



STATE OF NEW JERSEY

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Instructions for New Jersey Retail Licensees in Bill and Hold arrangements with Wholesalers

1. Pursuant to the Special Ruling dated June 12, 2015, all Bill and Hold arrangements for goods entered into after January 1, 2016 *and* all goods presently in Bill and Hold arrangements as of that date, shall be subject to the rules as set forth in the Ruling.
2. As of January 1, 2016 ALL Bill and Hold goods shall be delivered to the Retail Licensee no later than 75 days (or the 1st business day following the 75th day) from the issuance of the invoice.
 - a. Goods in Bill and Hold prior to January 1, 2016 have a maximum of 75 days to be delivered from January 1, 2016.
3. A Certification shall be completed by the Retail Licensee and submitted to each Wholesaler with whom they have Bill and Hold arrangements annually.
 - a. The Certification shall be in a format prescribed by the Director, and is available on the Division of Alcoholic Beverage Control's Website.
 - b. This Certification shall be submitted to each Wholesaler, with an exact copy also submitted to the Division of Alcoholic Beverage Control.
 - c. The Certifications will be filed annually on July 1st, and shall govern the following license term, ending June 30th.
 - d. Please note that because the June 12, 2015 Special Ruling takes effect mid License Term, the first Certification is due no later than January 1, 2016, and shall govern the period of January 1, 2016 through June 30, 2016. Thus, the first full Certification filing will be due no later than July 1, 2016, and shall govern the following License Term.



- i. Ex. On July 1, 2016, a Certification shall be submitted to each Wholesaler, with whom a Retailer shall engage in a Bill and Hold arrangement during the following license term (July 1, 2016 through June 30, 2017).
 - ii. Copies of the above-mentioned Certifications shall be forwarded to the Division.
- 4. Consistent with the needs of the industry, a 24-hour grace period shall be established from the time a purchase is placed to the time when Bill and Hold storage charges accrue. This grace period acknowledges that orders often change, and aims to avoid inadvertent administrative errors.
- 5. Failure to make delivery in the timeframe established in the June 12, 2015 Special Ruling may constitute a violation of N.J.A.C. 13:2-24.1 and 24.4, in that it is discriminatory and a violation of the terms of sale.
- 6. Furthermore, a Retailer's failure to accept delivery of the product by the required date may constitute a violation of the terms of sale, which will require the Wholesaler to comply with provisions of N.J.A.C. 13:2-24.4 et seq and place the Retailer on "COD" status.
- 7. Lastly, it should be noted that if violations of the Special Ruling occur, the penalty may include a license suspension by the Division, and a prohibition of participating with Bill and Hold in the future.