

MANUFACTURER'S LICENCES & HOW TO GET ONE

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ROLE OF A MANUFACTURER

Manufacturers of alcohol products operating in the Province of Manitoba who wish to sell their products to the MLCC must hold a manufacturer's licence. The MLCC may issue a manufacturer's licence to a brewery, distiller or winery licensed by the Government of Canada. A manufacturer must operate a commercial grade facility capable of producing and/or bottling high-quality beverage alcohol products in accordance with all federal and provincial legislation.

Only one type of manufacturer can be licensed at a single location unless otherwise authorized.

A licensed manufacturer may also apply to the MLCC for a retail licence so they can offer direct sales to the general public.

TYPES OF MANUFACTURER'S LICENCES AVAILABLE

Manitoba has three types of manufacturer's licences:

- brewery (includes microbrewery and brewpubs)
- winery
- distillery

The following is a brief summary of each type of manufacturer's licence and their unique features.

More details regarding the various licences will be discussed with you when you meet with a representative from the MLCC.

BREWERY

- A commercial grade facility that produces any beverage obtained by the alcoholic fermentation of an infusion or decoction of barley, malt and hops, and any other similar food products in water.
- Produces beer in a quantity that exceeds 75,000 hectolitres annually
- Product must be distributed province-wide

Microbrewery

- A microbrewery and a brewpub both produce beer, but on a smaller scale or as a specialty product. The level of production is the main difference between the types of breweries.
- Produces less than 75,000 hectolitres of beer annually
- Distributes its beer to licensees within a designated geographic area. The MLCC must approve the geographic area in writing and any changes to the area must be agreed upon between the MLCC and the microbrewery.

Brewpub

- A brewpub is a licensed establishment that brews beer for sale and consumption on premises and may also apply to sell to the general public off premises.
- Changes are currently underway to the legislation regarding brewpubs. For further information please email your questions to licinspect@mlcc.mb.ca or call the Supervisor, Licenses & Permits at 474-5604 or toll-free at 1-888-898-6522.

WINERY

- A commercial grade facility that produces any alcoholic beverage obtained by the fermentation of the natural sugar content of fruits or of other agricultural products containing sugar, including honey and milk.
- Manufactures or packages a minimum of 1,000 litres of wine per year on-site. This minimum does not apply to wine produced from Manitoba agricultural products.

DISTILLERY

- A commercial grade facility that produces, blends and/or bottles any alcoholic beverage obtained by distillation mixed with drinkable water and other substances in solution.
- Have an absolute alcohol minimum annual production capacity of 24,500 litres. This produces approximately 63,000 litres at 40% alcohol by volume in finished products.
- Distill or blend 80% of spirit production on site.
- Have fermentation tanks with a minimum of 3,000 litre capacity each.
- Have adequate storage tanks to accommodate product capacity, including tanks or barrels for aging.
- Have an excise warehouse for aging located either on the same site as the manufacturing plant, or in an approved off-site storage area

REQUIREMENTS FOR A MANUFACTURER'S LICENCE

LEGAL REQUIREMENTS

- Authorized by the Government of Canada to produce and/or bottle the product within Manitoba. Contact Canada Revenue Agency at <http://www.cra-arc.gc.ca/menu/EXDC-e.html> for information on breweries and any other liquor contact <http://www.cra-arc.gc.ca/menu/EXMS-e.html>. The manufacturing process, including labelling, complies with *the Canadian Food and Drugs Act and Regulations* as directed by the Canadian Food Inspection Agency (CFIA) or Health Canada. Please contact www.inspection.gc.ca or call 1-800-442-2343.
- Approved by provincial and municipal health authorities.
- In compliance with any and all regulations or requirements of zoning, building code, fire, etc.
- Ensures the alcohol content, type of container and product labelling falls within federal government standards.
- The manufacturer must sell to the MLCC, and buy from the MLCC, all product that is to be resold in Manitoba. Exported product is subject to conditions imposed by the federal government and the jurisdiction receiving the product.

GENERAL INFORMATION

- Only one type of manufacturer can be licensed at a single location unless otherwise authorized.
- The MLCC has the right to audit and inspect the operation and its records, including records dealing with product movement, at any time.
- All products are treated equally under the MLCC's listing and delisting policies.
- Must maintain the same high standards for cleanliness and hygiene in their facility as food production plants or restaurants. Manufacturers are subject to the same inspections as frequently as necessary.
- Must ensure the quality of the product complies with *the Canadian Food and Drugs Act* through:
 - any analysis that is required, including regular tests by an accredited lab;
 - the manufacturer's ongoing quality control program.
- The MLCC and the manufacturer must agree to the price of product sold to the MLCC.

