supplier needs, the LDB is moving its VDC to a new facility located at 7003 72nd Street in Delta. At 400,000+ square feet, the eight-year-old building has nearly double the floor space and a higher ceiling. The much-needed increased storage capacity will allow the LDB to become more efficient and decrease its operating costs. As a result, the LDB can better support licensees and improve customer satisfaction.

The LDB entered into a 10-year lease on this new building with two options to extend for an additional five years each.

As the LDB continues to move forward on their transition to the new facility, they will be sure to keep you informed of any impacts this may have on your business and the benefits you can expect to see. ■



Licensee Education Update

We have been touring the province with the Licensee Education Program providing licensees with practical knowledge to better navigate B.C.'s liquor laws and operate successfully.

Sessions began last May in Vancouver and traveled to the Okanagan and south Vancouver Island before proceeding to smaller communities around the province.

We are very pleased with the positive response and reception we have received about the program. Licensees have said they appreciate the refresher on B.C.'s liquor policies and the opportunity to ask LCLB staff questions. The sessions also provide licensees an opportunity to connect with other establishments in their community to hear about the challenges and experiences of other businesses.

We've been listening, and through these education sessions we've learned what today's common questions are from licensees.

Questions such as:

- What is involved in keeping a liquor register?
- What are the benefits of keeping an incident log and what details should I include?
- How can I protect myself against liability when a patron drinks too much?
- What are employees under the age of 19 allowed to do?

We address a couple of these topics in other articles within this issue of Liquor Line. You can also find some answers included in the clarifications we've made to the Terms and Conditions Handbooks available online.

This fall, the Licensee Education Program will continue its tour with more stops added in the Lower Mainland. The program currently focuses on topics of interest to food primary and liquor primary establishments. However, in the future we will be expanding the program to include other licence types.

To be notified when a session is scheduled in your area, email LCLB.Education@gov.bc.ca ■

Reporting Your Changes

The details of your licence application were the basis for granting you the licence. You must notify the Branch of any changes that alter the original information you provided. For example, changes in ownership, structural changes, and operational changes must be reported. Some changes require the Branch's prior approval, while others require you to report the change within 10 days. This is important because failure to do so is a licensing contravention and subject to penalty.

Visit our website or call 1 866 209-2111 for information on reporting changes. ■



Updated Terms & Conditions Handbooks

We've updated the Terms & Conditions Handbooks with the latest changes in liquor policy. We've also clarified some sections to help ensure the policies are as clear as possible.

Download the latest version of your handbook, available on our website at www.gov.bc.ca/liquorregulationandlicensing (under Publications & Resources) ■

Contact Information

Website

www.gov.bc.ca/liquorregulationandlicensing

Email

Policy Questions:

lclb.lclb@gov.bc.ca

Licensing Helpdesk:

LCLBHelpDesk@gov.bc.ca

Phone

(Weekdays, 8:30a.m.–4:30p.m.)

LCLB Headquarters

Direct: 250 952-5787 (Victoria area)

Toll-free: 1 866 209-2111 (B.C. only)

Licensing Help Desk: 250 952-7049

Onestop Renewal Help Desk: 250 952-7039

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