

# **Cannabis Retail Store**

## **Terms and Conditions**

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

**February 2019**



# Update Summary

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# Cannabis Retail Store Licence

## Terms and Conditions

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

Please note: This handbook was last updated on 25 February 2019. Updated content is highlighted by notes in the left margin.

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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 patrons to purchase and consume offsite.

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 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 provincial laws or terms and conditions set out in this handbook or those printed on the licence or other direction from the general manager may result in enforcement action against the licensee including, but not limited to, a monetary penalty, suspension or cancellation of the licence.

Licensees are also responsible for knowing and complying with any federal, local government and/or Indigenous nation laws, bylaws and 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](http://www.gov.bc.ca/cannabisregulationandlicensing)

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## 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](mailto: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 Qualification

Effective November 30, 2018, licensees must ensure that workers in retail stores obtain a security verification from the province. This includes any adult performing work-related activities in a retail store as an employee, independent contractor or volunteer on a full-time or part-time basis. This process is separate and distinct from the licensing process.

Security guards in a retail store who hold a valid licence under the *Security Services Act* and perform security work authorized under that licence do not need to obtain a security verification under this process.

Effective November 30, 2018, licensees must keep a record of all every worker's security verification for inspection by inspectors, including when the worker's security verification expires.

Worker security verification is fully portable within British Columbia (e.g. if a worker obtains a security verification, they may work for any non-medical cannabis retail licensee in British Columbia until the security verification expires or is revoked by the general manager).

For more detailed information regarding worker security verification, please see [Worker Information](#).

## 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

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, cannabis accessories and any transactions involving these products 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.

A licensee must not 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 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 patron 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:

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- Province or State driver's licence
- Passport
- Photo BC Services Card
- Citizenship card
- Certificate of Indian Status
- Federal Firearms Possession and Acquisition licence

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:

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- 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
- National Defence ID

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 must be refused. A licensee 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 patrons.

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If security has been hired for a retail store, a licensee must ensure that the individual is licensed under the *Security Services Act*. Please visit <http://www2.gov.bc.ca/gov/content/employment-business/business/security-services/security-industry-licensing> for more information.

#### **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, patrons 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 patrons. In this situation, a licensee is required to take all reasonable steps to ensure that patrons 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.

A licensee must ensure that any person who works on a temporary basis to repair, inspect or construct something in the establishment is supervised by a manager or supervisor.

## 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, request that they leave the store 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 in the log 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.

Type of Change	How to Report	When Approval Required
Transfer of Location- this change requires a positive recommendation from local government/Indigenous nation for the area where the new store will be located	Application	Before relocation occurs
Structural Change*	Application	Before structural change occurs
Permanent Change to Licence: <ul style="list-style-type: none"> <li>• Store/business or licence name change</li> <li>• Request for change in terms and conditions</li> <li>• Hours of sale</li> </ul>	Application	Before permanent change to cannabis licence occurs
Permanent Change to Licensee: <ul style="list-style-type: none"> <li>• Change of directors, officers, or senior manager (corporation, society)</li> <li>• Name change of licensee, person or sole proprietor</li> <li>• Addition of receiver or trustee</li> <li>• Addition of executor or administrator</li> </ul>	Application	Within 10 days of permanent change
Transfer of Ownership (including sale of cannabis business and its assets)	Application	Before transfer of ownership occurs

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<b>Share Transfers or Changes**</b> <ul style="list-style-type: none"> <li>• Licensee issues new shares to existing shareholder or existing shareholder transfer shares to existing shareholders (internal transfer of shares)</li> <li>• Licensee issues new shares to persons who are not existing shareholders or existing shareholders transfer shares to persons who are not existing shareholders.</li> <li>• Amalgamation of corporate licensee, holding company or subsidiary</li> </ul>	Application	Within 10 days of share transfer or changes
<b>Loss of Valid Interest</b> <ul style="list-style-type: none"> <li>• Licensee no longer owns and runs store</li> <li>• Licensee does not have certificate of title or lease/sub lease for store location</li> </ul>	Letter	Within 10 days of loss of valid interest
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
<b>Convictions (applicable to any individual licensee, or partner, shareholder, director, or officer of the licensee)</b> <ul style="list-style-type: none"> <li>• Criminal Code offence</li> <li>• Drug and liquor-related offence under Motor Vehicle Act or similar legislation elsewhere (in or outside of Canada)</li> </ul>	Letter	Within 10 days of conviction and confirmation at renewal
<b>Court Action Involving Disposition of Cannabis Licence</b>	Letter	Within 10 days of notice received
<b>Dormancy***</b>	Form	Within 10 days of dormancy occurring

### \*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.

### \*\* Share Transfers or Changes

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 10% of voting shares to owning 10% or more of voting shares in the licensee. Additionally, a licensee must report issuing new shares, or transferring shares, to persons who are not existing shareholders if, as a result, the new shareholders hold more than 10% or more of the voting shares in the licensee.

