Extra Slow Moving (ESM) Refund FAQs – July 2025

Q: When did the ESM storage category come into effect?

The ESM storage category and related fee came into effect on April 1, 2024.
However, charges were not applied until April 7, 2024.

Q: Why is AGLC doing a refund of 2024 ESM charges now?

- AGLC announced the ESM storage rate on December 4, 2023, with an implementation date of April 7, 2024; providing a total of four-months notice to stakeholders.
 - Following feedback received from liquor industry stakeholders, the Government of Alberta has instructed AGLC to refund ESM storage charges to liquor agencies/suppliers for the three-month period April 7, 2024 through July 6, 2024.
 - This will effectively increase the notice period for stakeholders regarding the implementation of ESM from four months to seven months.

Q: How is the ESM refund being calculated?

- The refund equals the difference between the ESM rate charged and the applicable standard storage rate that would have applied for each SKU during the refund period.
 - In most cases the applicable rate would have been the "greater than 12-month", or "greater than 24-month" storage rate.
 - Rates for storage under a year do not apply because ESM charges only apply to inventory over one year old.

Q: Is AGLC going to be issuing refund cheques to payees?

 No. Refunds will be issued via the weekly liquor consignment payment process to liquor payees on record with AGLC Finance.

Q: What if I have a balance owing to AGLC?

- Refunds will first be applied to any outstanding balance owing to AGLC.
- If the balance is less than the refund, the difference will be paid out.
- If the balance owed equals or exceeds the refund, no payment will be issued.

Q: When will I receive my refund?

- Refunds will be issued throughout the month of July 2025.
- AGLC will not be issuing refunds for amounts equal to or less than \$2.00.
- If you expect a refund and have not received notice by July 31, 2025, please contact AGLC using the email at the bottom of this document.

Q: Will I be able to see the amount of my refund on my Liquor Consignment Payment remittance report?

 No. Refunds will be netted against CLS charges on your remittance report; however, AGLC will email each payee their refund amount.

Q: How will I know when my payment has been made?

 AGLC will email each payee their refund amount and the scheduled payment date during the week the payment is issued.

Q: Is GST included in the refund?

• GST is not included in the initial refund calculations, but it will be applied at the time of payment.

If you have any further questions regarding the ESM Refund, please contact AGLC Liquor and Cannabis at <u>LiquorServices@aglc.ca</u>.

For more general information about the ESM category, please see the <u>Extra Slow</u> Moving FAQ.