

LCBO

Tender Type for Wholesale Customers

Operational Policy -- June 2024

PURPOSE

The Liquor Control Board of Ontario (LCBO) is the exclusive wholesaler to Grocery Stores, Convenience Stores, Wine Boutiques and Duty Free Operators, and will become the exclusive wholesaler for Hospitality Customers (bars, restaurants and other venues including stadiums and nightclubs) and LCBO Convenience outlets (LCOs) in January 2026. The LCBO is also the wholesaler for all import products sold at The Beer Store.

In accordance with their licence from the Alcohol and Gaming Commission (AGCO), all participating Grocery Stores, Convenience Stores and Wine Boutiques are permitted to purchase eligible products from LCBO under the operational policies and procedures set by the LCBO. Product eligibility, conditions of their operations are stipulated in the *Liquor Licence and Control Act, 2019*.

When established in 2015, LCBO's grocery program required larger grocers to provide a letter of credit for each location and allowed them to pay invoices with a 30-day Payment Term. Smaller, independent grocers ("Category B Grocers") and Wine Boutiques were allowed to pay on invoice (7 days) without providing a letter of credit.

Given the significant expansion announced by the Ontario government in 2023-24, the default Tender Type for new Grocery Stores, Convenience Stores and Wine Boutiques is to pay by credit card when orders are placed through LCBO's online order management system. Additional Tender Types, such as debit, may also be added at LCBO's discretion. For LCBO to consider extending a Payment Term to eligible wholesale customers, they must apply for this benefit and, if approved by LCBO Finance, all policy requirements must be met to maintain it.

OBJECTIVES

- To work towards a consistent Tender Type approach across LCBO's wholesale business and set conditions under which LCBO may extend Payment Terms to eligible wholesale customers.
- To provide a business friendly, best-in-class customer experience to a diverse group of wholesale customers with a wide range of operational needs and technological functionality.

DEFINITIONS

“Category B Grocer” means a grocer licensed by the AGCO prior to June 2024 that, together with all related retail stores, has annual worldwide revenue equal to or less than \$1 billion.

“Convenience Store” means a retailer with no more than 4,000 square feet of retail floor space with a Convenience Store Licence issued by AGCO.

“Duty Free Operator” means the operator of a place licensed as a Duty Free shop under the Canadian *Customs Act, 1985* and holds a Duty Free Shop Authorization issued by LCBO.

“Grocery Store” means a retailer with more than 4,000 square feet of retail floor space with a Grocery Store Licence issued by AGCO.

“Hospitality Customer” means a business with a Licence to Operate a Liquor Consumption Premises issued by the AGCO.

“LCBO Convenience Outlet or LCO” means a retail location selected and authorized by the LCBO to sell beer, wine and spirits under the LCBO Convenience Outlets Program and holds an agreement issued by the LCBO.

“Payment Term” means the 30-day period between LCBO issuing an invoice and the due date for LCBO’s wholesale customer to make the required electronic payment to LCBO.

“Tender Type” means the method by which a customer pays LCBO for products. This includes electronic funds transfers, debit, credit, and other payment methods as authorized by LCBO.

“Wholesale Onboarding Process” refers to the requirements specified by LCBO’s Wholesale Services team to purchase beverage alcohol from the LCBO and may include accepting terms of a commercial agreement or authorization and providing the required information to establish customer accounts in LCBO’s operational and financial systems.

“Wine Boutique” means a winery retail store that is located inside the shopping area of a grocery store.

APPLICANT ELIGIBILITY

Existing Grocery Stores and Wine Boutiques

- Existing grocery stores and wine boutiques will be automatically transitioned to this new policy and are not required to apply. Policy requirements must continue to be met for existing grocers and wine boutiques to remain eligible for payment terms (see below).

