

Marketing Terms and Conditions

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

July 2019



Cannabis Marketing Licence Terms and Conditions

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

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Introduction

The purpose of the cannabis marketing licence is to allow those who are authorized to promote cannabis under the *Cannabis Act*, to promote cannabis in B.C. to non-medical cannabis retail store licensees and the adult public in B.C. Marketing licensees may also promote cannabis to BC Cannabis Stores in accordance with applicable laws.

This handbook outlines the requirements of the *Cannabis Control and Licensing Act*, regulations and terms and conditions that relate to marketing licensees and their representatives in B.C. It is the responsibility of the marketing licensee to be aware of and to operate in compliance with these rules.

Marketing licensees must follow provincial laws and these terms and conditions at all times, as well as any additional terms and conditions that may be printed on their licence or in letters issued to them by the general manager of the *Cannabis Control and Licensing Act*. 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 Liquor and Cannabis Regulation Branch ("Branch") [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 Rd.
Victoria, BC
V9A 6X5

Email
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

The Cannabis Marketing Licence

The purpose of the **cannabis marketing licence** is to allow those who are authorized to promote cannabis under the *Cannabis Act*, to promote non-medical cannabis in B.C. to non-medical cannabis retail store licensees and the adult public in B.C.

In addition to a cannabis marketing licence, any third party authorized to promote cannabis in B.C. must hold valid letters of authorization from all of the federal producers they represent. All cannabis being promoted must be registered with the Liquor Distribution Branch.

The marketing licensee may hire employees as marketing representatives. The marketing licensee is responsible for making sure their employees follow all applicable provincial laws and the terms and conditions of the cannabis marketing licence. The marketing licensee is also responsible for providing identification to their employees to verify them as representatives. This identification must include the cannabis marketing licence number. A marketing licensee's employees are not required to undergo security screening.

The cannabis marketing licence does not authorize the marketing licensee to sell cannabis. All purchase transactions must go through the Liquor Distribution Branch. Federal producers may only sell non-medical cannabis to the Liquor Distribution Branch. A marketing licensee cannot import non-medical cannabis under the authority of a cannabis marketing licence.

Licence Renewal

A marketing licensee must renew their cannabis marketing licence before the licence expiry date each year and pay an annual licence fee.

Making Changes to the Licence

The details of a marketing licensee's cannabis marketing licence application are the basis for granting them a 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
Permanent Change to Licence: <ul style="list-style-type: none">Business or licence name changeRequest for change in terms and conditions	Application	Before permanent change to a cannabis marketing licence can occur
Permanent Change to Licensee: <ul style="list-style-type: none">Change of directors, officers, or senior manager (corporation, society)Name change of licensee, person, or sole proprietorAddition or change of receiver or trusteeAddition or change of executor or administrator	Application	Within 10 days of permanent change
Transfer of Ownership (including sale of marketing business and its assets)	Application	Before transfer of ownership can occur

Share Transfers or Changes* <ul style="list-style-type: none"> • Licensee issues new shares to existing shareholder or existing shareholder transfer shares to existing shareholders (internal transfer of shares) • Licensee issues new shares to persons who are not existing shareholders or existing shareholders transfer shares to persons who are not existing shareholders • Amalgamation of corporate licensee, holding company or subsidiary 	Application	Within 10 days of transfer or change
Arrests, Charges or Convictions (applicable to any individual licensee, or partner, shareholder, director, or officer of the licensee) <ul style="list-style-type: none"> • the <i>Criminal Code</i>, the <i>Controlled Drugs and Substances Act</i> (Canada) or the <i>Cannabis Act</i> (Canada) • the <i>Cannabis Control and Licensing Act</i>, the <i>Cannabis Distribution Act</i>, the <i>Liquor Control and Licensing Act</i> or the <i>Liquor Distribution Act</i> • a provision of an Act of a province or territory if the provision regulates cannabis • Drug and liquor-related offence under the <i>Motor Vehicle Act</i> or similar legislation elsewhere (in or outside of Canada) 	Letter	Within 10 days of arrest, charge, or conviction and confirmation at renewal
Court action involving disposition of licence	Letter	Within 10 days of notice received

*** 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.

Providing Information to the Branch

A marketing licensee must be forthright in providing information to the Branch. Making a misleading statement or failing to disclose a material fact are licensing contraventions. Submitting false or misleading information or failing to disclose a material fact are offences.

