

Direct Delivery to Licensees (Small Ontario Distilleries)

Questions and Answers

1) What is the Direct Delivery to Licensees Program (Small Ontario Distilleries)?

Under the LCBO policy titled “Direct Delivery to Licensees (Small Ontario Distilleries)”, approved distillers may be authorized to deliver spirits and spirit products directly to licensees.

2) When does the program start?

The program will be in operation starting July 4th, 2017.

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 License 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 Licensees 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 2414 monthly report must be emailed to:

distillery.reporting@lcbo.com. Payment by cheque must be mailed to:

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

Direct Delivery Sales made under this program are eligible for a 20% rebate on the basic price. The rebate is automatically calculated in the LCB 2414 remittance form.

5) How do I apply for the program?

Applicants must fill out and print the LCB 2409 Application Form located at:
<http://www.doingbusinesswithlcbo.com/tro/CorporatePolicy/DirectDelivery.shtml>
and provide a copy of their Manufacturer's License 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 that time, participants will 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 once a month. 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 Licensees 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 2414 form. Participants will sell and deliver products directly to licensees on behalf of the LCBO. These sales are not onsite retail store sales.

8) When can I start selling to Licensees?

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