

# Licensee Retail Store Terms and Conditions



August 2017

# Update Summary

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August 2017	<b>Your Store</b> <a href="#">Unlawful or Private Liquor</a>	14
	<a href="#">Liquor Register</a>	14-15
July 2017	<b>Providing Safe and Responsible Service</b> <a href="#">Serving It Right™: B.C.'s Responsible Beverage Service Program</a>	6
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# Licensee Retail Store Terms and Conditions

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# Introduction

The purpose of the licensee retail store licence is to sell all types of packaged liquor (beer, wine, coolers, cider and spirits) in a retail store for customers to purchase and consume away from the store.

This handbook outlines the requirements of the *Liquor Control and Licensing Act*, Regulations and terms and conditions that relate to owners of licensee retail stores. It is the responsibility of the licensee to be aware of and to operate in compliance with these rules.

Licensees must follow B.C.'s liquor laws and these terms and conditions at all times (as well as any further terms and conditions that might be printed on your licence or in letters issued to you by the general manager of the Liquor Control and Licensing Branch.

Throughout this handbook the term "general manager" refers to the general manager of the Liquor Control and Licensing Branch, who has legislative authority to make decisions regarding liquor licensing in British Columbia. Licence terms and conditions change from time to time. Stay up to date by referring to the online handbook and checking back on our policy directives page (<http://www2.gov.bc.ca/gov/content/employment-business/business/liquor-regulation-licensing/liquor-law-policy/policy-directives>).

## Contact Information

If you have any concerns or questions, please contact your local liquor inspector or the Liquor Control and Licensing Branch at:

### Mailing Address

PO Box 9292 Stn Prov Govt,  
Victoria, BC V8W 9J8

### Office Address

4th Floor, 3350 Douglas St.  
Victoria, BC V8Z 3L1

### E-mail

[lclb.lclb@gov.bc.ca](mailto:lclb.lclb@gov.bc.ca)

### Phone

250-952-5787 in Victoria

### Licensing Help Desk

250 952-7049 in Victoria or call our toll-free number

### Toll Free Phone

1-866-209-2111

A range of helpful information along with licensee handbooks, application forms and links to the *Liquor Control and Licensing Act* and Regulations are here: [www.gov.bc.ca/liquorregulationandlicensing](http://www.gov.bc.ca/liquorregulationandlicensing)

# Providing Safe and Responsible Service

## Serving It Right™: B.C.'s Responsible Beverage Service Program

Serving It Right is a self-study course that educates licensees, managers and servers about their legal responsibilities when serving liquor, and provides effective techniques to prevent problems related to overservice.

Serving It Right must be completed by all licensees, managers (staff who supervise the sale or service of liquor) and sales staff (staff who sell or serve liquor). In regard to licensees, the following table shows who is required to complete Serving It Right.

Type of Licensee	Who Needs Serving It Right
Private or public corporation	Authorized signing officer of the corporation
Local government or First Nation	A person you identify as your representative
General partnership	At least one partner
Limited partnership	The general partner
Sole proprietor	The sole proprietor
Trust	Trustee
Non-profit corporation (e.g. a society)	Director or senior manager
Military mess	An officer in charge
Other (e.g. church, university, co-ops)	An officer, director, manager or other person satisfactory to the Liquor Control and Licensing Branch

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You are responsible for ensuring your employees take Serving It Right and you must keep records for at least six years that show the name of each employee, their Serving It Right certificate number and the expiry date, if applicable. You must produce this record to a liquor inspector or peace officer upon request.

Servers relocating to British Columbia with a valid certificate showing completion of a recognized responsible beverage service program in another Canadian jurisdiction are exempt from the Serving It Right requirement until the expiry of their certification. If you hire an employee with certification from another Canadian jurisdiction, you must keep the same information as for Serving It Right, along with the jurisdiction where the training occurred.

Effective September 15, 2020, servers holding certificates with no expiry date must obtain Serving It Right certification.

The course packages, exams, and certificate numbers can be found online at [www.servingitright.com](http://www.servingitright.com), or by phoning 604-633-9798.

## Display of Social Responsibility Materials

You are required to display at least one social responsibility poster or tent card. The materials will be mailed to you and must be displayed in a prominent location in your service area. Updated materials will be provided to you at regular intervals, free of charge. Additional copies are available from your local liquor inspector or on the website.

## Controlling Your Store

You and your employees are responsible for controlling the behaviour of your customers. You must ensure that no one is harmed as a result of liquor misuse or criminal activity in your store. If your staff, customers or members of the community have reason to be concerned that there is a threat to their safety, you must act on these concerns.

If there is an imminent threat to people's safety, the general manager can suspend a liquor licence for 24 hours and order the immediate removal of customers. In this situation, you are required to take all reasonable steps to ensure that customers vacate the premises immediately.

In extraordinary circumstances, the general manager may suspend a licence or impose terms and conditions for up to 14 days without a hearing.

## Preventing Disturbances

You must take reasonable measures to prevent disturbances. This means performing actions that are appropriate in the circumstances and within your capacity to do. Examples of reasonable measures include:

- Installing adequate lighting outside your establishment and in the parking lot
- Supervising your parking areas
- Posting signs asking your patrons not to disturb your neighbours

## Minors

Minors (those under the age of 19) are allowed in a licensee retail store if accompanied by a parent or guardian. You may not employ minors to work in your store.

