

# How To Register A Business & Import Liquor In British Columbia



By Lyubomir Radev

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## 1. Introduction

In this guide book, I would like to show you all the steps that I did, in order to register a business, get a liquor license and become a liquor distributor for the province of British Columbia, Canada. This particular license will allow you to import liquor for distribution and sale in British Columbia, Canada. I separated the whole process in 4 sections:

1. Understand the liquor law in British Columbia – general information about laws and regulations pertaining to the alcohol beverage industry in British Columbia
2. How to register your small business – information on how to register your small business in the province of BC. The section shows sample documents, that you should receive when your business is successfully registered.
3. Start the “getting a liquor license” process. This section includes the BCLDB and LCLB Document Portfolio Preparation – how to prepare both portfolios, supported with sample documents, that you will need to fill in. Also, here you will find sample calculations, using the BCLDB pricing calculator, on how to formulate your final display price for the three most common alcoholic beverages – wine, spirit, and beer. After that you will be introduced to a Purchase Order Sample Scenario. This will help you to calculate, how much HST, and Customs Duty you have to pay after you import your container into BC.
4. How to register products on-line – directions on how to navigate with the BCLDB Vendor Website, as well as how to register your products on-line. Also here you will see a sample PO requisition, as well as sample PO, issued officially by the BCLDB.

## 2. Understand the Liquor Law in British Columbia

Importing liquor in Canada is heavily regulated, controlled, and monitored by the respective Provincial Government represented by a Liquor Board. Every Liquor Board operates in accordance with their own policies and guidelines, which makes them autonomous. The Liquor Board in British Columbia is called “British Columbia Liquor Distribution Branch” (BCLDB). BCLDB is the only organization allowed to purchase, import, and distribute alcoholic beverages in British Columbia. Now I would like to list some of the most important principles, in regards to the BCLDB regulations and guidelines:

- Only BCLDB has the authorization to import liquor into British Columbia. This may sound a bit confusing the way it sounds, so that is why I want to elaborate a little bit on this. The only importer of liquor, in this context means that BCLDB imports on behalf of already approved agent/distributor. To be approved (to be licensed), one of the main requirements is to be a resident of British Columbia. This brings the conclusion that direct relationship between the winery (supplier) from outside Canada, and BCLDB cannot be established without an agent/distributor that resides here in British Columbia. In the same connection, once an agent/distributor is approved, the BCLDB will purchase the liquor from the agent. Another important note is that a supplier from outside Canada, cannot sell or deliver liquor directly to a customer in British Columbia, without having an agent/distributor that has been approved.
- All licensees (private liquor stores, restaurants, bars, clubs, hotels and others) must purchase their liquor products from BCLDB (not from the Agent/Distributor). This means that the agents/distributors cannot sell directly to the licensees or the public. Their only customer is BCLDB, who makes payments for their purchased products (from the licensees) within 14 days.
- It is very crucial to know the mark-ups that are imposed on the liquor by the BC Government. **The old pricing system before April 1st, 2015:** the mark-up on wine products is 123%, and on spirits is 170%. Let me give you a quick example to assimilate those numbers: If you want to import a case of wine that has a supplier’s cost of say \$47.28 (for 12-bottle case, so a prime cost of \$3.94 per bottle), and then we add all expenses including shipping and freight forwarding costs + warehousing + insurance + delivery costs + import duty + agent commission (all those expenses are called domestic charges) of say \$19.92, then when we add those two amounts to get the total of \$68,20. Based on this total, you will get a display price of \$15.98 per bottle. This \$15.98 will be the price for which you will sell your wine products to all licensees. It includes your supplier’s cost + your domestic charges + 123% provincial mark-up + duty and excise tax + cost of service adjustment + container recycling fee + lastly the 12% HST on the subtotal. For beer products, the mark-up is formed in accordance with the annual production at the brewery measured in hectoliters (1 hectoliter = 100 liters).



