



COMMONWEALTH of VIRGINIA

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CIRCULAR LETTER 01-2

TO: EACH WINE WHOLESALER, WINE IMPORTER, BEER WHOLESALER AND BEER IMPORTER OF ALCOHOLIC BEVERAGES

SUBJECT: COUPONS

We have discovered some wholesalers are distributing manufacturer instant discount coupons that are not approved for use in Virginia. In some cases the coupons state they are legal in Virginia, but they are not.

3 VAC 5-20-90 allows manufacturers of alcoholic beverages to use only **refund** (by mail), **not discount** (at point of sale) coupons. The refund coupons may not exceed 50% of the normal retail price and may **not be honored at a retail outlet**, but shall be mailed directly to the manufacturer or its designated agent by the customer. Such agent may not be a wholesaler or retailer of alcoholic beverages.

Manufacturers of products other than alcoholic beverages may provide instant discount coupons only if the product being discounted is not an alcoholic beverage and the manufacturer of that other product reimburses the retailer for the coupon, not the manufacturer of alcoholic beverages. The alcoholic beverage manufacturer may have their brand name advertisement on the coupon, but the manufacturer of the other product (such as a food item) is the one who reimburses the retailer for its use.

HELD: Any manufacturer coupons that are designed for instant discount to the consumer and reimbursement from the alcoholic beverage manufacturer to the retailer must be removed immediately to avoid charges against the manufacturer, wholesaler and retailer.

INQUIRIES: Any inquiries or concerns should be directed to SAC Shawn P. Walker, Compliance Unit, P. O. Box 27491, Richmond, VA 23261.

W. Curtis Coleburn, III
Chief Operating Officer/Secretary To The Board