PRINCE EDWARD ISLAND LIQUOR CONTROL COMMISSION

FERMENT ON PREMISES POLICY MANUAL

EFFECTIVE: OCTOBER 17, 2009

Last Revision: July 18, 2019

TABLE OF CONTENTS

I. INTRODUCTION

- 1. Policy Manual Overview
- 2. Definitions

II. LICENSING

- 1. License Application Checklist
- 2. Premises
- 3. Indemnity

III. MANAGING THE BUSINESS

- 1. Posting Liquor License
- 2. Renewing Liquor License
- 3. Providing Information to PEILCC
- 4. Keeping Records
- 5. Audit
- 6. Employees
- 7. Hours of Operation
- 8. Minors
- 9. ID Requirements
- 10. Relations With Liquor Manufacturers and Agents
- 11. Making Changes to Liquor License
- 12. Renovations
- 13. Selling to a New Owner

IV. CUSTOMER RESPONSIBILITIES

- 1. First Visit
- 2. Second Visit
- 3. Outside Assistance

V. LICENSEE RESPONSIBILITIES

- 1. After Customer's First Visit
- 2. Assistance
- 3. Invoices
- 4. Carboy Tags
- 5. Barrel Aging
- 6. Topping Up
- 7. Fortifying Product
- 8. Customer Sampling
- 9. Public Sampling

- 10. Trading Racks and Product Exchange
- 11. Group Batches
- 12. Employee Batches
- 13. Unclaimed Product
- 14. Customer Returns
- 15. Storage

VI. ADVERTISING and PROMOTION

- 1. What May Be Advertised
- 2. Where Licensees May Advertise
- 3. Promotions and Discounts
- 4. Signs

VII. INSPECTIONS

- 1. Why PEILCC Inspects
- 2. Entry of Liquor Inspectors
- 3. Producing Records and Documents

VIII. ENFORCEMENT

- 1. Suspension and Cancellation of Licenses
- 2. Termination
- 3. Serving Customers While Under Suspension
- 4. Violation Examples
- 5. Canada Revenue Agency

APPENDIX A - PEILCC NOTICE TO CUSTOMERS

* Notice to Customers

APPENDIX B - LICENSEE RECORD SUBMISSIONS

- * Monthly Production and Remittance
- * Annual Production

Rationale: To establish guidelines for the issuance of a Ferment On Premises License

and the ongoing operation of such licensed premises in the province.

Authority: Liquor Control Act Regulations - Section 50.8

1.1 Policy Manual Overview:

This policy manual supplements the requirements of the Liquor Control Act and Liquor Control Act Regulations for the licensing and operating of a ferment on premises facility. It also imposes further terms and conditions, in addition to those found in the Act and Regulations.

Like the requirements contained in the Act and Regulations, these additional terms and conditions - and any further terms and conditions that might be printed on a license or contained in correspondence issued by the PEI Liquor Control Commission (PEILCC) - must be followed at all times.

It is the responsibility of the licensee to operate in compliance with the law and with the terms and conditions of the license. In this regard the license holder must also make sure managers and staff are familiar with the information contained in this policy manual.

All requirements of the Act, Regulations and PEILCC Policy regarding the producing or manufacturing of beer or wine, are also applicable to ciders/coolers.

1.2 Definitions:

- (a) "cider" an alcoholic beverage obtained from the fermentation of fruit juice;
- (b) "cooler" an alcoholic beverage obtained by combining a wine base with fruit juice, vegetable juice, sweetening agents, flavouring preparation or other food additives and water or mineral water.

FERMENT ON PREMISES POLICY MANUAL	Issue Date:	Revised:	Page No.
- Introduction	October 17, 2009		1.1

2.1 Ferment On Premises Application Checklist

THE APPLICANT MUST SUPPLY *ALL* INFORMATION REQUIRED BY THE LICENSING CHECKLIST CONTAINED IN THE FERMENT ON PREMISES POLICY MANUL, IN ITS FINAL FORM AT LEAST 21 DAYS IN ADVANCE BEFORE ANY APPLICATION IS CONSIDERED FOR LICENSING.

