

Warehouse Terms and Conditions

Amended: 24 Nov 2017



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WAREHOUSE TERMS AND CONDITIONS

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1. GENERAL INFORMATION

1.1 INTRODUCTION

1.1.1 Warehouses must be operated in accordance with the *Gaming and Liquor Act*, the Gaming and Liquor Regulation and AGLC policies and procedures established under the legislation.

1.1.2 These terms and conditions apply only to a Class E licensee who manufactures beer products or an agent of the Board authorized pursuant to Section 99 of the Gaming and Liquor Regulation to warehouse and distribute liquor.

1.1.3 Separate Terms and Conditions apply to those manufacturers of beer products with less than 10,000 HL of product sales per annum.

1.1.4 A copy of the *Gaming and Liquor Act* and the Gaming and Liquor Regulation will be provided at no cost to each warehouse operator. Additional or replacement copies of the legislation may be obtained from the Queen's Printer Publication Services, in Edmonton at 427-4952 and in Calgary at 297-6251. *The Gaming and Liquor Act* and Regulation are available on the AGLC web site at www.aglc.gov.ab.ca.

1.1.5 Operators of warehouses are responsible for becoming familiar with the Act, Regulation and these Terms and Conditions.

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1.1.6 Warehouses are authorized pursuant to Section 99 of the Gaming and Liquor Regulation. This section permits the Board to authorize the storage and distribution of liquor in accordance with conditions established by the Board.

1.1.7 The primary purpose of these Terms and Conditions is to assist warehouse operators to meet AGLC conditions and requirements.

1.1.8 An activity not specifically permitted under these Terms and Conditions is prohibited.

1.1.9 Operators are responsible for keeping this copy of these Terms and Conditions updated when revisions are received.

1.1.10 These Terms and Conditions do not replace the *Gaming and Liquor Act* or the Gaming and Liquor Regulation.

1.2 DEFINITIONS

In these Terms and Conditions words defined in the *Gaming and Liquor Act* and the Gaming and Liquor Regulation have the meanings ascribed in these enactments, and

1.2.1 "liquor" is as defined in Section 1(1) (q) of the *Gaming and Liquor Act*.

1.2.2 "AGLC" means the Alberta Gaming and Liquor Commission.

1.2.3 "Board" means the Board of the AGLC.

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1.2.4 "Warehouser" means an agent appointed by the Board authorized under Section 99 of the Gaming and Liquor Regulation to store and distribute liquor in Alberta or a Class E Licensee who manufactures beer products in the Province of Alberta.

1.2.5 "Cost" means the total amount owing or paid to a liquor supplier or liquor agency, all amounts owing or paid to any third party to get the liquor to the warehouse, customs and excise taxes and duties as applicable.

1.2.6 "Wholesale price" is the amount obtained by adding all amounts owing or paid to any third party to get the liquor to the warehouse; the applicable flat mark-up; customs duty (if applicable); excise duty and tax (if applicable), container recycling fee; Goods and Services Tax; and container deposit.

1.3 GENERAL

1.3.1 A warehouser will be appointed as an agent of the AGLC to warehouse and distribute liquor and the appointment is a condition of authorization under Section 99 of the Gaming and Liquor Regulation.

1.3.2 The AGLC will continue to act as the Importer of Record for all liquor and will continue to fulfill all of its statutory obligations including those relating to the:

- *Importation of Intoxicating Liquors Act;*
- *Customs Act;*

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- *Excise Act;*
- *Excise Act 2001;*
- *Excise Tax Act;*
- *Gaming and Liquor Act;* and
- *Environmental Protection and Enhancement Act.*

1.3.3 The warehouse will be responsible for all aspects of warehousing and distribution of liquor contained within its warehouse and will be allowed to charge a fee(s) for such services to liquor suppliers, liquor agencies and liquor licensees.

1.3.4 The fee charged for services shall be identical for all liquor suppliers, liquor agencies and liquor licensees. No volume discounts are allowed.

1.3.5 The warehouse will be allowed to commingle other products with liquor in a warehouse, subject to approval by the AGLC.

