

# Excise Duty Memoranda Series

## 3.1.4 Alcohol Registrants

June 2003

### Overview

The *Excise Act, 2001* (the “Act”) requires a person to obtain an alcohol registration in order to store and transport alcohol. This memorandum provides an overview of the obligations and entitlements of persons who may become alcohol registrants.

### Disclaimer

The information in this memorandum does not replace the law found in the Act and its Regulations. It is provided for your reference. As it may not completely address your situation, you may wish to refer to the Act or its Regulations, or contact any Canada Customs and Revenue Agency (CCRA) tax services office for additional information.

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## Requirement for an alcohol registration

1. The Act imposes strict controls over the possession and distribution of bulk alcohol and specially denatured alcohol.

Meaning of “alcohol”  
s 2

2. “Alcohol” means spirits or wine.

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La version française de ce document est intitulée *Détenteurs autorisés d'alcool*.



Canada Customs  
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Canada

### 3.1.4 Alcohol Registrants

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Meaning of “bulk alcohol” s 2	3. “Bulk alcohol”, in relation to spirits and wine, means spirits or wine that have not been packaged.
Meaning of “specially denatured alcohol” s 2	4. “Specially denatured alcohol” means any prescribed grade of specially denatured alcohol made from spirits in accordance with the prescribed specification for that grade.
Meaning of “packaged”, “mark” and “special container” s 2	5. “Packaged” alcohol, in relation to spirits and wine, means alcohol packaged in a container of not more than 100 litres in capacity, ordinarily sold to a consumer, or in a marked special container. A marked special container must be marked in the prescribed form and manner. In respect of spirits, marked special containers are containers of more than 100 litres but not more than 1,500 litres in capacity. In respect of wine, marked special containers are containers of more than 100 litres. These topics will be further discussed in Excise Duty Memoranda 3.8.1, <i>Special Containers of Spirits</i> , and 4.8.1, <i>Special Containers of Wine</i> .
Alcohol registration s 2 and 17	6. The Act provides for the issuance of an alcohol registration, which authorizes a person to store or transport bulk alcohol or specially denatured alcohol. A person possessing an alcohol registration is called an alcohol registrant.

### Possession of alcohol

Storage and transportation para 70(2)(d) and 97(2)(e)	7. The legislation permits an alcohol registrant to possess, for purposes of storage or transportation: <ul style="list-style-type: none"><li>• bulk alcohol, on behalf of a spirits licensee, wine licensee or a licensed user; or</li><li>• specially denatured alcohol, on behalf of a spirits licensee or specially denatured alcohol registrant.</li></ul>
Storage function	8. In the case of specially denatured alcohol, the storage function provided by an alcohol registrant must form an integral part of the whole transportation service, and not be a function on its own.
Responsibility for bulk spirits and wine s 104, 113, 133 and 134	9. Although an alcohol registrant may possess bulk spirits or bulk wine, the spirits licensee, wine licensee or licensed user who owns, last owned, produced, or imported the alcohol remains liable for the excise duty at all times.
Prohibition – ownership of bulk alcohol s 69	10. A person may only own bulk alcohol that was produced or imported in accordance with the Act.
Accountability for losses s 127 and 138	11. The spirits licensee, wine licensee or licensed user who owns the bulk alcohol and on behalf of whom it is being transported remains accountable for any losses that may occur while the goods are in the possession of an alcohol registrant.

12. Additional information on the transportation of alcohol will be available in Excise Duty Memoranda 3.3.1, *Transportation of Spirits*, and 4.3.1, *Transportation of Wine*. Information on who is responsible for bulk alcohol will be available in Excise Duty Memoranda 3.2.2, *Imposition and Responsibility for Excise Duty on Spirits*, and 4.2.2, *Imposition and Responsibility for Excise Duty on Wine*.

### Obtaining an alcohol registration

13. Instructions and requirements for obtaining an alcohol registration are provided in Excise Duty Memorandum 2.4.1, *Obtaining a Registration*.

### Limitations of alcohol registrants

14. Alcohol registrants may only store and transport bulk spirits, bulk wine or specially denatured alcohol on behalf of spirits licensees, wine licensees, licensed users or specially denatured alcohol registrants. Alcohol registrants are not permitted to do anything else with the bulk alcohol or specially denatured alcohol in their possession.

### Maintaining records and filing returns

Keeping records  
ss 206(1)

15. Every registrant under the Act is required to maintain all records that are necessary to determine whether they are in compliance with the Act.

16. Additional information on the requirement to maintain books and records is available in Excise Duty Memorandum 9.1.1, *General Requirements for Books and Records*.

Filing returns  
s 161

17. The requirement to file returns does not apply to alcohol registrants unless they have excise duty to remit for a fiscal month.

### Offences and penalties

Failure to comply

18. If an alcohol registrant fails to comply with the restrictions of their alcohol registration, they may be guilty of an offence or subject to a penalty under the Act.

19. Additional information on offences and penalties will be provided in Excise Duty Memoranda 3.9.1, *Spirits-Related Offences and Penalties*, 4.9.1, *Wine-Related Offences and Penalties*, 5.9.1, *Denatured and Specially Denatured Alcohol-Related Offences and Penalties*, and 12.9.1, *Administrative Offences and Penalties*.

All of the memoranda in the Excise Duty Memoranda Series will be available on the CCRA Web site at <http://www.ccra-adrc.gc.ca/tax/technical/act2001-e.html>