

## LIQUOR ADVERTISING AND PRODUCT PROMOTIONS – PROPOSED POLICY CHANGES

**Name of Policies:** Liquor Advertising and Product Promotions

**Handbooks:** Liquor Agency Handbook (LAH), Licensee Handbook (LH), Retail Liquor Store Handbook (RLSH) and General Merchandise Liquor Store Handbook (GMLSH)

#	TOPIC	HANDBOOK SECTION	FORMER POLICY	NEW POLICY	RATIONALE
1.	<b>Records Definition</b>	LAH: 4.1.1c) and 5.1.1c); LH: 7.1.1c) and 8.1.1c); RLSH & GMLSH: 6.1.1c) and 7.1.1c)	No former policy on this topic.	<b>“Records” are electronic or paper documents that summarize a transaction and include the documents to support these transactions. These documents include, but are not limited to, financial statements, invoices, receipts, vouchers, contracts, cancelled cheques, credit card receipts, and emails.</b>	A definition of “records” has been added, as agencies and licensees are frequently advised by the AGLC they have to keep records of transactions between agencies and licensees. The definition also provides a list of the information to be kept.
2.	<b>Co-operative Advertising</b>	LAH: 4.1.6; LH: 7.1.6; RLSH & GMLSH: 6.1.6	Co-operative advertising (advertising by licensees that include the specific mention of liquor manufacturers/suppliers/agencies, who in turn repay the licensees for all or part of the cost of the advertising) is not permitted.	Co-operative advertising (advertising by licensees that include the specific mention of liquor manufacturers/suppliers/agencies) is permitted under the following conditions: a) <b>the licensee must pay all costs pertaining to the advertising; and,</b> b) <b>all records for advertising must be kept by the licensee for a period of 2 years and provided to the AGLC on request.</b>	Licensees have requested clarity on policy to advertise their premises along with a liquor product or manufacturer.  Co-operative advertising is commonplace in the industry and will be allowed as long as the licensee is paying for the advertising. Records must be kept for a minimum of two years to verify licensees are paying for the advertising.
3.	<b>Brand Advertising</b>	LAH: 4.2.3; LH: 7.2.3  LAH: 4.3.3; LH: 7.3.3; RLSH & GMLSH: 6.2.3	Brand advertising is acceptable, with the following conditions: a) the advertising must include a featured product(s) and price(s); Advertising may promote a liquor brand, with the following conditions: a) the advertising must include a featured product(s) and price(s);	Remove 4.2.3a) and 4.3.3a) Advertising no longer has to include a featured product and a price.	Stating brand advertising has to include a featured product is redundant.  Requirement that a price has to be included is not necessary as policy already states prices have to be posted on a menu or price list.

4.	<b>Travel costs</b>	LAH: 5.2.4b); LH: 8.2.5b); RLSH & GMLSH: 7.2.5b)	<p>A liquor agency is prohibited from paying: b) any portion of a licensee's travel expenses, either directly or indirectly, whether for business, vacation or a combination of both; nor may a licensee request that a liquor agency pay their travel expenses.</p> <p>Travel expenses include, but are not limited to, any costs associated with air or ground transportation, accommodation and meals while away from home.</p>	<p>A liquor agency is prohibited from paying: b) any portion of a licensee's travel expenses, either directly or indirectly, whether for business, vacation or a combination of both, <b>except for local transportation costs (e.g. taxi) to and from a manufacturing facility.</b></p> <p>Travel expenses include, but are not limited to, any costs associated with air or ground transportation and accommodation while away from home, <b>except for local transportation costs (e.g. taxi) to and from a manufacturing facility.</b></p>	<p>Agencies/suppliers have requested they be allowed to pay for the local transportation costs of a licensee visiting their manufacturing facility, and to pay for meals of licensees as a part of doing business.</p> <p>Agencies/suppliers are permitted to pay a licensee's local transportation costs to and from a manufacturing facility, regardless of where the facility is located.</p> <p>Agencies/suppliers are permitted to pay for the meals of licensees, as they are considered a part of doing business.</p>
5.	<b>Signage</b>	LAH: 5.2.5.1; LH: 8.2.6.1; RLSH & GMLSH: 7.2.6.1	<p>A liquor agency may not offer a licensee compensation for expenses related to signs.</p>	<p><b>A liquor agency may provide interior signs displaying the agency's brand to licensees. However an agency is not permitted to provide signs that display the licensee's business name or signs necessary for the operation of the business (e.g. entry/exit signs and bathroom signs).</b></p>	<p>Clarity provided on the type of signage an agency may provide to a licensee. An example is signs displaying product branding.</p> <p>An agency may not provide signs that display the licensee's business name or signs necessary for the operation of the business such as entry/exit signs, bathroom signs and hours of operation.</p>
6.	<b>Branded Dispensing Units/ Towers</b>	LAH: 5.2.8.2; LH: 8.2.9.2; RLSH & GMLSH: 7.2.9.2	<p>No former policy on this topic.</p>	<p><b>Proprietary owned branded dispensing units and towers may be loaned to a licensee. A loan agreement must be in place and specify the type of equipment being loaned and the term of the agreement. Loan agreements can take any form as long as they contain the aforementioned information. The loan agreement must be provided to the AGLC on request. A Buy/Sell Agreement is not to be used as a loan agreement.</b></p>	<p>Policy amended to keep up with changing industry trends with proprietary branded equipment. Having licensees pay for this equipment may limit a licensee's future choices on what product lines to offer customers.</p> <p>The agency/supplier and the licensee must have a loan agreement in place that specifies the type of equipment and the term of the loan.</p>

