Cannabis Retail Store
Terms and Conditions

A handbook for the sale of non-medical cannabis in British Columbia

August 2018
# Cannabis Retail Store Licence
## Terms and Conditions
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Introduction

The purpose of the cannabis retail store licence is to authorize sale of dried cannabis, cannabis oil, cannabis seeds and cannabis accessories for non-medical purposes in a private retail store for customers to purchase.

This handbook outlines the requirements of the Cannabis Control and Licensing Act, Regulations and terms and conditions that relate to owners and operators of non-medical cannabis retail stores in B.C. It is the responsibility of the licensee to be aware of and to operate in compliance with these rules.

Licensees must follow federal and provincial laws and these terms and conditions at all times, as well as any further terms and conditions that might be printed on their licence or in letters issued to them by the general manager of the Liquor and Cannabis Regulation Branch (Branch). Failure to comply with the terms and conditions set out in this handbook or those printed on the licence or contained in letters from the general manager may result in enforcement action against the licensee including, but not limited to, monetary penalty, suspension or cancellation of the licence. Licensees are also responsible for knowing and complying with applicable local government and/or Indigenous nation bylaws and/or requirements.

Licence terms and conditions may change from time to time. Stay up to date by referring to this handbook, which is posted online and updated from time to time, and periodically checking the branch’s policy directives page.

A range of helpful information is found here: www.gov.bc.ca/cannabisregulationandlicensing

Contact Information

If you have any concerns or questions, please contact your local liquor and cannabis inspector or the branch at:

Mailing Address
PO Box 9292 Stn Prov Govt,
Victoria, BC V8W 9J8

Office Address
400-645 Tyee Road
Victoria, BC
V9A 6X5

E-mail
cannabisregs@gov.bc.ca

Phone
250-952-5787 in Victoria

Licensing Help Desk
250 952-7049 in Victoria or call our toll-free number

Toll Free Phone
1-866-209-2111
Providing Safe and Responsible Service

Responsible Service Training
In the future, people involved in the sale of non-medical cannabis will be required to complete a mandatory course. Licensees will receive notice when this training becomes available.

Worker Registration
All cannabis workers must be registered with the Branch prior to being employed. This process is separate and distinct from the licensing process and requires a potential cannabis worker to go through thorough security screening prior to registration being issued.

Worker registration is fully transportable (e.g. if a person holds a current worker registration, they may work for any non-medical cannabis licensee).

Licensees must ensure the employees they hire are registered by the province and they must keep a record of all employee registration numbers and expiry dates available for inspection by inspectors.

A link to detailed information regarding worker registration will be available soon. Please check back for updates.

Display of Social Responsibility Materials
In the future, social responsibility materials will be developed. Once created, these materials will be mailed to licensees and they will be required to display the materials in a prominent location in their stores. Updated materials will be provided to licensees at regular intervals, free of charge. Additional copies will be available from a licensee's local liquor and cannabis inspector (inspector) or on the branch’s website.

Minors
There are strict federal and provincial requirements in relation to preventing youth access and exposure to non-medical cannabis and preventing youth exposure to promotion and advertising in relation to non-medical cannabis. A licensee must not allow minors to enter or be in the retail store and minors cannot be employed in the retail store. In addition, cannabis and cannabis accessories must not be visible to minors from outside the store. As a means to minimize unlawful entry by minors, it is recommended that licensees post signage at the entrance to their stores indicating that minors are not permitted.

It is against both federal and provincial law to sell non-medical cannabis or cannabis accessories to a minor (in B.C., those under the age of 19). Licensees and their employees must be proactive about meeting this legal requirement and must ensure that reasonable steps are taken to prevent youth access and exposure. If a licensee or an employee allows a minor to enter their store or to purchase cannabis or cannabis accessories, the licensee's licensing privileges could be jeopardized and they risk prosecution under federal and provincial legislation.