- 1. Application Form accompanied with \$300 non-refundable application fee.
- 2. Floor plan with details including retail, production and storage areas.
- 3. Areas to be licensed form with measurements.
- 4. Personal History Reports(s), Form #16:
 - a.) Applicant.
 - b.) All executives of the corporation.
 - c.) Person responsible to control the areas where liquor will be manufactured and stored.
- 5. Proof of ownership or legal entitlement to occupy for the premises being licensed in the form of a lease or deed.
- 6. Complete copy of Letters Patent, Constitution and Bylaws, as applicable, if applicant is a corporation, club or association.
- 7. Resolution of meeting of Officers authorizing applicant to apply on behalf of the corporation, club or association.
- 8. List of Directors and Officers or List of Partners.
- 9. Certificate of Good Standing for Corporation (If applicant is a corporation). Contact: Department of Justice and Public Safety 902-368-4509.
- 10. Indemnity Form.
- 11. Proof of compliance with the Fire Prevention Act. Contact: Provincial Fire Marshal's Office 902-368-4869.

FERMENT ON PREMISES POLICY MANUAL	Issue Date:	Revised:	Page No.
- Licensing	October 17, 2009	June 18, 2019	2.1

2.1 License Application Checklist (continued)

- 12. Proof of compliance with Public Health Act. Contact: Environmental Health 902-368-4970.
- 13. Canada Revenue Agency Approval Letter 902-426-5748.
 - * Ferment On Premises Registration.
- 14. Written support from the community in which the premises is located.
- 15. Proposed Hours of Operation form.

Once all information is received, a liquor inspector will complete an inspection prior to a final decision on your application. You will then be notified accordingly.

License Fee: License subject to \$400 annual license fee.

FERMENT ON PREMISES POLICY MANUAL	Issue Date:	Revised:	Page No.
- Licensing	October 17, 2009	June 18, 2019	2.1a

2.2 Premises

- a.) The licensee's facility must be maintained in a clean and sanitary condition as may be required by federal and provincial statutes and regulations or guidelines.
- b.) Proper production techniques are to be followed ensuring high standards of quality and other requirements are ongoing. Applicable information is available on the website of the Canadian Food Inspection Agency www.inspection.gc.ca
- c.) The production area and sales portion of the premises are to be separated by a full solid and/or glass wall.
- d.) Security of ingredients, final product and facilities is to be assured regarding burglary, sabotage and theft incidents.
- e.) The licensee shall maintain in the facility a minimum 300 square foot (27.87 square metres) retail storefront dedicated to wine and beer products and supplies.

2.3 Indemnity

The licensee shall indemnify the PEILCC of and from and against all actions, suites, claims and demands which may be brought against or made upon the PEILCC from and against all loss, costs, charges, damages an expenses which may be incurred, sustained or paid by the PEILCC arising out of the issuing of a license and the consumption of products pursuant thereto.

FERMENT ON PREMISES POLICY MANUAL	Issue Date:	Revised:	Page No.
- Licensing	October 17, 2009	May 16, 2017	2.2



INDEMNITY

	ent On Premises Policy Manual	Issue Date: October 17, 2009	Revised:	Page No.	
Applic	ant	Wit	ness		
DATE	D at, Prince Ed	ward Island, this	day of	_, 20	
This In	ndemnity enures to the benefit and b	inds the Licensee and	its successors and ass	signs.	
or rela	ted thereto.				
Licens	ee's operation of a Ferment On Pres	mises, and all activitie	es of the Licensee anci	illary	
causes	, claims, actions, and demands, for a	all injuries and damag	es, arising from or rel	ated to the	
The Li	censee hereby indemnifies and save	s harmless the Comm	ission from and again	st all	
operate	e a Ferment On Premises pursuant to	o a License issued by	the Commission.		
		("Licensee") ack	nowledges that it inte	nds to	
TO:	O: Prince Edward Island Liquor Control Commission (the "Commission")				

3.1 Posting Liquor License

The Ferment On Premises liquor license must be posted in a prominent location in the licensed area to ensure it is immediately available for review by liquor inspectors.

In addition, a "Notice to Customers" from the PEILCC must also be placed in a conspicuous location within the premises (see Appendix A).

3.2 Renewing Liquor License

Licensees are required to renew the license each year prior to May 31, and pay an annual license fee. Failure to renew is subject to immediate cancellation of the license.

