

## **Direct Delivery to Ontario Duty Free Stores (Small Ontario Distilleries)**

### ***Questions and Answers***

#### **1) What is the Direct Delivery to Duty Free Stores Program (Small Ontario Distilleries)?**

Under the LCBO policy titled “Distillery Delivery to Duty Free Stores (Small Ontario Distilleries)”, approved distillers may be authorized to make sales on the LCBO’s behalf and deliver spirits and spirit products directly to Ontario land border point and airport duty free stores.

#### **2) When was the program established?**

The LCBO Board approved the policy that established the program on January 25, 2018, and applications for authorization are now being accepted.

#### **3) Who is eligible for the program?**

Ontario spirits manufacturers may be eligible to be authorized if they meet all of the requirements below:

- a) have a valid Manufacturer’s Licence issued by the Registrar of Alcohol and Gaming;
- b) manufacture spirits or spirit products in Ontario;
- c) have an authorized onsite retail store at their distillery, and
- d) had worldwide sales, including sales of affiliates, of less than or equal to 900,000 litres in the preceding year in which the direct delivery is taking place.

#### **4) How does the program work?**

All sales under a direct delivery authorization are LCBO sales. Program participants sell and deliver products to Duty Free Stores on behalf of the LCBO. Participants are required to comply with all the requirements outlined in the policy and in the authorization.

Participants must report sales and make remittance from the previous month on the tenth business day of each month. The LCB 2415 monthly report must be emailed to: [distillery.reporting@lcbo.com](mailto:distillery.reporting@lcbo.com).

For information regarding making electronic payments, please email: [accounts.receivables@lcbo.com](mailto:accounts.receivables@lcbo.com) or for payments made by cheque, please mail to:

Accounts Receivable (#884)  
1 Yonge Street, 13<sup>th</sup> Floor  
Toronto, Ontario  
M5E 1E5

Direct Delivery Sales made under this program are processed at a 15% mark up for spirits coolers (up to 7% alcohol content by volume), and a 30% mark up for all other spirit products.

### ***5) How do I apply for the program?***

Applicants must fill out and print the LCB 2409 Application Form and provide a copy of their Manufacturer's Licence to:

LCBO  
55 Lake Shore Blvd. East  
Toronto, Ontario  
M5E 1A4  
Attn: Corporate Affairs

### ***6) What is the process and deadline to apply?***

There is no deadline to apply for your initial authorization. The authorization will be valid for a term, ending June 30, 2022. At least three months pre-expiry, participants must reapply for a new five year term authorization.

Once the application is received and reviewed it must go to the Board for approval. Board meetings are held bi-monthly. The Board will not approve applications on an ad hoc basis so applicants are encouraged to submit their application package as early as possible. Once the Board has approved applicants, the LCBO will prepare the authorization.

*\*\*The LCBO cannot guarantee approval or a timeline for review and approval.*

### ***7) If approved, can distillers make sales to Duty Free Stores from their onsite retail store?***

No, sales under a direct delivery authorization are LCBO sales and should be reported to the LCBO on the LCB 2415 form. Participants will sell and deliver products directly to Duty Free Stores on behalf of the LCBO. These sales are not onsite retail store sales.

### ***8) When can I start selling to Duty Free Stores?***

Participants will be able to sell to Duty Free Stores once they have Board approval and a signed authorization from the LCBO.