Identification (ID) Requirements
A licensee is responsible for ensuring that minors do not enter their retail store and are not sold non-medical cannabis or cannabis accessories. If there is any doubt whether a customer is 19 or over, licensees and their employees must take reasonable steps to verify age by requesting two pieces of ID, examine both pieces carefully, and act on the authenticity of the identification. If a licensee or employee cannot demonstrate that they have done this, the licensee could be held responsible for allowing a minor to enter their store and/or for selling cannabis or cannabis accessories to a minor.
Primary ID
- Must be issued by a government agency; and
- Must include the holder’s name, date of birth and picture.

Examples of primary ID include:
- Province or State driver’s licence
- Passport
- Photo BC Services Card
- Citizenship card,
- Certificate of Indian Status
- Federal Firearms Possession and Acquisition licence
- National Defence ID

Note that the B.C. Driver’s Licence and Services Card, which combines the B.C. Driver’s Licence and Services cards (formerly CareCard), counts as only one piece of ID.

Secondary ID
Used to verify the authenticity of the first piece, and:
- Must include the holder’s name; and
- Must include either the holder’s signature OR picture.

Any acceptable piece of primary ID can be used as secondary ID. Examples of other acceptable secondary ID include:
- BC CareCard/BC Services Card (separate to a BC Driver’s licence)
- Interim driver’s licence (issued by ICBC)
- BC Transit ProPASS
- University or college student card
- Credit card
- Canadian Blood Services donor card
- Transport Canada’s Pleasure Craft Operator’s Card
- Many bank cards and rewards cards

A licensee or employee can accept expired and foreign ID, as long as it is readable and the customer can be recognized from the picture.

A licensee and their employees must decide on a case-by-case basis if the ID presented proves that the person is not a minor. If the person cannot produce two pieces of acceptable identification, service should be refused. A licencsee and their employees must cooperate with an inspector or peace officer if asked to determine whether a person is a minor.
Controlling the Store
A licensee and their employees are responsible for controlling the behaviour of their customers.

**Cannabis use must not be permitted in-store.**

A licensee must ensure that no weapons are brought into the store without lawful excuse (lawful excuse does not include having personal possession of a weapon for self-protection), and that no criminal activity takes place in the store. If employees, customers or members of the community have reason to be concerned that there is a threat to their safety, a licensee must act on these concerns.

If there is an imminent threat to people’s safety, the general manager can suspend a cannabis licence for 24 hours and order the immediate removal of customers. In this situation, a licensee is required to take all reasonable steps to ensure that customers vacate the premises and the store is closed immediately. In extraordinary circumstances, the general manager may suspend a licence or impose terms and conditions for up to 14 days without a hearing.

Preventing Disturbances in the Vicinity of the Store
Licensees and employees must take reasonable measures to prevent disturbances. This means performing actions that are appropriate in the circumstances and within their capacity to do. Examples of reasonable measures include:

- Installing adequate lighting outside the store and in the parking lot
- Supervising parking areas
- Posting signs asking patrons not to disturb the neighbours

Intoxicated Patrons
Licensees and employees must not let a person who is intoxicated (liquor, cannabis or other drugs), or exhibiting signs of intoxication, enter or remain in the store. Licensees and employees must refuse the intoxicated person service, have the person removed and ensure they depart safely.

Violent or Disorderly Conduct
Licensees and employees must not allow violent or disorderly conduct or unlawful activities to take place in the store. This includes behaviour that might cause a reasonable person to believe their safety is threatened. If a licensee or employee knows or suspects this kind of behaviour has taken place, is currently taking place, or may take place, they must notify a peace officer immediately.

A person who has been asked to leave or has been barred from entering the store must not return for at least 24 hours. If they return within 24 hours, notify a peace officer; they are committing an offence and may be arrested.

Incident Log
When an incident occurs in or adjacent to a retail store, the details must be recorded in an incident log. All incidents that adversely affect patrons, staff, people who live or work in adjacent buildings, or that affect the operation of the store must be recorded and be available to an inspectors or peace officers.