It is against the law to provide liquor to a minor. You and your staff must be proactive about meeting this objective. If you or an employee allows a minor to purchase liquor, your licensing privileges could be jeopardized and you risk prosecution.

## Identification (ID) Requirements

You are responsible for ensuring that minors are not served liquor. If there is any doubt whether a customer is 19 or over, you and your employees should verify age by asking for two pieces of ID, carefully examining both pieces, and acting on the authenticity of the identification. If you can't demonstrate that you have done this, you could be held responsible for serving a minor, if the person is under 19.

### Primary ID

- Must be issued by a government agency; and
- Must include the holder's name, date of birth and picture.

Examples of primary ID include:

- State or provincial driver's licence
- Passport
- Photo BC Services Card
- Citizenship card,
- First Nations status card
- Federal Firearms Possession and Acquisition licence
- National Defence ID

Note that the BC Driver's Licence and Services Card, which combines the BC Driver's Licence and Services cards (formerly CareCard), counts as only one piece of ID.

### Secondary ID

Used to verify the authenticity of the first piece, and:

- Must include the holder's name; and
- Must include either the holder's signature OR picture.

Any acceptable piece of primary ID can be used as secondary ID. Examples of other acceptable secondary ID include:

- BC CareCard (which will be replaced by 2018 with the Non-Photo BC Services Card)
- Interim driver's licence (issued by ICBC)
- BC Transit ProPASS
- University or college student card
- Credit card

- Canadian Blood Services donor card
- Transport Canada's Pleasure Craft Operator's Card
- Many bank cards and rewards cards

You can accept expired and foreign ID, as long as it is readable and you can recognize the customer from the picture.

You and your staff must decide on a case-by-case basis if the ID presented proves that the person is not a minor. If the person cannot produce two pieces of acceptable identification, you should refuse service. You must cooperate with a liquor inspector if asked to determine whether a person is a minor.

## Intoxicated Patrons

You must not let a person who is intoxicated or exhibiting signs of intoxication enter or remain in your store. You must refuse the person service, have the person removed and ensure they depart safely.

You must write down all incidents of intoxicated patrons and the action you took in an incident log, and have the information available for the liquor inspector or police officers.

Additionally, please note that, with the exception of consumer tastings, you must not permit alcohol consumption in your store.

## Disorderly or Riotous Conduct

You must not allow violent or disorderly conduct or unlawful activities to take place in your store. This includes behaviour that might cause a reasonable person to believe their safety is threatened. If you know or suspect that this kind of behaviour has taken place, is currently taking place, or may take place, you must notify police immediately.

An individual who has been asked to leave or has been barred from entering your store must not return for at least 24 hours. If they return within 24 hours, notify police; they are committing an offence and may be arrested.



# Your Liquor Licence

## Availability of your Licence and Floor Plans

You must post your liquor licence in a prominent location in the service area of your store. Ensure it is immediately available for review by liquor inspectors and police. Your store's floor plans must also be immediately accessible, but they do not need to be posted.

## Renewing Your Licence

You must renew your liquor licence before the licence expiry date each year and pay an annual licence fee. The fee is calculated based on the amount of liquor you purchased from the Liquor Distribution Branch during the 12-month period ending six months before your licence expiry date. For more information, please visit the website.

Please note: the licence renewal fee must be paid each year, regardless of any other applications (for example, transfer of ownership) that may be in progress at the time.

## Making Changes to Your Licence

The details of your liquor licence application were the basis for granting you the licence. You must advise the Branch of any changes that alter the original information you provided, or of a change in circumstance related to your licence.

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. Below is a table of changes that need prior approval and those that require reporting. These are in addition to any items that are addressed elsewhere in this handbook.

Type of Change	How to Report	When Approval Required
Transfer of Location	Application	Before relocation occurs
Structural Change*	Application	Before structural change occurs
Permanent Change to Liquor Licence: <ul style="list-style-type: none"> <li>Establishment/business or licence name change</li> <li>Request for change in terms and conditions</li> <li>Change to hours of sale</li> <li>Temporary offsite sale endorsement</li> </ul>	Application	Before permanent change to liquor licence occurs
Permanent Change to Licensee: <ul style="list-style-type: none"> <li>Change of directors or officers (corporation, society)</li> <li>Name change of licensee</li> <li>Addition of receiver or trustee</li> <li>Addition of executor or administrator</li> </ul>	Application	Within 10 days of permanent change to licensee occurring
Temporary Change <ul style="list-style-type: none"> <li>Hours</li> </ul>	Application	Before temporary change occurs
Third-Party Operator (add, change)	Application	Before third-party operator begins operating
Third-Party Operator (remove)	Letter	Before third-party operator is removed
Transfer of Ownership (including sale of liquor business and its assets)	Application	Within 10 days of the sale
Share Transfers or Changes <ul style="list-style-type: none"> <li>Internal transfer of shares **</li> <li>External transfer of shares</li> <li>Amalgamation of corporate licensee, holding company or subsidiary</li> </ul>	Application	Within 10 days of share transfers or changes

