

#### **14B NCAC 15C .0709 PROHIBITED TRADE PRACTICES**

(a) General. It shall be a violation of this Rule for any alcoholic beverage (including malt beverages, wines and spirituous liquors) industry member, whether or not licensed in this state, or any officer, director, employee or affiliate, to either directly or indirectly lend, give, furnish or offer to any retail permittee or his employee, or to the owner of the premises on which the business of a retailer is conducted, or for any retail permittee, employee, or owner to demand, require or accept from any industry member, any money, services, furniture, fixture, equipment, sign, glasses, barware, supplies or other thing of value, except as provided in this Rule.

(b) Prohibited Services. By way of illustration, the following services shall not be furnished, given, provided or made available to a retail permittee by an industry member, even if the retailer is charged or billed for the services for their market value:

- (1) installing, repairing or maintaining equipment, outdoor signs or other fixtures;
- (2) promoting a retailer in advertising;
- (3) reconciling inventory for a retailer;
- (4) providing labor or employees to assist a retailer in the retailer's promotional events unless otherwise allowed in the rules of the Commission;
- (5) loaning or renting aerial displays or outdoor inflatables to a retailer for use, whether on or off the retailer's licensed premises;
- (6) pricing or repricing a product without the retailer's consent;
- (7) warehousing, by:
  - (A) making refrigerated vehicles available to the retailer; or
  - (B) delaying delivery from a manufacturer, importer, nonresident vendor or warehouse in order to enable the retailer to take advantage of promotional prices or for any other reason;
- (8) affixing special retailer stamps or stickers to beer or wine packaging, but a wholesaler may affix signs, stickers, stamps, or tags indicating the product's price to a container, shelf or display of its products;
- (9) entering delivery data on a retailer's in-store computer;
- (10) providing data processing services;
- (11) sponsoring sports leagues that are also sponsored by a retailer, or that use the facilities of a retailer for sporting events;
- (12) guaranteeing the loan of a retailer;
- (13) extending credit to a retailer;
- (14) failing to require a deposit equal to that charged by the supplier on kegs and returnable bottles; or
- (15) negotiating special prices for or financing of equipment.

(c) Prohibited Things of Value. By way of illustration, the following things of value shall not be furnished, given, loaned, rented or sold to a retail permittee by any industry member:

- (1) aerial displays or tethered inflatables;
- (2) parties given for retailers or groups of retailers' employees, unless otherwise allowed by the rules of the Commission;
- (3) prizes at retailer conventions;
- (4) advertising in a retailer periodical or advertising in a retailer publication designed for distribution to consumers;
- (5) outside signs;
- (6) cooperative advertising, including:
  - (A) providing or assisting retailer promotions, whether on or off the retailer's premises;
  - (B) participation with a retailer in the advertising of alcoholic beverages, the retailer's business or special events unless specifically approved by the Commission in the case of fundraisers for non-profit charitable organizations after consideration of the factors listed in G.S. 18B-1116(b);
  - (C) underwriting the cost of T-markers, scorecards or scoreboards by the purchase of advertising from a third party; or
  - (D) customizing point-of-sale advertising materials, novelties, glassware, consumer specialties or product displays by printing or having printed the retailer's name, slogan or logo on the item, unless otherwise specifically allowed in the rules of the Commission;
- (7) making discounts, rebates or refunds to a retailer on the condition that the retailer use the discount, rebate or refund to pay off a loan;

- (8) equipment, fixtures or furnishings; or
- (9) clothing, except as provided in Rule .0711 of this Section.

*History Note:* Authority G.S. 18B-100; 18B-207; 18B-1116;  
Eff. July 1, 1992;  
Amended Eff. April 1, 2011;  
Transferred and Recodified from 04 NCAC 02T .0711 Eff. August 1, 2015;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 19, 2017.