



Information Bulletin

To all agents, suppliers and commercial delegations

Montreal, June 14 2006 – As stipulated in the budget presented by the Government of Canada last May 2nd, the Goods and Services Tax (GST) will be reduced of 1% and the Excise Tax applied on wine, beer and spirits will be increased as of July 1st 2006. The complexity of the Excise Tax application procedures forces the *Société des alcools du Québec* (SAQ) and many members of the Canadian Association of Liquor Jurisdictions (CALJ) to clarify the procedures with the Canada Revenue Agency, the federal organization mandate to apply taxes and Excise Tax. Negotiations are currently in progress.

Therefore, **on July 1st 2006, the SAQ will only apply the reduction of the GST on its products.** The increase of the Excise Tax may be applied in a few months, according to the ongoing negotiations with the Government. The SAQ foresees to tally the increase of the Excise Tax with the Price change request schedule and will inform its suppliers of the application procedure concerning that increase in a reasonable delay.

In order for the Quebecer customers to appreciate the reduction of the GST on their shopping baskets, the SAQ consulted the *Association québécoise des agences de vins, bières et spiritueux* (AQAVBS) and obtained their support in not accepting any price change requests from its suppliers for the two next scheduled dates of retail price change planned for July 19 and August 16 2006. Only decreases will then be accepted.

As stipulated in its strategic plan, the SAQ has for top priority the best interest of its customers and therefore wishes that they fully benefit from the reduction of the GST and from the status quo on the increase of the Excise Tax during summer time.

For more information, please contact the **Service d'Assistance aux Relations d'Affaires** (Business Relations Assistance Department) by e-mail, at sara@saq.qc.ca or by phone, at 514 254-2711.