Examples of these incidents include:

- Refusing entry at the door to a potentially troublesome person or anyone who is causing a disturbance
- Refusing entry of an intoxicated person
- Removing an intoxicated person
- An injury or accident on the premises, including a fight
- Any incidents where emergency personnel were called (police, fire, or ambulance)
- Any illegal acts

An incident report should include key details such as the date, time and description of events, the parties involved, any action taken, and any relevant sales records. Other details such as the names of the employees on shift and witness accounts are also important.

The records in an incident log must be kept for at least six years.

The Cannabis Licence

Availability of the Licence and Floor Plans
A licensee must post their non-medical cannabis retail licence in a prominent location in the sales area of their store. They must also ensure it is immediately available for inspection by inspectors and peace officers. A licensee’s LCRB approved floor plans must also be immediately accessible on request, but they do not need to be posted.

Licence Renewal
A licensee must renew their non-medical cannabis retail licence before the licence expiry date each year and pay an annual licence fee.

Please note: the licence renewal fee must be paid each year, regardless of any other applications (for example, transfer of ownership) that may be in progress at the time.

A link to more detailed information regarding licence renewal will be available soon. Please check back for details.

Making Changes to the Licence
The details of a licensee’s non-medical cannabis retail licence application were the basis for granting them the licence. Licensees must inform the Branch of any changes that alter the original information they provided, or of a change in circumstance related to their licence.

Some changes require the Branch’s prior approval, while others require the licensee to report the change within 10 days. This is important because failure to obtain approval or report changes is a licensing contravention and subject to penalty. Below is a table of changes that need prior approval and those that require reporting. These are in addition to any items that are addressed elsewhere in this handbook.

<table>
<thead>
<tr>
<th>Type of Change</th>
<th>How to Report</th>
<th>When Approval Required</th>
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<tbody>
<tr>
<td>Transfer of Location* - this change requires a positive recommendation from local government/Indigenous nation for the area where the new store will be located</td>
<td>Application</td>
<td>Before relocation occurs</td>
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<tr>
<td>Structural Change*</td>
<td>Application</td>
<td>Before structural change occurs</td>
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<tr>
<td>Permanent Change to Cannabis Licence:</td>
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<td>• Store/business or licence name change</td>
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<td>• Request for change in terms and conditions</td>
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<td>• Hours of sale</td>
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<tr>
<td><strong>Application</strong></td>
<td><strong>Before permanent change to cannabis licence occurs</strong></td>
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<tr>
<th>Permanent Change to Licensee:</th>
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<tr>
<td>• Change of directors, officers, or senior manager (corporation, society)</td>
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<td>• Name change of licensee, person or sole proprietor</td>
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<td>• Addition of receiver or trustee</td>
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<td>• Addition of executor or administrator</td>
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<td><strong>Application</strong></td>
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<tr>
<th>Transfer of Ownership</th>
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<td>(including sale of cannabis business and its assets)</td>
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<td><strong>Application</strong></td>
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<tr>
<th>Share Transfers or Changes</th>
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<tr>
<td>• Licensee issues new shares to existing shareholder or existing shareholder transfer shares to existing shareholders (internal transfer of shares)**</td>
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<tr>
<td>• Licensee issues new shares to persons who are not existing shareholders or existing shareholders transfer shares to persons who are not existing shareholders.</td>
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<tr>
<td>• Amalgamation of corporate licensee, holding company or subsidiary</td>
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<td><strong>Application</strong></td>
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<th>Loss of Valid Interest</th>
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<tr>
<td>• Licensee no longer owns and runs store</td>
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<td>• Licensee does not have certificate of title or lease/sub lease for store location</td>
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<tr>
<td><strong>Letter</strong></td>
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| A producer or marketer obtains a financial interest in the retail licence or a person with a financial interest in the licensee obtains a financial interest in a producer, or an immediate family member of the retail licence holder obtains a financial interest in a producer. |
| **Letter** | **Within 10 days** |

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<tr>
<th>Convictions (applicable to any individual licensee, or partner, shareholder, director, or officer of the licensee)</th>
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<tr>
<td>• Criminal Code offence</td>
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<td>• Drug and liquor-related offence under Motor Vehicle Act or similar legislation elsewhere (in or outside of Canada)</td>
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<td><strong>Letter</strong></td>
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<th>Court Action Involving Disposition of Cannabis Licence</th>
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<td><strong>Letter</strong></td>
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<th>Dormancy***</th>
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<td><strong>Form</strong></td>
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**Structural Change**

