



Alcohol and Gaming Commission of Ontario

Authorization to Sell Beer and Wine or Beer and Cider in a Grocery Store

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AGCO

Alcohol and Gaming
Commission of Ontario

Alcohol and Gaming Commission of Ontario

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Introduction

This guide provides information about obtaining any of the following classes of authorizations for the sale of beer, wine and cider in grocery stores (“Authorizations”) from the Alcohol and Gaming Commission of Ontario (AGCO):

1. **Beer and Cider Authorization:** Permits the sale of beer and cider but not other types of wine in a grocery store by the operator of the store.
2. **Beer and Wine Authorization:** Permits the sale of beer and wine in a grocery store by the operator of the store.
3. **Restricted Beer and Wine Authorization:** A Beer and Wine Authorization that, for the first three years during which the operator sells wine under the Authorization, has additional restrictions about the products that may be sold. After the three-year period has elapsed, the Authorization becomes a Beer and Wine Authorization. Note: To apply for a Restricted Beer and Wine Authorization in iAGCO, please select “Beer and Wine Authorization” as your application type.

This guide also provides information on your responsibilities and obligations once you have been issued an Authorization. Please note that this guide does not replace the legislation. Please consult the *Liquor Licence Act* (LLA), the *Liquor Control Act* (LCA) and their respective regulations to ensure that you understand all of the responsibilities and obligations that come with an Authorization. You may also wish to consult with a legal advisor.

Beer, Wine and Cider Sales in Grocery Stores in Ontario

The AGCO is responsible for authorizing eligible grocery store operators to sell beer, cider, or wine (including cider), and ensuring that these products are sold responsibly and in accordance with Ontario's regulatory framework.

The AGCO is an agency of the provincial government that is responsible for regulating aspects of Ontario's beverage alcohol industry. The AGCO's mandate includes ensuring that the sale and service of beverage alcohol is conducted in a safe and responsible manner. The AGCO's powers are primarily derived from the LLA, the *Alcohol and Gaming Regulation and Public Protection Act* ("AGRPPA"), and certain provisions of the LCA.

The Liquor Control Board of Ontario ("LCBO") is an Ontario government enterprise and the wholesaler of record for all beverage alcohol products in the province.

To sell beer and cider or beer and wine, Ontario grocery store operators require the following:

- 1. A wholesale supply agreement with the LCBO.**

The LCBO will invite eligible grocery store operators to participate in periodic competitive allocation processes for wholesale supply agreements. Successful participants in the LCBO's allocation process will then be required to apply to the AGCO for a separate Authorization for each store location at which beer, wine or cider is intended to be sold.
- 2. A store-level Authorization from the AGCO to be legally permitted to sell beer, wine or cider in each grocery store location.**

As part of this process, the AGCO will conduct an eligibility assessment focusing on the honesty, integrity and financial responsibility of the applicant. This assessment will include background checks on individual(s) associated with the business entity that have or will have decision-making authority and/or supervisory responsibility with respect to the sale of beer, wine or cider in grocery stores including sole proprietors, partners in a partnership, and officers and directors of a corporation. These individuals must consent to the AGCO's collection of information and background checks and provide personal disclosure information.

Authorization to Sell Beer and Cider or Beer and Wine in a Grocery Store

THE APPLICATION PROCESS

Phase I – LCBO's Allocation Process for Wholesale Supply Agreements

In order to be considered for an AGCO Authorization, you must successfully bid to enter into a wholesale supply agreement with the LCBO through the LCBO's competitive RFB Process.

Phase II – AGCO Authorization

Application

Once notification has been received of a successful bid pursuant to the LCBO's Allocation Process, a Beer and Wine Authorization or a Beer and Cider Authorization may be applied for from the AGCO.

The following will be required:

- ◇ Personal Disclosure information for individuals associated with the business entity that have or will have decision-making authority and/or supervisory responsibility with respect to the sale of beer, wine or cider in grocery stores including sole proprietors, partners in partnership, and officers and directors of a corporation.
- ◇ **Applicable Fee for each location. Please refer to the **Fee Schedule (Alcohol)** which may be found on the AGCO's website at www.agco.ca.**
- ◇ Floor plans of the premises **for each location** with all areas and retail space outlined and labelled (e.g. grocery retail space; pharmacy; storage area), including dimensions of each area and store "planoguide (if available).

You will also be required to confirm that each location is a "grocery store" as defined in the regulations, including that:

- ◇ The store offers for sale a variety of each of the following types of food products: canned food, dry food, frozen food, fresh fruit, fresh vegetables, fresh meats, prepared meats, fish, poultry, dairy products, baked goods, and snack foods;

- ◇ Food products occupy at least 10,000 square feet of retail floor space in the store;
- ◇ The store is not primarily identified to the public as a pharmacy, even if a pharmacy as defined in the *Drug and Pharmacies Regulation Act* is located within the store.

In addition, you will be required to confirm that the grocery store is not within 10 km of an LCBO Agency Store.

The application and eligibility assessment process may take several weeks. The length of this process will depend on a number of factors, including whether all required documents are submitted in a timely manner, items are complete, or risks are identified that warrant further review by the AGCO.

Pre-authorization Inspection

Before the issuance of an Authorization, the store location will be inspected by an AGCO Inspector to confirm/verify that all eligibility and store-specific criteria are met and that areas match those listed in your application and outlined in your floor plans and/or “planoguide”.