1.3.6 A liquor supplier or liquor agency must notify the AGLC which warehouse(s) they have appointed to handle and distribute their liquor.

1.3.7 Where required, the AGLC will make application to the Canada Revenue Agency for customs and excise bonds in the name of the AGLC which will cover the warehouse location of a warehouse if all the requirements of these Terms and Conditions are met and if the required approval is obtained from the Canada Revenue Agency.

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1.4 INSURANCE

- 1.4.1 The warehouser shall indemnify and hold harmless the AGLC, the AGLC's employees or agents from any and all third party claims, demands, actions and costs whatsoever that may arise directly or indirectly, out of any act or omission of the warehouser or their employees or agents.
- 1.4.2 The warehouser shall, without limiting its liabilities herein and, at its own expense, insure its operations under a contract of either comprehensive or commercial general liability insurance in an amount not less than \$2,000,000 inclusive per occurrence, insuring against bodily injury, personal injury and property damage including loss of use thereof.
- 1.4.3 The warehouser shall provide fidelity coverage for all officers and employees, in an amount not less than \$1,000,000 for any one loss. Such coverage shall extend to include all property and liquor entrusted to the warehouser and any property or liquor for which the warehouser may be legally liable.
- 1.4.4 The warehouser shall, unless agreed to in writing by the AGLC, be responsible for insuring the liquor against all risks of loss or damage. Such insurance shall be in an amount not less than the Cost of the liquor and shall note the interest of the AGLC as loss payee and all liquor suppliers or liquor agencies as their interests may appear. Coverage for the liquor shall apply

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from the time the liquor is accepted by the warehouse (by the issuance of a signed delivery receipt) until such time as it has been loaded for outbound shipment and accepted by the carrier for transport (by the issuance of a bill of lading)

- 1.4.5 If the AGLC is responsible for insuring the liquor, the warehouser shall, without limiting its liabilities herein and at its own expense, maintain all risks Warehouseman's Legal Liability Insurance in an amount adequate to cover the cost of all liquor held in the warehouse. If the AGLC insures the liquor, it is understood and agreed that the insurance coverage will not provide a waiver of subrogation in favour of the warehouser for any loss or damage due to the negligence or willful acts of the warehouser, its directors, officers, employees, agents or others for whom the warehouser is at law responsible.
- 1.4.6 All required insurance shall be endorsed to provide AGLC with 30 days advance notice of cancellation or material reduction in coverage.
- 1.4.7 The warehouser shall provide to the AGLC evidence of all required insurance in the form of a detailed certificate of insurance acceptable to the AGLC. All insurance shall be placed with insurers in accordance with the Alberta Insurance Act.
- 1.4.8 If the AGLC is responsible for insuring liquor, the warehouser will not do or permit anything to be done nor make or permit any omission to be made, which shall result in a nuisance, or which

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shall cause the rate of insurance upon the liquor to be increased and if the rate of insurance shall be increased, the warehouser shall pay AGLC the amount by which the insurance premiums increased. If notice of cancellation shall be given respecting any insurance policy or if any insurance policy upon the liquor shall be cancelled or refused by an insurer by reason of the warehouser's use of or occupation of the warehouse or any part thereof, or if in the opinion of AGLC's insurers (Alberta Finance , Risk Management and Insurance), acting reasonably, the warehouser's use or occupation of the warehouse is not in compliance with these Terms and Conditions, the warehouser shall forthwith remedy or rectify such use or occupation upon being requested to do so in writing by AGLC, and if the warehouser shall fail to do so forthwith, AGLC at its option may either, remedy or rectify the nuisance at the warehouser's sole cost, or terminate the warehouse appointment.

1.5 ILLEGAL LIQUOR

1.5.1 A warehouser shall not possess, keep or distribute any liquor product at or from the warehouse which has not been received from an AGLC registered liquor supplier or liquor agency.

1.5.2 Liquor adulterated in any manner, purchased or possessed illegally, brought into Alberta illegally or manufactured illegally, is subject to immediate seizure by Inspectors. Warehousemen involved in

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such activities are subject to prosecution and to penalties imposed by the Board.