3.3 Providing Information to the PEILCC

Licensees must be forthright in providing information to the PEILCC. Making a misleading statement or failing to disclose a material fact (such as ownership change) are licensing violations.

3.4 Keeping Records

The licensee must:

- a) maintain records of all ingredients purchased for use in the production of beer, wine, cider and coolers in the establishment;
- b) maintain records of all sales, invoices and customer declaration forms (see the section on Customer Responsibilities for more about declarations):
- c) make monthly returns to the PEILCC on forms prescribed by the Commission, showing accurately all information required thereon respecting the sale of products, proceeds from such sales, and other information which the PEILCC may deem necessary (Appendix B);
- d) ensure monthly returns are received by the PEILCC on or before the 20th of each month late and/or incomplete submissions shall be subject to a 3% interest charge for each month;
- e) keep a record of the volume of beer, wine, cider and wine coolers produced in the facility in the preceding twelve-month period this information will be required for license renewal each year (Appendix B);
- f) keep records in accordance with generally accepted accounting practices and normal business practice and such other records as may be required by the PEILCC;

FERMENT ON PREMISES POLICY MANUAL	Issue Date:	Revised:	Page No.
- Managing the Business	October 17, 2009		3.1

3.4 Keeping Records (continued)

- g) keep records for a period of seven years (prior to the current business year), and make them available upon request to the PEILCC;
- h) ensure production records specified by Revenue Canada Excise Department are adhered to.

3.5 Audit

- a) The PEILCC, its servants or agents, shall be permitted at any time, without notice to the licensee, to enter the premises to ensure, to the satisfaction of the PEILCC, that the operations comply with the provisions of the Act, Regulations, Policies or directives of the PEILCC.
- b) The licensee shall permit access to its records including, but not limited to, stocking and sales reports, and premises in order to permit an audit by authorized personnel acting on behalf of the PEILCC.
- c) the licensee and its employees shall cooperate fully with the PEILCC, its servants, and agents.

3.6 Employees

- a) The licensee shall comply with all applicable laws respecting employment, health & safety of employees.
- b) Minors are not to be employed. All employees shall be at least the age of majority (19 years of age or older), in good health as may be required by other legislation and are not to consume any alcoholic product while on duty.
- c) All staff, including owners, managers and store employees must possess a valid Responsible Beverage Server Certificate. Staff will have 30 days from the date of employment to obtain the Certificate or 30 days from the date of expiry of valid Certificate. Contact Holland College at 1-800-446-5265 or 628-4214 to register.

FERMENT ON PREMISES POLICY MANUAL	Issue Date:	Revised:	Page No.
- Managing the Business	October 17, 2009		3.2

3.7 Hours of Operation

The premises may be open to the public as follows, unless specified otherwise on the license:

Monday - Saturday: 9:00 a.m. - 10:00 p.m.

Sunday: 12:00 p.m. - 6:00 p.m.

Premises to be closed on Christmas Day.

No one but working staff is to be in the premises after the prescribed hours of operation.

3.8 Minors

Minors are prohibited from entering the premises unless accompanied by a parent or guardian, and may not manufacture liquor at the store or assist a parent or guardian in the production process.

3.9 ID Requirements

The onus of ensuring that a customer is of legal age is the responsibility of the licensee. Photo identification is a reliable means of confirming age, subject to the recommendations which follow:

- a) The PEI Liquor Control Commission considers the following forms of government issued, photo identification as acceptable for admittance to licensed premises:
 - Driver's License
 - Voluntary ID
 - Passport
 - Nexus Card
 - Canadian Permanent Resident Card
 - Status Indian Card
 - Military Photo ID
 - Firearms License
 - Photo card issued by other Liquor Boards

Note: Expired identification is not acceptable EXCEPT for the following:

- (i) an expired Driver's License along with the official renewal receipt may be accepted if presented within 30 days;
- (ii) Federal government issued Indian Status Card may be accepted if presented within one year of the expiry date.