Type of Change	How to Report	When Approval Required
Loss of Valid Interest <ul style="list-style-type: none"> <li>Licensee no longer owns and runs establishment</li> <li>Licensee does not have certificate of title or lease for establishment location</li> </ul>	Letter	Within 10 days of loss of interest
Tied House Association with a manufacturer or agent based on common ownership, an immediate family member or a third party operator	Letter, if not submitting an application in relation to the tied house	Before tied house association occurs
Tied House Exemption (add/remove)	Application	At any time where a tied house has been identified
Convictions (applicable to any individual licensee, or partner, shareholder, director, or officer of the licensee) <ul style="list-style-type: none"> <li>Criminal Code offence</li> <li>Alcohol-related offence under Motor Vehicle Act or similar legislation elsewhere (in or outside of Canada)</li> </ul>	Letter	Within 10 days of conviction and confirmation at renewal
Court Action Involving Disposition of Liquor Licence	Letter	Within 10 days of notice received
Offsite storage of liquor (begin storing liquor offsite, change location of storage, or stop storing liquor offsite)	Form	Within 10 days
Dormancy***	Form	Within 10 days of dormancy occurring

**Note:** If there is enforcement action pending on your licence, change applications in progress will not be considered until it is concluded.

### \*Structural Change

If you are making changes to the current approved floor plan, other than cosmetic changes, a structural alteration application is required. Some examples are:

- Physical expansion
- A change in the position of access and exit points leading to or from a service area
- A change in the position of a wall, floor or ceiling surrounding a service area

You do not need approval for cosmetic changes such as flooring, countertops, painting.

### \*\*Internal Transfer of Shares

A licensee must report an internal transfer of shares respecting the licence or the licensee, other than:

- the removal of shareholders or
- the redemption or dissolution of shares

Unless:

- the licence has been identified as having an association with another licence (a tied house), OR
- the removal of the shareholder or redemption or dissolution of shares results in any of the remaining shareholders moving from owning less than 10% of voting shares to owning 10% or more of voting shares in the licensee.

### \*\*\*Dormancy

If you are planning to close your establishment for an extended period of time, for example for extensive renovations, you must report this closure to the Branch and you must also notify the Branch when you plan to restart regular

operations (this notification requirement does not apply to seasonal closures). All licences are permitted to be dormant for a period of two years. If your establishment is dormant because of extensive renovations caused by a fire, flood or other event beyond your control you may apply for an extension to dormant status. If you cannot provide evidence of the incident and your efforts to rebuild, your licence will be cancelled after two years.

## Selling Your Business

If you are selling your business and transferring your liquor licence to a new owner, the new owner must apply to transfer your licence to their name using the Transfer of Liquor Licence Application form. If a new owner is acquiring your business by buying some or all of the shares in your company, you must notify the Branch by submitting the [Application for Permanent Change to a Licensee form](#).

## Providing Information to the Branch

You must be forthright in providing information to the Branch. Making a misleading statement or failing to disclose a material fact (such as the fact that a third party is using your licence, that shares have been transferred or that the lease on your property is about to run out, etc.) are licensing contraventions.

A licensee must keep the following records, as applicable, for a period of at least six years from the date the records were created:

- a. liquor purchase records;
- b. liquor sales records, including quantity of liquor sold and prices charged;
- c. liquor disposal records;
- d. food sales records;
- e. sales records respecting other goods sold or services provided by the licensee in the establishment;
- f. contracts with other licensees;
- g. invoices and purchase receipts for all equipment and other inventory that is used in the operation of the establishment;
- h. management contracts and leases that are related to the establishment;
- i. records of incidents, such as fights or other disturbances and accidents, that adversely affect patrons or staff, people who live or work in buildings adjacent to the establishment or event site and the operation of the establishment or event site;
- j. records of court orders and judgments against a licensee respecting the sale, service or manufacture of liquor; and
- k. employee records including names, addresses, salaries, primary job responsibilities, shift schedules and dates of employment.

A licensee must prepare and maintain a register of liquor purchased and received and must keep the register for a period of at least six years from the date each entry was made.

# Your Store

## Associations with Other Businesses

You may not be associated with another business, with the following exceptions.

You are permitted to be associated with another licensee retail store, a liquor primary, a licensed hotel (including an associated food primary) or an eligible grocery store (see next section for more details on grocery store eligibility).

A grocery store may be associated with a licensee retail store (LRS) if:

- the owner of the grocery store and the LRS are legally affiliated and are either the same legal entity or wholly-owned subsidiaries of the same legal entity, regardless of where the LRS is located; or
- the LRS is located within the grocery store, whether or not the two businesses are commonly owned.

If an association is permitted, you may use a common name and other visual identifiers of the associated business, and you may engage in joint advertising and promotions with the associated business.

Associations with any business that is not a liquor primary, licensee retail store, a licensed hotel (including an associated food primary) or an eligible grocery store are prohibited and you may not:

- Use a name or other visual identifier of another business;
- Sell the trademarked or brand-name non-liquor products of another business unless those products are also available for wholesale purchase by other licensees;
- Jointly advertise with another business;
- Offer discounts in your store based on purchases in another business; or
- Operate a customer loyalty or gift card program in association with another business.

If you are associated with another business and you apply to relocate your business, transfer your licence, sell shares in your business, or change the layout or size of your store, the nature of that association may also be required to change.

## Liquor Store Within a Grocery Store

This chapter focuses on LRS stores located within an eligible grocery store.

