Cassels

British Columbia Introduces Permanent Cap on Food Delivery Service Fees

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British Columbia has become the first province in Canada to implement a permanent cap on fees charged by food delivery companies through the *Food Delivery Service Fee Act* (the Act). The Act received royal assent on November 3, 2022, and came into force on January 1, 2023. A temporary cap was initially implemented in December 2020, to provide some relief to restaurant owners during the pandemic, which would have expired at the end of this year. Without the Act, that temporary cap would have expired at the end of 2022.

The cap limits the fees for core services that delivery companies can charge restaurants to no more than 20% of the dollar value of an order. This consists of a 15% cap on food, plus a 5% cap on additional fees. The permanency of the cap provides ongoing relief to restaurant owners who face continuing challenges from the pandemic and global inflation, as they no longer have to worry about extreme delivery fees – which were as high as 30% at the beginning of the pandemic.

Despite having similar temporary caps during the pandemic, Ontario, Nova Scotia, Saskatchewan, and Quebec have not implemented permanent measures.

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