

Class E LICENCES

Following is information about obtaining a Class E licence.

Class E Manufacturer licences are issued for the manufacture of liquor and include breweries, wineries and distilleries.

(Note - Brew Pub requirements are dealt with under a separate policy).

DEFINITIONS

- a) a distiller is a company that commercially manufactures, blends, and packages beverages containing distilled spirits at a permanent facility (“the premises”) located within Alberta.
- b) A vintner is a company that commercially manufactures, blends and packages beverages containing wine at a permanent facility (“the premises”) located within Alberta.
- c) A brewer is a company that commercially manufactures, blends, and packages beverages containing beer at a permanent facility (“the premises”) located within Alberta.

CRITERIA FOR CLASS E LICENCES

Several factors are considered before a Class E licence is issued, including:

- ◆ qualifications of the applicant
- ◆ valid control of the premises
- ◆ location of the facility, taking into consideration any community interest
- ◆ general layout and equipment
- ◆ amount of proposed production
- ◆ proposed distribution system
- ◆ compliance with other regulatory agencies

STEPS

There are normally five steps involved in the licensing process. The time required to process an application varies among applications.

1. Preliminary Assessment

You should contact the Regulatory Division as early as possible to start your application.

Information that will be required includes:

- ◆ plant location
- ◆ annual manufacturing capacity
- ◆ floor plan with equipment details
- ◆ details on the applicants
- ◆ a listing of the proposed products, including packaging
- ◆ application fee
- ◆ proposed distribution

2. Eligibility

Details about the applicant will be required to determine eligibility for licensing. Applicants must have the right to occupy and control the premises.

3. Board Approval

We will next prepare a submission outlining your proposal and present it to the Board. You will be advised in writing of the Board's decision, including any requirement to publicly advertise your intent to apply for the licence. An approval does not commit the Board to issuing you a licence at a later date.

If your application for a licence is refused by the Board, you may apply to the Board within 30 days for a hearing. After considering your presentation, the Board may confirm, vary or reverse an earlier decision.

4. Submission of Application and Documentation

If approved, you will be sent an application form with the letter of approval. Various other documents may also be required with the application including:

- ◆ in the case of a company, a copy of the Certificate of Incorporation and completion of a Particulars of Incorporation form
- ◆ a copy of the lease or title
- ◆ Partnership Agreements, Franchise Agreements, etc., where applicable
- ◆ any financial reporting requirements stipulated by the AGLC
- ◆ approvals of any other regulatory agencies, including federal and municipal approval
- ◆ annual licence fee

5. Final Inspection and Issue of Licence

Once the premises have been completed according to the approval and the required documentation has been submitted, you should contact us for a final inspection. One of our inspectors ensures the premises are completed as approved, and discusses the terms and conditions of the licence with you.

On final approval, the inspector issues an interim licence authority. The licence certificate will be sent to you soon after.

Liquor licences are not transferable. They become void if the premises are sold, leased, assigned or otherwise transferred to another individual or party. To begin the application process, prospective purchasers of premises which are already licensed should contact us once they have an accepted Offer to Purchase or Lease. Allow us three weeks to finish the review.

STANDARDS

To be considered for a manufacturer's licence, the facility must meet the following production requirements:

1. Beer

- a) 5,000 hectolitres minimum annual production capacity;
- b) all beer must be manufactured on site;
- c) fermentation, maturation, and storage tanks with a minimum of 10 hectolitres capacity each;
- d) there must be a weekly minimum of 50 hectolitres overall fermentation, maturation and storage capacity; and
- e) there must be space available to add additional tanks to achieve overall annual capacity.

2. Wine

- a) 2,500 hectolitres minimum annual production capacity;
- b) must vinify 80 percent of wine production on site. Vinify means the conversion of a sugar containing solution, such as fruit juice, into wine by fermentation. This process can start with fruit (for example, grapes, the juice itself or juice concentrate);
- c) fermentation, maturation, and storage tanks with a minimum of 10 hectolitres; and
- d) there must be adequate storage tanks to accommodate the annual production capacity, including products requiring aging.