New Grocery Stores, Convenience Stores and Wine Boutiques

- The default Tender Type for all new Grocery Stores, Convenience Stores and Wine Boutiques is to pay by credit card when orders are placed through LCBO's online order management system.
- To be eligible for Payment Terms, applicants must have:
 - A licence from the AGCO to purchase beverage alcohol
 - Agreed to the Master Supply Agreement and completed LCBO's wholesale onboarding process
 - Projected annual purchases from the LCBO equal to or greater than \$1 million
 - A letter of credit from a Canadian chartered bank in the amount of \$100,000 for each licensed location

Applicants are required to attest that they are able to meet all policy requirements, including their ability to make electronic payments and provide letters of credit to the LCBO.

Other Wholesale Customers

- Existing requirements for Duty Free Operators, Hospitality Customers, and LCOs will continue to apply until those programs and processes are reviewed and updated.

POLICY REQUIREMENTS

- Maintain annual purchases from the LCBO equal to or greater than \$1 million.
- Make electronic payments in a method acceptable to the LCBO.
- Be in good standing with LCBO and compliant with LCBO policies and operational manuals.
- Maintain a Letter of Credit valued at \$100,000 per licensed location, which is subject to renewal with the issuing financial institution and must be in good standing at all times.
- Existing grocery stores and wine boutiques will transition to this new policy with limited exceptions below:
 - Large grocers (previously known as Category A grocers) must agree to the Master Supply Agreement and make required changes to their letter of credit to align with this policy during the on-boarding process or before October 1, 2024, if the number of licensed locations is unchanged.
 - Small grocers (previously known as Category B Grocers) and Wine Boutiques must agree to the Master Supply Agreement and will be allowed to maintain payments on invoice for existing locations only provided they remain in good standing with LCBO and are compliant with LCBO policies and operational manuals. This benefit is not transferable and the licensee may transition to other eligible Tender Types under this policy at any time. See Appendix A for a list of eligible Category B Grocers.

APPLICATION AND APPROVAL PROCEDURES

- An eligible retailer seeking approval under this policy must complete an [application form](#) in full and submit the Letter of Credit as instructed by the LCBO.
- After receiving an application, LCBO will review to ensure that it is complete and meets all policy conditions.
- The assigned Account Manager will notify the applicant on the status of their application and, if approved, the Account Manager will advise on procedural changes and the effective date.
- Extending Payment Terms to a customer is at the discretion of the LCBO even if the above criteria are met. LCBO reserves the right to implement credit limits based on credit history of the customer.
- The LCBO may reject an application if the past or present conduct of the applicant or any key individuals associated with the applicant affords reasonable grounds to believe that the applicant will not conduct business in accordance with the law with integrity and honesty.

Appendix A: Category B Grocers and Wine Boutiques

This list includes Grocery Store locations that were formally defined as Category B Grocers and Wine Boutiques and will continue to be allowed to pay on invoice (7 days) without providing a letter of credit. For clarity, no other customer are eligible for this as it will be phased out over time.

This list will be reviewed again in 2025 and any remaining grocers may see further changes in January 2026.

LCBO Store #	Grocer Name	Licence Number	Address
5875	PETAWAWA CANEX GROCERY STORE	818300	14 YPRES BLVD
5633	5633 VINCES MKT NEWMARKET	ABCG819501	869 MULOCK DRIVE
5995	FRESH MARKET FOODS	818302	79 QUEEN STREET
5512	HIGHLAND FARMS SCARBOROUGH	ABCG1150633	850 ELLESMERE ROAD
5432	HIGHLAND FARMS	818314	50 MATHESON BLVD EAST
5650	VINCES MARKET UXBRIDGE	ABWG818298	234 TORONTO STREET
5538	YUMMY MARKET MAPLE	818327	1390 MAJOR MACKENZIE DRIVE WEST
5527	YUMMY MARKET NORTH YORK	818328	4400 DUFFERIN STREET
5925	PINOS GET FRESH	817684	219 TRUNK ROAD
5710	LA MANTIAS COUNTRY MARKET	ABWG1135928	50 WILLIAM STREET SOUTH
5510	GALLERIA SUPERMARKET YORK MILL	ABWG1136040	865 YORK MILLS ROAD, SUITE 1
5372	5372 COMMISSOS FRESH FOODS NF	ABWG1135956	6161 THOROLD STONE ROAD
5429	5429 SEAFOOD CITY SUPERMARKET	818790	800 BOYER BOULEVARD
5434	5434 PAT MART MISSISSAUGA	818742	315-333 DUNDAS STREET EAST
5511	5511 MARCHELEOS TORONTO	ABWG1136792	150 WYNFORD DRIVE
5629	5629 VINCES MKT SHARON	ABWG1136275	19103A LESLIE STREET
5542	5542 GALATI MARKET FRESH	819478	5845 LESLIE STREET
5559	5559 THE VILLAGE GROCER	ABWG1136698	4476 16TH AVENUE
5557	5557 HIGHLAND FARMS VAUGHAN	ABWG818316	9940 DUFFERIN STREET
5249	COUSINS MARKET INC.	ABCG1166353	1215 HURONTARIO STREET
5477	5477 SEAFOOD CITY DIST CENTRE	N/A	6800 COLUMBUS ROAD UNIT A