Canada Revenue Agency / Agence du revenu du Canada

October 20, 2009

RC150 E (07)

OTTAWA ON K1A 1A3

John Smith  
John Smith Importing (your business name)  
1234 West 8th St unit # 123  
Vancouver, BC  
V7K 1M6

BN: Your 9 digit business number  
BUSINESS NUMBER  
CANADA REVENUE AGENCY  
66 Stapon Rd  
Winnipeg MB R3C 3M2

Toll-free in Canada:  
1-800-959-5525

We have registered the Business Number (BN) and opened the Canada Revenue Agency (CRA) account(s) listed on the attached summary of accounts, as requested by John Smith

Your account(s) was (were) opened using the Business Registration On-line service. This interactive service provides businesses with an easy-to-use method to register their accounts themselves.

The summary shows the information provided to us when the account(s) was (were) opened. If that information is incomplete or incorrect, please contact us with the correct information.

If the business is incorporated, please send a copy of the certificate of incorporation to the address indicated above.

If you are returning the completed summary by mail, put it in the enclosed envelope so that our address shows in the envelope's window. If publications with specific information on your new account(s) were requested, we will mail them to you separately. If these publications contain a goods and services tax / harmonized sales tax (GST/HST) package, it will include a flyer describing some of the GST/HST options available to your business. **You must exercise these options within a limited time.** Our publications are also available on the Internet at the following address: [www.cra.gc.ca](http://www.cra.gc.ca)

If you need to open additional accounts, you may use the Business Registration On-line service at: [www.businessregistration.gc.ca](http://www.businessregistration.gc.ca) You can also add CRA accounts by telephone. Please provide your Business Number (BN) when you contact us.

William V. Baker  
Commissioner of Revenue

Enclosures

Si vous désirez que nous communiquions avec vous en français, veuillez contacter le bureau de l'Agence du revenu du Canada le plus proche. Si vous vous trouvez à l'extérieur de la zone d'appel local (au Canada), vous pouvez composer, sans frais, le 1 800 959-7775.

Canada

- Picture 1. CRA letter with your 9 digit Business Number

### 3. Start The “Getting a Liquor License” process.

After having a Business Number, HST and Import/Export Number, now you are ready to start the “getting a liquor license” process. First let me summarize what has to be done and then we will get into details, supported again with sample documents that I received already. To get a liquor license, you will deal with two organizations – British Columbia Liquor Distributor Branch (already mentioned above), and Liquor Control and Licensing Branch (LCLB). BCLDB will be your only customer – that is to say, all sales are going through the Branch. For example licensees buy your wine for \$14.40 (hopefully after they took 10% licensee discount) from their designated BCLDB outlet, and when the Branch collects these \$14.40, they will send you a check of \$5.60 (this is your price – prime cost + domestic charges) within 14 days. Also through the BCLDB vendor website, you will register/list your products for sale and distribution in BC. On the other hand the LCLB is responsible for approving/issuing licenses, regulating and monitoring the liquor industry in British Columbia. In this connection there are two document portfolios that have to be prepared and sent to the respective organization.

#### 4.1 BCLDB Document Portfolio Preparation

OK, roll up your sleeves and let’s get to work. First, I will guide you through the preparation of the BCLDB document portfolio.

Go to <http://www.bcliquorstores.com> and from there go to “About Us”. On the left, click on “Information for Liquor Suppliers & Agents”. After reading the page, you will notice an e-mail address - [ldbagentinfo@bclldb.com](mailto:ldbagentinfo@bclldb.com) Send an e-mail to this address requesting for the package of information on LDB policy and procedures for listing/registration. I got a reply after two days. In this e-mail you should receive around 10-15 documents which will include the portfolio that has to be filled in and sent.

So let’s first write down the BCLDB New Agent Check-off list (you should receive it as a PDF file with the e-mail), and then I will attach sample documents and elaborate on them where needed.

