
Chapter Ten

Alcoholic Beverages

Article 1000: Application of General Rules

1. Article 402 (Right of Entry and Exit) does not apply to this Chapter.
2. For greater certainty, Articles 400 (Application), 401 (Reciprocal Non-Discrimination), 403 (No Obstacles), 404 (Legitimate Objectives), 405 (Reconciliation) and 406 (Transparency) apply to this Chapter, except as otherwise provided in this Chapter.

Article 1001: Scope and Coverage

This Chapter applies to measures adopted or maintained by a Party relating to trade in beverage alcohol products.

Article 1002: Existing Agreements

Nothing in this Agreement shall prevent a Party from maintaining a bilateral arrangement entered into with another Party before the date of entry into force of this Agreement to enhance trade in beverage alcohol products.

Article 1003: Extent of Obligations

Further to Article 102(1)(c)(Extent of Obligations), each Party is responsible for compliance with this Chapter by its competent authorities listed in Annex 1003, and any entity to which those authorities delegate authority.

Article 1004: Reciprocal Non-Discrimination

1. Article 401 (Reciprocal Non-Discrimination) applies, in particular, to measures in respect of:
 - (a) listing;
 - (b) pricing;
 - (c) access to points of sale;
 - (d) distribution;
 - (e) merchandising; and
 - (f) cost of service, fees and other charges.
2. Without limiting the generality of Article 401 (Reciprocal Non-Discrimination), each Party shall accord to beverage alcohol products of any other Party treatment no less favourable than the

treatment it accords to beverage alcohol products of non-Parties under existing international trade agreements to which Canada is a party.

Article 1005: No Obstacles

1. Article 403 (No Obstacles) applies to measures such as:
 - (a) administrative procedures, requirements and decisions;
 - (b) labelling and packaging regulations and requirements;
 - (c) oenological regulations, requirements and standards; and
 - (d) advertising regulations and requirements.
2. Each Party shall ensure that decisions related to the entry of beverage alcohol products or producers of another Party into its territory are expedited and communicated in a timely manner.

Article 1006: Cost of Service, Fees and Other Charges

Each Party shall ensure that any cost of service, fees or other charges that it applies to beverage alcohol products of another Party do not exceed the cost of necessary services. Such charges shall be reasonable and reflect costs normally incurred in the provision of those services.

Article 1007: Reconciliation

1. For the purposes of Article 405 (Reconciliation), each Party shall endeavour, where practicable, to undertake to reconcile, through harmonization or other means, standards-related measures such as labelling and packaging regulations and requirements and oenological practices.
2. Each Party shall, where appropriate and compatible with international standards, ensure that wine and wine products are labelled in accordance with any voluntary national standards that may be approved by the Standards Committee on Wine of the Canadian General Standards Board (the "Canadian Wine Standards") and that are consistent with federal legislation and regulations. Each Party shall use its best efforts to bring its legislation, regulations and policies into conformity with such standards.
3. Following approval of the Canadian Wine Standards, the Parties shall review and endeavour to reconcile the definition "wine and wine products" in Article 1013 with the definition approved by the Standards Committee on Wine of the Canadian General Standards Board. In attempting to reconcile these definitions, the Parties may not exclude any products covered by the definition in Article 1013 as it reads on the date of entry into force of this Agreement.

Article 1008: Transparency

1. Further to Article 406(1) (Transparency), each Party shall promptly make available to any Party or interested person that so requests any public documentation relating to the distribution and sale of beverage alcohol products, such as copies of relevant legislation, regulations, requirements and administrative policies and procedures.
2. Each Party shall provide to any producer of a Party that so requests explanations for decisions regarding the distribution, marketing or sale of its products.
3. Each Party shall provide to an applicant for listing of a beverage alcohol product:
 - (a) prompt written notice of decisions and, if so requested, a statement of the reasons for a refusal to list; and
 - (b) access to administrative procedures that provide for prompt and fair review of listing decisions.

Article 1009: Complaints

1. Any producer of a Party that considers that it or its products are not being treated in the territory of another Party in a manner consistent with this Agreement may take up the matter directly with the competent authority of that other Party in accordance with the following:
 - (a) if the matter is not resolved the producer may make a written complaint to the competent authority providing details of the grounds of complaint; and
 - (b) the competent authority shall provide a prompt written response to the complaint.
 - (c) ⁵⁷.
 - (d) ⁵⁸.
2. ⁵⁹

Article 1009P7: Consultations and Dispute Resolution⁶⁰

Chapter Seventeen shall apply to consultations and the resolution of disputes arising out of this chapter.

⁵⁷ This paragraph was deleted by the Seventh Protocol of Amendment and paragraphs (a) and (b) amended accordingly.

⁵⁸ This paragraph was deleted by the Seventh Protocol of Amendment.

⁵⁹ This paragraph was deleted by the Seventh Protocol of Amendment.

⁶⁰ This article was added to the Agreement on Internal Trade by means of the Seventh Protocol of Amendment.

Article 1010: Non-Conforming Measures

1. Newfoundland and Labrador reserves the right to deny beer and beer products of any other Party access to outlets of brewers' agents until it determines, in consultation with the other Parties, that the existing system is no longer necessary. Other Parties reserve the right to restrict access to beer brewed in Newfoundland and Labrador. This will be subject to review by the Parties before December 1, 1999.

