

**ANNEX 30-B**

**AMENDMENTS TO THE 1989 ALCOHOLIC BEVERAGES AGREEMENT AND  
THE 2003 WINES AND SPIRIT DRINKS AGREEMENT**

*SECTION A*

Article 1 of the 1989 Alcoholic Beverages Agreement, as amended by Annex VIII to the 2003 Wines and Spirit Drinks Agreement, shall have the following definition added:

““competent authority” means a government or commission, board or other governmental agency of a Party that is authorised by law to control the sale of wines and distilled spirits.”

*SECTION B*

Article 2.2(b) of the 1989 Alcoholic Beverages Agreement, as amended by Annex VIII to the 2003 Wines and Spirit Drinks Agreement, is replaced with:

“(b) requiring off site private wine store outlets in Ontario and British Columbia to sell only wines produced by Canadian wineries. The number of these off site private wine store outlets authorised to sell only wines produced by Canadian wineries in these provinces shall not exceed 292 in Ontario and 60 in British Columbia.”

*SECTION C*

Article 4 of the 1989 Alcoholic Beverages Agreement, as amended by Annex VIII to the 2003 Wines and Spirit Drinks Agreement, is replaced with:

“Article 4

Commercial Treatment

1. Competent authorities shall, in exercising their responsibilities for the purchase, distribution and retail sale of products of the other Party, adhere to the provisions of GATT Article XVII concerning State trading enterprises, in particular to make any such decisions solely in accordance with commercial considerations and shall afford the enterprises of the other Party adequate opportunity, in accordance with customary business practice, to compete for participation in such purchases.
2. Each Party shall take all possible measures to ensure that an enterprise that has been granted a monopoly in the trade and sale of wines and spirit drinks within its territory does not use its monopoly position to engage, either directly or indirectly, including through its dealings with its parent, subsidiaries or other enterprises with common ownership, in the sale of wine and spirit drinks in a market outside the territory where the enterprise has a monopoly position that causes an anti-competitive effect causing an appreciable restriction of competition in that market.”

*SECTION D*

Article 4a of the 1989 Alcoholic Beverages Agreement, as amended by Annex VIII to the 2003 Wines and Spirit Drinks Agreement, is replaced with:

“4a – Pricing

1. Competent authorities of the Parties shall ensure that any mark-up, cost of service or other pricing measure is non-discriminatory, applies to all retail sales and is in conformity with Article 2.
2. A cost of service differential may be applied to products of the other Party only in so far as it is no greater than the additional costs necessarily associated with the marketing of products of the other Party, taking into account additional costs resulting from, *inter alia*, delivery methods and frequency.
3. Each Party shall ensure that a cost of service is not applied to a product of the other Party on the basis of the value of the product.
4. The cost of service differential shall be justified in line with standard accounting procedures by independent auditors on the basis of an audit completed on the request of the other Party within one year of the entry into force of the 2003 Wines and Spirit Drinks Agreement and thereafter on request of that Party at intervals of not less than four years. The audits shall be made available to either Party within one year of a request being made.
5. Competent authorities shall update cost of service differential charges, as required, to reflect the commitment made in subparagraph 4a(2).
6. Competent authorities shall make available applicable cost of service differential charges through publicly accessible means, such as their official website.
7. Competent authorities shall establish a contact point for questions and concerns originating from the other Party with respect to cost of service differential charges. A Party will respond to a request from the other Party in writing within 60 days of the receipt of the request.”

#### *SECTION E*

The 1989 Alcoholic Beverages Agreement, as amended by Annex VIII to the 2003 Wines and Spirit Drinks Agreement, is modified by adding Article 4b:

“Article 4b

Blending Requirements

Neither Party may adopt or maintain any measure requiring that distilled spirits imported from the territory of the other Party for bottling be blended with any distilled spirits of the importing Party.”

#### *SECTION F*

The 2003 Wines and Spirit Drinks Agreement shall be amended as follows:

- (a) Article 27.3 (Joint Committee), first indent, is replaced with “adopting amendments to the Annexes of this Agreement by means of a decision by the Joint Committee.”
- (b) Title VIII (Dispute settlement) is deleted;
- (c) The last two sentences of Article 8.1 (Objection procedure) are replaced with “A Contracting Party may seek consultations as provided under Article 29.4 (Consultations) of the Canada-European Union Comprehensive Economic and

Trade Agreement (“CETA”). If the consultations fail to resolve the matter, a Contracting Party may notify, in writing, the other Contracting Party of its decision to refer the issue to arbitration under Articles 29.6 through 29.10 of CETA.”

- (d) Article 9.2 (Modification of Annex I), is replaced with: “By way of derogation from paragraph 1, if a Contracting Party has invoked the objection procedure provided for in Article 8 (Objection procedure), the Contracting Parties shall act in accordance with the outcome of the consultations, unless the matter is referred to the arbitration procedure under Articles 29.6 through 29.10 of CETA, in which case:
- (e) When Articles 29.6 through 29.10 of CETA are applied in the course of the procedure referred to in Article 9.2 of the 2003 Wines and Spirit Drinks Agreement, they shall apply *mutatis mutandis*.”