1. **Two** signed original agent agreements, one will be returned to you when complete;
2. *Agent Information/Advice/Change Form* – Authorized signatures – signing authority for employees of the agent;
3. *Import Agencies Warehousing Products at an Approved Bonded Warehouse Excise Purchase Orders and Release Purchase Orders form.*

This original form must be sent to BCLD (photocopy or facsimile will be accepted)

	<b>B.C. Liquor Distribution Branch</b> 2625 Rupert Street Vancouver, B.C. V5M 3T5 Telephone: 604 252 3215 604 252 3216	<b>Online Reference No.</b>	<b>Listing Application Form No. 1</b>	<b>Date Submitted</b>
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**SECTION 1 - GENERAL INFORMATION**

E-mail address for notification of application status & correspondence: **johnsmithimporting@yahoo.com**

**SUPPLIER CONTACT INFORMATION**

BCLDB Supplier Number	Supplier Company Name in Full: <b>"French Sample Winery" Inc.,</b>		
Phone Number: <b>33/652/242-5235</b>	Fax Number: <b>33/652/242-5678</b>	Product Name: <b>CHARDONNAY</b>	
Street Address: <b>INDUSTRIAL ESTATE</b>			
City: <b>GRENOBLE</b>		State/Province (if applicable): <b>Rhone De Alpe</b>	
Country: <b>FRANCE</b>		Postal Code or Zip Code (if applicable)	

**AGENT CONTACT INFORMATION**

BCLDB Agent Number: <b>N/A</b>	Agent Company Name in Full: <b>John Smith Importing</b>		
Phone Number: <b>(604) - 134-5678</b>	Fax Number: <b>(604) - 134-8765</b>	E-mail (if other than notification e-mail)	
Street Address: <b>1234 West 8th St unit # 123</b>			
City: <b>Vancouver, BC</b>		Province: <b>BRITISH COLUMBIA</b>	
Country: <b>CANADA</b>		Postal Code: <b>V7K 1M6</b>	

**SECTION 2 - PRODUCT INFORMATION** Please provide as much information and be as accurate as possible.

Universal Product Code/TAN: <b>3000009652841</b>	Shipping Container Code: <b>300000523683</b>	Stock Keeping Unit (SKU)
Brand Name (i.e. the product name as it appears on the label or as marketed to the consumer): <b>CHARDONNAY Dry white regional wine</b>		Vintage Year (if applicable): <b>2008</b>
Product Description (i.e. white table wine, amber rum, blackcurrant liqueur, indicate colour): <b>White Table Wine</b>		%Alcohol by Vol.: <b>13%</b>
Base Materials (i.e. type of grains, specific grape varieties, flavourings): <b>Green-skinned grape - Chardonnay</b>		Sugar Content (Grams/Litre): <b>g/l 2.9</b>
Country of Origin: <b>FRANCE</b>	Region/State/Prov. (applicable): <b>Rhone De Alpe</b>	Bottling Pt. Country (circle one): <b>Canada (Other)</b>
Product Container Type (i.e. glass, aluminum can, PET plastic, bottled): <b>Glass</b>		Bottling Pt.: <b>FRANCE</b>
Product closure description (e.g. cork, metal cap, screw cap etc.): <b>Cork</b>		Country of Export: <b>FRANCE</b>
Other info?		Shelf life (years and/or months)

I declare this liquor product shall at all times comply with all relevant Federal and Provincial legislation, (including label standards)

Signature and Title of authorized Signing Officer: **John Smith's Signature**

Terms and conditions for listing products are available under separate cover from BCLDB. (see Terms of a Listing)

Name and Title of Signing Officer (Please type or Print): **John Smith - Managing Partner**

**1** # of samples submitted? (Please be sure to attach listing application number, name of product and agent/supplier name with sample)

Information on labels must be mandatory      Attention for liquor licence rules      Attention under for liquor licence rules