LCBO Store #	Wine Boutique Name	Licence Number	Address
5421	WINE RACK INSIDE METRO	21815-125	20 GREAT LAKES DRIVE
5604	WINE RACK INSIDE METRO	21815-086	4111 THICKSON ROAD NORTH
5137	WINE RACK INSIDE SOBEYS	21815-105	310 COLBORNE STREET WEST
5694	THE WINE SHOP INSIDE METRO	14432-068	640 FIRST STREET EXTENSION
5752	THE WINE RACK INSIDE METRO	21815-037	243 KING STREET EAST
5592	WINE RACK PICKERING (METRO)	21815-116	1822 WHITES ROAD
5021	WINE SHOP INSIDE METRO	14432-027	395 WELLINGTON ROAD
5089	WINE SHOP WINDSOR	14432-021	3100 HOWARD AVE
5458	WINE RACK MILTON	21815-135	1050 KENNEDY CIRCLE
5782	WINE RACK BELLEVILLE	21815-072	110 N. FRONT STREET
5447	5447 WINE RACK INSIDE RCS	21815 - 013	201 OAK PARK BLVD
5589	5589 WINE RACK INSIDE LOBLAWS	21815 -87	1792 LIVERPOOL ROAD
5445	5445 WINE RACK INSIDE FORTINOS	21815 - 123	173 LAKESHORE ROAD WEST
5464	5464 WINE SHOP INSIDE RCS	14432-087	171 GUELPH STREET
5827	5827 WINE RACK INSIDE METRO	21815-033	3201 STRANDHERD DRIVE
5571	5571 WINE SHOP INSIDE METRO	14432-046	3221 EGLINTON AVENUE EAST
5129	5129 WINE RACK INSIDE ZEHRS	21815-55	555 DAVENPORT ROAD
5456	5456 WINE RACK INSIDE RCS	21815-020	820 MAIN STREET EAST
5495	5495 WINE RACK INSIDE LOBLAWS	21815-22	17 LESLIE STREET
5497	5497 WINE RACK INSIDE LOBLAWS	21815-97	10 LOWER JARVIS STREET
5529	5529 WINE RACK INSIDE RCS	21815-118	51 GERRY FITZGERALD DRIVE
5679	5679 WINE RACK INSIDE ZEHRS	21815-119	620 YONGE STREET
5830	5830 WINE RACK INSIDE LOBLAWS	21815-108	2210C BANK STREET
5928	5928 WINE RACK INSIDE METRO	21815-159	150 CHURCHILL BLVD
5825	5825 WINE SHOP INSIDE LOBLAWS	14432-101	1251 MAIN STREET
5106	5106 WINE SHOP INSIDE ZEHRS	14432-031	160 KORTRIGHT ROAD WEST
5203	5203 WINE SHOP INSIDE FORTINOS	14432-035	2025 GUELPH LINE
5309	5309 WINE RACK INSIDE SOBEYS	21815 - 082	1770 STONE CHURCH ROAD EAST
5822	WINE RACK INSIDE LOBLAWS	21815-066	3201 GREENBANK ROAD
5824	5824 WINE SHOP INSIDE LOBLAWS	14432-095	100 MCARTHUR AVENUE
5298	5298 WINE SHOP INSIDE FORTINOS	14432-020	75 CENTENNIAL PKWY NORTH
5366	5366 WINE SHOP INSIDE ZEHRS	14432-053	285 GENEVA STREET