If a licensee is making changes to the current approved floor plan, other than cosmetic changes, a structural alteration application is required. Some examples are:

- Physical expansion
- A change in the position of access and exit (including addition of a vestibule) points leading to or from a sales area
- A change in the position of a wall, floor or ceiling surrounding a sales area

A licensee does not need approval for cosmetic changes such as flooring, countertops, painting.
**Internal Transfer of Shares**
A licensee must report an internal transfer of shares respecting the licence or the licensee if the removal of the shareholder or redemption or dissolution of shares results in any of the remaining shareholders moving from owning less than 20% of voting shares to owning 20% or more of voting shares in the licensee.

A licensee does not need to report:
- The removal of shareholders or
- The redemption or dissolution of shares

***Dormancy***
If a licensee is planning to close their store for an extended period of time (for example, during extensive renovations), they must report this closure to the branch and they must also notify the branch when they plan to restart regular operations (this notification requirement does not apply to seasonal closures). All licences are permitted to be dormant for a period of two years. If the store is dormant because of extensive renovations caused by a fire, flood or other event beyond a licensee’s control, they may apply for an extension to dormant status. The extension may be granted if a licensee can provide evidence of the incident and their efforts to rebuild. If the licensee cannot provide such evidence and their efforts to rebuild their licence may be cancelled after two years of dormancy.

**Selling the Business**
If a licensee is selling their business and wants to transfer their licence to a new owner, the new owner must apply to transfer the licence to their name. If a new owner is acquiring the business by buying some or all of the shares in the company, the existing licensee must notify the branch. Please note that the person acquiring an interest in a licence may be subject to a security screening and financial integrity assessment.

The current licensee must continue to operate and be responsible for the retail store in compliance with the Act, Regulation and terms and conditions of the licence until successful completion of the licence transfer. If the current licensee does not want to operate the store during the transfer process, the store must remain closed until the transfer application has been approved.

**Providing Information to the Branch**
A licensee must be forthright in providing information to the Branch. Making a misleading statement or failing to disclose a material fact (such as shares being transferred or that the lease on the property is about to expire, etc.) are licensing contraventions. Submitting false or misleading information or failing to disclose a material fact are offences.

A licensee must keep the following records, as applicable, for a period of at least six years from the date the records were created:

a. Non-medical cannabis purchase records
b. Non-medical cannabis sales records, including quantity of cannabis sold and prices charged
c. Non-medical cannabis disposal records
d. Sales records respecting other goods sold by the licensee in the store
e. Contracts with other licensees
f. Invoices and purchase receipts for all equipment and other inventory that is used in the operation of the store
g. Leases or other property agreements that are related to the store
h. Records of court orders and judgments against a licensee respecting the sale, service or production of cannabis and
i. Employee records including names, addresses, salaries, registration information, responsible training information (when this becomes available), primary job responsibilities, shift schedules and dates of employment.

The federal government will be implementing a tracking program and all retailers will be required to report certain information on a monthly basis, once developed. Further information will be provided once available.

The Store

Associations with Other Businesses
A licensee must not sell non-medical cannabis as part of another business (co-location).

A licensee’s business may not be associated with another business, with the exception of another licenced non-medical cannabis retail store.

A licensee may not:
• Use a name or other visual identifier (e.g. trademarks) of another business (other than another licenced non-medical cannabis retail store)
• Jointly advertise with another business
• Offer discounts in the store based on purchases in another business, or
• Operate a customer loyalty or gift card program, whether or not it is in association with another business.

Store Layout
Non-medical cannabis and cannabis accessories must not be visible from outside the store. A licensee must organize their store in a way that meets this requirement. Displays must not permit self service by customers (including dispensing devices). All customers must be assisted by a store employee, as all cannabis and cannabis accessories must be displayed in a way that products are not accessible to customers.

