

Date: October 17, 2016

To: All LCLB Staff
All licensees
All industry associations
All local government, First Nations and police agencies

Re: Online sales and delivery permissions

Introduction

This policy directive clarifies current policy around delivery from licensed establishments and establishes new policy with regard to online sales.

Policy

Licensee Retail Stores (LRS) and Wine Store (WS)

LRSs and wine stores may now accept special orders from customers and deliver them. They may sell their products online to the public on a website that is clearly identified with their store, as long as the licence number appears in a prominent place on the site.

A licensee may share a website with several other licensees, if the following conditions are met:

- The site 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 site; and
- If the site is hosted by an unlicensed third party, the site may only serve as a "portal" that provides links to several other licensee sites, and no sales or advertising of specific brands or prices are allowed on the portal site.

Licensees may deliver their products to customers from their store. The online store is considered an extension of the LRS or WS, so deliveries cannot be made from a registered off-site secondary storage site.

Manufacturers with on-site stores

A manufacturer with an on-site store may sell its products online to the public on a website that clearly identifies the manufacturing site/licence, and it may deliver its products to customers. The online store is considered an extension of the on-site store endorsement and all deliveries to the public must take place from the store (at the manufacturing site).

A licensee cannot deliver to the public from its registered secondary storage site. If a licensee is permitted to deliver directly to other licensees under their licence, they may deliver their product from either their manufacturing facility or a registered off-site storage facility.

The online store is subject to the same product sales restrictions as the on-site store (manufacturer's products registered to the licence). Online stores must be clearly associated with the manufacturing licence and the manufacturer's licence number must be prominently displayed on the website.

A manufacturer licensee may share a website with other licensees, if the following conditions are met:

- The site 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 site; and
- If the site is hosted by an unlicensed third party, the site may only serve as a "portal" that provides links to several other licensee sites, and no sales or advertising of specific brands or prices are allowed on the portal site.

A manufacturer cannot sell its products or put them on consignment through an unlicensed third party or to an unlicensed company or individual for resale. Any websites or delivery companies that do not have a licence are in violation of section 38 of the *Liquor Control and Licensing Act*. It is the manufacturer's responsibility to ensure their products are sold and distributed lawfully

Winery off-site stores

This section does not contain a new policy announcement, but rather the information is provided to clarify the existing policy for winery off-site stores.

If a wine store licence is issued to a winery (off-site wine store), only the wines that are registered to the winery may be sold (online or at the physical store) unless stated otherwise on the licence.

Prior to becoming licensees, some winery-operated stores had received permission from the Liquor Distribution Branch to sell wines manufactured by other wineries with whom a partnership existed. These stores were authorized to sell such wines in addition to the wines associated with the main winery. These stores have written permission in the form of a letter or a licence term and condition that states specifically which wineries' products they may carry.

Without this explicit written permission, wine stores may not sell additional products or products from wineries with whom they have shared ownership. Wineries may no longer obtain permission to sell additional products.

Further Information

Further information regarding liquor control and licensing in British Columbia is available on the Liquor Control and Licensing Branch's website at <http://www.gov.bc.ca/liquorregulationandlicensing>. If you have any questions regarding this information, 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.

Original signed by

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