



TTB Public Guidance

Tied House Exceptions

It has come to the attention of the Alcohol and Tobacco Tax and Trade Bureau (TTB) that some [industry members](#) (alcohol beverage importers, wholesalers and producers) may be improperly furnishing retailers with things of value that are considered unlawful means of inducement, as enumerated under the Tied House provisions of the Federal Alcohol Administration Act (FAA Act).

Tied House provisions under the FAA Act ([27 U.S.C. 205](#)) promulgated under TTB regulations ([27 CFR part 6](#)) identify practices that are considered means to induce purchases by a retailer from an alcohol industry member. As prescribed under the Tied House provisions, it is unlawful for [industry members](#) to induce, directly or indirectly, a retailer to purchase alcoholic beverage products from the industry member to the exclusion, in whole or in part, of alcohol beverage products offered for sale by others. This guidance is issued to address recent examples of industry members found to have furnished retailers with unlawful inducements by supplying items of value such as product displays, point of sale advertising materials, equipment and supplies in exchange for favorable product shelf or display space.

TTB regulations at [27 CFR 6.21\(a\) through \(g\)](#) list seven prohibited means to induce that can lead to a violation under the Tied House provisions. [Paragraph \(c\)](#) of this regulation provides that an industry member may not furnish, give, rent, lend, or sell to a retailer any equipment, fixtures, signs, supplies, money, services, or other things of value, subject to the exceptions listed under [Subpart D](#) of part 6. Exceptions found under [Subpart D](#) identify promotional support items such as product displays, point of sale advertising materials, equipment and supplies, and other items and services that are primarily considered not to be an unlawful inducement under [§ 6.21\(c\) only](#).

TTB reminds industry members that promotional support items and services listed under the exceptions in [Subpart D](#) may not qualify as exceptions when there is evidence that the furnishing of the item is conditioned upon an activity that would violate another provision of the FAA Act other than [§ 6.21\(c\)](#). For example, an industry member who chooses to participate in a retailer's promotional program, which includes furnishing promotional items such as those covered under the exceptions in [Subpart D](#), in exchange for preferential product display space, commonly referred to as slotting fees, would result in a violation of [paragraphs \(b\) and \(d\) of § 6.21](#) when the elements of interstate commerce, exclusion, and, in the case of malt beverages, similar state law are present.

TTB plans to issue an Industry Circular on this subject in the future. In the interim, if you have any questions regarding this guidance, please contact the [TTB Trade Investigations Division](#). Read the [Press Release](#).