2. ⁶¹

3. New Brunswick and Quebec reserve the right to apply a differential cost of service, fees or other charges to beer and beer products of any other Party where it can be demonstrated that beer and beer products originating from New Brunswick or Quebec, respectively, encounter higher cost of service, fees, other charges or handling requirements than beer and beer products of that Party. Any implementation of this reservation will be subject to review by the Parties no later than March 31, 1997.⁶²

4. ⁶³

5. Ontario reserves the right to apply its Canadian grape content requirements, pursuant to its 1988 grape and wine adjustment program, to the wine and wine products of a producer of any other Party until December 31, 1999. Ontario will review these requirements before the earlier of March 31, 1997, and the date of adoption of the Canadian Wine Standards in respect of these requirements by the grape and wine industries. Ontario reserves the right to restrict access of wine and wine products produced by government entities.⁶⁴

Article 1011: Exceptions

Nothing in this Agreement prohibits the application to any Party of non-conforming measures specifically authorized by international trade agreements, as follows:

- (a) Ontario and British Columbia may maintain measures requiring private wine store outlets (in existence on October 4, 1987) to discriminate in favour of wine of Ontario and British Columbia to a degree no greater than the discrimination required by such measures as they existed on October 4, 1987;
- (b) Quebec may require any wine sold in grocery stores to be bottled in Quebec, provided that alternative outlets are provided in Quebec for the sale of wine of other Parties, whether or not such wine is bottled in Quebec. British Columbia and Quebec agree to negotiate by March 31, 1997, equivalent access for wine and wine products of the other Province. Until an agreement is implemented, British Columbia retains the right to apply measures of reciprocal effect to wine and wine products produced in Quebec;⁶⁵

⁶¹ This paragraph was amended by the Second Protocol of Amendment and subsequently deleted by the Fourth Protocol of Amendment.

⁶² This paragraph was amended by the Second Protocol of Amendment.

⁶³ This paragraph was deleted by the Fourth Protocol of Amendment.

⁶⁴ This paragraph was amended by the Second Protocol of Amendment.

⁶⁵ This paragraph was amended by the Second Protocol of Amendment.

- (c) British Columbia may maintain automatic listing measures for British Columbia estate wineries in existence on October 4, 1987, producing less than 30,000 gallons of wine annually and meeting existing content requirements; and
- (d) a Party may maintain or introduce a measure limiting on-premise sales by a producer of beverage alcohol products to those beverage alcohol products produced on its premises.

Article 1012: Reporting

The Parties shall report annually to the Committee on the following matters:

- (a) any complaints made under Article 1009;
- (b) any changes proposed to be made to this Chapter; and
- (c) any arrangements proposed or entered into under Article 1800 (Trade Enhancement Arrangements) relating to trade in beverage alcohol products.

Article 1013: Definitions

In this Chapter:

beverage alcohol products means wine and wine products, spirits and spirits products, beer and beer products or other beverage alcohol products controlled by a competent authority;

beer and beer products means ale, lager, stout, porter, malt liquor and malt-based beverages brewed in Canada, that are the product of the alcoholic fermentation by yeast of an infusion of barley or wheat, malt and hops or hop extract in potable water and are brewed in such a manner as to possess the aroma, taste and character of beer;

beverage alcohol products of a Party means beverage alcohol products produced, manufactured, brewed, blended or packaged in the territory of a Province;

competent authority means any Province or any commission, board, agency, entity or body that is authorized by that Province by law to control within its territory the importation, distribution or sale of beverage alcohol products, and includes any competent authority listed in Annex 1003;

distribution means the ordering, receipt and warehousing of beverage alcohol products and their transportation to points of sale;

listing means the right granted to a producer by a competent authority to sell a product within the territory of a Province;

other beverage alcohol products means any beverages containing alcohol, other than beverages that are brewed, that are not otherwise defined in this Article and that are produced, manufactured, blended or packaged in Canada and controlled by a competent authority;

points of sale means the retail locations and licensed establishments within the territory of a Party where beverage alcohol products are sold;

pricing means the methods and factors used by a competent authority in determining its selling price;

producer of a Party means a producer licensed by a competent authority to produce, manufacture, brew, blend or package beverage alcohol products in the territory of a Party and includes the agents and representatives of that producer;

spirits and spirits products means distilled spirits or beverages containing distilled spirits produced, manufactured, blended or packaged in Canada;

wine and wine products means wine or beverages containing wine that are produced, manufactured, blended or packaged in Canada and that contain, either exclusively or in various proportions:

- (a) grapes grown in Canada or grape products produced from grapes grown in Canada;
- (b) imported grapes or grape products made from imported grapes; or
- (c) imported wine.

Annex 1003

Competent Authorities

Newfoundland and Labrador:

Newfoundland Liquor Corporation

Prince Edward Island:

Prince Edward Island Liquor Control Commission

Nova Scotia:

Nova Scotia Liquor Commission

Nova Scotia Liquor Licence Board

New Brunswick:

New Brunswick Liquor Corporation

Department of Finance - Revenue Division

Quebec:

Société des alcools du Québec

Régie des Alcools, des Courses et des Jeux du Québec

Ontario:

Liquor Control Board of Ontario

Liquor Licence Board of Ontario

Manitoba:

Manitoba Liquor Control Commission

Saskatchewan:

Saskatchewan Liquor and Gaming Authority

Alberta:

Alberta Liquor Control Board

British Columbia:

British Columbia Liquor Control and Licensing Branch

British Columbia Liquor Distribution Branch

Northwest Territories:

Northwest Territories Liquor Commission

Yukon:

Yukon Liquor Corporation

