NLC

Direct To Consumer (DTC) Authorization Guidelines

Direct to Consumer (DTC) Authorization – Guidelines

A DTC Authorization allows approved Canadian beverage alcohol producers to sell and ship their products **directly to consumers in Newfoundland and Labrador (NL)**. This program is available only to producers located in **reciprocating jurisdictions** (provinces or territories that have signed a DTC operational agreement with NL).

Guidelines

Authorizations and Licences

- All producers of beverage alcohol shall receive authorization from the NLC to sell and deliver beverage alcohol directly to a consumer prior to commencing DTC sales in NL.
- An authorization issued by the NLC shall be in writing and have a unique number.
- The authorized producer shall be in good standing with the Federal and Provincial governments (Regulators).

Products and Pricing

- The product categories of beverage alcohol that producers can sell and deliver in the province will be approved by NLC and may include:
    - Spirits;
    - Wine;
    - Beer; and
    - Ready to Drink (RTD) (including Cider).
- Products shall be compliant with federal labelling and packaging laws.
- Products shall be listed and approved by the home jurisdiction.
- Product prices, including bottle deposit and HST, shall not be lower than NLC's social reference price, excluding shipping costs. The applicable retail prices are:

Social Reference Prices: Minimum Retail Price per Litre

Category	Alcohol Content	Minimum Retail Price per Litre
Spirits	Below 35%	$25.53
	35.0% to 45.0%	$34.47
	45.1% to 59.9%	$42.83
	60.0% and above	$51.36
Wine	Below 15%	$12.60
	15.0% and above	$14.57
Ready-to-Drink	Below 7%	$7.01
	7% and above	$8.71
Beer	0.6% to 8.5%	$5.01
	8.51% and above	$8.64

- Producers shall include and collect the applicable NLC mark-up on the product price, excluding shipping costs, container deposits and HST. The applicable mark-up rates are:
  - Spirits – 30% of the price
  - Wine – 25% of the price
  - RTD & Cider – 25% of the price
  - Beer – 20% of the price
- Producers shall collect container deposits as set by the Waste Management Regulations, 2003. These deposits can be obtained in the quarterly reports template.

Reports

- All holders of a DTC Authorization shall submit quarterly financial reports and make any applicable payments to the NLC on a quarterly basis. This includes a NIL report if a producer has not made any sales in that quarter. Payments include NLC mark-up and container deposit.
- Authorized producers shall use the NLC reporting template to report DTC sales.
- The following table outlines the quarterly reporting and payment schedule. Reports shall be submitted prior to or on the same day as payment.

Quarterly Reporting and Payment Schedule		
Reporting Quarter	**Period Covered**	**Report and Payment Due**
Q1	January 1 – March 31	April 20
Q2	April 1 – June 30	July 20
Q3	July 1 – September 30	October 20
Q4	October 1 – December 31	January 20

- NLC may request additional information for compliance or audit purposes.
- The NLC may share information with a reciprocating jurisdiction where necessary for the administration and enforcement of the Liquor Control Act (Act), the Liquor Licensing Regulations or DTC operational agreements.
- Reports shall be submitted using NLC DTC Templates only. All reports must be submitted by email to DTC@nlliquor.com.
- Payments shall be made via electronic funds transfer (EFT) to NLC (EFT information will be provided once authorized).
- Authorized producers shall meet all reporting and remittance requirements set out in their NLC Authorization to remain in good standing and continue participating in the program.
- If payments are not submitted on time, producers may be subject to interest for late payments.
- For questions about program requirements, the authorization and reporting, please email DTC@nlliquor.com.

Terms and Conditions

- **Valid Licences.** NLC authorized producers may only sell eligible products that are both manufactured in their jurisdiction by the authorized producer and permitted for sale under their licence in their jurisdiction.
- **Personal Use Only.** These products shall be sold and delivered directly to consumers in NL, for personal use only. Products shall not be sold for resale or commercial use.
- **Prohibition.**
  - *Minors*. Producers shall not sell or deliver alcohol to minors (under 19 years). Age verification shall occur at the time of delivery, and the recipient shall present a valid government issued identification upon request.
  - *Interdicted or intoxicated*. Producers shall not sell or deliver alcohol to an interdicted person under the Act, or to a person who appears intoxicated.
  - *Unattended*. Alcohol shall not be left unattended on a doorstep, in a mailbox, parcel locker or other unsecured location.
  - *Prohibited Areas*. Producers shall not sell, ship, transport or deliver, directly or indirectly, alcohol into a prohibited area. The producer is responsible for ensuring that all shipments comply with restrictions applicable to prohibited communities within the province.
- **Reports and Mark-Ups.** The report and mark-up required by NLC shall be provided within 20 days of the period following the period reported in the return to avoid interest charges.
- **Changes.** Producers shall report any changes to the information originally provided in the authorization application within 30 days.
- **Communication.** Authorized producers will be promoted on nlliquor.com for consumer awareness. It is the authorized producer's responsibility to manage orders, payment and delivery with the consumer.
- **Bottle Deposits.** Authorized producers must charge, collect and remit bottle deposits with returns. Authorized producers must inform NLC of any changes to beverage containers used.

Revocation of Authorizations

- The NLC may revoke an authorization in writing where
  - The producer's licence/permit to manufacture and sell alcoholic liquor is revoked, suspended or cancelled by its Province/Territory.
  - There has been a period of inactivity (one year).
  - The producer fails to remit reports and/or payments to NLC by the due date.
  - The supplier fails to comply with, or otherwise contravenes, Provincial legislation.
  - The producer provides false information in the application or reports.
  - The NLC has reasonable cause to revoke the authorization.
  - The producer fails to notify NLC of any changes to information provided in the authorization application within 30 days of the change.

Legislation

Liquor Control Act: https://www.assembly.nl.ca/legislation/sr/statutes/l18.htm
Liquor Licensing Regulations: https://www.assembly.nl.ca/legislation/sr/regulations/rc961162.htm