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LCBO TRADE SAMPLE REFUND (TSR) PROGRAM

HOWTO FILE A CLAIM

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LCBO Trade Sample Refund (TSR) Program How to File a Claim

Overview

- The Trade Sample Refund Program (TSR) is intended to assist liquor manufacturers and their agents in expanding the demand for their products. Under this program, agents can apply for a partial refund in the cost of purchasing products used for eligible promotional purposes as outlined in the program.
- This document explains the TSR Program and provides sample forms that agents may wish to photocopy for future requests to the LCBO for TSR refunds.
- Trade samples purchased by agents are eligible for refunds under the TSR Program whether the samples are purchased from regular LCBO stores, Vintages stores, Private Stock (Regular and Consignment) or the GTA Service Centre.
- Only **original** receipts will be accepted as proof of purchase. Please note, duplicated receipts or licensee receipts will not be eligible or accepted.
- Purchases made under a liquor sales license are not eligible for refunds under the TSR Program.
- Additionally, products deemed by the LCBO as “gift kits or gift packs” also do not qualify for a refund under the TSR Program.
- Under rules governing the Air Miles Reward Program, purchases of liquor made by Liquor Agents are not eligible for Air Miles Reward Miles. As well, any submitted receipts showing the collection of Air Miles Reward Miles will not be eligible for refunds under the TSR Program.
- TSR refund will only be provided for products that the LCBO has ordered from a supplier on an LCBO Purchase Order (i.e. direct shipments (unsolicited goods) arriving at the LCBO and direct imports of products by agents are not eligible).
- Purchases made under a Special Occasion Sale Permit will not be eligible for refunds under the TSR Program unless accompanied with documentation demonstrating that products were used in accordance with Ontario Regulations and AGCO Sampling Guidelines for Liquor Manufacturers.
- TSR participation is limited to agents of General Purchase, Vintages or Private Stock products, including suppliers that act as their own agents. Agents are limited to maximum amounts for each month. Agents can qualify for all three types of TSR refunds, but separate claim forms must be filed for each of General Purchase, Vintages and Private Stock claims.
- Newly registered Agents are not eligible to submit a claim or receive a refund under the LCBO’s TSR Program until the month following the month in which they are



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registered. Additionally, an Agent must be in good standing with the Alcohol and Gaming Commission of Ontario (AGCO) in order to submit a claim or be eligible for a refund under the LCBO's TSR Program

- TSR refunds will be processed within 30 days upon receipt of the TSR claim for General Purchase, Vintages and Private Stock products.
- Claims (including Vintages Essential products but excluding other Vintage products) will not be accepted if they are received later than 30 days after the end of the month in which the trade sample was purchased.
- Claims for Vintage products (excluding Vintages Essential products) must be submitted no later than 120 days after the product is released for sale. Refunds will be issued based on payment terms established with the LCBO.



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Use of Products Eligible under the TSR Program

- All Agents are required to sign and date a declaration that the TSR refund claimed is for products used in accordance with;
 - a) Section 3 (2) of Ontario Regulation 720, amended to O. Reg. 283/02 enacted pursuant to the Liquor Licence Act;
 - b) Section 3 (4) (i) of Ontario Regulation 389/91, amended to O. Reg. 404/05 enacted pursuant to the Liquor Licence Act;
 - c) Section III of the AGCO Sampling Guidelines for Liquor Manufacturers – May 2007.
- For the purposes of the Trade Sample Refund Program, “trade samples” eligible for a refund are those products used for any of the following conditions:
 - a) a manufacturer may give liquor to a person if the purpose of the gift is to have the person sample a brand or product or to carry out market research and, in such cases, the manufacturer shall ensure that the sampling and research are conducted in accordance with the guidelines on sampling and market research issued by the Registrar of Alcohol and Gaming. R.R.O. 1990, Reg. 720, s. 3 (2); O. Reg. 283/02, s. 1., or
 - b) a trade show at which the major themes, exhibits and demonstrations are directly related to an aspect of the hospitality industry and conducted without the intention of gain or profit and to which only persons involved in the hospitality industry and their guests are permitted. O. Reg. 389/91, s. 3 (4) (i); O. Reg. 404/05, s. 3 (4) (i)., or
 - c) Off Premise Sampling:

A manufacturer may give liquor to a liquor sales licensee where the purpose of the gift is to have the liquor sales licensee or its employees sample a liquor product.

If the gift of liquor is to be provided to the liquor sales licence holder or their employees in sealed containers for their personal sampling outside the licensed premises, the following conditions must be met:

 1. The liquor must not be taken onto or kept in the licensed premises.
 2. The liquor sales licensee must not have stocked the brand in the last twelve (12) months.
 3. The sample is for consumption by the licensee or staff and not for sampling or resale to patrons.



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4. The sample size (for any individual brand) does not exceed an annual (calendar year) total of:
 - 48 (355ml) bottles of beer or cooler, or equivalent
 - 10 (750ml) bottles of wine, or equivalent
 - 3 (750ml) bottles of spirits, or equivalent
5. Records of the sampling activities are maintained by the manufacturer for a minimum of one (1) year and are, when requested, made available for review to the Registrar or staff designated by the Registrar, and, when requested, prior notice of sampling activities are provided to the Registrar.

