

LCBO

Tender Type for Wholesale Customers

Operational Policy – June 2026

PURPOSE

The Liquor Control Board of Ontario (LCBO) is the exclusive wholesaler to Grocery Stores, Convenience Stores, Wine Boutiques, Authorized Convenience Store Distributors, Duty Free Operators, Hospitality Customers (bars, restaurants and other venues including stadiums and nightclubs) and LCBO Convenience outlets (LCOs). The LCBO is also the wholesaler for all import products sold at The Beer Store.

In accordance with their licence from the Alcohol and Gaming Commission (AGCO), all participating Grocery Stores, Convenience Stores and Wine Boutiques are permitted to purchase eligible products from LCBO under the operational policies and procedures set by the LCBO. Product eligibility, conditions of their operations are stipulated in the *Liquor Licence and Control Act, 2019*. Convenience store distributors must be authorized under LCBO's Convenience Store Distributor Program in order to purchase eligible products from the LCBO.

The default Tender Type for Grocery Stores, Convenience Stores and Wine Boutiques as well as Authorized Convenience Store Distributors is to pay by credit card when orders are placed through LCBO's online order management system. Additional Tender Types, such as debit, may also be added at LCBO's discretion. For LCBO to consider extending a Payment Term to eligible wholesale customers, they must apply for this benefit and, if approved by LCBO Finance, all policy requirements must be met to maintain it.

OBJECTIVES

- To work towards a consistent Tender Type approach across LCBO's wholesale business and set conditions under which LCBO may extend Payment Terms to eligible wholesale customers.
- To provide a business friendly, best-in-class customer experience to a diverse group of wholesale customers with a wide range of operational needs and technological functionality.

DEFINITIONS

“Authorized Convenience Store Distributor” means a convenience store distributor authorized under LCBO's Convenience Store Distributor Program to facilitate the sale of and deliver beverage alcohol to licensed convenience stores.

“Convenience Store” means a retailer with no more than 4,000 square feet of retail floor space with a Convenience Store Licence issued by AGCO.

“Duty Free Operator” means the operator of a place licensed as a Duty Free shop under the *Canadian Customs Act, 1985* and holds a Duty Free Shop Authorization issued by LCBO.

“Grocery Store” means a retailer with more than 4,000 square feet of retail floor space with a Grocery Store Licence issued by AGCO.

“Hospitality Customer” means a business with a Licence to Operate a Liquor Consumption Premises issued by the AGCO.

“LCBO Convenience Outlet or LCO” means a retail location selected and authorized by the LCBO to sell beer, wine and spirits under the LCBO Convenience Outlets Program and holds an agreement issued by the LCBO.

“Payment Term” means the 30-day period between LCBO issuing an invoice and the due date for LCBO's wholesale customer to make the required electronic payment to LCBO.

“Tender Type” means the method by which a customer pays LCBO for products. This includes electronic funds transfers, debit, credit, and other payment methods as authorized by LCBO.

“Wholesale Onboarding Process” refers to the requirements specified by LCBO's Wholesale Services team to purchase beverage alcohol from the LCBO and may include accepting terms of a commercial agreement or authorization and providing the required information to establish customer accounts in LCBO's operational and financial systems.

“Wine Boutique” means a winery retail store that is located inside the shopping area of a grocery store.

APPLICANT ELIGIBILITY

Grocery Stores, Convenience Stores and Wine Boutiques

- The default Tender Type for all Grocery Stores, Convenience Stores and Wine Boutiques is to pay by credit card when orders are placed through LCBO's online order management system.
- To be eligible for Payment Terms, applicants must have:
 - A licence from the AGCO to purchase beverage alcohol
 - Agreed to the Master Supply Agreement and completed LCBO's wholesale onboarding process
 - Projected annual purchases from the LCBO equal to or greater than \$1 million
 - A letter of credit from a Canadian chartered bank in the amount of \$100,000 for each licensed grocery location and \$20,000 for each licensed convenience store location

Applicants are required to attest that they are able to meet all policy requirements, including their ability to make electronic payments and provide letters of credit to the LCBO.

Authorized Convenience Store Distributors

- The default Tender Type for all Authorized Convenience Store Distributors is to pay by credit card when orders are placed through LCBO's online order management system.
- To be eligible for Payment Terms, applicants must have:
 - An authorization from the LCBO under the Convenience Store Distributor Program
 - Agreed to the Master Supply Agreement and completed LCBO's wholesale onboarding process
 - Projected annual purchases from the LCBO equal to or greater than \$1 million
 - A letter of credit from a Canadian chartered bank in the amount of \$100,000 for each distribution centre or warehouse location

Applicants are required to attest that they are able to meet all policy requirements, including their ability to make electronic payments and provide letters of credit to the LCBO.

Other Wholesale Customers

- Existing requirements for Duty Free Operators, Hospitality Customers, and LCOs will continue to apply until those programs and processes are reviewed and updated.

POLICY REQUIREMENTS

- Maintain annual purchases from the LCBO equal to or greater than \$1 million.
- Make electronic payments in a method acceptable to the LCBO.
- Be in good standing with LCBO and compliant with LCBO policies and operational manuals.
- Maintain a Letter of Credit valued at \$100,000 per licensed grocery location / per authorized convenience store distributor location and \$20,000 per licensed convenience store location, which is subject to renewal with the issuing financial institution and must be in good standing at all times.

APPLICATION AND APPROVAL PROCEDURES

- An eligible licensed retailer or authorized convenience store distributor seeking approval under this policy must complete an [application form](#) in full and submit the Letter of Credit as instructed by the LCBO.
- After receiving an application, LCBO will review to ensure that it is complete and meets all policy conditions.
- The assigned Account Manager will notify the applicant on the status of their application and, if approved, the Account Manager will advise on procedural changes and the effective date.

- Extending Payment Terms to a customer is at the discretion of the LCBO even if the above criteria are met. LCBO reserves the right to implement credit limits based on credit history of the customer.
- The LCBO may reject an application if the past or present conduct of the applicant or any key individuals associated with the applicant affords reasonable grounds to believe that the applicant will not conduct business in accordance with the law with integrity and honesty.