During the pre-authorization inspection, AGCO Inspectors will provide you with information about your responsibilities under the LLA, LCA and their respective regulations, and address any operational questions and/or concerns you may have related to the sale of beer, wine or cider in your grocery store.

Conditions

Authorizations will be subject to conditions established by the Registrar of Alcohol, Gaming and Racing (“Registrar”) pursuant to the *Liquor Control Act*.

Selling Beer, Wine or Cider at a Grocery Store — Maintaining Your Authorization

Once you have been issued an Authorization, it is your responsibility to operate your store and sell alcohol responsibly in accordance with the LLA, the LCA, respective regulations and any conditions attached to your Authorization. Failure to do so may result in regulatory action such as a warning, monetary penalty, suspension or revocation of your Authorization.

RENEWAL OF YOUR AUTHORIZATION

An Authorization will be valid for either two or four years from the date it is first issued. Renewal applications, along with the appropriate fee(s) must be submitted to the AGCO prior to your Authorization expiry date to ensure that there is no lapse in your Authorization to sell these products. You will not be permitted to sell these products unless you have a valid Authorization.

TRANSFER OR RELOCATION OF AN AUTHORIZATION

Change of Ownership - Transfer of Retail Store Authorization

An Authorization is issued for the sale of beer and wine or beer and cider at a specific grocery store location. The grocery store operator is responsible for the ongoing compliance with the requirements of the Authorization.

An Authorization may only be transferred with the approval of the Registrar.

An application to transfer an Authorization must be submitted in the following instances:

1. There is a change of ownership at a grocery store location where an Authorization currently applies.
2. There is a change of ownership at a grocery store location and the store will be relocating.

The following documents may be required:

- Business Name Registration
- Floor Plans – Beer, Wine and Cider Authorization

Relocation - Transfer of Retail Store Authorization

Allows operators to relocate their Authorization from one grocery store to another grocery store located in the same geographic region provided both stores are owned by the same operator, the operators are affiliates, or the stores are part of the same franchise system.

A change to the retail store location may only be approved if the proposed location is within the same region and the proposed retail store is owned by the same operator that currently holds the Authorization. An application to relocate an Authorization must be submitted when the location of the store is changing, but there is no change to the operator/ownership.

KEEPING THE AGCO INFORMED

You are required to notify the AGCO of any changes to your business, including changes to the ownership and/or management. Further documentation may be required, depending on the situation. Examples include, but are not limited to, the following:

- If a new individual(s) becomes associated with the business entity that has or will have decision-making authority and/or supervisory responsibility with respect to the sale of beer, wine or cider in grocery stores, you are required to notify the AGCO of the change in ownership structure, and new individuals must provide Personal Disclosure information.
- If a new manager is hired whose responsibilities include overseeing the day-to-day operations of the sale of beer, wine or cider, he or she will be required to provide Personal Disclosure information.
- If there are any planned renovations to existing grocery store(s) to which an Authorization applies that impact the sale of beer, wine or cider (e.g. beer product display area; or a decrease in floor space dedicated to food product), you must notify the AGCO and submit updated floor plans of the premises with all areas and retail space outlined and labelled, including the dimensions of each area.

SURRENDERING YOUR AUTHORIZATION / CLOSING OR SELLING YOUR BUSINESS

If you decide to close your business, or if you no longer want to sell beer, wine or cider at your business, you must surrender your Authorization to the AGCO and submit a *Voluntary Surrender of Licence/Authorization*.

Compliance Assurance

AGCO INSPECTIONS

All locations are inspected by AGCO Inspectors for compliance with the LCA, LLA and their regulations. You must allow AGCO Inspectors unobstructed access to your business and you must facilitate their inspections. Infractions for which you may be sanctioned include:

1. Selling or supplying alcohol outside of prescribed hours;
2. Selling or supplying alcohol to individuals who are, or appear to be, under the age of 19; and
3. Selling alcohol to anyone who is, or appears to be, intoxicated.

Committing any infractions of the LCA and/or LLA and their regulations may result in a warning, monetary penalty, suspension or revocation of your Authorization by the AGCO. In addition, local police may lay charges.

ORDERS OF MONETARY PENALTY/HEARINGS

Infractions of the LCA and/or LLA and their respective regulations may result in a monetary penalty. If you are issued an Order of Monetary Penalty (OMP) by the Registrar, you will have 15 days to request an appeal before the Licence Appeal Tribunal (LAT).

If you choose not to request an appeal before LAT, you are required to pay the amount specified in the OMP.

If you choose to request an appeal before LAT, LAT will inform you of the appeal date and location. LAT may either uphold or set aside the monetary penalty (LAT cannot vary the amount of the penalty).

Server Training

The grocery store operator shall ensure that any person involved in the sale or sampling of liquor has obtained a certificate demonstrating the successful completion of the Smart Serve® Training Program.

This program is available on video or on the Smart Serve® website at www.smartserve.ca. For more information about the Smart Serve® Training Program, please contact:

Smart Serve® Ontario
5407 Eglinton Avenue West, Unit #105
Toronto ON M9C 5K6

Telephone: 416-695-8737 or toll-free 1-877-620-6082

Website: www.smartserve.ca

Email: info@smartserve.ca

Please note that the AGCO recognizes The Server Intervention Program certification issued prior to May 1995.

Questions / Comments

For more information, or assistance with your application, please contact AGCO Customer Service at 416-326-8700 or 1-800-522-2876 (toll-free in Ontario) or visit us online at www.agco.ca.