FERMENT ON PREMISES POLICY MANUAL	Issue Date:	Revised:	Page No.
- Managing the Business	October 17, 2009	July 18, 2019	3.3

3.9 ID Requirements (continued)

- b) In cases where the information or picture is questionable, the Licensee shall ask for additional identification such as:
 - Birth or Baptismal Certificate
 - Non-expired Credit or Debit Card
 - Employee Photo ID
 - University Photo ID
 - Social Insurance Card
 - Diving License
 - Vehicle Registration
- c) Provincial Heath Card containing photo may be accepted as additional identification if voluntarily presented.
- d) Scanned (electronic) or photocopied identification are not acceptable.
- e) If a patron cannot produce the required identification, he/she must be ordered to leave the premises.
- f) Vouching by a Licensee for a patron who was requested to provide valid photo ID and was unable to do so is prohibited.

Licensees are encouraged (but not required) to retain identification that is clearly false and to turn it over to a liquor inspector. Where possible, the inspector will return the identification to the agency that issued it. (If the person insists the ID be returned, do so, but if possible take a photocopy of it first to give to the liquor inspector.)

3.10 Relations With Liquor Manufacturers and Agents

A licensee must not be financially associated in any way with a liquor manufacturer, registered agent or licensed establishment (bar, pub, restaurant, etc.) in PEI.

3.11 Making Changes to Liquor License

The details of a liquor license application - applicant, design and location of the premises, etc. - are critical factors in the decision to grant a license.

Any intended changes to these factors after a license is granted must be prior approved by the PEILCC. (This includes, for example, renovations to the premises, change in ownership, etc.)

FERMENT ON PREMISES POLICY MANUAL	Issue Date:	Revised:	Page No.
- Managing the Business	October 17, 2009	January 2, 2019	3.4

3.12 Renovations

Before any physical changes are made to licensed premises the following must be submitted to the Commission prior to the commencement of renovations or alterations:

- a) A floor plan outlining the proposed renovations or alterations; and
- b) A letter requesting licensing of the new area or the area to be renovated or altered.

Upon completion of the renovations or alterations, a licensee must request an inspection by the Fire Marshals' Office and any other authority as directed by the PEILCC and these reports must be filed with the Commission indicating that the premises conform to regulations. Also a final inspection by the PEILCC must be made before licensing can be expanded.

3.13 Selling to a New Owner

A liquor license is not transferable. A new owner will need to complete all of the application requirements for a Fermentation On Premises License.

The PEILCC may decide not to approve a license for the new owner if the PEILCC is in the process of taking enforcement action against the current licensee, or if a suspension notice has not been served.

FERMENT ON PREMISES POLICY MANUAL	Issue Date:	Revised:	Page No.
- Managing the Business	October 17, 2009		3.5

4.1 First Visit

At the first visit to the premises, each customer must:

- a) Pay for all of the ingredients prior to starting the manufacturing process. At a minimum, the payment must be for the cost of the ingredients as this is a necessary step to transfer ownership of the product from the licensee to the customer. Licensees may require payment of the service fee at this time or wait until the product is to be bottled. If the customer brings his or her own ingredients into the establishment, the licensee must require payment of the service fee before beginning the manufacturing process.
- b) Sign a declaration saying that he or she is using the product for personal use or for use at no charge by others, such as friends and family. The declaration should be printed either on the invoice or on a separate piece of paper attached to the invoice and should be of a font size clearly legible by customers, with a typeface at least 11 pt. or larger. Licensees must retain the declaration for audit purposes.

Sample Declaration:				
I, on this date have purchased the ingredients and started the fermentation in order to produce this product for my own personal use or by others at no charge.				
I will not resell this product nor provide it for use in a licensed premises or at an event under a special occasion permit.				

- c) Add the ingredients necessary to start the fermentation process. The degree of customer involvement will vary depending on the type of product being manufactured and the form it takes. For example:
 - **Beer/Wine/Cider kits:** The customer must pour the juice/concentrate into the fermentation vessel and add water (if required), yeast and any other necessary ingredients to the fermentation vessel.
 - **Juice barrels**: The customer must add the yeast and any other necessary ingredients to the barrel.
 - **Beer in kettles:** The customer must add the necessary ingredients (hops and malt extract) to the water in the kettle, let it cook and add yeast.

FERMENT ON PREMISES POLICY MANUAL	Issue Date:	Revised:	Page No.
- Customer Responsibilities	October 17, 2009		4.1

4.1 First Visit (continued)

- **Pre-made wort under Federal Wort License:** The customer must add yeast to the wort (which is prepared by the licensee).
- Commercially available prepackaged wort kits: Same as for beer/wine/cider kits.