1.6 FACILITY REQUIREMENTS

1.6.1 The warehouse shall comply with the requirements of every applicable statute, law, by-law, building code, fire code, ordinance, lawful regulation, or order with respect to the condition, maintenance, use or occupation of the warehouse or the liquor.

1.6.2 If repair or maintenance or compliance with the requirements of this section is required, the warehouse shall, within five days of receipt of written notice given by or on behalf of the AGLC, commence and thereafter proceed diligently with the completion of the repair or maintenance referred to in the notice.

1.6.3 The warehouse shall be required to remedy or rectify a nuisance under section 1.4.8.

1.7 BACKGROUND CHECKS

1.7.1 A warehouse will be subject to a background check prior to being appointed as an agent for the AGLC.

1.7.2 As part of the background check, a warehouse will consent to have a criminal records check completed.

1.7.3 Consents for criminal records check will be required as follows:

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- (a) for a partnership:
 - (i) all members of the partnership; and
 - (ii) the designated warehouse manager

- (b) for a privately held company:
 - (i) all directors and shareholders; and
 - (ii) the designated warehouse manager; and

- (c) for a publicly traded company:
 - (i) all directors; and
 - (ii) the designated warehouse manager

1.7.4 In accordance with 1.7.3 above, a "Particulars of Individual Form" (Form LIC/5013) must be completed for each person requiring a records check.

1.8 CONTACTING THE AGLC

1.8.1 The administration and monitoring of activities related to warehousing is managed by the AGLC.

1.8.2 For more information on warehousing or related financial matters:

Phone: 780-447-8600

Email: externalwarehouse@aglc.ca

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1.8.3 On licensing matters, contact the nearest Regulatory Division office:

St. Albert

50 Corriveau Avenue
St. Albert, Alberta
T8N 3T5

Phone: (780) 447-8600
Fax: (780) 447-8911
Fax: (780) 447-8912

Calgary

110 Deerfoot Atrium
6715 – 8 Street N.E.
Calgary, Alberta
T2E 7H7

Phone: (403) 292-7300
Fax: (403) 292-7302

Red Deer

J5 Business Centre
13, 7895 – 49 Avenue
Red Deer, Alberta
T4P 2B4

Phone: (403) 314-2656
Fax: (403) 314-2660

Lethbridge

3103 - 12 Avenue North
Lethbridge, Alberta
T1H 5P7

Phone: (403) 331-6500
Fax: (403) 331-6508

Grande Prairie

100-11039 – 78 Avenue
Grande Prairie, Alberta
T8W 1J7

Phone: (780) 832-3000
Fax: (780) 832-3006

The website address of the AGLC is www.aglc.ca

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1.9 AUDIT

1.9.1 Warehouser records are subject to review and audit by the AGLC and the Canada Revenue Agency.

1.9.2 Records must be maintained in a manner acceptable to the AGLC, AGLC appointed auditors and the Canada Revenue Agency.

1.9.3 The warehouser will permit the AGLC, its employees and agents and the Canada Revenue Agency to enter the warehouse at all reasonable times during normal business hours and upon prior reasonable notice to the warehouser for the purpose of viewing the condition of the warehouse and the liquor.

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2. WAREHOUSING REQUIREMENTS

2.1 GENERAL

- 2.1.1 The warehouse shall be required to satisfy the AGLC that it can either directly or through agreement with a carrier, service the entire province in response to customer demand.
- 2.1.2 Warehouse may institute minimum order thresholds, but may not unreasonably, as determined by the AGLC, refuse to service licensees at any location in any part of the province.
- 2.1.3 The warehouse must have an operational computer system and software that will provide, on a timely basis, and in a form specified by the AGLC, all information requirements as specified in these Terms and Conditions.
- 2.1.4 The warehouse may not be a liquor agency as defined in the *Gaming and Liquor Act* or the holder of a Class A, B, C, D or duty free liquor licence.
- 2.1.5 Once a warehouse has been approved by the AGLC the warehouse shall:
- (a) receive and store liquor ordered and delivered by the liquor supplier or liquor agency or someone designated by either and issue a signed delivery receipt for all liquor received;

