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## Liquor Licence Due Diligence

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### I. INTRODUCTION TO LIQUOR LICENCES [§43.1]

The manufacture, sale, and consumption of liquor in British Columbia is heavily regulated. Generally, a liquor licence is required to manufacture, import, or sell liquor.

The *Liquor Control and Licensing Act*, S.B.C. 2015, c. 19 (the “Act”) establishes a regime whereby the General Manager of the Liquor Cannabis Regulation Branch (the “Branch”) issues liquor licences and

special event permits and, when necessary, pursues enforcement action against entities who contravene a term or condition of their licence or permit, the Act, the Liquor Control and Licensing Regulation, B.C. Reg. 241/2016, or Branch policy. The Act provides the General Manager with discretion as to issuing, cancelling, or approving the transfer of liquor licences.

Counsel who do not regularly work in the liquor licensing and hospitality sector should familiarize themselves with not only the Act and the Regulation, but also the considerable amount of Branch policy and standard terms and conditions that apply to all liquor licences and the operations of licensed premises.

Each liquor licence contains specific terms and conditions unique to that licence such as hours of operation and capacity, and may also include a special category of terms known as “endorsements” related to entertainment, patios, offsite storage, catering, and off-premises sales. Section 15 of the Act contains a non-exhaustive list of the types of terms and conditions that may apply to any given licence; s. 8 of the Regulation lists the available endorsements. In addition to these licence-specific terms and conditions, each class of licence is also subject to a detailed set of standard terms and conditions, set out in what is known as the “handbook” for that class. The Branch updates the handbooks from time to time to reflect changes in Branch policy, which are frequent. Counsel should always refer to the handbooks published on the Branch website to ensure they are referencing the most current set of terms and conditions.

When making licensing decisions, Branch officials will refer to the Liquor Policy Manual (the “Manual”) published by the Branch and updated from time to time (available online, together with the handbooks, at [www2.gov.bc.ca/gov/content/employment-business/business/liquor-regulation-licensing/liquor-licence-permits/liquor-law-policy/liquor-licence-terms-conditions-manuals](http://www2.gov.bc.ca/gov/content/employment-business/business/liquor-regulation-licensing/liquor-licence-permits/liquor-law-policy/liquor-licence-terms-conditions-manuals)). Counsel should be aware that the processes and requirements described in the Manual as they relate to the transfer or modification of a licence are not always consistent with sections dealing with the same topics in the respective handbook.

Liquor licences are by their nature tied to physical premises: a retail store, a brewery, winery, or distillery, or most commonly a bar or restaurant. While it is possible to apply to the Branch for permission to relocate a licence (see s. 17 of the Act), more often than not the