If the general manager has approved a shared common area (e.g. vestibule) licensees are not permitted to advertise or erect displays within the shared common area. There must be floor to ceiling walls that are not transparent separating the store from the shared common area and non-medical cannabis and cannabis accessories must not be visible from the shared common area.

Store Security Requirements
A cannabis retail store must, at a minimum, have the following security requirements:
1. Intruder and fire monitoring alarm systems
2. Security cameras with full unobstructed view of:
   a. the retail sales area
   b. any product storage area
   c. both the interior and exterior of all entrances/exits.
3. Locked retail product display cases
4. Locked cannabis storage room
5. Secure perimeter door locks
Please see the following guide from the Office of the Information and Privacy Commissioner for guidance on using video surveillance and privacy considerations: https://www.oipc.bc.ca/guidance-documents/2006

A licensee must also meet any security requirements imposed by the local government and/or Indigenous nation for the area where their store is located.

If necessary, the general manager may impose further security requirements by way of additional terms and conditions on a licence.

**Store Relocation**
A licensee may apply to relocate their store anywhere within the province. In order for the LCRB to consider the application, LCRB will contact the local government and/or Indigenous nation for the area in which the store is proposed to be located or is located to provide a recommendation that the licence be issued or amended.

**Drive-throughs**
No drive-through sales are permitted from a retail store.

**Online Sales**
Online sales of non-medical cannabis are not permitted.

Online sales of cannabis accessories and gift cards are permitted if the website has an age verification tool that restricts website entry to adults only.

**Delivery Service**
A licensee cannot operate a non-medical cannabis delivery service or enable one to be operated in association with their store.

**Gift Cards**
The sale of gift cards is permitted from a non-medical cannabis retail store location or online.

Note: if a non-medical cannabis retail store licensee also holds a liquor licence, they must not sell gift cards that can be used at both stores.

**Smell Jars**
More information regarding smell jars will be available soon. Check back for updates.

**Buying Non-Medical Cannabis & Cannabis Accessories**
A licensee must purchase their non-medical cannabis supply directly from the Liquor Distribution Branch. They are not permitted to purchase any cannabis products directly from a federally licenced producer, other licensed retail store, or any other source.

It is a serious contravention to buy cannabis for retail sale from any source other than the Liquor Distribution Branch or to purchase cannabis that is not recorded against a licensee’s licence number.

Cannabis accessories can be obtained from sources other than the Liquor Distribution Branch.
Storing Cannabis
A licensee’s non-medical cannabis stock must be stored at their retail store. Off-site storage is not permitted. In addition, the local government and/or Indigenous nation for the area in which the store is located may require a licensee to take specific security measures to protect on the floor inventory and stored inventory.

Disposing of Non-Medical Cannabis
A licensee must have a written plan to direct employees about the disposal of non-medical cannabis that cannot be sold. The non-medical cannabis must be altered or denatured to such an extent that its consumption and propagation are rendered impossible or improbable. For example, shredding a cannabis product into pieces, mixing it with water to turn it into sludge, and adding cat litter to control odor before disposal would be an effective means to destroy cannabis. After cannabis waste is rendered to a state that is unfit for human or animal consumption it can be disposed of by composting, or landfill if composting is not available or feasible.

A licensee must keep a record of non-medical cannabis disposal that includes:
- Type of cannabis disposed
- Amount of cannabis disposed
- How it was rendered inconsumable
- Where it was disposed

Unlawful or Private Cannabis
A licensee may not buy, keep, sell or give unlawful cannabis to anyone. Unlawful cannabis is defined as:
- Cannabis obtained from an unauthorized source
- Cannabis not purchased under the licence
- Stolen cannabis or smuggled cannabis
- Cannabis intended for export
- Cannabis that has been adulterated

Licensees are accountable for any unlawful cannabis found anywhere on their premises. Private cannabis owned by a licensee or an employee, including homegrown cannabis or cannabis received as a gift, cannot be kept in the store or cannabis storage area.

If a licensee or an employee becomes aware that a customer has brought unlawful cannabis into the store, they must ask the customer to leave the store immediately. This must be reported in the incident log.

