



March 27, 2007

To: All Licensee Retail Stores
All LCLB Staff
All Industry Associations
All Local Government, First Nations, and Police Agencies

RE: Elimination of Authorization Agreements between Licensee Retail Stores and the Liquor Distribution Branch

Introduction

The purpose of this directive is to announce an amendment to the Liquor Licensing and Control Regulation which eliminates the requirement for Licensee Retail Store (“LRS”) licensees (commonly known as private liquor stores) to enter into authorization agreements with the Liquor Distribution Branch (“LDB”) to sell liquor from their licensed retail store. This amendment came into effect on March 13, 2007.

LRS applicants who have been mailed authorization agreements by the LDB for signing do not have to complete them.

Background

Although LRSs are licensed by LCLB, certain aspects of the operation of LRS stores have been administered by the LDB through authorization agreements between the LDB and the licensee. LRSs are also subject to the requirements of the Liquor Control and Licensing Act and Regulation and further terms and conditions found in the *Licensee Retail Store Licence Terms and Conditions: A Guide for Liquor Licensees in British Columbia* (the “LRS Guide”).

New Policy

LRS licensees are no longer required to enter into an authorization agreement with the LDB: Existing LDB authorization agreements are null and void. The provisions of the LDB authorization agreements that are not covered by existing LCLB regulations or terms and conditions have been converted into new terms and conditions of the LRS licence. The LRS Guide has been updated to incorporate the provisions of the authorization agreements and to reflect additional changes. These changes appear in the Guide as it is posted on the LCLB web site at <http://www.pssg.gov.bc.ca/lclb/publications/guides-licensee/LicenseeRetail.pdf>. The major changes to the Guide are:

1. LRSs must not offer for sale kegs of draught beer larger than 30 litres.
2. LRSs must accept a minimum of 24 empty container returns per person per day for the product brands and sizes available for sale. (This is a Ministry of Environment regulatory requirement that is included for information purposes.)
3. LRSs must not store any liquor off-site from their licensed establishments.
4. LRSs must not sell liquor to customers at a price that is below the LRS purchase price.
5. The requirement that LRSs may sell to retail customers but not to licensees, special occasion licence holders or other types of liquor establishments is clarified.

It is important to note that LRS licensees must still buy liquor from the LDB or an authorized agent (liquor bought from any other source is considered "illicit" liquor).

Policy Rationale

This change is designed to remove duplicate requirements and streamline the regulation and licensing of LRSs. Eliminating this requirement reduces paperwork for small businesses, reduces processing times for licensees and, ultimately, provides better customer service. This change is part of the ongoing work of LCLB and LDB to improve the regulatory framework for liquor and reduce the time it takes for businesses to comply with regulatory requirements.

Further Information

Further information regarding liquor control and licensing in British Columbia is available on the Liquor Control and Licensing Branch website at www.pssg.gov.bc.ca/lclb. If you have any questions regarding this change, please contact the Liquor Control and Licensing Branch toll free at 1-866-209-2111 or 387-1254 if calling from the Victoria area.



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