



AGLC Payment Collection

The table below outlines the potential positives and potential challenges for the proposed changes to the way AGLC and manufacturers will collect payments, GST and markups.

Once in place payments for direct sales will go directly to the manufacturer who will, in turn, send GST and markup payments to AGLC.

Sales through warehouses and Connect Logistics will not change.

Positives	Challenges
Manufacturers will receive payment directly from all direct sales	Collection of payments will lie solely with manufacturer
AGLC will continue to enforce license suspension for delinquent payments	Offering credit to licensees may become common practice, against AGLC rules
Flexibility of payments for the customer	Delinquent payments could strain cash flows leading to inability to pay AGLC markups
Simplification of banking and submissions to AGLC	Inducements could become more common decreasing competitive ability
Takes AGLC out of the middle of a transaction	AGLC's enforcement requirements could increase, creating backlogs and reduced responsiveness
Brings Alberta more in line with British Columbia and Ontario systems, which have been in effect for several years	Could require hiring an AR position

*This table is not exhaustive of potential effects of the new payment plan.