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- (b) process licensee orders in accordance with requirements established by the AGLC;
 - (c) assemble and consolidate orders for shipping and delivery throughout the province; and
 - (d) make records and related documentation available upon request of the AGLC in accordance with the provisions of the *Gaming and Liquor Act*, Gaming and Liquor Regulation, policies of the AGLC and these Terms and Conditions.
- 2.1.6 A warehouse will be required to provide the AGLC with office space satisfactory to the AGLC to permit agents or auditors of the AGLC to carry out responsibilities as determined by the AGLC. The AGLC will maintain a minimum of one full-time individual on-site to carry out responsibilities associated with these Terms and Conditions and related federal and provincial legislation.
- 2.1.7 The AGLC will, at all times, be the Importer of Record of all liquor imported into Alberta. The AGLC shall clear all liquor being imported into Alberta from outside of Canada through the Canada Border Service Agency and pay all necessary duty to the Government of Canada.
- 2.1.8 The AGLC shall be responsible for reporting and paying excise duty or tax on domestic in-bond goods in accordance with the *Excise Act* and *Excise Act 2001*.

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2.1.9 Liquor coming in from out of province will be required to be sealed and the seal broken in the presence of a representative of the AGLC.

2.1.10 The warehouse shall deliver only the quantity and brands of liquor ordered by liquor licensees. Liquor used by liquor suppliers, liquor agencies or liquor representatives for promotional purposes must be purchased in accordance with policies and procedures approved by the AGLC.

2.2 MINORS

2.2.1 A Minor (as defined in the *Gaming and Liquor Act*) may not be employed in any capacity in the warehouse operation involving the handling of liquor. This includes the receiving and storage of liquor, assembling liquor orders or shipping liquor orders from the warehouse.

2.2.2 Minors may be employed in office or administrative functions for the warehouse operation including order taking.

2.3 INVENTORY REQUIREMENTS

2.3.1 The liquor supplier, liquor agency or warehouse shall bear the costs of maintaining liquor inventory to service the Alberta market.

2.3.2 The AGLC will not control the number of package sizes or products available in Alberta.

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2.3.3 The warehouse shall be responsible for adequate physical security over inventory subject to approval by the AGLC and the Canada Border Service Agency.

2.3.4 The warehouse shall immediately report to the AGLC all loss or damage to liquor occurring while the liquor is being held by the warehouse.

2.4 PRICING

2.4.1 The liquor supplier or liquor agency is responsible for setting the base of the wholesale price. The AGLC shall calculate the wholesale price based upon the factors set out in 1.2.6.

2.4.2 The wholesale price charged to liquor licensees must be the same, at any one time, for all liquor licensees holding the same class of licence.

2.4.3 A listing of wholesale prices for liquor handled by a warehouse will be provided to the warehouse electronically by the AGLC on a nightly basis.

2.4.4 The warehouse must have an electronic means of receiving price lists and updates and must have a method to electronically acknowledge receipt of this information. Warehouse must be able to implement new prices on the date indicated by the AGLC.

2.4.5 The AGLC shall not be responsible for issuing price catalogues for liquor handled by that warehouse.

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2.4.6 Price catalogues may be issued by the warehouse; however, the product description and wholesale price of the product must be accurate and agree to the information provided by the AGLC as at the date of publication.

2.5 LICENSEE ORDERS

2.5.1 The warehouse is responsible for establishing and operating an order desk to receive liquor licensee orders.

2.5.2 Orders for liquor may be taken by the warehouse seven days per week, 24-hours per day.

2.5.3 The warehouse may only distribute to the holder of a Class A, B, C, D, E or duty free liquor licence issued by the AGLC.

2.5.4 No liquor may be sold to special event licensees.

2.5.5 No liquor may be sold directly to the public.

2.5.6 The liquor licensee must pay for all liquor, either in advance or at the time the liquor is received, in accordance with Section 80(3) of the *Gaming and Liquor Act*.