If a licensee recently purchased a retail store and acquired a licence through a transfer, they must immediately conduct a thorough audit of all cannabis on the premises to ensure none is unlawful.

Cannabis Register
A cannabis register is a record of all a licensee’s purchases and sales (i.e. receipts and invoices) for their non-medical cannabis inventory. A licensee must keep a cannabis register, and these records must be available for inspectors at all times. Cannabis registers may be hardcopy or digital.

An inspector or peace officer may look at the register and compare it to the stock to make sure the licensee has purchased the non-medical cannabis lawfully. The licensee must be able to account for all cannabis on site.

If an inspector or peace officer is unable to verify that the cannabis in a non-medical cannabis retail store was purchased from the Liquor Distribution Branch, the cannabis may be seized. It is therefore in a licensee’s best
interest to ensure records are kept in a legible, orderly fashion so that an inspector can easily match the stock to the records.

A licensee must also be able to account for any cannabis that was returned to the Liquor Distribution Branch or disposed of due to spoilage or other reasons. This can be done by either keeping a written record in a log book or by making a notation on the original receipt or invoice.

Best practices for keeping a cannabis register:
- Keep all receipts and invoices for cannabis purchases in chronological order and separate from receipts and invoices for non-cannabis purchases.
- Photocopy or scan receipts printed on thermal paper to protect the record from fading over time.
- Maintain a separate log book to record any cannabis lost or destroyed.

The records in the cannabis register must be kept for at least six years.

Selling Non-Medical Cannabis & Cannabis Accessories
A licensee may sell dried cannabis, cannabis oil, and cannabis seeds from their retail store only. Online sale of these cannabis products is not permitted. The cannabis products for sale must comply with federal requirements. A licensee is not authorized to sell other forms of cannabis, such as edibles. A licensee is not authorized to re-package, re-label, add additional labelling or alter the original labelling on the cannabis products that they purchase from the Liquor Distribution Branch.

In addition to dried cannabis, cannabis oil and seeds, a licensee may sell cannabis accessories as defined by the federal Cannabis Act, such as rolling papers or wraps, holders, pipes, water pipes, bongs and vaporizers.

A licensee is not authorized to sell snacks, tobacco, or other items that are not related to cannabis.

A licensee may not give customers samples of cannabis.

A licensee must not sell, in one transaction, more than 30 grams of dried cannabis or its equivalent to a customer.

Quantity that is equivalent to 1 g of dried cannabis
- cannabis oil: 0.25 g
- cannabis seeds: 1 seed

Who a Licensee Can Sell To
A licensee is restricted to selling non-medical cannabis to retail customers that are 19 years of age or older.

Hours of Sale
A licensee may sell non-medical cannabis at their store between the hours of 9 a.m. and 11 p.m., unless their hours are further restricted by the local government and/or Indigenous nation for the area in which the store is located. Customers cannot enter the retail store outside of the operating hours as indicated on the licence.

If there are customers in the store at 11 p.m. who have not yet made their purchase, the licensee or an employee must encourage these patrons to make their purchases as quickly as possible. Licensees should consider having a strategy in place to clear the store.
Pricing
A licensee must not sell non-medical cannabis at a price lower than the price they paid to purchase the non-medical cannabis from the Liquor Distribution Branch.

Loyalty programs of any kind are not permitted.

A licensee may adjust prices at any time throughout the day, but the price must never go below the minimum price as outlined above.

Non-Medical Cannabis Sales Location
All of business activities related directly or indirectly to the sale of non-medical cannabis must be conducted inside the store. The only exception to this rule is that a licensee may advertise their business in accordance with the “Advertising” section of this handbook.

Games and Entertainment
Games and entertainment are not permitted in the store.

Alternate Use
A licensee must not use their business for another purpose at any time.

Advertising
All advertising must comply with the federal Cannabis Act, the provincial Cannabis Control and Licensing Act, Regulations, and the local government and/or Indigenous nation requirements for the area in which the store is located.