### \*\*\*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.

## Store Relocation

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

## 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 non-medical cannabis sold and prices charged
- c. Non-medical cannabis disposal records
- d. Sales records respecting cannabis accessories and prepaid purchase cards (gift cards) 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, qualification information, responsible training information (when this becomes available), primary job responsibilities, shift schedules and dates of employment.

# 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 must not appear to be associated with another business, with the exception of another licensed non-medical cannabis retail store in B.C. or a cannabis store located anywhere outside of B.C.

A licensee must not:

- Use a name or other visual identifier (e.g. trademarks) of another business (other than another licensed non-medical cannabis retail store in B.C. or a cannabis store located anywhere outside of B.C.),
- Jointly advertise with another business,
- Offer discounts in the store based on purchases in another business, or
- Operate a patron loyalty program, whether or not it is in association with another business, or
- Operate a gift card program with another cannabis retail store or non-cannabis business.

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## Store Layout

A cannabis retail store must be located in a permanent building or structure and be enclosed by floor-to-ceiling walls that are not transparent. Non-medical cannabis, cannabis accessories and transactions involving those products must not be visible from outside the store. Displays must not permit self service by patrons (including dispensing devices). All patrons 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 patrons.

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, cannabis accessories and transactions involving cannabis and cannabis accessories must not be visible from the shared common area. If a shared common area is approved by the general manager, a licensee must notify the Branch if the adjoining business changes during the term of their licence.

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## Store Security Requirements

A cannabis retail store must, at a minimum, have the following security requirements:

1. Intruder and fire monitoring alarm systems
2. Locked retail product display cases
3. Locked cannabis storage room
4. Secure perimeter door locks
5. 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 store entrances/exits.

The cameras must be active and recording at all times, including when your store is not open for business. Licensees must store security camera footage for at least 30 days after recording.

Licensees must post a written notice in the retail sales area informing their patrons that video surveillance is being used on the premises. This notice must be visible at all times.

Licensees must provide a copy of security camera footage to LCRB at any time for use in investigating possible contraventions of the *Cannabis Control and Licensing Act*, its regulations, and/or these terms and conditions.

Security camera footage may also be used by LCRB at enforcement hearings held under the CCLA.

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Please see the following guide from the Office of the Information and Privacy Commissioner for additional 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.

## Drive-throughs

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

## Online Sales

Online sales of non-medical cannabis are not permitted. In addition, a licensee must not list any cannabis products online.

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. A licensee must not sell cannabis to someone who intends to deliver cannabis to another person for compensation.

## Gift Cards

The sale of gift cards is permitted from a non-medical cannabis retail store location or online. The gift card must be licence specific and cannot be redeemed at another cannabis retail store or other business. Gift cards must not be sold to minors.

The denomination of a gift card must not exceed \$100. A license may not sell more than \$300 in gift cards to an individual on a single day.

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.

## Shopping Bags

Licensees are permitted to provide or sell shopping bags to their patrons. A licensee must ensure that the bags comply with advertising and promotional requirements.

## Smell Jars

Licensees may only allow their patrons to smell and view the types of cannabis product they have available through the use of a smell jar. The smell jar must be physically attached to a display case or counter and may remain on the display case or counter after hours. The cannabis must not be accessible to touch by the patron.

The cannabis used for smell jar display cannot be sold and must be disposed of according to a licensee's disposal plan (see Disposing of Cannabis). The cannabis must also be recorded in the cannabis register.

## 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 licensed producer, other licensed retail store, or any other source.

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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.

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The exception to this requirement is that if a licensee needs to close their business, the general manager may authorize the sale of cannabis to another licensee (please note, the general manager's authorization must be obtained prior to sale). The general manager may consider other exceptional circumstances as well.

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, including cannabis from smell jars. 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.

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A licensee must keep a record of non-medical cannabis disposal that includes:

- Date of disposal
- Type of cannabis disposed
- Amount of cannabis disposed
- How it was rendered inconsumable
- Where it was disposed

## Unlawful or Private Cannabis

A licensee must 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 altered or had anything added to it

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Licensees are accountable for any unlawful cannabis found anywhere on their premises.

If a licensee or an employee becomes aware that a patron has brought unlawful cannabis into the store, they must ask the patron 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.

In addition, a licensee must keep records of the cannabis used in smell jars, including:

- The specific tracking number of the cannabis product that goes into a smell jar.
- The date the licensee purchased that product (including the invoice number of the order it was taken from).
- The date the original package of cannabis was opened for use in a smell jar.

The original package of cannabis must be kept for inspection purposes until the smell jar cannabis is destroyed.

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

### Non-medical cannabis

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 have been purchased from the Liquor Distribution Branch. A licensee is not authorized to sell other forms of cannabis, such as edibles.

Cannabis must be sold in the original unopened package.

A licensee must not give patrons samples of cannabis.

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

	Quantity that is equivalent to 1 g of dried cannabis
Dried cannabis	1 g
Fresh cannabis	5 g
Solids containing cannabis	15 g
Non-solids containing cannabis (e.g. cannabis oil)	70 g
Cannabis solid concentrates	0.25 g
Cannabis non-solid concentrates	0.25 g
Cannabis plant seeds	1 seed

### Cannabis Accessories

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. The sale of e-juice, e-liquid, or e-substance is prohibited.