4.2 Second Visit

At the second visit to the premises, each customer must:

- a) Wash and sterilize bottles. (This step can be performed off-site as well);
- b) Remove or deface any commercial winery or brewery labels on bottles. Defacing must include, at a minimum, putting a clearly visible and permanent dark felt pen marking across the label;

NOTE: using labeled corks from a commercial winery bottle is not permitted;

- c) Bottle and seal the product started in the customer's first visit;
- d) Affix labels or other decorative items to bottles, if any;
- e) Remove the product from the premises immediately after bottling. Bottled product may not be left on the premises for any reason, and Licensees are not permitted to deliver a customer's beer, wine, cider or coolers.

Note:

There are no restrictions on the size, sale or rental of bottles/containers. Customers may bring their own bottles/containers or buy/rent from the licensee.

4.3 Outside Assistance

The customer may ask for help during the production process from someone not associated with the licensee (friends and family of legal age, for example, may accompany the customer to help him or her complete the required steps).

If the customer is physically incapable of safely performing some of the steps a licensee may provide greater assistance. The customer is however to be informed to bring a friend or family member to help the next time.

FERMENT ON PREMISES POLICY MANUAL	Issue Date:	Revised:	Page No.
- Customer Responsibilities	October 17, 2009		4.2

5.1 After Customer's First Visit

The main responsibility of a licensee in the production process is to ensure that customers fulfil their responsibilities.

After a customer has completed his or her first visit, a licensee may oversee the fermentation, filtration, racking and aging of the product and get it ready for bottling. (Customers do not have to be involved in these steps, although they may be if you wish.)

5.2 Assistance

Licensees may help a customer by:

- a) holding the fermentation vessel while the customer pours in the ingredients;
- b) transferring the wort to the fermentation vessel;
- c) demonstrating the bottling mechanism and process by filling one bottle for the customer;
- d) demonstrating the corking/capping mechanism and process by corking/capping one bottle for the customer;
- e) demonstrating the labelling and shrink-topping procedures by labelling and shrink-topping one bottle for the customer;
- f) handing empty bottles to the customer while he or she fills the bottles;
- g) placing the filled bottles in cases;
- h) carrying the bottled product to the customer's vehicle.

5.3 Invoices

At the time of a customer's first payment, at his or her first visit, the licensee must provide the customer with an invoice and retain a copy for audit and inspection purposes. The invoice must include:

- the customer's name and telephone number
- the type and quantity of beer, wine, cider or coolers to be made
- the date and the amount of payment received from the customer, and
- the name, address and telephone number of the premises.

5.4 Carboy Tags

Licensees must attach a carboy tag or label to every carboy, fermentation vessel and barrel that clearly states the customer's real name (not an alias such as "Champagne Charlie"), date that the product was started, and customer invoice number. A licensee may also choose to include racking dates on the carboy tag.

FERMENT ON PREMISES POLICY MANUAL	Issue Date:	Revised:	Page No.
- Licensee Responsibilities	October 17, 2009		5.1

5.5 Barrel Aging

Barrel-aging service within the premises where more than one customer's product is placed in a barrel for aging after fermentation may be offered by a licensee.

When a licensee empties the barrel, pour the product back into carboys, and the customers must then return to the facility and complete all of the remaining steps such as bottling.

The licensee must also affix to the barrel the carboy tags of every customer whose product is stored in that barrel.

5.6 Topping Up

Some wine may be lost during the racking process and licensees are not to "top up" a customer's wine (add wine that was not made by the customer to a customer's carboy). To do so puts a licensee in the position of being an unlicensed manufacturer, and is not required to produce wine.

Customers may top up their own product, or request the licensee to do so, with a non-alcoholic substance such as water. Under no circumstances is wine previously made at the premises or commercially produced wine allowed to be brought into the premises.

5.7 Fortifying Product

Licensees cannot provide liquor of any nature and customers may not take into the premises and add to beer or wine or to the ingredients.

5.8 Customer Sampling

Customers may sample their own product prior to bottling to ensure taste acceptability.

Each customer may have up to two samples, each not exceeding 100 ml or approximately three ounces per batch (200 ml is the maximum sample per batch, regardless of the number of persons making the batch).