2.5.7 The warehouse may institute minimum order thresholds for liquor licensee orders. Minimum order thresholds must be identical for all areas of the Province and are subject to the approval of the AGLC.

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2.5.8 No individual bottle sales are allowed from the warehouse. All sales must be in full case units. The AGLC may authorize, in writing, a procedure for selling less than full cases or cases containing a combination of liquor products.

2.5.9 Only liquor the liquor licensee orders through the warehouse's order desk may be delivered to the licensee.

2.5.10 It is the responsibility of the warehouse to produce the invoice to the liquor licensee for the liquor order.

2.6 LIQUOR DELIVERIES

2.6.1 A warehouse shall ensure that satisfactory arrangements for delivery by a carrier have been made to deliver product from the warehouse to liquor licensees.

2.6.2 Deliveries of liquor may be made to liquor licensees seven days per week in accordance with delivery schedules established by the warehouse.

2.6.3 The warehouse is responsible for loss or damage to liquor until it is delivered to and accepted by the liquor licensee.

2.6.4 The AGLC shall provide the warehouse with a list of valid liquor licensees electronically on a nightly basis. The warehouse must be able to receive, acknowledge, and process information

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relating to new licensees or changes to licensees.

2.6.5 The warehouse will not deliver liquor to someone other than a valid liquor licensee.

2.6.6 The warehouse, contracting with a carrier providing delivery from the warehouse to the liquor licensee, shall provide the carrier with an invoice or bill of lading and shall ensure that the carrier:

(a) obtains the liquor licensee's signature on the invoice or bill of lading as acknowledgement of receipt of the liquor;

(b) retains the invoice or bill of lading for subsequent AGLC review; and

(c) provides the liquor licensee with a copy of the invoice for the price of the liquor delivered.

2.6.7 The warehouse shall be allowed, subject to the written approval of the AGLC, to charge different distribution charges for different delivery points within the province and different rates for delivery based upon the quality of liquor licensee receiving and handling equipment.

2.6.8 Warehousemen of draught beer in kegs shall be responsible for:

(a) distributing kegs to customers throughout the province;

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- (b) maintaining quality control over keg product;
- (c) replacing faulty keg product in accordance with Section 2.7;
- (d) recovering empty kegs from licensees;
- (e) storing empty kegs;
- (f) returning empty kegs to point of origin;
- (g) all missing kegs; and
- (h) any other responsibilities related to keg product as determined by the AGLC.

2.7 FAULTY KEG PRODUCT

- 2.7.1 All faulty draft beer product must be assessed by the AGLC warehouse administrator prior to return to the manufacturer (or the production plant) by the warehouse.
- 2.7.2 A faulty keg is a keg containing draught beer product that is of a quality below the standard established by the brewer of that product.
- 2.7.3 The AGLC warehouse administrator will weigh all kegs returned for a credit. If a keg contains a minimum of 80% of full weight, a credit can be approved by the AGLC warehouse administrator.
- 2.7.4 The AGLC warehouse administrator will approve (or disallow) the granting of a credit to a customer. Each keg approved for credit will be marked by the AGLC warehouse administrator to ensure only one credit per keg.
- 2.7.5 A log will be kept by the AGLC warehouse administrator of all faulty kegs returned to

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production plants. For each keg returned for a credit, the following information will be recorded:

- Customer name;
- Date returned;
- Date purchased;
- Reason for return;
- Name of person that authorized return;
- Weight of the keg.

The AGLC warehouse administrator will reconcile credits approved to credits processed by the manufacturer, warehouse or distributor.

2.7.6 The warehouse can return all assessed kegs to their respective breweries or the production plant (in the case of manufacturers that warehouse and distribute).

2.7.7 On a test basis, the AGLC warehouse administrator may observe dumping and obtain a sample of the contents of the faulty keg for subsequent laboratory analysis.

2.8 PAYMENT

2.8.1 It is the responsibility of the warehouse to produce the invoice to the liquor licensee for the liquor. The invoice and payment shall be based on the product price in effect on either the day the order is placed or the day the shipment is made and this date shall be clear on the face of the invoice.