Picture 11. Listing Application form

### 4.3 Pricing Simulator – Spirits – NEW PRICING SYSTEM AFTER APRIL 1<sup>st</sup> 2015

LIQUOR DISTRIBUTION BRANCH		WHOLESALE PRICING CALCULATOR		Effective April 1, 2015	
CATEGORY SPIRITS					
<b>Enter Product Details:</b>					
SUB-CATEGORY:	Brandy				
COUNTRY OF ORIGIN:					
CERTIFICATE OF ORIGIN:	<input type="radio"/> Yes <input checked="" type="radio"/> No				
# SELLING UNITS PER CASE:	12				
BOTTLES PER SELLING UNIT:	1				
BOTTLE SIZE PER LITRE:	0.750				
% ALCOHOL VOLUME:	40.00%				
CONTAINER TYPE:	Glass - No-Refill				
<input type="button" value="Clear Input Values"/>					
<b>Enter Calculation Estimator Details:</b>					
Select Estimator Method: <input checked="" type="radio"/> Wholesale Price <input type="radio"/> In Bond Cost					
PRIME COST PER CASE				\$	40.00
DOMESTIC CHARGES PER CASE +				\$	30.00
IN BOND COST PER CASE =					70.00
WHOLESALE PRICE PER SELLING UNIT					21.04
<b>CALCULATION RESULTS</b>					
<input type="button" value="Calculate"/>					
Refer to Calculation Definitions & instructions for Help					
IN BOND COST PER CASE:		70.00			
FEDERAL CUSTOMS PER CASE:					
DUTY +		0.00			
EXCISE +		42.11			
DUTY PAID COST PER CASE =		<u>112.11</u>			
<b><u>BREAKDOWN PER SELLING UNIT</u></b>					
DUTY PAID COST		9.34			
124.000% MARKUP +		11.58			
CONTAINER RECYCLING FEE:		0.12			
WHOLESALE PRICE =		<u>21.04</u>			
<p><b>This information is based on current processes and decisions.</b></p> <p><b>In the event of any changes, this information will be subject to amendment</b></p>					

The above calculation is for a grape brandy in the cheaper price segment. As you can see there is only one provincial mark-up of 124%.



2010-05-13 10:10:00 AM

Job No. 012960608-01

May 13, 2010

John Smith Importing  
1234 West 8th St #123  
Vancouver, BC  
V7K 1M6

Attention: John Smith

**Re: Issuance of new Agent's Licence**  
**Agent: John Smith Importing**  
**Licence # 123456 (your 6-digit Agent Number)**

Congratulations on your successful application for an Independent Agent's Licence. You have now met all eligibility requirements, including confirmation from Purchasing, Liquor Distribution Branch (LDB) that you are authorized to market the products proposed in your application.

Agents may solicit and receive orders for manufacturer's products only from licensed establishments and appointment stores. Agents and their employees may not sell liquor products directly to the public, or the LDB, nor may they import liquor products directly. Liquor products may only be imported through the LDB.

In addition, Agents or manufacturers who employ sales representatives will be required to ensure that their sales representatives comply with the provincial liquor laws. It is the responsibility of the agent or manufacturer to provide identification to their sales representatives establishing them as a representative. This identification must be carried with the sales representative at all times and produced upon demand to Liquor Inspectors, police officers and any other Branch officials' delegated authority by the General Manager.

Please familiarize yourself with the relevant sections in the Liquor Control and Licensing Act & Regulations relating to sales representatives and agents in BC. Another relevant source of information can be found at the Liquor Control and Licensing Branch web site, <http://www.hsd.gov.bc.ca/lcib/>.

Strict compliance with the Act & Regulations is expected and should this office be advised otherwise, enforcement action against the Agent Licence may be recommended which could adversely affect your business activities.

If you have any questions regarding your agent licence, please contact the Victoria office at (250) 387-1254 or 1-866-209-2111.