On Premise Sampling:

A manufacturer of liquor, a manufacturer's representative or the Liquor Control Board of Ontario (LCBO) may bring liquor onto the premises of a liquor sales licensee for the purposes of having the liquor sales licensee or its employees sample liquor products provided the following conditions are met:

6. The sampling is conducted in the presence of the manufacturer, representative or LCBO employee.
 7. That any sampled liquor remaining at the conclusion of the sampling is immediately removed from the licensed premises by the manufacturer, representative or LCBO employee a manufacturer may give liquor to a liquor sales licensee, where the purpose of the gift is to have the licensee or its employees sample a liquor product.
- Although regulations/guidelines listed above allow individuals to sample products, consumer samplings are not eligible for TSR refunds.

For further information on Sampling Guidelines, please contact AGCO Advertising and Promotions at (416) 326-8700 or toll free in Ontario 1-800-522-2876. You may also visit <http://www.agco.on.ca/pdf/Non-Forms/1224e.pdf> or http://www.e-laws.gov.on.ca/home_E.asp?lang=en for additional information.



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Claiming TSR Refund: General Purchase and Vintages Essentials Products

- At the beginning of each month, the LCBO Retail Accounting Department will determine the names of all Agents for General Purchase and Vintages Essentials products and not scheduled for delisting. The number of products listed for each agent will be multiplied by \$300 to determine the monthly limit on TSR refunds to that agent. Vintages Essential product list will be updated semi-annually to determine eligibility for treatment as a General Purchase Product claim.
- Vintages Essentials **MUST** be listed on the General Purchase Product TSR Claim (form LCB 1897).
- The monthly limit for an Agent's TSR refund is based on the Agent rather than on an individual product. An Agent can use his/her entire limit for any combination of his/her products provided that the total TSR refund claimed does not exceed the Agent's total limit.
- The Agent will submit, no later than 30 days after the end of the month in which General Purchase trade samples have been purchased:
 - A completed "General Purchase Product Trade Sample Claim Form"; and
 - **Original** LCBO receipts for all trade samples stamped and signed by the LCBO/Vintages Store Manager or a designate.
 - The LCBO Retail Accounting Department will issue a cheque to the Agent for the lesser of:
 - 31.5% of properly documented trade sample purchases; or,
 - The Agent's monthly limit for TSR refunds.
- The LCBO Retail Accounting Department will **not** return the original trade samples receipts to the Agent with the TSR refund.



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Claiming TSR Refund: Vintages Products

- At the beginning of each month, LCBO Retail Accounting Department will determine the names of all Agents representing Vintages products.
- Products on the Vintages Essential list (updated semi-annually) will be eligible to be treated as a General Purchase Product claim and **MUST** be listed on the General Purchase Product TSR Claim (Form LCB 1897)
- The Agent will submit to the LCBO, no later than 120 days after the product release date, the following:
 - a) a completed “Vintages Product Trade Sample Claim Form”, and
 - b) original LCBO receipts for all trade samples **identified** by the LCBO/Vintages store.
- Purchase Orders may only be used once per product for a TSR claim.
- For each Vintages product claimed under the TSR Program, the LCBO Retail Accounting Department will issue a cheque to the Agent for the lesser of:
 - \$300; or
 - 31.5% of properly-documented trade sample purchases; or
 - 2% of the number of bottles of a product on the purchase order times 31.5% of the retail price per bottle of the product.
- The LCBO Retail Accounting Department will **not** return the original trade samples receipts.



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Claiming TSR Refund: Private Stock Products

- At the beginning of each month, the LCBO Retail Accounting Department will obtain the names of all Agents (including consignment orders) from the LCBO Specialty Services Department.
- Agents of Private Stock products must order trade samples on a separate order from their other orders for the same product. TSR refunds will not be provided for trade samples that were not ordered on a separate order form and identified in advance as trade sample.
- The Agent will submit to the LCBO, no later than 30 days after the end of the month in which Private Stock trade samples have been purchases:
 - a) a completed “Private Stock Product Trade Sample Claim Form”, and
 - b) **original** invoices for all trade samples **stamped “Payment Received”** by the LCBO Private Stock Section, and
 - c) the **original** agent copy of the trade sample purchase order and **original** agent copies of all other purchase orders for the same products (Note: A purchase order may only be used once for a TSR claim).
- For each Private Stock product claimed under the TSR Program, the LCBO Retail Accounting Department will issue a cheque to the Private Stock Agent for the lesser of:
 - \$300; or
 - 31.5% of properly-documented trade sample purchases; or
 - 2% of the number of bottles of a product on submitted purchase order times 31.5% of the retail price per bottle of the product.
- The LCBO Retail Accounting Department will **not** return the original stamped trade samples invoices. However, purchase orders will be returned to the Agent with additional eligible claims.



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LCBO Contact on Trade Samples Refund Program

All TSR claim forms and related documents should be sent to:

Trade Samples Refund Program
LCBO Retail Accounting Department (#840)
55 Lakeshore Blvd East
Toronto, Ontario
M5E 1A4

Questions on the TSR Program and the status of submitted claims may be directed to:

Email: trade.samples@lcbo.com