MANUFACTURERS OPERATING WITH A RETAIL LICENCE

Licensed manufacturers can apply for a retail licence to offer sales to the public. When filing the manufacturer's licence, the applicant may choose to apply for a retail licence at the same time.

- All classes of licence must be held in the name of the same person, partnership or corporation.
- The Licensing Board must approve retail licences issued to a manufacturer.

GENERAL PROVISIONS OF A RETAIL LICENCE

Any manufacturer operating with a retail licence can sell liquor products to the public (not licensees) under these general provisions:

- Off-premises sales apply only to product that is manufactured or bottled on-site and has been listed by the MLCC.
- Manufacturers must take complete responsibility for efficient service to their customers, respond to product problem enquiries, etc.
- Liquor must be sold from a separate retail area, not in any other licensed areas.
- The MLCC regulates selling prices and the prices are determined in accordance with MLCC's markup structure.

On the first business day of the week, manufacturers holding a retail licence must pay the MLCC for the amount of liquor they sold during the preceding week. They should:

- Make a payment equal to the MLCC's markup on each litre sold.
- Send the orders and payment to the MLCC.
- The MLCC sells product to wineries and distilleries holding retail licences at a discount off MLCC's retail selling price before RST and GST. The amount of the discount depends on the type of product.

ADDITIONAL PROVISIONS FOR BREWERS OPERATING WITH A RETAIL LICENCE

In addition to the general provisions, a brewer operating under a retail licence is subject to the following:

- Using recyclable or refillable containers for packaged beer;
- Charging a refundable deposit on all containers;
- Identifying specific premises for the return of empty containers, if applicable; and
- Accepting the return of empty containers.

The 4 STEPS TO APPLYING FOR A LIQUOR LICENCE

WHO CAN APPLY

You may be eligible to apply for a manufacturer's and/or retail licence if you are:

- an individual who is 18 years of age or older and a Canadian citizen or a permanent resident in Canada;
- a partnership authorized to do business in Manitoba whose partners are 18 years of age or older and Canadian citizens or permanent residents in Canada;
- a corporation authorized to do business in Manitoba; or
- A government agency or department.

WHERE TO APPLY

MLCC Regulatory Services

1555 Buffalo Place

P. O. Box 1023

Winnipeg, MB R3C 2X1

Supervisor, Licenses & Permits (204) 474-5604

Senior Licensing Clerk (204) 474-5606

Toll-free 1-888-898-6522

Email – licinspect@mlcc.mb.ca

HOW TO APPLY

The four-step process listed below applies to new applicants purchasing property which is not currently licensed as a manufacturer or has not held a manufacturer's licence in the past year.

If you are purchasing an existing business that currently holds a manufacturer's licence, there are variations to the four-step process and you can start the application process by submitting a signed copy of the offer to purchase. Upon receipt of it, we will send you an application and information regarding supporting documents required to be submitted with your application.

The following are the four steps to getting a manufacturer's licence. Each of the four steps has certain requirements and necessary documents. All steps must be completed and all required documents submitted prior to progressing to the next step. Your premises is not licensed until you have completed Step 4.

On average, it takes six to eight weeks to get a liquor licence depending on how quickly you complete your application and submit the required documentation.

STEP 1

Start by submitting a business plan to the MLCC's Purchasing Department outlining the following:

- plant location;
- floor plan with equipment details;
- estimated cost of land, building and equipment and the source and level of financing for the facility;
- a detailed volume and profit projection for a 12-month period outlining the annual manufacturing capacity and the proposed pricing strategy for products to be sold within Manitoba;
- a quality control plan;
- a listing of proposed products; and
- the proposed distribution plan,

In addition, the manufacturer will need to submit a supplier setup form and product listing application for the product(s) they wish to sell in Manitoba. Please contact 474-5550 to obtain these forms.

The plan and forms should be submitted to:

MLCC

Director, Purchasing

P.O. Box 1023

Winnipeg, MB R3C 2X1

purchasing@mlcc.mb.ca

The Purchasing Department will review the business plan. If the plan is suitable, a licensing and permit advisor or liquor inspector will meet with you at the proposed site to review your plans and proposals. If the facility is deemed suitable for licensing, you will proceed to Step 2.

STEP 2

You will be sent an application, which you will need to complete and return to our offices. Along with the application, you will also receive:

- a list of all documents required to be sent with your application; and
- instructions on advertising.

If your application and documents are sent in incomplete or are incorrect, your package will be returned to you for completion.

A \$500 application fee must be sent in with your application. You are responsible for all costs associated with advertising, criminal record checks, etc.

Public advertising

If you are purchasing or leasing a premises which currently holds or has held a manufacturer's or retail licence within the past year, you are not required to advertise.