### What is an Eligible Grocery Store?

For an LRS to be located within a grocery store, a grocery store must have a minimum of 10,000 square feet of space, including storage space, and must be primarily engaged in retailing all types and brands of food. Convenience stores and multipurpose stores are not eligible to host liquor sales.

To maintain eligibility, the grocery store's sales revenue from food and non-liquor beverages:

- must total at least 70% of non-liquor sales, and
- must total at least 50% of all sales, including liquor sales from a retailer located in the grocery store.

Licensees must provide annual proof that the sales revenue requirements have been met.

### Liquor Stores Within Grocery Stores Requirements

As will all other LRS relocations, the liquor store within the grocery store must be at least one kilometre away from another LRS or BC Liquor Store or proposed store.

Liquor stores within grocery stores must be physically separated from the rest of the grocery store with controlled access and separate cash tills within the liquor store area. The same shopping cart may move from the grocery store into the liquor store and grocery merchandise can be paid for at the liquor store tills.

The entire perimeter of the licensed area must be identifiable and the majority of the perimeter of the licensed area must be bounded by a fixed and immovable barrier. For the portion of the perimeter that is not fixed and immovable, the barrier must be sufficient to:

- monitor and control entrance to the licensed area;
- prevent unaccompanied minors from accessing the area;
- secure the retail area when required (i.e. when operating hours for the liquor retail area do not align with grocery store hours); and
- identify the main entrance (including what is considered to be the front door) to the licensed area.

## Relocating Your Store

You may apply to relocate your store anywhere within the province, with the restriction that **you cannot relocate within one kilometre of** an existing or proposed LRS or BC Liquor Store (i.e. government liquor stores). BC Liquor Stores are now also required to abide by this rule. The one-kilometre distance is measured front door to front door, as the crow flies.

There are four exceptions to this rule that the Branch may consider:

- If the store is substantially damaged by a fire, flood or other event beyond the licensee's control;
- If the shortest travelling distance by road is more than one kilometre due to a watercourse or body of water;
- If the store is already within one kilometre of another liquor store and the new location is not closer than the current one; or
- If the new location has the same parcel identifier number as the current location

## Relocating within a Grocery Store

For a liquor store to be located within a grocery store, the grocery store must have a minimum of 10,000 square feet of space (including storage space), and must be primarily engaged in retailing various types and brands of food.

Liquor stores within grocery stores must be physically separated from the rest of the grocery store with controlled access and separate tills within the liquor store area. The entire perimeter of the licensed area must be identifiable and the majority of the perimeter must be bounded by a fixed and immovable barrier.

For the portion of the perimeter that is not fixed and immovable, the barrier must be sufficient to monitor and control entrance to the licensed area, secure the licensed area when operating hours for the liquor store do not align with grocery store hours, and ensure the main entrance to the licensed area is identifiable.

The application for relocating can be found here: [http://www2.gov.bc.ca/assets/gov/employment-business-and-economic-development/business-management/liquor-regulation/licensing/forms/lclb092b\\_wine\\_store\\_transfer\\_of\\_location.pdf](http://www2.gov.bc.ca/assets/gov/employment-business-and-economic-development/business-management/liquor-regulation/licensing/forms/lclb092b_wine_store_transfer_of_location.pdf).

Where an LRS is currently adjacent to a grocery store, a structural change application may be all that is required to relocate into a grocery store (i.e. a change to put a door in an adjoining wall). The general manager will require confirmation that the proposed location complies with local zoning bylaws.

## Drive-throughs

Some older licensee retail stores are set up for drive-through sales. While these stores are allowed to continue operating their drive-throughs, no new drive-throughs are permitted. Should these stores relocate, the drive-through privilege will be revoked.

## Buying Liquor

You must purchase your liquor directly from the Liquor Distribution Branch warehouse, from a designated Liquor Distribution Branch store, or another source authorized in writing by the general manager of the Liquor Distribution Branch.

It is a serious contravention to buy liquor from an unauthorized source or to purchase liquor that is not recorded against your licence number.

The exception to the above is that you may occasionally transfer a small amount of liquor to another licensee to balance stock if products run out unexpectedly. You cannot transfer or receive more than \$10,000 a year of liquor in this manner and both the seller and the purchaser must keep records within the liquor register indicating what quantity, brand and type (sku #) of liquor was transferred, its value, date of transfer, and the licence numbers of both parties. Licensee retail stores may transfer stock to other licensee retail stores, but may not transfer stock to bars, restaurants, etc., or vice versa.

## Storing Liquor

Your liquor stock must be stored at your establishment or at an offsite storage area if you have notified the Branch of the offsite storage location. Offsite storage areas must be located in British Columbia, and may not be located in a residence. You must advise the Branch if an offsite storage area is no longer being used.

If you store liquor for more than one licence in a common liquor storage area, the liquor that was purchased or manufactured under each licence must be clearly identifiable.

You must keep a list of storage areas with the liquor licence and produce it upon request by a liquor inspector or police.

## Unlawful or Private Liquor

You may not buy, keep, sell or give unlawful liquor to anyone. Unlawful liquor is defined as:

- Liquor obtained from an unauthorized source
- Liquor not purchased under your licence
- Stolen liquor or smuggled liquor
- Liquor intended for export
- Homemade or UBrew/UVin (Ferment-on-Premises) liquor
- Liquor purchased as a medicinal, confectionery or culinary product that is being used as beverage alcohol
- Liquor that has been adulterated
- Samples left behind by a manufacturer or an agent

You are accountable for any unlawful liquor found anywhere on your premises. Private liquor owned by you or an employee, including liquor you received as a gift, cannot be kept in your store or liquor storage area.

