

April 20, 2016

## **BULLETIN – CONSUMER INSTANT REDEEMABLE COUPON PRACTICE IN ILLINOIS**

Recently, there has been confusion expressed concerning retailer specific instant redeemable coupon (IRC's) programs in Illinois. In particular, Jewel-Osco has advised WSDI Members that their in-store coupon program, wherein manufacturers and distributors would fund the printing of the coupons and furnish the manpower to merchandise the program by attaching the PLU/IRC's to the in-store product, has received State regulatory approval. WSDI has discussed such practices with the Illinois Liquor Control Commission Staff and the below summarizes the current law on retailer IRC programing in Illinois.

### **I. Manufacturer or Distributor Funded or Merchandised IRC Programs**

Federal and Illinois tied-house law prohibits the giving or furnishing of anything or service "of value" to a retailer. However, manufacturer or distributor funded or merchandised IRC programs are permitted as an exception only under the following conditions: (i) all similarly situated retailers within the market where the coupon offer is made may redeem such coupon; and (ii) a manufacturer or distributor may not reimburse a retailer for more than the face value of all coupons redeemed, plus a usual and customary handling fee for the redemption of coupons.

### **II. Retailer Specific IRC Programs**

Retailer specific IRC programs may be offered by retailers. Manufacturers and distributors may not support retailer specific IRC programs by providing anything "of value" to the retailer. Included within unlawful "of value" activity by a manufacturer or distributor are the following: (i) the providing, furnishing or funding of coupons and any promotional material for the retailer specific IRC program; and (ii) the providing, furnishing, or funding of merchandising services to display the coupons within the retailer's store.