



Excise Duty Notice

Under the *Excise Act*

EDBN20

June 2014

Budget 2014 – Amendment to the *Importation of Intoxicating Liquors Act* for the Movement of Beer between Provinces

As indicated in the Federal Budget of February 11, 2014, the Government of Canada is taking action within its jurisdiction to strengthen internal trade by removing the barriers to the movement of goods within Canada and by introducing further amendments to the *Importation of Intoxicating Liquors Act* so that Canadians will be allowed to move beer and spirits between provinces for their personal use. These changes were included in Bill C-31, *An Act to implement certain provisions of the budget tabled in Parliament on February 11, 2014 and other measures*, which received Royal Assent on June 19, 2014.

The taxation and regulation of beer and spirits is the responsibility of both the federal and provincial governments. As such, it is important to note that the amendment to the *Importation of Intoxicating Liquors Act* without appropriate provincial legislative or regulatory authorization will not automatically permit individuals to move beer and spirits interprovincially or to place orders with breweries or distilleries by telephone or Internet.

The information in this notice is for reference purposes only and does not replace the *Excise Act* (Act) or its regulations. Should there be any discrepancy between the information in this notice and that contained in the Act or its regulations, the legislative provisions apply. As the information in this publication may not completely address your particular situation, you may wish to refer to the Act or appropriate regulation, or contact any Canada Revenue Agency regional excise duty office for additional information. These offices are listed in Excise Duty Memorandum EDM1.1.2, *Regional Excise Duty Offices*.

What is the *Importation of Intoxicating Liquors Act*?

The *Importation of Intoxicating Liquors Act* (IILA) is a federal statute governing the interprovincial transportation and international importation of intoxicating liquors. The IILA was enacted in 1928 at the request of the provinces after the repeal of their liquor prohibition laws. This legislation controls and restricts the movement of liquor from one province to another, as well as its importation into Canada. By requiring that importations be made by provincial liquor authorities, the IILA provides provinces with the umbrella of federal authority to control imports into their jurisdictions.

Importations of alcohol into the territories are governed by the federal enabling statute for each territory.

The amendment

On June 28, 2012, an amendment to subsection 3(2) of the IILA was made by adding paragraph (h) to allow Canadians to take wine across provincial boundaries for their personal use. Paragraph 3(2)(h) of the IILA has been further amended to add beer and spirits.

Amended paragraph 3(2)(h) reads as follows:

(h) the importation of wine, beer or spirits from a province by an individual, if the individual brings the wine, beer or spirits or causes them to be brought into another province, in quantities and as permitted by the laws of the other province, for his or her personal consumption, and not for resale or other commercial use.

La version française de la présente publication est intitulée *Budget 2014 – Modification à la Loi sur l'importation des boissons enivrantes pour le transport de la bière d'une province à une autre*.



Canada Revenue
Agency

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Overview

The amendment removes the federal barrier prohibiting individuals from moving beer from one province to another when it is for their personal use. While the federal impediment has been removed, there is no change to the province's authority to set limits on personal importations of beer.

The provincial authorities include the ability to set limits relating to:

- quantities;
- means of access such as accompanying the person, direct-to-consumer sales by Internet or telephone, etc.;
- age limits;
- social needs such as respecting dry zones.

The amendment does not affect the federal or provincial authority to tax beer. This means that it does not create an exemption from federal or provincial duties, fees, taxes or mark-ups, etc.

Impact on federal regulations for licensed brewers

There are no changes to either the federal taxation or regulation of beer. There will be no change to the reporting of beer transactions by licensees under the federal *Excise Act*.

Impact on provincial regulations for beer

The amendment does not affect the provincial regulation of beer. The provinces maintain the authority to regulate the possession, movement and sale of beer into their jurisdictions.

Impact on territorial regulations for licensed brewers

The amendment does not affect the territorial regulation of beer, as the IILA does not govern the importation or movement of beer into the territories.

Impact on foreign beer

There is no change for the importation of foreign beer into Canada. Other countries continue to have access to the Canadian market for non-commercial shipments of beer in accordance with the *Customs Act*, the IILA and agreements between provinces and the Canada Border Services Agency.

Once legally imported into Canada, foreign beer will be provided the same interprovincial treatment as domestic beer, in accordance with provincial requirements.

Further information

Specific information relating to the movement of spirits within Canada for personal use is available in Excise Duty Notice EDN38, *Budget 2014 – Amendment to the Importation of Intoxicating Liquors Act for the Movement of Spirits between Provinces*.

Specific information relating to the movement of wine within Canada for personal use is available in Excise Duty Notice EDN31, *Amendment to the Importation of Intoxicating Liquors Act*.

The *Importation of Intoxicating Liquors Act* is available at <http://laws.justice.gc.ca/eng/acts/I-3/index.html>.

For more information on this subject, contact your nearest regional excise duty office. A list of regional excise duty offices is available in Excise Duty Memorandum EDM1.1.2, *Regional Excise Duty Offices*.

All technical publications related to the <i>Excise Act</i> and its regulations are available on the CRA website at www.cra.gc.ca/exciseduty , under the title "Excise Act – Technical Information".
