

Date: July 28, 2015

To: All LCLB Staff
Liquor Distribution Branch
All Manufacturer Associations
All Local Government, First Nations, and Police Agencies

Re: The limited sale of all types of liquor in manufacturer lounges and special event areas

Introduction

The liquor policy review (LPR) #28 recommended that government “*allow manufacturers to offer patrons liquor that was not produced on site (e.g., a winery could sell a beer to a visitor)*”. The changes outlined below create an opportunity for manufacturers who have lounges or special event areas (SEAs) to serve a limited amount of liquor they did not produce.

New regulation

Section 18(7) of the Liquor Control and Licensing Regulation was amended to permit wineries, breweries and distilleries with a lounge or SEA to sell a limited amount of liquor in addition to that which they manufacture themselves. This is an interim measure until a comprehensive consultation on manufacturer policy is completed.

Terms and conditions of this new permission are as follows:

- No application is required but LCLB recommends that licensees check with their local government, to ensure there are no restrictions (such as through zoning) on the types of liquor that may be served.
- The liquor is only for consumption in the brewery, winery, or distillery lounge endorsement or SEA. No retail sales are permitted.
- The manufacturer must purchase all liquor, other than their own, destined for sale in the lounge or SEA through the LDB or other authorized vendor at the LDB Established Retail Price (hospitality price).
- No more than 20% of the total value of liquor purchased for the lounge or SEA must be from liquor not made by the manufacturer¹. This requirement must be met for each quarter.
- Licensees are responsible for ensuring that their sales strategies for offering increased customer choice do not result in exceeding this threshold.

¹ This is inclusive of BC wines purchased by wineries under the previous permission to sell all BC wines in the lounge or SEA.

- Licensees must keep distinct records of the source of all liquor sold in the lounge or SEA.

Manufacturers will receive an amended LDB agreement that reflects this new permission. Manufacturers located on the Agricultural Land Reserve were also previously restricted to serving only liquor produced on site. The Ministry of Agriculture has since repealed this restriction under the Agricultural Land Reserve Use, Subdivision and Procedure Regulation (details of this change [here](#)).

Further Information

Further information regarding liquor control and licensing in British Columbia is available on the Liquor Control and Licensing Branch website at

<http://www2.gov.bc.ca/gov/content/employment-business/business/liquor-regulation-licensing>.

If you have any questions regarding these changes, please contact the Liquor Control and Licensing Branch toll free in Canada at 1-866-209-2111 or 250 952-5787 if calling from the Victoria area.

Douglas Scott
Assistant Deputy Minister and General Manager