7.	<b>Non-essential Items</b>	LAH: 5.2.9; LH: 8.2.10; RLSH & GMLSH: 7.2.10	A liquor agency may provide a licensee with non-essential items, including: <ul style="list-style-type: none"> <li>• aprons or hats for staff</li> <li>• bar towels</li> <li>• bottle openers and corkscrews</li> <li>• clocks</li> <li>• coasters</li> <li>• draught tap handles</li> <li>• drip mats</li> <li>• flags, pennants and banners</li> <li>• inflatables</li> <li>• lapel pins</li> <li>• mirrors</li> <li>• napkins</li> <li>• patio umbrellas</li> <li>• place mats</li> <li>• glasses and mugs</li> <li>• posters</li> <li>• tent cards</li> <li>• promotional fridges</li> <li>• promotional racks</li> </ul>	A liquor agency may provide a licensee with non-essential items, including: <ul style="list-style-type: none"> <li>• aprons or hats for staff</li> <li>• bar towels</li> <li>• bottle openers and corkscrews</li> <li>• clocks</li> <li>• coasters</li> <li>• <b>condiment caddies</b></li> <li>• draught tap handles</li> <li>• drip mats</li> <li>• flags, pennants and banners</li> <li>• <b>fruit slicers</b></li> <li>• glasses and mugs</li> <li>• <b>ice buckets</b></li> <li>• inflatables</li> <li>• <b>interior branded signs (must not contain or display the licensee’s business name)</b></li> <li>• lapel pins</li> <li>• mirrors</li> <li>• napkins</li> <li>• patio umbrellas</li> <li>• place mats</li> <li>• posters</li> <li>• promotional fridges</li> <li>• promotional racks</li> <li>• <b>sandwich boards</b></li> <li>• tent cards and inserts</li> </ul>	New items added to the list that agencies may provide to licensees free of charge.
8.	<b>Branding and co-branding</b>	LAH: 5.2.9.1; LH: 8.2.10.1; RLSH & GMLSH: 7.2.10.1	No former policy on this topic.	<b>The following conditions apply to the non-essential items:</b> <b>a) branding and co-branding of these items is permitted;</b> <b>b) if liquor pricing is stated on any of these items, the prices must match those on the menu or the posted price and must be determined by the licensee; and</b> <b>c) they cannot be sold to customers.</b>	A number of branded, non-essential items already exist in the marketplace, so new policy has been added listing the conditions for the provision of these items.
9.	<b>Buy/Sell Agreements</b>	LAH: 5.3.2a)iii); LH: 8.3.2a)iii); RLSH & GMLSH: 7.3.2a)iii); LAH: 5.3.5;	Cash or cheques are prohibited as promotional items and cannot form any part of a Buy/Sell Agreement (BSA).  A BSA must be kept for a minimum of one	Cash, cheques, <b>gift cards or prepaid credit cards</b> are prohibited as promotional items and cannot form any part of a BSA.  A BSA must be kept for a minimum of <b>two</b>	Gift cards and prepaid credit cards were being provided as a means of circumventing the cash and cheque prohibition. These items will now be specifically prohibited.  The two year period is consistent with other AGLC policies on