If you recently purchased your establishment and acquired your licence through a transfer, you must conduct a thorough audit of all liquor on the premises to ensure none is unlawful.

## 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. You must keep a liquor register and it must be available for inspection at all times. Liquor registers may be hardcopy or digital.

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.

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.

Best practices 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.

## Selling Liquor

You are restricted to selling liquor to retail customers. In addition to products you regularly stock, you may accept special orders from customers.

## Who You Can Sell To

You are restricted to selling liquor to retail customers. You cannot sell liquor to licensed establishments, such as restaurants or bars, to other types of establishments that are authorized to sell liquor, or to special event permit holders.

## Hours of Sale

You may sell liquor at your store between the hours of 9 a.m. and 11 p.m., or as indicated on your licence. Customers may not enter your store after 11 p.m.

If you have customers in your store at 11 p.m. who have not yet purchased liquor, you must encourage these patrons to make their purchases within as short a reasonable time as possible. Consider having a strategy in place to serve lingering customers as quickly as possible.

## Pricing

You must not sell liquor at a price lower than **either** of the following prices:

- 1) The price you paid to purchase the liquor
- 2) The price set out in the table below

Liquor Category	Minimum Price Per Litre (not including all sales taxes)
Wine	\$6.44
Spirits	\$27.88
Liqueurs	\$20.39
Packaged Beer (bottles and tins)	\$3.19
Draught Beer (kegs 18L or greater)	\$1.97
Cider and Coolers	\$3.75

An interactive Excel spreadsheet is available on our website allowing you to enter different product sizes to determine the minimum price. Follow the link here: [http://www2.gov.bc.ca/assets/gov/employment-business-and-economic-development/business-management/liquor-regulation-licensing/policy-directives/16-04\\_minimum\\_price\\_calculator.xlsx](http://www2.gov.bc.ca/assets/gov/employment-business-and-economic-development/business-management/liquor-regulation-licensing/policy-directives/16-04_minimum_price_calculator.xlsx)

You may adjust your prices at any time throughout the day, but the price must never go below the minimum price as outlined above.

## Loyalty Programs

You may offer reward, loyalty or other incentive programs to regular customers. These programs may be structured as points systems, a progressive scale of discounts, the awarding of gifts at predetermined purchasing thresholds, etc.

You must ensure that the value of any loyalty points earned from liquor purchases do not amount to a discount that would reduce the retail price of the liquor below the minimum price. For example, you purchase a bottle of wine from the Liquor Distribution Branch for \$7. Your loyalty program stipulates that 100 points = \$1. If you sell the bottle of wine for \$8, then you cannot offer more than 100 points for the purchase of this bottle of wine, because 100 points equals \$1 and

means the customer effectively received the bottle for \$7.

Customers can redeem loyalty points to purchase liquor as long as the value of the loyalty points redeemed plus any money paid by the customer meets or exceeds the minimum price as defined above (i.e. is not lower than either the price the licensee paid to purchase the liquor or the minimum pricing specified in the table above).

Loyalty points can also be redeemed for gift cards that can be used towards purchasing liquor as long as the amount paid by the customer through the gift card meets or exceeds the minimum price as defined above.

## Liquor Sales Location (including online sales)

All of your business activities related directly or indirectly to the sale of liquor must be conducted inside your store. The only exception is that you may advertise your business in accordance with the “Advertising Your Business” section of this handbook.

You may sell your products to the public from your store or from an online website that is clearly identified with your store. You may share a website with other licensees if the following conditions are met:

- The website design clearly indicates which store (including the location) the customer is ordering from
- Each store manages its own sales
- Each store’s licence number is posted in a prominent place on the website
- If the website is owned and operated by an unlicensed third party, the website may only serve as a “portal” that provides links to licensee websites where the sales are processed; and
- Any advertising of brands and prices on the website run by the unlicensed third party must be placed by the stores and not by the unlicensed third party

You may only deliver products to customers from your store. The online store is considered an extension of the LRS, so deliveries cannot be made from a registered offsite secondary storage site. (See the “Delivery” section of this handbook for more information.)

You must not take liquor from your store for sampling or sale unless you have a temporary offsite sale endorsement (as outlined below). You may set up a display table or booth offsite to display advertising materials, which may include posters, leaflets or trade newsletters and similar items.

## Consumer Tastings

You and one or two liquor manufacturers or agents may agree to conduct tastings of products that are available for sale in your store. If you have a manufacturer or agent providing the samples, they may bring in their own samples of products they make or sell and that are carried in your store for the tasting but must provide the samples free of charge. You may have a maximum of two manufacturers or agents conducting consumer tastings in your store at any one time.

### Maximum sample quantities per patron:

	½ standard drink
Beer	175ml
Wine	75ml
Spirits	20ml

This amount can be divided as you choose. For example, if you present three kinds of wine, you may offer a maximum quantity of 25 ml of each wine to taste.

If you conduct the consumer tasting yourself, you may sell the samples.

