Entering the Canadian Market: Key Regulatory and Compliance Considerations for Whisky and Spirits

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Canada represents an attractive but highly regulated market for whisky and spirits producers. Companies entering the Canadian market must navigate a complex framework spanning both federal and provincial rules. Federal laws govern matters such as production standards, food safety, excise duties and labelling, while provinces control how alcohol is distributed, sold, marketed and priced within their jurisdictions. Each province operates its own liquor authority and regulatory regime, meaning market entry strategies often need to be tailored accordingly. This guide highlights key regulatory and compliance considerations for whisky and spirits companies seeking to bring their products into Canada.

<u>We are pleased to support your business activities in Canada. If you have questions with respect to any portion of the below or require further information on a topic not addressed here, please do not hesitate to contact us.</u>

Category	**Question**	**Answer**
Core framework	What is the primary regulatory framework governing alcohol and spirits in Canada?	Alcohol is regulated through a dual federal-provincial regime. At the federal level, the *Food and Drugs Act*, *Food and Drug Regulations*, *Safe Food for Canadians Act*, and *Consumer Packaging and Labelling Act* govern production, safety and labelling. Provinces regulate distribution, retail sales and marketing through provincial liquor legislation and liquor authorities. For example, in Ontario, the Alcohol and Gaming Commission of Ontario; in Quebec, the Régie des alcools, des courses et des jeux; and in British Columbia, the British Columbia Liquor Distribution Branch are responsible for regulating the distribution, sale and marketing of beverage alcohol products in their respective provinces.

Product classification	How are spirits and whisky classified under Canadian law?	“Spirits” generally means any material or substance containing more than 0.5% absolute ethyl alcohol by volume, excluding beer, wine, vinegar, denatured alcohol and certain other non-beverage or waste products. “Whisky” generally refers to a spirit distilled from fermented grain mash and aged in wood.
Federal production licensing	Are licences required to manufacture or process spirits in Canada?	**Yes** – entities that distil, process, blend or package spirits in Canada must hold an excise spirits licence. Entities that warehouse spirits in Canada must have an excise warehouse licence. In both cases, licences are issued by the Canada Revenue Agency under the *Excise Act, 2001*.
Distillation restrictions	Is unlicensed distillation of spirits permitted in Canada?	**No** – distilling spirits without a licence is prohibited under the *Excise Act, 2001*, including for personal or small-scale production.
Importation and market entry	Can foreign alcohol producers import spirits directly into Canada for sale?	**No** – spirits must generally be imported by a licensed Canadian importer acting on behalf of the applicable provincial liquor authority and distributed through provincial liquor systems.
Provincial distribution regimes	How are alcohol products distributed within Canadian provinces?	Most provinces operate government-controlled wholesale systems for the distribution of beverage alcohol to licensed retailers and licensed on-premises locations (bars and restaurants). In Ontario, distribution occurs through the Liquor Control Board of Ontario; in Quebec, the Société des alcools du Québec; and in British Columbia through the BCLIQUOR. Retail sales of beverage alcohol differ from province to province, but are typically conducted through government stores and, on a more limited basis, through licensed private retailers. Spirits that are manufactured in a Canadian province under the authority of a spirits excise licence may be sold to the provincial liquor authority in that province if the manufacturer also holds a manufacturer’s licence issued by the applicable provincial liquor authority. If spirits are manufactured outside the province in