3. Spirits

- a) 2,500 hectolitres of absolute alcohol minimum annual production capacity (this will produce approximately 6,500 hectolitres at 40 percent alcohol by volume in finished products);
- b) must distill 80 percent of spirit production on site;
- c) fermentation tanks with a minimum of 10 hectolitres capacity each;
- d) there must be adequate storage tanks to accommodate production capacity, including tanks or barrels for aging; and
- e) bonded warehouse for aging is required on the same site as the manufacturing plant.

NOTE: Licensees will be allowed 18 months from start of operation under Class E licence to reach production minimums.

GENERAL INFORMATION

Production

All production materials used, and the final product produced, must comply with Canadian Food and Drug Regulations (pertinent information is available from Health Protection Branch, Health Canada in Edmonton or Calgary).

The manufacturer shall ensure that the alcohol content, type of container and labelling of its product falls within standards as set by the federal government.

Manufacturer's products are subject to periodic chemical analysis by the AGLC to ensure that AGLC standards with respect to the following are met:

- ◆ appearance (color, clarity, odor)
- ◆ specific gravity
- ◆ ethyl alcohol
- ◆ PH level
- ◆ volatile acidity (wines and ciders)
- ◆ sugar content (g/L) (beer, wines, coolers, ciders and liqueurs)

The manufacturer must establish and maintain records satisfactory to the AGLC. All records are subject to review and audit by the AGLC.

Sales

A manufacturer may sell its product to licensees, and all manufacturers are subject to any conditions set by the AGLC.

A manufacturer must obtain written authorizations from the AGLC to deliver product directly to a licensee or agency store.

A manufacturer may export its product subject to any conditions imposed by the federal government and the jurisdiction receiving the exported product.

Manufacturers are responsible for quoting a price for each product they intend to produce.

A manufacturer is authorized to appoint representatives having the prime function of advising the AGLC and licensees of the nature of their employer's product. All representatives must be registered with the AGLC, Regulatory Division, prior to beginning their official duties.

Promotions/Advertising

A manufacturer shall comply with the Board's policies on product sampling.

A manufacturer shall comply with Section 81 - *Gaming and Liquor Regulation* and Sections 66 and 67 of the *Gaming and Liquor Act*. A manufacturer must not enter into a contractual relationship or any other relationship with another licensee that results in an exchange of money, benefits, or services between the manufacturer and the licensee, except for those limited situations provided for in Board policy.

Other Services

A manufacturer may establish a hospitality room in a private reception area as part of the production facility. All product must be purchased from the AGLC.

In the case of a manufacturer who supplies product to the AGLC from a place outside of Alberta, a hospitality room located within the corporate offices in Alberta may be authorized for sampling purposes under the authority of a Special Event Hospitality Licence. All product must be purchased from the AGLC. This licence will remain in effect for a one year period, unless earlier cancelled or rescinded by the Board.

A manufacturer holding a valid Class E licence may obtain a Class D Manufacturer's Off Sale Licence, authorizing the sale of products made by the manufacturer for off premises consumption (reference Policy 2.20.02 - Class D Manufacturer's Off Sales Licence).

MORE INFORMATION

For more information, to arrange for inspection services, or staff seminars, contact your nearest Regulatory Division office.

REGULATORY DIVISION OFFICES

Head Office

50 Corriveau Avenue
St. Albert, Alberta
T8N 3T5
Ph: (780) 447-8600
Fax: (780) 447-8911

Calgary Office

110, 6715 - 8 Street NE
Calgary, Alberta
T2E 7H7
Ph: (403) 292-7300
Fax: (403) 292-7302

Red Deer Office

J5 Business Centre
13-7895 - 49 Avenue
Red Deer, Alberta
T4P 2B4
Ph: (403) 314-2656
Fax: (403) 314-2660

Lethbridge Office

3103 - 12 Avenue North
Lethbridge, Alberta
T1H 5P7
Ph: (403) 331-6500
Fax: (403) 331-6506

Grande Prairie Office

10020 - 124 Avenue
Grande Prairie, Alberta
T8V 5L7
Ph: (780) 832-3000
Fax: (780) 832-3006