- When a consumer tasting event will take place, and how long it will run, is up to you and the manufacturer or agent. However, all tasting must end 30 minutes before your store closes. You and the liquor manufacturer or agent may advertise the tasting within or outside the store, using promotional materials supplied by the liquor manufacturer or agent.



- You may not charge the manufacturer or agent a rental fee for demonstration space.
- All servers must be Serving It Right certified and familiar with the rules governing consumer tastings at liquor stores. Servers may not leave open containers unattended.
- Patrons must consume samples in your store; they may not take samples away to consume offsite. If the manufacturer or agent purchases liquor from you for the tasting, you must issue (and the liquor manufacturer or agent must retain) a countersigned receipt for the dollar value of sampled product.
- At the end of the consumer tasting conducted by a liquor manufacturer with an onsite store, the manufacturer may take away any unfinished bottles.
- You may serve food samples that complement a particular alcoholic beverage. You can install kitchen equipment to accommodate these events, and you may charge an attendance fee. However, neither the food ingredients nor the final product may be offered for sale, the focus of your business must not shift to that of a restaurant or food store, and you must obtain approval from the local Environmental Health Officer before installing kitchen equipment and serving food samples.

## Delivery

Licensee retail stores may deliver liquor to customers under the following terms and conditions.

Liquor can only be delivered to:

- A place where liquor can legally be possessed or consumed
- Individuals 19 years of age or older (for information on verifying age, see the “ID Requirements” section of this handbook)
- Individuals who are not intoxicated

In addition:

- You may deliver products ordered online from your store, but you may not make deliveries directly from your offsite storage facility, if you have one.
- Your charge for the liquor must be your regular retail price of the liquor plus a separate delivery charge, if any. You must inform customers of both charges when they place an order.
- You may deliver no later than one half hour after your store's closing time.
- You must keep delivery transaction records for at least six years. These must include the date, time and address of each delivery, the products purchased, the prices charged, delivery fees and total amount paid.
- You must not take orders for liquor or arrange for payment and delivery of liquor outside of your store.
- You are responsible for making sure that anyone delivering for you follows these rules.
- You or your staff must take the order, complete the sale (including the cost of delivery) and make the arrangements for delivery by either your staff or an outside delivery service.

## Temporary Offsite Sale Endorsement

You may apply for an endorsement that enables you to sell your products at tasting-focused food and beverage festivals licensed under a special event permit. Once endorsed, you may accept invitations from special event permit holders to set up a temporary store at an event. You must notify the Branch prior to each event to obtain an event-specific authorization to set up the temporary store. **This is the only circumstance under which you may sell liquor outside of your liquor store.** Eligible festivals must have a primary focus on tasting or introduction of liquor products and/or accompanying food (i.e. a wine festival licensed under a special event permit would qualify, whereas a music festival would not).

General terms and conditions of the authorization:

- The authorization is valid during the hours and days of the festival, subject to regular retail hours of 9 a.m. to 11 p.m. This means that even if a festival ends at midnight, a liquor vendor may not sell after 11 p.m.
- All sales at the temporary location must be recorded as sales from the permanent store.
- You are responsible for confirming with the special event permit holder that the local government/First Nation permits the sale of packaged liquor at the event.

- You must have a distinct sales area at the event and must post your authorization and a copy of your licence in a conspicuous location in that area during the event. All sales must be conducted within that area.
- Minors may be present in the sales area if they are permitted under the special event permit.
- The terms and conditions of the permanent store apply at the temporary store with regards to pricing, product limitations, promotions, staff training (Serving It Right certification) and age requirements.
- The products purchased at the temporary store are for consumption away from the event. No sampling is permitted.
- The general manager may place additional limits in the public interest.
- You cannot be the special event permit holder for the food and beverage festival.

## Selling Non-liquor Products

In addition to liquor, you may sell B.C. lottery products, cigarettes, packaged snacks such as chips and nuts, and liquor-related items, such as glasses, bottle openers and corkscrews. However, your store must not resemble a convenience store and you may not stock other items, such as milk and newspapers. You may sell gift cards or certificates but only from your licensed premises. Gift cards must not be sold to minors and they cannot be used as prizes in contests unless the card or certificate is specifically meant for non-liquor items. It is unlawful in B.C. to give away liquor as a prize.

## Games and Entertainment

Games and entertainment are not permitted in your store. You may hold contests, either on your own or with a liquor manufacturer, but you cannot offer liquor as a prize. See the section “Relations with Liquor Manufacturers and Agents” for more details.

# Advertising Your Business

All of your advertising must comply with the [Canadian Radio-television and Telecommunications Commission's Code for Broadcast Advertising of Alcoholic Beverages](#) and *Liquor Control and Licensing Regulation*. (Please see the Appendix for more on the broadcast code.)

## What You May Advertise

You may advertise information about your store, including your name, location, hours of sale, non-liquor products you are permitted to sell, and liquor products you sell that have been approved for sale by the Liquor Distribution Branch (LDB), as well as their prices. You may not advertise liquor for free or at prices below the minimum price requirements. Your advertising may not depict packaging or labelling unless that labelling has been approved by LDB.

## Signs

The name of your business and exterior signage must be approved by the Branch. All business names and signage must comply with the advertising terms and conditions and cannot mislead the public as to the class of liquor licence you hold. Your signs must also comply with local government bylaws.