It is the responsibility of the licensee to ensure that customers do not consume quantities greater than this amount.

FERMENT ON PREMISES POLICY MANUAL	Issue Date:	Revised:	Page No.
- Licensee Responsibilities	October 17, 2009		5.2

5.9 Public Sampling

A ferment on premises facility is not a licensed liquor manufacturer, and as such licensees may not provide samples of finished product to the public either within the establishment

or elsewhere. (This restriction does not apply to the normal exchange or giving of product to friends or family outside the premises in a social setting devoid of commercial considerations or intent.)

Sampling parties in the establishment where kit manufacturers or others - including customers - provide finished product to the public, are not permitted.

5.10 Trading Racks and Product Exchange

"Trading racks" - where a customer leaves some of his or her product in the licensed establishment after bottling and takes another customer's product left behind in exchange - are not permitted. (Licensees are not allowed to store bottled product onsite)

Licensees also may not organise, post, or permit to be posted in the establishment any notices or lists that encourage product trading among customers or which provide an opportunity for customers to place their names and telephone numbers on a trading list.

The display of a sign-up board or similar device where customers interested in manufacturing a particular product can contact other interested persons to start and share a batch, is permitted.

5.11 Group Batches

If a group of people want to produce liquor together, the group may either split a single batch or more than one person may make several batches.

In either case, all of the customers who will take ownership of the product must:

- visit the premises and be involved in all the "first visit" steps of the production process
- have their names stated on the invoice, and
- sign a declaration.

(Without these steps, the customer or customers making the product would be in the position of illegally selling finished liquor.)

FERMENT ON PREMISES POLICY MANUAL	Issue Date:	Revised:	Page No.
- Licensee Responsibilities	October 17, 2009		5.3

5.11 Group Batches (continued)

At least one member of the group must return to bottle the product. After bottling, the members of the group may divide the product among themselves while on-site.

Groups may not enter into a co-operative or club arrangement whereby members bottle and take away product that was started by other members of the co-operative or club. Licensees may not invite customers to participate in a group batch organized by the establishment.

5.12 Employee Batches

A licensee and the staff may make beer, wine, cider or coolers on-site for their own consumption, provided:

- a) licensee prepares an invoice (even if there is no charge) and keeps a record of the production;
- b) the carboy tags are visually different (a different colour, for example) from those of regular customers;
- c) product is made during the normal licensing hours (product can be made within these hours even if the store is not open to the public);
- d) product is not consumed on-site (beyond the tasting limits outlined in this guide); and
- e) once bottled, the product is removed from the premises.

5.13 Unclaimed Product

If a customer does not return to the facility to bottle and remove the product he or she has made, the licensee must make a reasonable attempt to contact the customer. If, after a reasonable interval, the customer still cannot be reached, the licensee may destroy the product.

5.14 Customer Returns

If a customer returns product that is not satisfactory, a licensee may provide the customer with the opportunity to make a free or discounted batch of product, provided:

- a) the customer repeats all of the required production steps;
- b) the licensee prepares an invoice (even if there is no charge) and keeps record of the production;
- c) the customer signs a new declaration;
- d) the licensee affixes a carboy tag to the fermentation vessel; and
- e) the licensee destroys the unsatisfactory product.

FE	RMENT ON PREMISES POLICY MANUAL	Issue Date:	Revised:	Page No.
- L	icensee Responsibilities	October 17, 2009		5.4

5.14 Customer Returns (continued)

A licensee may not, under any circumstances, provide the customer with finished product that the customer did not produce to replace a batch that the customer returned.

5.15 Storage

All products must be stored on site. The federal Excise Act does not allow a secondary storage site.

FERMENT ON PREMISES POLICY MANUAL	Issue Date:	Revised:	Page No.
- Licensee Responsibilities	October 17, 2009		5.5

6.1 What May Be Advertised

Licensees may advertise the following without prior approval of the Commission:

- name, address and telephone number of the store;
- liquor license category;
- hours of operation; and
- a list of products and services sold, including kits, juices, ingredients and assistance in making beer or wine, along with the prices of the products and services.