For further details on federal advertising or promotion rules, please contact Health Canada.

Branding
The name of the business and exterior signage must comply with all federal and provincial requirements and be approved by the Branch. All business names and signage must comply with the advertising terms and conditions and cannot mislead the public as to what type of business the licensee operates. In addition, signs must comply with local government and/or Indigenous nation bylaws or requirements for the area in which the store is located.

As a retailer of non-medical cannabis, a licensee cannot choose a name that would lead people to believe that they are associated with another business (other than another non-medical cannabis retail store) or a provider of medical cannabis. For example, the business name must not include the name of another business, or the words, in traditional or non-traditional spelling, “pharmacy,” “apothecary,” or “dispensary.” Graphics associated with a pharmacy, including for example, a green cross, are prohibited. Store names cannot also use language that encourages intoxication.

A licensee also cannot advertise or brand their store in a way that indicates that the store is associated with the government or is exercising a function of the government; this includes the use of words, phrases, designs, domain names or other branding elements or indicia.

Cannabis Retail Store
Terms & Conditions
Internet Group Discounts
Third-party companies offering internet group discounts are not licensed to sell cannabis and may not legally include cannabis as part of a promotion with a retail store. A licensee may not participate in internet discount promotions that include cannabis.

Relations with Federally Licensed Producers and their Marketers
There are certain rules that govern how a licensee can work with federally licensed federal producers and their marketers to promote their products. Federally licensed producers and their marketers may hire employees or contract with a person to promote and market the producer’s cannabis products that the marketer is authorised to represent. The marketer must provide their employees with identification establishing them as a marketing representative for the federal producer.

A retail licensee cannot act in the capacity of a Marketer.

Connections to Federally Licensed Cannabis Producers (Tied houses)
Where there is an association, connection or financial interest between an applicant and a federal licensee or the licensee’s agent, the general manager may determine that there is a risk that, if licensed, the B.C. retailer would promote the federally licenced cannabis producer’s products. The general manager may therefore determine that the risk can only be eliminated if the licence contains a condition prohibiting the B.C. licenced retailer from selling any products of the associated federal licensed producer. In such a situation, the the general manager may issue or renew a licence with such a condition.

The general manager will consider the following to determine whether there is a likelihood that a B.C. licenced retailer is likely to promote the products of a particular federal licenced producer:
- The federally licensed producer is a significant shareholder (control of 20% or more of the voting shares) of a B.C. licenced cannabis retailer or the federally licensed producer is a significant shareholder of a significant shareholder of a B.C. licenced cannabis retailer.
- A B.C. licenced cannabis retailer is a significant shareholder (control of 20% or more of the voting shares) of a federally licensed producer or the B.C. licenced cannabis retailer is a significant shareholder of a significant shareholder of a federally licensed producer.
- A person, partnership or company is a significant shareholder (control of 20% or more of the voting shares) in both a B.C. licenced cannabis retailer and a federally licensed producer or a person, partnership or company is a significant shareholder in a company that is a significant shareholder in both a federally licensed producer and a B.C. licenced cannabis retailer.
- An immediate family member of the licensee has any interest in a federal licenced producer. Immediate family members include spouses, parents, siblings, children, sons-in-law and daughters-in-law.
- There are a combination of factors that when taken together lead the general manager to conclude there is a likelihood to promote.

Activities Not Permitted: Inducements
A licensee is not permitted to ask for or receive financial or other benefits from a federally licensed producer or marketer in exchange for selling or promoting their products. For example, a licensee must not:
- Pay money or provide other benefits to secure their ability to purchase a federal producer’s products
- Request money or other benefits from a federal producers or their marketer in return for buying their products from the LDB
- Accept money or other benefits in exchange for agreeing not to stock a competitor’s product, or
- Make agreements that give them exclusive access to a producer’s product, or product line.
A licensee may hire and pay for their own outside consultant or financial advisor, or they may accept information and ideas to help improve their business, directly from a producer or marketer; however, the producer or marketer cannot pay for an outside consultant or financial advisor to help a licensee.