A licensee is not authorized to sell snacks, tobacco (or products containing nicotine), or other items that are not related to cannabis.



## Who a Licensee Can Sell To

A licensee is restricted to selling non-medical cannabis, cannabis accessories, gift cards, and shopping bags to retail patrons 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. Patrons cannot enter the retail store outside of the operating hours as indicated on the licence.

If there are patrons 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

The sale (payment and transfer of personal possession) of non-medical cannabis must take place inside the cannabis retail store.

## 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.

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# Advertising

## Branding

The name of the business and exterior signage must comply with 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.

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 in B.C. or a cannabis store located anywhere outside of B.C.) or are 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.

## Internet Group Discounts

Third-party companies offering internet group discounts are not licensed to sell cannabis and must not legally include cannabis as part of a promotion with a retail store. A licensee must 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 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 Producers (Tied houses)

Where there is an association, connection or financial interest between an applicant and a federally licensed producer 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 licensed 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. licensed retailer from selling any products of the associated federally licensed producer. In such a situation, the general manager may issue or renew a licence with such a condition.

The general manager will consider the following to determine if there is a likelihood the licensee will promote a particular federal licensed producer's product:

1. The financial interconnectedness of a cannabis retailer and a federal cannabis licensed producer.
  - o Whether a federal licensed producer is a significant shareholder (control of 20% or more of the voting shares) of a B.C. cannabis retailer or the federal licensed producer is a significant shareholder of a significant shareholder of a B.C. cannabis retailer.
  - o Whether a B.C. cannabis retailer is a significant shareholder (control of 20% or more of the voting shares) of a federal licensed producer or the B.C. cannabis retailer is a significant shareholder of a significant shareholder of a federal licensed producer.

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- Whether a person, partnership or company is a significant shareholder (control of 20% or more of the voting shares) in both a B.C. cannabis retailer and a federal licensed producer or a person, partnership or company is a significant shareholder in a company that is a significant shareholder in both a federal licensed producer and a B.C. cannabis retailer.
- 2. Whether an immediate family member of the licensee has **any** interest in a federal licensed producer. Immediate family members include spouses, parents, siblings, children, sons-in-law and daughters-in-law.
- 3. The general manager will also consider any other association, connection or financial interest between a B.C. cannabis retail licensee and federal licensed producer. There may be a combination of factors that when taken together lead to a reasonable conclusion there is a likelihood to promote.

Where an association, connection or financial interest exists between an applicant and a federal licensee or the licensee's agent the general manager may determine that it is necessary to restrict the person from selling any products of the associated federal licensed producer. Doing so eliminates the risk that the person would promote the federal licensee's cannabis, enabling the general manager to issue a licence. In such cases, the general manager may issue a licence with such a restriction.

### 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 or 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 must 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 must not accept product samples for themselves or their employees from a federal producer, marketer, or any other person.

### Product Vouchers

A licensee must not accept product vouchers for cannabis or cannabis accessories (i.e. certificates for a specific quantity of cannabis or a cannabis accessory that patrons 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.

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If a licensee has multiple licensed stores (i.e. a chain of cannabis retail 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 marketer 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

As a licensee, you are required to:

1. Comply with the *Cannabis Control and Licensing Act*, its Regulations and the terms and conditions in this publication.
2. Always allow Liquor and Cannabis Regulation Branch inspectors and/or police officers to enter your establishment. Never impede their entry in any way.
3. Upon request, provide inspectors with any documents and/or records as outlined in this handbook.
4. **Never draw attention to inspectors inside your establishment.** This can affect the inspectors' safety.

*Drawing the attention of patrons to the fact that branch inspectors, minor agents contracted to the branch, and/or police are present in your establishment may put the safety of the inspectors, minor agents contracted to the branch, and police at risk. Accordingly, your actions must not cause the attention or focus of patrons to shift towards inspectors, minor agents contracted to the branch, or police at any time; including at the time of entry, during an inspection, or when exiting your establishment. Actions such as announcing the arrival of inspectors, raising or flashing lights, turning down music, playing particular soundtracks (e.g. "Bad Boys" or "Hawaii Five O"), using spotlights, or any other similar actions are not permitted. You may not take, save or distribute photographs or video of inspectors or minor agents contracted to the branch in any manner (e.g. on a staff bulletin board, print media, social media or the internet).*

If your licence is suspended, you are not permitted to sell, cannabis in your establishment.

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.

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**"cannabis retail store"** or **"non-medical cannabis retail store"** means a licensed establishment that is authorized to sell non-medical dried cannabis, cannabis oil, and cannabis seeds for non-medical use in B.C.

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**"federal producer, or federally licensed producer"** means a person who produces cannabis under a licence 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.

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**"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 cannabis retail store 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;

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**"security verification"** means a verification provided by the general manager to an individual stating that the individual has passed a security screening under the *Cannabis Control and Licensing Act*.