

Who's responsible for what in alcohol sales and retailing in Ontario

In Ontario, the sale, service, and consumption of alcohol is controlled by a piece of provincial legislation called the [Liquor Licence Act \(LLA\)](#).

An arms-length body of the government was appointed to administer the specifics outlined in the legislation. The name of the body is: Alcohol and Gaming Commission of Ontario (AGCO). They report to the Ministry of Consumer and Business Services. The AGCO is responsible for issuing alcohol service licences to bars (aka licenced establishments), Special Occasion Permits (e.g., for weddings, stags, etc), brew-on-premises stores, liquor delivery services, and liquor manufacturers' licences (e.g., Ontario wineries, breweries, distillers).

The AGCO enforces the Liquor Licence Act. If a bar serves a minor, serves a patron to the point of intoxication, or the patrons are disruptive of those living in the neighbourhood, it is to the AGCO one complains. The LLA also specifies Guidelines for liquor advertising by manufacturers and licencees. If one sees a violation of these Guidelines, one can complain to the AGCO.

The Liquor Control Board of Ontario (LCBO) is the retail liquor sales body of the provincial government and reports to the Ministry of Economic Development and Trade. The LCBO controls the importation, transportation, warehousing and sale of all liquor outside licenced premises, excluding those sold by Ontario winery outlets, distillers, and The Beer Store (see below). It also performs quality assurance on incoming alcohol and sets retail pricing. The LCBO is licenced by the AGCO to sell alcohol to the public, to licenced establishments, and holders of Special Occasion Permits (SOPs).

The LCBO operates its own stores. In addition, under regulations dictated by the AGCO, it also operates "agency stores" in outlying regions that do not have, nor can support an LCBO store. The businesses that are chosen to house these agency stores are chosen by public tender. These agency stores - though they look like "corner liquor stores" - are held to the same Liquor Licence Act constraints as an LCBO store.

In addition, a municipality can choose to zone a particular area wet, damp (beer and wine only), or dry. This would prevent the AGCO from issuing a liquor licence to an establishment in the municipality's jurisdiction.

Ontario winery stores are owned and operated by the Ontario wine producers, with each store selling only the brands controlled by that company. They are regulated by the AGCO, which ensures they adhere to the LLA. These winery stores are located in a number of cities and towns in Ontario, either as stand-alones or as kiosks inside shopping malls or grocery supermarkets.

On-site distillery stores are owned and operated by the respective distiller and sells only their own products, much as the wineries do. They are regulated by the AGCO and must adhere to the LLA.

The Beer Store is owned by three Ontario brewers: Labatt, Molson, and Sleeman. While the company is private, the nature of the industry means that laws and regulations directly impact how they run their business. As a result, The Beer Store management must maintain a close working relationship with the Government of Ontario through the Alcohol and Gaming Commission of Ontario (AGCO) and the Ministry of Consumer and Business Services. Through these two agencies, the Ontario Government oversees issues such as minimum age for purchase, hours of sale, selling price, labelling and product integrity, and approval of store locations.¹

Land border points and airport duty-free stores are privately operated and authorized by the federal government to sell alcohol tax and duty free to persons about to leave the country. The LCBO and Canada Border Service Agency work in conjunction on matters related to duty free products. The federal government does not permit a duty-free licensee to sell beverage alcohol unless the licensee has already obtained the approval of the provincial agency responsible for such matters. In Ontario, that is the LCBO, acting under Ontario's [Liquor Control Act](#) ("LCA"). While the AGCO does oversee some aspects of off-premise retailing in Ontario -as outlined above - the LCBO establishes its own stores and authorizes various parties to sell liquor to the public, as is the case in duty-free stores.

There is also something called a "caterer's endorsement". This allows licensees to sell liquor outside their designated business premises. Endorsements are additions to the liquor sales licence that the licenced establishment was granted. There are eight types of endorsements, seven of which allow liquor licensees to sell and serve alcohol under very specific conditions (see [AGCO website for specifics](#)). For example, a catering endorsement permits the sale and service of beverage alcohol to an event that is in an unlicensed area (e.g., church hall). The event must be sponsored by someone other than the licensee, must have light meals available, and the event cannot exceed ten days in length. During the event the location is deemed to be a licenced establishment and, therefore, the licensee must comply with all sections of the LLA, and health, fire, police, and building regulations.

¹ <http://www.thebeerstore.ca/tbs-history.html>

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