Licensees may request approval from the Commission to advertise:

- any promotion that relates to making of beer or wine at the store;
- the availability of beer or wine at the store; or
- the price, on a per bottle basis, for making beer or wine at the store.

Licensees may not use any advertisements that:

- promote immoderate consumption;
- mention or imply that beer or wine is available for sale or exchange at the store;
- show people drinking, or appearing to drink liquor;
- show minors or any person who might reasonably be mistaken to be under the age of 19:
- imply that the customer does not make the product; or
- use slang words.

Licensees are responsible to ensure that advertisements comply with the Liquor Control Act and Regulations and all applicable Commission policies.

6.2 Where Licensees May Advertise

Licensees may advertise in newspapers, magazines and periodicals, or on television, radio or the Internet, provided the advertisement is directed to person over the age of majority.

6.3 Promotions and Discounts

Licensees may choose the prices for their products and may place ingredients on sale and advertise the sale, including the price, provided they conform to the Liquor Control Act and Regulations and all applicable Commission policies respecting advertising.

6.4 Signs

All signs are considered to be advertisements and must comply with municipal bylaws and the Liquor Control Act and Regulations and all applicable Commission policies.

FERMENT ON PREMISES POLICY MANUAL	Issue Date:	Revised:	Page No.
- Advertising and Promotion	October 17, 2009	June 20, 2017	6.1

7.1 Why PEILCC Inspects

Liquor inspectors conduct regular, unannounced inspections of licensed establishments to make sure licensees are following the Act, Regulations, Policies and license terms and conditions.

In addition, a liquor inspector may conduct an inspection in response to a complaint from a member of the public, another licensee, a local government, police or any other agency.

7.2 Entry of Liquor Inspectors

Licensees must give liquor inspectors immediate access to all areas of the premises on request. It is a serious violation to refuse or delay providing access.

7.3 Producing Documents and Records

A licensee must allow the PEILCC to inspect documents and records associated with the premises, including but not limited to:

- product sales records
- purchase and disposal records
- sales records, invoices and purchase receipts
- lease and management contracts related to the licensed establishment
- employee records
- any court orders or judgements against the license holder.

8.1 Suspension and Cancellation of Licenses

Refer to Section 27 of the Liquor Control Act Regulations for process and procedures.

8.2 Termination

The PEILCC may terminate the approval to operate a facility at any time if, in its opinion, the operation of the licensed premises is unsatisfactory or if the Liquor Control Act or the Regulations and directives of the PEILCC have been contravened.

8.3 Serving Customers While Under Suspension

If the enforcement process results in license suspension, the licensee may open the premises to allow existing customers to bottle their product (otherwise it may spoil), but may not let anyone start a new batch. Failure to abide by the suspension, including allowing the PEILCC to post suspension signs, is a serious contravention that could lead to an extended license suspension or cancellation of a Ferment On Premises liquor license.

FERMENT ON PREMISES POLICY MANUAL	Issue Date:	Revised:	Page No.
- Enforcement	October 17, 2009		8.1

8.4 Violation Examples

		Possible Period of Suspension (Days)				
Item	Violation	First Contravention	Second Contravention	Third Contravention	Subsequent Contravention	
1	failing to ensure that the customer performs the listed tasks	2 -3 days and/or \$1,000 - \$2,500 fine	6 -8 days and/or \$2,500 - \$5,000 fine	12 -16 days and/or \$5,000 - \$7,500 fine	Cancellation	
2 - 11	a) payment, acknowledgment and invoice required, b) licensee or employee production, c) storage requirements, d) no consumption other than tasting,	For each violation				
	e)customer required to bottle own product, f) removal of finished product required, g) minors, h) record keeping and reporting requirements, i) advertisements or j) hours of operation	1 - 2 days and/or \$500 - \$1,000 fine	2 - 4 days and/or \$1,000 - \$1,500 fine	4 - 8 days and/or \$1,500 - \$2,500 fine	Cancellation	
12	failing to ensure that beer or wine is not kept, offered or produced for sale.	6 -7 days and/or \$2,500 - \$5,000 fine	12 -14 days and/or \$5,000 - \$10,000 fine	24 -28 days and/or \$10,000 - \$20,000 fine	Cancellation	
13	permitting the sale, service or consumption of liquor while the licensee's license is under suspension.	6 -7 days and/or \$2,500 - \$5,000 fine	12 -14 days and/or \$5,000 - \$10,000 fine	24 -28 days and/or \$10,000 - \$20,000 fine	Cancellation	
14	a) obstruction or attempting to obstruct an entry or search by a PEILCC inspector or official	6 -7 days and/or \$2,500 - \$5,000 fine	12 -14 days and/or \$5,000 - \$10,000 fine	24 -28 days and/or \$10,000 - \$20,000 fine	Cancellation	

8.5 Canada Revenue Agency

A ferment on premises registrant who is guilty of an offence can be held liable under the Excise Act, 2001, for additional penalties.