2.8.2 Once the choice of billing (i.e. pricing) date is made by the warehouse, it must be consistently

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applied to all liquor licensees and cannot be changed without the approval of the AGLC.

2.8.3 The warehouse shall not ship liquor to the liquor licensee until payment in full has been received by the AGLC and the shipment approved by the AGLC.

2.8.4 Should the warehouse ship product before payment is made to the AGLC, the warehouse is responsible for immediate payment of the full invoice amount to the AGLC.

2.8.5 The AGLC shall maintain revenue collection staff at the warehouse whose responsibility it shall be to collect all payments. The warehouse shall be required to provide suitable office space for these individuals.

2.8.6 Subject to Section 2.8.4, the AGLC will be responsible for collecting all accounts receivable from liquor licensees relating to the provision of distribution services by the warehouse and shall promptly remit all amounts so collected to the warehouse.

2.8.7 Where the AGLC makes a payment to a liquor supplier or liquor agency, the AGLC will collect accounts receivable from liquor suppliers relating to the provision of warehousing services by the warehouse and shall promptly remit all amounts so collected to the warehouse.

2.8.8 Where there are no payments due to a liquor supplier, the warehouse shall be responsible for collecting its charges for provision of

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warehousing services, directly from a liquor supplier or liquor agency.

2.9 QUALITY CONTROL

2.9.1 The AGLC will retain the responsibility for approving liquor for sale in the province, determining the acceptability of the liquor (through samples) and ensuring the acceptability of all labels prior to any shipments of liquor.

2.9.2 The warehouse shall be responsible for ongoing label and quality control checks to ensure adherence to approved product standards and advising the AGLC of problems and concerns associated with product labels and quality.

2.9.3 All stock replacements and faulty product shall be fully documented and administered in accordance with AGLC policy.

2.9.4 From time to time the AGLC may draw random samples of liquor on licensed premises, or from the warehouse, for the purpose of organoleptic and chemical analysis. The cost of this analysis shall be the responsibility of the liquor agency or liquor supplier. Liquor suppliers or liquor agencies shall be advised of any negative results from such tests, and shall be required to furnish replacement product.

2.9.5 Liquor that has been deemed by the AGLC as unfit for human consumption shall be recalled from liquor licensees. Recalled liquor and

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inventories of identical liquor remaining in the warehouse may be required to be destroyed or returned to the liquor supplier (at the liquor supplier's request).

2.9.6 The AGLC shall not be responsible for costs associated with the return of liquor to its' source and/or the destruction of faulty liquor or liquor abandoned by a liquor agent or liquor supplier.

2.10 RESPONSIBILITY FOR LOSS OR DAMAGE TO LIQUOR

2.10.1 The warehouser will use all reasonable care and diligence to ensure that loss and damage to liquor is minimized.

2.10.2 Losses and damage to liquor will occur in the ordinary course of business. The AGLC will, working with the warehouser, establish from time to time a tolerance level for lost and damaged liquor. The warehouser shall be responsible for any loss or damage to liquor which exceeds this tolerance.

2.10.3 Section 2.10.2 does not apply to loss or damage which is the result of the negligent or wilful acts or omissions of the warehouser, its directors, officers, employees, agents or other persons for whom it is at law responsible.

2.10.4 The warehouser shall accept liability for liquor damaged or destroyed in its warehouse due to the negligent or wilful acts or omissions of the warehouser, its directors, officers, employees,

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agents or others for whom the warehouse is at law responsible.

- 2.10.5 The warehouse will be responsible for all loss of liquor products which has been caused by the theft or dishonest acts of the warehouse's employees. The value of any such lost liquor products shall be calculated based on its wholesale price, less any such excise or other taxes recoverable by the AGLC, included in the wholesale price.

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SECTION: 3. AGLC INFORMATION REQUIREMENTS

3. AGLC INFORMATION REQUIREMENTS

3.1 GENERAL REQUIREMENTS

3.1.1 AGLC information requirements may be amended from time to time at the sole discretion of the AGLC. The manner of providing this information and the timeliness of the information will be specified by the AGLC. The exact detail and technical requirements will be determined by the AGLC working with the warehouse.

