

# INFORMATION BULLETIN – No. 014

## Pricing and Promotion of Liquor by Liquor Sales Licensees

(July 2007)

Effective July 13, 2007, the Alcohol and Gaming Commission of Ontario (AGCO) is pleased to advise that changes have been made to Regulation 719 under the *Liquor Licence Act* (LLA) and AGCO policy that alter the manner by which liquor sales licensees may price and promote liquor at their establishments. The introduction of minimum liquor pricing is intended to provide liquor sales licensees with the ability to offer responsible drink price flexibility, while also strengthening social responsibility by establishing a floor price for liquor sold in licensed establishments.

The following directives form part of the Liquor Advertising Guidelines for Liquor Sales Licensees and Manufacturers issued by the Registrar of Alcohol and Gaming (the “Registrar”) and provide guidance on defining practices that may tend to encourage the immoderate consumption of liquor.

**Liquor sales licensees in Ontario are required to offer, promote, sell, and serve liquor in accordance with these guidelines.**

1. **A standard-sized drink may not be sold or supplied for less than \$2.** As outlined in s.20 (3) of *Regulation 719* under the *Liquor Licence Act*, licensees may not offer for sale or supply a serving of liquor for a price below the minimum price of \$2, including taxes, whether the liquor is sold separately or as part of a package that includes food. A serving of liquor is defined as follows:
  - (a) 341 ml (12oz) of beer, cider or cooler;
  - (b) 29 ml (1oz) of spirits;
  - (c) 142 ml (5oz) of regular wine;
  - (d) 85 ml (3oz) of fortified wine.
  
2. **The minimum price changes depending on the size of the serving of liquor provided to the patron.** If a licensee offers for sale a serving of liquor that differs in size from those listed above, the minimum price for that serving shall increase or decrease in direct proportion to the difference in volume of liquor contained in that serving.

For easy reference, the following chart provides some examples of the minimum price for various common sizes in which liquor is served:

Beer	284ml (10oz)	455ml (16oz)	568 ml (20oz)	1.7 l (60oz)
Minimum Price	\$1.67	\$2.67	\$3.33	\$10

Regular Wine	170ml (6oz)	500ml (18oz)	750ml (26oz)	1l (35oz)
Minimum Price	\$2.40	\$7.20	\$10.40	\$14

Spirits	14ml (0.5oz)	43ml (1.5oz)	57 ml (2oz)	85ml (3oz)
Minimum Price	\$1	\$3	\$4	\$6

3. **Responsible drink price flexibility is permitted.** A licensee may vary the purchase price of liquor as long as it remains above the minimum price, whether offered in combination with food, such as ‘wine with dinner’ or ‘beer with wings’, or for a specified time. For example, a licensee may offer a different price for a glass of wine provided with a certain meal on a regular basis, a different price for martinis on a certain day or a different price for domestic beers, house wine and bar shots during a certain period of a day as long as the cost of the liquor itself remains at or above the minimum price.
4. **Revised drink prices must always be posted or provided to patrons.** If there is a temporary change in the price of liquor, served alone or in combination with food, the licensee must post or provide a notice specifying the change and make it visible or available to all patrons attending the premises while the change is in effect to comply with s.53 of *Regulation 719*.
5. **Liquor prices must be the same for all patrons.** A licensee is required to offer uniform liquor pricing to all patrons. Promotions that target certain segments of the population, such as students or women, are not permitted. A licensee, however, is permitted to offer different liquor prices in separate locations of their establishment. For example, a licensee may offer liquor prices to patrons in a patio area that are different from those offered in an indoor area.
6. **Drink prices may not be based on the purchase of other drinks.** A licensee is not permitted to offer a difference in the price of liquor which is contingent on another purchase of liquor or is offered at regular intervals. For example, promotions such as ‘2 for 1 drinks’, ‘2<sup>nd</sup> drink is ½ off’ or ‘every 3<sup>rd</sup> drink is \$2’ are prohibited under all circumstances.
7. **Prices and promotions may be advertised outside of the establishment.** A licensee may advertise or post liquor prices and promotions outside of the licensed premises. For example, postings on a ‘sandwich board’ may include such items as time periods prices are in effect, food included in a promotion, brands and generic categories like "domestic beers", "margaritas" or "a glass of our finest wine".
8. **The posting and advertising of prices and promotions must be responsible in nature.** A licensee is not permitted to advertise or post liquor prices and promotions, inside or outside of the licensed premises, in a manner that may promote immoderate consumption. For example, the use of the terms “Happy Hour” or “Cheap Drinks”, or something similar, is prohibited.
9. **Patrons may not be given free drinks.** A licensee and the employees of a licensee are prohibited by s.20 (2) of *Regulation 719* from supplying liquor to a patron free of charge under any circumstances unless otherwise permitted by regulation.

While these directives provide guidance on certain responsible practices, other practices that generally promote immoderate consumption, including the over-service of patrons and permitting contests, challenges and events requiring or encouraging the consumption of liquor, are not permitted and may lead to administrative discipline.

It is also important to note that liquor sales licensees remain under general obligations not to serve intoxicated individuals and/or permit drunkenness in their establishments and must continue to operate in accordance with the other provisions of the Liquor Advertising Guidelines for Liquor Sales Licensees and Manufacturers, as well as all other applicable regulations and laws. Updated electronic versions of the LLA and its regulations, as well as the Liquor Advertising Guidelines for Liquor Sales Licensees and Manufacturers, are available online through the AGCO website at [www.agco.on.ca](http://www.agco.on.ca).

For further inquiries about Ontario's liquor licensing framework, including any of the recent changes, please contact AGCO Customer Service at (416) 326-8700 or toll free in Ontario at 1-800-522-2876, and visit the AGCO website on a regular basis.