		LH: 8.3.5; RLSH & GMLSH: 7.3.5	year after the expiry of the agreement.	years after the expiry of the agreement.	the length of time records must be kept.
10.	<b>Product Tasting and Sampling Costs</b>	LAH: 5.5.1a); LH: 8.5.1a); RLSH & GMLSH: 7.5.1a)  LAH: 5.5.5c)ii); LH: 8.5.5c)ii) RLSH & GMLSH: 7.5.5c)ii) LAH: 5.6.1c) LH: 8.6.1c); RLSH & GMLSH: 7.6.1c)	The liquor used for the tastings must be purchased from the licensee, at a price negotiated between the liquor agency and licensee.  The total cost for the tasting, which is charged to the liquor agency, may include: ii) the negotiated cost of the product being tasted.  Product samples may also be purchased from a Class D licensee at a price negotiated directly with the licensee.	The liquor used for the tastings must be purchased from the licensee, at <b>the licensee's cost of the product.</b>  The total cost for the tasting, which is charged to the liquor agency, may include: ii) the <b>licensee's cost</b> of the product being tasted;  Product samples may also be purchased from a Class D licensee at a price <b>that is equivalent to the licensee's cost.</b>	Some licensees were charging agencies a very high amount for products used in tastings and samplings. The cost of the product used for the tastings or samplings will be equivalent to what the licensee paid for the product from the approved warehouse.
11.	<b>Tasting Sizes</b>	LAH: 5.5.1b); LH: 8.5.1b); RLSH & GMLSH: 7.5.1b)	Maximum tasting sizes: Beer: 56 ml. or 2 oz.	Maximum tasting sizes: Beer: <b>112 ml. or 4 oz.</b>	Larger tasting sizes for beer samples will be permitted. Staff will still be expected to monitor customer consumption to ensure minors and intoxicated customers are not getting served.
12.	<b>Tasting Records</b>	LAH: 5.5.6c); LH: 8.5.6c); RLSH & GMLSH: 7.5.6c)	The licensee must maintain a written record of tasting activities, including the liquor product(s) tasted, date the tasting took place and quantity consumed.	The licensee must maintain a written record of tasting activities, including the liquor product(s) tasted, date the tasting took place, quantity consumed, <b>cost to customer and cost of product tasted.</b>	Tastings are supposed to be conducted on a cost-recovery basis. Some licensees are exceeding these costs by charging higher prices.  Licensees now must include the cost to the customer and the cost of the products used in tastings in their records.
13.	<b>Sampling Frequency</b>	LAH: 5.6.1e); LH: 8.6.1e); RLSH & GMLSH: 7.6.1e)	A licensee may be provided with samples of a specific product only once per calendar year.	A licensee may be provided with samples of a specific product only <b>twice</b> per calendar year.	The amendend policy provides an opportunity for re-introducing a product that has previously been sampled once within the same calendar year.
14.	<b>Promotion Records</b>	LAH: 5.7.2c); LH: 8.7.2c); RLSH & GMLSH: 7.7.2c)	No former policy on this topic.	<b>All records regarding promotions must be kept for a minimum of two (2) years.</b>	Policy was silent on how long promotional records had to be kept. There have been instances where records disappear shortly after a promotion expires.
15.	<b>Promotional Clothing</b>	LAH: 5.7.3a); LH: 8.7.3a); RLSH & GMLSH: 7.7.3a)	A liquor agency may provide a licensee with clothing items with corporate or brand logos for staff to wear during a promotion (e.g., t-shirts, aprons,	A liquor agency may provide a licensee with clothing items with corporate or brand logos for staff to wear during a promotion (e.g., t-shirts, aprons, sweatshirts). The clothing	The maximum value of promotional clothing has not increased for over 16 years.

			sweatshirts). The clothing items: a) must be of nominal value (i.e., maximum \$20 wholesale cost per item);	items: a) must have a maximum <b>\$50</b> wholesale cost per item;	
16.	<b>Near-pack Promotions</b>	LAH: 5.8.3 c)ii); LH: 8.8.3 c)ii); RLSH & GMLSH: 7.8.3c)ii)	The near-pack item must be placed immediately adjacent to the product specified by the liquor agency and offered only with the purchase of that product.	The item must be offered only with the purchase of the <b>specified</b> product.	It is not always feasible for a value-added item to be placed immediately adjacent to the host liquor product. The item may now be stored near the cashier or another reasonable alternative.
17.	<b>Added-Value Items</b>	LAH: 5.8.4d); LH: 8.8.4d); RLSH & GMLSH: 7.8.4d)	Added-value promotions may not be cumulative.	<b>Added-value items cannot be changed based on the amount of liquor purchased. For example, if an added-value item associated with a particular liquor product is a bottle opener and a customer buys 3 bottles of the product, a customer is entitled to three bottle openers, not another value-added item of a higher value.</b>	Agencies and licensees did not understand the previous policy's wording. It has been reworded for better clarity.