## Internet Group Discounts

Third-party companies offering internet group discounts are not licensed to sell liquor and may not legally include liquor as part of a joint promotion with your store. You may not participate in internet discount promotions that include liquor.

# Relations with Liquor Manufacturers and Agents

There are strict rules that govern how you can work with liquor manufacturers and liquor agents to promote their products. Agents may hire employees to promote and market the manufacturer's liquor products that the agent is authorised to represent. The agent must also provide their employees with identification establishing them as the agent's marketing representative.

## Activities Not Permitted: Inducements

The Act prohibits you from asking for or receiving benefits for selling a particular liquor product. You may not, for example, demand that a manufacturer or agent supply additional product at either no cost or at a reduced cost in return for purchasing their product.

You may accept information and ideas to help you improve your business, but this information must come directly from the manufacturer or agent, and not through an outside consultant. You may not accept advice about borrowing money or locating financing.

You are also prohibited from accepting any items, products or services from a manufacturer or agent that are necessary for the operation of your business. This includes financial assistance as well as fixtures, furnishings, or permanent display structures.

In addition:

- Manufacturers cannot buy shelf space, offer volume discounts, or offer discounted product in exchange for marketing benefits.
- You must always pay for your own advertising. A liquor manufacturer or agent may not pay any of your advertising costs (or vice versa), nor are you permitted to have a joint marketing plan. With permission from a manufacturer or agent, you can include the manufacturer's logo in your ads, but you cannot demand or receive any kind of compensation in return.
- You must carry and make available to consumers a representative selection of brands of liquor products from a variety of suppliers that are not associated with or connected with each other.

## Activities Permitted With Approval: Tied houses

A tied house is a business that has an association (financial or otherwise) with a liquor manufacturer or its agent that is likely to lead to its products being favoured. A tied house relationship exists where:

- You have any amount of ownership interest in a manufacturer/agent licence (for example, a shareholder in your company also holds shares in a business that holds a winery licence); OR
- Your proposed third-party operator has any amount of ownership interest in a manufacturer/agent licence; OR
- You have an immediate family member (defined as a parent, spouse, sibling or child) with any amount of ownership interest in a manufacturer/agent licence.

If these circumstances exist, you are considered to be in a tied house relationship with a manufacturer and you are prohibited from carrying or selling that manufacturer's product in your store.

There are two circumstances under which this prohibition does not apply (commonly known as tied house exemptions):

1. If you are owned by a manufacturer and located at that manufacturer's site, you may carry and sell that manufacturer's product with no restrictions. In this case you aren't required to carry the products of any other manufacturer, but may do so if you choose.
2. If you are in a tied house relationship with a small or medium-volume manufacturer but are located elsewhere, you may apply to the Branch to allow you to carry and sell that manufacturer's products. The number of exemptions you may apply for is not restricted, but the manufacturer may only have ties with up to three offsite licensed establishments, and must agree to this arrangement during the application process. If approved, you

may sell that manufacturer's products but must also sell products from other manufacturers in that product category.

The inducement restrictions do not apply to a licensee and manufacturer in an approved tied house exemption.

## Activities Permitted without Prior Approval

### Promotional items

You may accept promotional items of nominal value, such as posters, from a liquor manufacturer or agent, as long as it does not appear that you are promoting a particular liquor product or the products of a particular manufacturer (brand-identified or corporately-identified items of a particular liquor manufacturer must not predominate).

You may buy clothing and novelties – such as shirts, caps, key chains, etc. – with the name or brand of a particular liquor or liquor manufacturer at fair market value, and re-sell them to your customers or employees. These items may display the name of your licensee retail store.

A liquor manufacturer or agent may loan you more expensive promotional items with the manufacturer's name or brand, such as signs or mirrors. The manufacturer may also loan you temporary display structures and related promotional items.

You may accept T-shirts, hats and other promotional clothing items with a manufacturer's name or brand on them to give away to your customers. You may not take any promotional items for personal use or future promotions, and you cannot sell them.

### Liquor Supplier Branded Refrigerators

Liquor suppliers may provide you with brand-identified refrigerators for use within your liquor store under the following conditions:

- Ownership of the refrigerator is retained by the liquor supplier;
- The liquor supplier does not pay for any installation or maintenance costs;
- The liquor supplier cannot provide more than two refrigerators to any one liquor store;
- You cannot have more than four liquor supplier-provided refrigerators in your liquor store; and
- Any refrigerator provided by a liquor supplier cannot be more than 19 cubic feet.

### Value-added Promotional Items

If a liquor manufacturer or agent has received approval from the Liquor Distribution Branch to offer value-added promotional items in B.C. government liquor stores, they may also provide those same promotional items to your store for the same promotional period.

You may accept value-added promotional items from a manufacturer/agent that they are not supplying to government liquor stores, as long as you follow the rules set out in the Liquor Distributions Branch guidelines and as long as the items do not contain liquor. Under these guidelines, value-added promotional items must be of nominal value (they may not exceed 20% of the retail price of the base product), and must be liquor (only if approved for government liquor stores) or liquor-related or branded.