3.1.2 The warehouse shall provide, in electronic format, all information required by the AGLC in fulfilling its' statutory obligations under the *Importation of Intoxicating Liquors Act, Customs Act, Excise Act, Excise Act 2001, Excise Tax Act, Gaming and Liquor Act, Gaming and Liquor Regulation, Environmental Protection and Enhancement Act* and Beverage Container Recycling Regulation.

3.1.3 It is the responsibility of the warehouse to process required information daily and transmit or receive in an electronic format acceptable to the AGLC all information specified in this policy directive. Communications for exchanging data with the AGLC are governed by the following minimum requirements:

(a) A personal computer with an internet account that runs FTP software for data transmission;

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(b) Communications software enabling industry-standard communications protocols and sessions; and

(c) Courier or delivery services for all critical related paper (e.g. Customs and Excise documents).

3.1.4 The warehouser is responsible for the following:

(a) external audit requirements;

(b) back-up recovery and disaster recovery measures; and

(c) ensuring that paper records are maintained and managed.

3.2 SPECIFIC REQUIREMENTS

3.2.1 It is the responsibility of the warehouser, to process on a daily basis and deliver to the AGLC, by 3:00 A.M. of the next calendar day, the following reconciled information, in an electronic format acceptable by the AGLC:

(a) beginning inventory (must equal previous days ending inventory);

(b) shipments (must equal invoiced quantities);

(c) details of each receipt of liquor into the warehouse;

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- (d) adjustments, including explanation of all adjustments and details of returned, faulty or broken liquor;
- (e) transfers in of liquor from other warehouses;
- (f) transfers out of liquor to other warehouses or locations; and
- (g) ending inventory (must equal beginning inventory, plus receipts/transfers in, minus shipments/transfers out, plus/ minus adjustments).

The information must be supplied in six digit product code, shipping container code or unit product code detail and specify units of measure.

3.2.2 Shipments must be reported to the AGLC by the warehouse. The warehouse must meet the specifications defined by the "Warehouse Inventory and Revenue Management System Overview" document. (To receive a copy of the document, contact the AGLC Manager for External Warehouse Administration and Audit, telephone (780) 447-8600.)

3.2.3 Separate reporting of shipments of liquor may be required for sales to:

- Duty free customers;
- Diplomats;
- Exports and out-of-province sales;
- BATUS/DND; and
- Airlines.

SECTION: 3. AGLC INFORMATION REQUIREMENTS

- 3.2.4 The warehouser, must provide the following information on a daily basis and deliver to the AGLC, by 3:00 A.M. of the next calendar day, the following reconciled information in an electronic format suitable to the AGLC for all liquor received. The warehouser must meet the specifications defined by the "Warehouse Inventory and Revenue Management System Overview" document. (To receive a copy of the document, contact the AGLC Manager for External Warehouse Administration and Audit, telephone (780) 447-8600.)
- 3.2.5 The warehouser must provide information as required by Federal legislation for any liquor received in-bond.
- 3.2.6 The warehouser must be able to electronically receive, acknowledge and process information from the AGLC relating to new liquor products and liquor prices. The warehouser must meet the specifications defined in the "Warehouse Inventory and Revenue Management System Overview" document. (To receive a copy of the document, contact the AGLC Manager for External Warehouse Administration and Audit, telephone (780) 447-8600.
- 3.2.7 The warehouser must be able to receive, acknowledge, and process information relating to new licensees or changes to licensees.
- 3.2.8 The warehouser must give the AGLC free and unrestricted access to all records of inventory

SECTION: 3. AGLC INFORMATION REQUIREMENTS

movement including, but not limited to, the following records:

- Shipping reports;
- Bills of lading;
- Invoices;
- Adjustments; and
- Receiving reports.

The AGLC shall be allowed to photocopy all such information.

3.2.9 The warehouser shall allow the AGLC and the Canada Revenue Agency free and unrestricted access for the following functions:

- (a) counts of liquor being shipped;
- (b) counts of liquor being received; and
- (c) inventory counts.