If a premises has never been licensed, you will need to complete three types of advertising to advise the public of the licence application and allow for the public to object.

1. Advertising notice must be placed in the Manitoba Gazette;
2. Advertising notice must be placed in the local newspaper; and
3. Notice poster(s) must also be erected at the site of the proposed licensed premises.

Directions on advertising; the advertising notice forms; and notice posters will be sent to you with the application package.

Criminal Record Check

You; your partner(s); officer(s); director(s) and shareholder(s) with at least 10% of the shares of your corporation will need to provide a criminal record check. Where a licensee will not be present to manage the premises on a day to day basis and hires a person to be the primary manager for the operation, the proposed manager will also require a criminal record check. Having a criminal record does not automatically mean that your application will be turned down. The circumstances of your case will be reviewed as they relate to the responsibilities of holding a liquor licence.

If you are applying for a manufacturer's licence and a retail licence, you will proceed to Step 3.

If you are applying for a manufacturer's licence only, proceed to Step 4.

STEP 3 (Licensing Board approval process for retail licence)

The Licensing Board meets every four weeks to consider new applications. Most applicants are not required to personally appear before the board, unless there are concerns with the application or the proposed operation. If you are required to attend, you will be notified of the date and time of the meeting.

If there is an objection, the applicant and objectors will be given a date to attend and will be given the opportunity to be heard by the Licensing Board at the public meeting.

The Licensing Board may set additional conditions and/or operating requirements for your licence when they meet.

You will receive the Licensing Board's decision, in writing, within five days of the decision being reached. At this time you will be advised of any other documents or requirements the board has requested before your licence can be issued.

Licensing Seminar

Licensing seminars are held the same day as the Licensing Board meetings. Every applicant is required to attend a seminar and most licensees attend on the day their matter is being reviewed by the Licensing Board. The seminar is provided free of charge to the applicant and provides a variety of information, including renewing your licence; responsible service; available posters and signage; and the role of the liquor inspector.

STEP 4

Prior to the licence being issued, you must submit the following documents to the MLCC, Regulatory Services:

- A copy of either the Customs and Excise (Canada) licence or the Canada Border Services Agency's letter. Contact Canada Revenue Agency at <http://www.cra-arc.gc.ca/menu/EXDC-e.html> for information on breweries and any other liquor contact <http://www.cra-arc.gc.ca/menu/EXMS-e.html>. The letter advises the applicant that their manufacturer's excise tax licence has been processed according to The Excise Tax Act (ETA) and sets out the assigned licence number.
- Approval from municipal and provincial health authorities.
- A satisfactory final inspection report from MLCC Inspection Services.
- Proof of insurance for third party liability in the amount of \$5 million per occurrence.
- An indemnification agreement saving the MLCC harmless from any claims and damages arising in any way from the operation of the facility. The MLCC will provide a copy of an acceptable indemnification agreement for signature
- You must set up a time for the liquor inspector to conduct a final inspection to ensure all requirements have been met. This usually takes place approximately, two weeks prior to opening of your premises. Other government regulatory agencies responsible for fire, health and building may also conduct inspections.

Please note that your premises are not licensed until all requirements in Step 4 have been completed.

You will be notified when your licence is ready. You can then pick it up or it will be mailed to you. Once you have received your licence, you may begin to manufacture and/or sell your products.

If you have applied for a retail licence, you will need to complete the following course:

Serving It Safe

This is a course that all new active owner(s)/manager(s) must successfully complete **prior to the issue of licence**.

The *Serving It Safe Responsible Service and Safety Program* was developed in conjunction with the Manitoba Tourism Education Council (MTEC), Manitoba Hotel Association, Manitoba Restaurant & Foodservices Association and the MLCC. The course is offered by MTEC and you can obtain more details by contacting them at 1534 Gamble Place, Unit 100, Winnipeg, MB R3T 1N6, Phone: (204) 957-7437, Toll free within Manitoba 1-800-820-6832, Fax: (204) 956-1700, e-mail: igb@mtec.mb.ca, web site: www.mtec.mb.ca

WHAT OTHER IMPORTANT INFORMATION SHOULD I KNOW?

It is your responsibility to contact the local zoning authority to ensure the property is properly zoned, and that community committee approval has been given for the intended use. A liquor licence cannot be issued by the MLCC without the prior approval of all government departments, including zoning, building code, health and fire. In Winnipeg contact the Planning Property and Development Department, 31 - 30 Fort Street, Zoning - 986-5140. In rural Manitoba contact your municipal offices for guidance.

MLCC contacts:

Licensing & Permits	474-5604 Toll-free 1-888-898-6522
Product Listing & Pricing	474-5550
Inspection Services	474-5585



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