Sincerely,

Signature of Case Manager

Name of Case Manager  
Case Manager

cc: Name of Inspectors

Ministry of Housing and  
Social Development

Liquor Control and  
Licensing Branch

Mailing Address:  
PO Box 9292 Stn Prov Govt  
Victoria BC V8W 9J8  
Telephone: 250 387-1254  
Facsimile: 250 387-9184

Location:  
Second Floor, 1019 Wharf Street  
Victoria BC  
<http://www.hsd.gov.bc.ca/lcib/>

Picture 19. Notification Letter For Issuance of New Agent's License

## 5.1 Requisition Purchase Order

Right after you get all your products approved (registered or listed), you have to download, fill in, and send a Purchase Order to the BCLDB. Usually it should take one week for the PO to be processed, and note that first it will be sent to you by fax. After few weeks, you will receive your PO through the mail. I also received some sample POs from other distributors, just for reference.

In-Store Marketing Program manual, application forms and application deadlines, including Taste and the Product Guide advertising information. In-Store Marketing applications are MS Word documents that can be filled out electronically. Applications may be submitted via e-mail to [marketing@bcliquorstores.com](mailto:marketing@bcliquorstores.com)

[B.C. Government Stores \(BC Liquor Stores\) list](#) (MS Excel format)  
[B.C. Rural Agency Stores List](#) (MS Excel format)  
[B.C. Duty Free Stores List](#)

For information on liquor primary establishments, food primary establishments, licensee retail stores, B.C. manufacturer stores, VQA wine stores and independent wine stores, please contact Kristine Hughes at the Liquor Control and Licensing Branch by phone, 250-358-6827 or e-mail [Kristine.Hughes@lcbo.bc.ca](mailto:Kristine.Hughes@lcbo.bc.ca)

Other forms, guides, manuals, annual report:

[Liquor Warehouse Program Agreement](#)  
[Supplier Authorisation Letter/Form \(for Domestic Agents\)](#)  
[Supplier Authorisation Letter/Form \(for Distributors\)](#)  
[Purchase Order Form \(Supplier Information/Advice Change Form\)](#) ←  
[Agent Order Requisition](#)  
[Product Reactivation Form](#) (request for delisted product to be reactivated)  
[Vintage/UPC/SCC Change Form \(application\)](#) (request to update product information in database: vintage, UPC and SCC. Complete and fax/mail to Product Data Administrator in Purchasing)  
[SKU Delisting Form](#) (to request the delisting of SKU's / removal of SKU from LDB product database)  
[Product Identification Standards](#) (standards for the use of the Universal Product Code (UPC) or European Article Numbering (EAN) and the Shipping Container Code (SCC) for the purpose of distributing beverage alcohol in Canada. The most recent copy may also be downloaded from the LCBO's website at <http://www.lcbo.com/aboutlcbo/businessinformation.shtml#upc>)  
[LDB Case Configuration Change Form](#)

Purchasing Department related forms and documents.

[Guidelines for In-Store Visits](#)  
For the use of industry sales representatives working with BC Liquor Stores managers on shared initiatives.

[Head Office Contact List](#)  
A list of contacts for LDB head office personnel.

[Site User Registration Form](#)  
[Site User Guide](#)  
The site user registration form may be used to register new users for access this site (to request username and password for new users) or to request changes to your current access within the site.  
The site user guide contains instructions and information on how to use the different areas of the site.

Under "Resources", scroll down until you see the Purchase Order (Supplier Information/Advice Change Form). Download and fill in the form. See the example below to get an idea how your Purchase Order should look like.

## **6. Detailed information about the new wholesale pricing system as of 2015**

April 1<sup>st</sup>, 2015 was the date when the new wholesale pricing system came into effect. This is a major pricing change for the liquor system in BC, and I would like to share with you my personal observations as an importer, as well as mention some comments from influential and important stakeholders for the BC wine and spirits industry...