		which they are to be sold, whether in another Canadian province or outside Canada, the manufacturer must hold a manufacturer's representative licence issued by the provincial liquor authority to solicit orders for products, or have a duly licensed agent solicit orders on its behalf.
Liquor board listing requirements	Must spirits be approved by provincial liquor boards before sale?	**Yes** – spirits generally must be listed and approved by the applicable provincial liquor authority before they can be sold to retailers, restaurants or bars. Each authority maintains its own listing, pricing and product submission processes.
Excise duties	Are spirits subject to federal excise duties in Canada?	**Yes** – spirits are subject to federal excise duties calculated based on litres of absolute ethyl alcohol contained in the product under the *Excise Act, 2001*.
Labelling requirements	Are there mandatory labelling requirements for alcoholic beverages in Canada?	**Yes** – alcohol labels must generally include the product name, net quantity, alcohol by volume, country of origin and the name and address of the responsible manufacturer or importer.
Bilingual packaging	Must alcohol product labels be bilingual in Canada?	**Yes** – key information on alcohol labels must appear in both English and French under Canadian packaging and labelling laws.
Advertising and promotion	Are alcohol advertising and marketing activities regulated in Canada?	**Yes** – alcohol advertising must comply with federal law and provincial liquor authority policies and regulations. Generally, marketing beverage alcohol in any Canadian province must not target minors, promote excessive consumption or associate alcohol with driving or other activities requiring skill, care or a high degree of alertness, or involving an obvious element of danger.
Canadian whisky standards	Are there specific legal requirements for products labelled as "Canadian whisky"?	**Yes** – to be labelled Canadian whisky, Canadian rye whisky or rye whisky, the spirit must be mashed, distilled and aged in Canada in small wood barrels for at least three years. Canadian regulations also permit blending with other spirits or flavouring, provided the final product maintains the aroma, taste and character generally attributed to Canadian whisky.

Navigating Canada's alcohol regulatory framework requires careful co-ordination across federal and provincial regimes. At Aird & Berlis, we regularly advise domestic and international clients in the food and beverage sector, including businesses involved in the production, importation, distribution and marketing of alcoholic beverages. Our team assists with regulatory compliance, market entry strategy, licensing and ongoing operational matters.

Have more questions about doing business in Canada? Please [click here]() or scan the QR code to access Aird & Berlis LLP's Market Expansion Dashboard, your one-stop-shop for market expansion resources.

Contacts

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Fiona has extensive experience advising international businesses entering the Canadian market. To date, she has advised more than 100 companies expanding into Canada. Fiona advises clients in this space all day, every day. She has been practising for more than a decade and is a regular speaker and writer on market expansion matters. Fiona is proud to have been recognized by *The Best Lawyers in Canada, The Canadian Legal Lexpert Directory* and *Benchmark Canada.*

A proactive and comprehensive approach is required to succeed in a new market. Fiona manages teams of other lawyers and patent agents to provide her clients with a full range of legal services to help their businesses grow. She acts as project manager to ensure her clients receive seamless legal services in all relevant areas.

Fiona takes great care to understand her clients' businesses and deliver advice that is tailored to meeting their specific needs. Her responsiveness, dedication to clear communication and hands-on approach show that she is personally invested in the success of her clients.

Fiona is pleased to offer a multitude of resources answering often- asked questions about expanding into Canada, including this video and this one-page guide.

Matthew Hibbert

Partner

Matthew is a member of the firm's Corporate Group. His practice focuses on complex corporate and commercial matters, including joint ventures, reorganizations and commercial agreements related to supply, distribution, manufacturing and promotion. Matthew also has extensive experience in public and private mergers and acquisitions. His clientele comprises a range of public and private companies, including startups, in various regulated industry sectors.

Prior to joining Aird & Berlis, Matthew was a partner and former Head of the Business Law Department at an international law firm, where he also co-chaired two practice groups. Additionally, Matthew has a strong background in the food and beverage sector, including alcohol regulatory work.

Emily Naveenan

Former Articling Student

Emily summered at the firm in 2024. She recently graduated from the dual Honours Bachelor of Commerce and Juris Doctor (French Common Law section) program at the University of Ottawa, finishing in the top 10% of her class. During her legal studies, she received the Blake, Cassels & Graydon LLP Prize for academic excellence in Business Associations, the Wildeboer Dellelce LLP Business Law Scholarship and the Rovinescu Award of Excellence for Community Service.

Before joining Aird & Berlis, Emily worked at the Office of the Minister of Justice and Attorney General of Canada and interned at the Office of the Law Clerk and Parliamentary Counsel at the Senate of Canada.