3.3 CONFIDENTIALITY

3.3.1 Both the AGLC and the warehouser will have access to and receive information relating to the other party, the Government of Alberta, liquor suppliers, liquor agencies and liquor licensees, all of which information is the property of the respective person, unless the person specifically states otherwise in a written consent or notice.

3.3.2 The AGLC is bound by the *Freedom of Information and Protection of Privacy (FOIP) Act*. The warehouser will treat all information it receives or has access to, with the strictest

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confidence and will not divulge any information in its possession, or to which it has access, to anyone without the prior written consent of the other party, the AGLC, or an affected liquor supplier, liquor agency or liquor licensee.

3.3.3 The warehouser acknowledges the *FOIP Act* and the warehouser will protect any information it possesses, receives or has access to under these terms and conditions to a standard at least as high as the requirements of the *FOIP Act*.

3.3.4 In addition to its obligations under 3.3.1 and 3.3.2, the warehouser will undertake whatever steps are reasonably necessary to ensure any information given to or accessible by one of its employees, agents, contractors or other person working under its direction or control will abide by the undertaking given in 3.3.3.

SECTION: 4. ENFORCEMENT OF LEGISLATION

4. ENFORCEMENT OF LEGISLATION

4.1 INCIDENT REPORTS

4.1.1 When an Inspector, Auditor or AGLC Warehouse Administrator has reasonable grounds for believing that a violation of the *Gaming and Liquor Act*, the Gaming and Liquor Regulation or AGLC policy has occurred, that person has the authority to ask the warehouse owner to correct the situation.

4.1.2 An Incident Report setting out the circumstances of an alleged violation will be submitted to the CEO. A copy shall be hand delivered or mailed to the warehouse owner within seventeen (17) working days from the date of completion of the Incident Report.

4.1.3 The provisions of Sections 97 through 101 and 103 of the *Gaming and Liquor Act* apply to the warehouse owner as if the warehouse owner were a liquor licensee.

4.2 BOARD ACTION

4.2.1 The Board shall decide whether to hold a hearing with the warehouse owner based on circumstances contained in the Incident Report.

4.2.2 The Board may impose any of the following sanctions with or without a hearing with the warehouse owner:

(a) issue a warning;

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- (b) impose new conditions on a warehouse or rescind or amend existing conditions;
- (c) suspend or cancel the appointment of the warehouse as an agent of the AGLC.

4.2.3 Where a Board action is taken without a hearing with the warehouse, and a hearing is requested, the hearing will be scheduled as soon as possible.

4.3 FORCE MAJEURE

4.3.1 If, due to circumstances beyond its control, such as, but not limited to the non-availability of liquor, computer breakdown, hidden or transit damages to liquor, act of God, fire, storm, strike, lock-out or other labour dispute, any law, regulation or order by any governmental body or authority of competent jurisdiction, insurrection, riot or other civil disturbance, or any other cause beyond its reasonable control, or beyond the control of any person directly or indirectly engaged by it (any such event being referred to as "force majeure"), the warehouse is not able to perform its obligations under these terms and conditions, the warehouse will not be liable for its failure to so perform, provided, upon suffering the force majeure the warehouse shall forthwith give notice in writing to AGLC or such fact.

4.4 RELEASE OF BOARD DECISIONS

The Board shall release information on disciplinary decisions to the public.

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4.4.1 The purpose of the policy is to allow the public, interested stakeholders and licensees access to information on disciplinary decisions made by the Board of the AGLC.

4.4.2 The information that will be made available will include the following:

- warehouse name and location of premises;
- license number (if applicable);
- the section of the Act, Regulation or Board policy; and
- penalty.

4.4.3 The disciplinary information will be posted on the AGLC website at www.aglc.gov.ab.ca.

4.4.4 Disciplinary information will not be posted until the warehouse has:

- paid or agreed to the offered penalty; or
- had a hearing before a panel of the Board and the Hearing panel has rendered a decision.

4.4.5 The publication of disciplinary information can be, at the discretion of the Board, extended to other forms of communication to the public, e.g. Press Release or web page.

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