Items may include:

- "On-packs," where a small bottle of liquor or an item such as a corkscrew is attached to a bottle or case of liquor
- "In-packs," where an item, such as a T-shirt, is included inside a case of liquor
- "Near-packs," where an item, such as a bag of chips with a manufacturer's brand, is placed near or alongside a liquor product and is given away whenever that product is purchased

Value-added promotions may also include third-party coupons attached to a liquor product by a neck tag or back label, or placed inside a case. These coupons cannot be for a rebate or reduction on the purchase price of a liquor product, for a

free liquor product of any kind, or for cash.

You may keep any leftover items at the end of the promotional period and continue to offer them to your customers until they are gone; however, you may not take any promotional items for personal use or future promotions.

Promotional items are not transferable. You may not transfer items to another licensee or to another establishment, even if you own it.

The liquor manufacturer or agent must give you a copy of the Liquor Distribution Branch's letter of approval, and you must then keep the copy onsite. You and the manufacturer or agent may advertise these promotions.

## Product Samples

As a way of introducing their products, a manufacturer or agent may give you product samples in order to introduce you as a licensee to their product. The amount you receive must not be more than one bottle of the smallest available size per product in any one year, and must not exceed these size limits:

- Distilled spirits: One bottle of the smallest available size per product (750 ml or greater)
- Wine: The smallest available size per product per vintage (not exceeding two litres)
- Beer, cider, coolers: One dozen of the smallest available size bottles or cans (total not exceeding four litres)

You must keep a record in your liquor register of all samples received, including the date, name of the manufacturer or agent, name of the product and volume of the product. You or your staff only, in a private place outside the licensed area, may consume this product. It is not intended for your patrons and must not be served to them.

## Contests

If a liquor manufacturer or agent is running a contest in government liquor stores, they may also hold that same contest in your store for the same period and with the same promotional materials on display. Remember that you cannot offer liquor as a prize.

You may hold contests in conjunction with a liquor manufacturer or agent that are not running concurrently in government liquor stores, as long as the manufacturer/agent follows the Liquor Distribution Branch guidelines outlined in their booklet.

If you agree to hold a contest in your store, the liquor manufacturer or agent must conduct the contest, install all promotional items, and then remove all promotional items within 10 days after the contest has ended. The manufacturer/agent must also record the name of anyone who wins a prize valued at over \$100.

You may include contest entry forms in your print ads, and may mention where entry forms are available in any of your advertising.

## Product Vouchers

You may enter into an agreement with a liquor manufacturer or agent to honour their product vouchers (i.e. certificates for a specific quantity of liquor that customers can redeem at participating licensee retail stores at no charge).

Only the manufacturer or agent may distribute vouchers. Once a voucher is redeemed, the liquor manufacturer or agent must pay you the full retail price for the quantity of liquor specified on the voucher. You may not ask for or receive an additional "redemption fee" for accepting a product voucher. Size limits for product vouchers are the same as those for product samples.

## Sponsorships

Manufacturers and agents cannot sponsor events or activities at your liquor store.

You may sponsor events, activities, or organizations using your corporate name or the name of your licensed

establishment. The sponsored event may be held offsite at an unlicensed venue or catered event. You may not sponsor minors' events, activities, and organizations.

## Educational Events and Activities

You may attend educational events or activities, such as a "wine school," hosted by a liquor manufacturer or agent.

You may accept payment from the liquor manufacturer or agent for legitimate travel, meals, accommodation and entertainment expenses associated with the educational event, up to \$1,500 per licensee location per year.

If you have multiple licensed establishments – a chain of liquor stores, for example – you may also accept expenses of \$1,500 per person to a maximum of \$4,500 per head office per year.

## Hospitality

A liquor manufacturer or agent may pay for your hospitality expenses not associated with an educational event at a rate of up to \$1,000 per licensee location per year.

# Compliance & Enforcement

As a licensee, you are required to:

1. Follow all of the terms and conditions.
2. Always allow liquor inspectors and/or police officers to enter your establishment. Never impede their entry in any way.
3. Never draw attention to liquor inspectors inside your establishment. This can affect the inspectors' safety.

For more information on Compliance & Enforcement, please visit our [website](#).

Other ministries also have terms and conditions that you must follow. Please refer to <http://www2.gov.bc.ca/gov/content/employment-business/business/liquor-regulation-licensing/liquor-law-policy/other-relevant-laws> for more information.

# Glossary

**“The Act”** means *The Liquor Control and Licensing Act*, the provincial legislation that guides the licensing of establishments that manufacture, store or sell liquor in B.C.

**“Agent”** refers to a liquor manufacturer representing itself as an agent, a person hired by a liquor manufacturer to represent them as an agent, or a person who holds an agent’s licence who represents a manufacturer of liquor outside of British Columbia.

**“The Branch”** means the Liquor Control and Licensing Branch, the government agency that administers the Act.

**“Licensee”** refers to any individual, individuals or corporate body that holds a British Columbia liquor licence. The term covers both the licensee of record and any person acting in the place of the licensee, such as a manager, an authorized representative designated by the licensee, or person in charge of an establishment in the licensee’s absence.

**“Licensee retail store”** or **“liquor store”** means an establishment that is permitted to sell all types of packaged liquor.

**“Manufacturer”** means a manufacturer of liquor products (beer, wine, spirits, cider, coolers) or the corporate official of a liquor manufacturer.

**“Third-party operator”** refers to an individual or corporation contracted by the licensee to operate the establishment on a day-to-day basis.