A licensee is also prohibited from accepting any items, products or services from a federal producer or marketer that are necessary for the operation of their business. This includes financial assistance as well as permanent fixtures, furnishings, or display structures.

In addition:
- Federal producers/marketers cannot buy shelf space, offer weight discounts, or offer discounted product in exchange for marketing benefits.
- A licensee must always pay for their own advertising. A cannabis producer or marketer may not pay any of a licensee’s advertising costs (or vice versa), nor are joint marketing plans permitted. With permission from a producer or marketer, a licensee can include the producer's logo in ads, but they cannot demand or receive any kind of compensation in return.
- A licensee must carry and make available to consumers a representative selection of brands of cannabis products from a variety of suppliers that are not associated with or connected with each other.

**Product Samples**
A licensee may not accept product samples for themselves or their employees from a federal producer, marketer, or any other person.

**Product Vouchers**
A licensee may not accept product vouchers for cannabis or cannabis accessories (i.e. certificates for a specific quantity of cannabis or a cannabis accessory that customers redeem for no charge).

**Educational Events and Activities**
A licensee, employee or both may attend educational events or activities hosted by a federal producer or marketer.

A licensee, employee or both may accept payment from the federal producer or marketer for legitimate travel, meals, accommodation and entertainment expenses associated with the educational event, up to $1,500 per licensee location per year.

If a licensee has multiple licensed stores (i.e. a chain of cannabis stores), they may also accept expenses of $1,500 per person to a maximum of $4,500 per head office per year.

**Hospitality**
A cannabis producer or agent may pay for a licensee’s hospitality expenses not associated with an educational event at a rate of up to $1,000 per licensee location per year.
Compliance & Enforcement

A licensee is required to:
1. Comply with the legislation, regulation, and terms and conditions associated with their licence.
2. Always allow Liquor and Cannabis Regulation Branch inspectors and/or peace officers to enter and inspect the store. A licensee must never impede their entry or inspection in any way.
3. Promptly provide any information, record or thing required to be produced to the inspector or peace officer.
4. Never draw attention to inspectors or peace officers inside the store. This can affect the inspectors’ safety.

For more information please visit the Liquor and Cannabis Regulation Branch’s Compliance & Enforcement web pages. Please note that the “Cannabis Licensee Penalty Schedule” is not yet posted to within these pages. Please check back for updates.

Other ministries also have terms and conditions that licensees and employees must follow. Please refer to this page on the LCRB website for more information.

Glossary

“the Branch” means the Liquor and Cannabis Regulation Branch, the provincial government agency that administers the private retail sales of non-medical cannabis.

“cannabis retail store” or “cannabis store” means an establishment that is authorized to sell dried cannabis, cannabis oil, and cannabis seeds for non-medical use.

“cannabis worker” means an adult who performs a prescribed activity:
   (a) in an establishment or government cannabis store,
   (b) in relation to the management or operation of an establishment or government cannabis store,
   (c) in relation to government operations under the Cannabis Distribution Act, or
   (d) in relation to a cannabis business in prescribed circumstances.

“federal producer, or federally licensed producer” means a person who produces cannabis under a license under the Cannabis Act (Canada)

“general manager” refers to the general manager appointed under section 4 of the Cannabis Control and Licensing Act, who has legislative authority to make decisions regarding cannabis licensing in British Columbia.

“licensee” refers to any individual, partnership, corporation or Indigenous nation that holds a British Columbia cannabis licence. Any person appointed by the licensee to act in the licensee’s place or with the licensee’s authority, such as a manager, authorized representative, or person in charge of the licensee’s establishment will be required to ensure the requirements, terms and conditions of the licence are met and the licensee will be accountable for the actions of any such persons.
“marketer” refers to a person that holds a marketing licence and is hired by a cannabis producer to represent/promote their cannabis products, solicit/receive/take order for the sale or purchase of cannabis, or act as an agent for the sale or purchase of cannabis.

“peace officer” means an officer as defined in the Police Act, or a member of the Royal Canadian Mounted Police who is deemed to be a provincial constable under section 14 (2) (b) of the Police Act;