5409	5409 WINE SHOP INSIDE LOBLAWS	14432-067	380 THE EAST MALL
5516	5516 WINE SHOP INSIDE LOBLAWS	14432-071	50 MUSGRAVE STREET
5119	WINE SHOP HIGHLAND HILLS	14432-085	875 HIGHLAND ROAD WEST
5955	WINE RACK THUNDER BAY	21815-073	971 CARRICK STREET
5608	5608 WINE SHOP INSIDE RCS	14432-011	200 TAUNTON ROAD WEST
5652	5652 WINE SHOP INSIDE ZEHRS	14432-048	323 TORONTO STREET SOUTH
5854	5854 WINE SHOP INSIDE LOBLAWS	14432-041	1048 MIDLAND AVENUE
5296	5296 WINE SHOP INSIDE FORTINOS	14432-003	1579 MAIN STREET WEST
5573	5573 WINE RACK INSIDE RCS	21815-003	1755 BRIMLEY ROAD
5438	5438 COLIO WINES INSIDE LOBLAW	18796-014	5010 GLEN ERIN DRIVE
5832	5832 WINE RACK INSIDE RCS	21815-109	190 RICHMOND ROAD
5635	5635 WINE SHOP INSIDE RCS	14432-083	18120 YONGE STREET
5855	5855 WINE RACK INSIDE LOBLAWS	21815-136	1100 PRINCESS MARKET
5698	5698 WINE RACK INSIDE RCS	21815-064	9292 COUNTY ROAD
5712	5712 WINE RACK INSIDE LOBLAWS	21815-046	400 KENT STREET WEST
5494	5494 WINE SHOP INSIDE LOBLAWS	14432-062	3671 DUNDAS STREET WEST
5440	5440 WINE RACK INSIDE RCS	21815-155	3050 ARGENTIA ROAD
5833	5833 WINE RACK INSIDE RCS	21815-149	760 EAGLESON ROAD
5003	5003 WINE RACK INSIDE METRO	21815-070	155 CLARKE ROAD
5007	5007 WINE SHOP INSIDE METRO	14432-016	1030 ADELAIDE STREET NORTH
5835	5835 COLIO BTQ INSIDE METRO	18796-009	1705 MERIVALE RD
5681	5681 COLIO BTQ INSIDE METRO	18796-013	400 BAYFIELD STREET
5115	5115 WINE RACK INSIDE SOBEYS	21815-060	1187 FISCHER-HALLMAN ROAD
5124	5124 WINE RACK INSIDE SOBEYS	21815-128	94 BRIDGEPORT ROAD
5131	5131 WINE RACK INSIDE SOBEYS	21815-138	307 GRAND RIVER STREET NORTH
5288	5288 WINE SHOP INSIDE SOBEYS	14432-043	977 GOLF LINKS ROAD
5473	5473 WINE RACK INSIDE SOBEYS	21815-075	500 RIDDELL ROAD
5849	5849 WINE SHOP INSIDE METRO	14432-100	50 BEECHWOOD AVENUE
5846	5846 WINE RACK INSIDE SOBEYS	21815-151	700 TERRY FOX DRIVE
5208	5208 WINE SHOP INSIDE SOBEYS	O14432-049	1250 BRANT STREET
5042	5042 WINE SHOP INSIDE SOBEYS	14432-033	438 NORFOLK STREET SOUTH
5596	5596 WINE SHOP INSIDE SOBEYS	O14432-029	955 WESTNEY ROAD SOUTH
5642	5642 WINE RACK INSIDE SOBEYS	21815-148	40 MELBOURNE DRIVE