FERMENT ON PREMISES POLICY MANUAL	Issue Date:	Revised:	Page No.
- Enforcement	October 17, 2009	July 18, 2013	8.2

APPENDIX A - PEILCC NOTICE TO CUSTOMERS

- Notice to Customers

Notice to Customers

This establishment is required to comply with the Liquor Control Act and Regulations and PEICC Policy which state that Ferment On Premises facilities are not licensed as liquor manufacturers.

Provincial liquor laws allow staff of this establishment to provide customers with the ingredients, equipment and advice they need to make their own beer, wine, cider or coolers. (They cannot take orders and supply customers with finished product because they are not licensed as liquor manufacturers.)

If a customer is physically incapable of safely performing some of the steps listed here, staff may provide greater assistance.

Customers must sign a declaration that the product is for their own personal use, they will not re-sell it, or supply it to a licensed premises or event, including one held under a special occasion permit.

Customers may sample their own product prior to bottling to ensure taste acceptability (100 ml or three fluid ounces).

For more information, contact the PEI Liquor Control Commission.



Phone: 902-368-5720

Address: 3 Garfield St., P.O. Box 967

Charlottetown, PE C1A 7M4

Web: www.peilcc.ca

CUSTOMERS are required by regulation to:

- ✓ Add the ingredients to the fermentation container
- **✓** Wash/sterilize bottles
- **✓** Remove or deface commercials labels
- **✓** Bottle and seal the product
- ✓ Immediately remove the product after bottling

APPENDIX B - LICENSEE RECORD SUBMISSIONS

- Monthly Production and Remittance
- Annual Production



ANNUAL PRODUCTION REPORT

		Reporting	g Period:
Name of Premises:			
Owner:			_
Address:			-
License Number:			-
Volume Produced (in litres)	1	2	3
Liquor Category	Volume Started	Volume Destroyed	Produced Volume
Beer			
Wine			
Ciders/Coolers		T	
a customer.3. "Volume produced" included and/or staff for their own of	des the volume of beer, wine consumption. It should not i Volume Started minus Volur	er, wine, cider or coolers, as we e, cider or coolers produced on- include products sold to custom me Destroyed equals Volume Paterry, etc.	-site by customers, the licensee ners to make liquor off-site,
Licensee Signature		Date	
	ons or makes a false or misleadi	e who fails to disclose a material fa ing statement commits an offence w	act required in accordance with the which could result in the
This form must be submitted to the PEI	LCC with the License Renewal Form	and licensing fee.	



FERMENT ON PREMISES MONTHLY PRODUCTION REPORT AND REMITTANCE FORM

	ŀ	or the Month _				
Name of Premise:						
Owner:						
Address:						
License Number:						
	1	2	3			
Liquor Category	Volume Started (in litres)	Volume Destroyed (in litres)	Volume Produced (in litres)	Amount per unit	Total	
Beer				\$0.75/litre	\$	
Wine				\$0.75/litre	\$	
Ciders/Coolers				\$0.75/litre	\$	-
Subtotal					\$	1
HST					\$	
Total amount due	to PEILCC				\$	
yet finished ferr 2. "Volume Destro a customer. 3. "Volume product and/or staff for the	d" includes all be mentation or both byed" includes a ced" includes the their own consumeremises. Volun	eer, wine, cider and thing. Il spilled or spoile evolume of beer, mption. It should the Started minus V	nd coolers started d beer, wine, cide wine, cider or co not include produced olume Destroye	within the report er or coolers, as we olers produced or ucts sold to custo	ting period, eve well as any lique n-site by custon mers to make li	or not claimed by
Licensee Signature			Date			