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

- a. contracts related to the activities authorized under the cannabis marketing licence
- b. if an individual who is the marketing licensee or a representative of the marketing licensee visits an establishment to conduct activities authorized under the cannabis marketing licence, a record of the visit that includes information identifying the individual
- c. when an individual who is the marketing licensee or a representative of the marketing licensee attends an event involving cannabis business, including events held by the marketing licensee, a record describing the event that includes information identifying the individual
- d. records of court orders and judgments against the marketing licensee respecting the activities authorized under the cannabis marketing licence

- e. employee records, including names, addresses, compensation, primary job responsibilities, work schedules and dates of employment
- f. an independent promoter must hold valid letters of authorization from all of the federal producers they represent.

Conducting Market Research

Surveys

A marketing licensee may conduct surveys if:

- All participants are 19 years of age or older (an exception may be made for a survey related to a non-cannabis topic, such as responsible-use messaging)
- The marketing licensee does not display non-medical cannabis brand or corporate advertising at the site of the research, or otherwise promote or incentivize the purchase of a product they represent.

A survey must take place in a market research office, hotel, meeting room or other location closed to the general public. The one exception to this is that if the survey is limited to a one-on-one question and answer format, it may be conducted by telephone, or in a private area, and the marketing licensee must take reasonable steps to ensure that all participants are 19 years of age or older.

A marketing licensee may compensate the respondents for participating in the survey. However, a marketing licensee cannot provide cannabis or a discount on cannabis as compensation.

Promotion

Activities Permitted

Promotional Events and Activities

A marketing licensee may invite other marketing licensees and non-medical cannabis retail store licensees to promotional event that the marketing licensee organizes, sponsors or is otherwise involved in that is designed to improve their knowledge of the products the marketing licensee represents.

A marketing licensee may pay for travel, meal, accommodation, and entertainment expenses of the non-medical cannabis retail store licensee incurred while attending the promotional event of the marketing licensee, up to \$1,500 per year in respect of the non-medical cannabis retail store licensee.

Where a non-medical cannabis retail store licensee has more than one non-medical cannabis retail store licence, a marketing licensee may pay for travel, meal, accommodation and entertainment expenses incurred by the non-medical cannabis retail store licensee of \$1,500 per person to a maximum of \$4,500 per year in respect of the non-medical cannabis retail store licensee.

Hospitality

A marketing licensee may pay for a non-medical cannabis retail store licensee's hospitality expenses not associated with a promotional event at a rate of up to \$1,500 per licensee.

Activities Not Permitted

Product Samples

A marketing licensee cannot provide samples of cannabis to anyone.

Inducements

A marketing licensee is not permitted to provide financial or other benefits (including any items, products, or services) to a non-medical cannabis retail store licensee. For example, a marketing licensee must not:

- offer money or other benefits to non-medical cannabis retail store licensees in return for the cannabis retail store licensee buying the products that the marketing licensee promotes
- offer money or other benefits to non-medical cannabis retail store licensees in exchange for their agreement not to stock a competitor's product, or
- make agreements that give a non-medical cannabis retail store licensee exclusive access to the products that the marketing licensee promotes.
- buy shelf space, offer weight discounts, or offer discounted product in exchange for marketing benefits,
- pay any of a non-medical cannabis retail store licensee's advertising costs (or vice versa),
- pay for an outside consultant or financial advisor to help a non-medical cannabis retail store licensee, or
- offer or provide any kind of compensation to the retail store licensee in return for allowing the non-medical retail store licensee to include a federal licensed producer's logo in advertisements.

In addition, a marketing licensee cannot accept money or other benefits from another licensee to secure the retail store licensee's ability to purchase the products that the marketing licensee promotes.

Connections to Non-Medical Cannabis Retail Store Licensees (Tied Houses).

A non-medical cannabis retail store licensee cannot hold a marketing licence.

Where there is an association, connection or financial interest between a marketing licensee and a non-medical cannabis retail store licensee, the general manager may determine that as a result of the marketing licensee's promotional activity, the non-medical cannabis retail store licensee is likely to sell the cannabis of one federal producer to the exclusion of the cannabis of another federal producer. The general manager may impose a term and condition on the non-medical cannabis retail store licensee's licence prohibiting the non-medical cannabis retail store licensee from selling the cannabis of a particular federal producer.

The general manager may consider factors to determine if there is a likelihood a non-medical cannabis retailer will sell the cannabis of a federal producer to the exclusion of cannabis of another federal producer as a result of the marketing licensee's promotional activity, including:

1. The financial interconnectedness of a marketing licensee and a non-medical cannabis retail store licensee, which may include:
 - Whether a marketing licensee is a significant shareholder (control of 20% or more of the voting shares) of a non-medical cannabis retail store licensee or the marketing licensee is a significant shareholder of a significant shareholder of a non-medical cannabis retail store licensee.
 - Whether a non-medical cannabis retail store licensee is a significant shareholder (control of 20% or more of the voting shares) of a marketing licensee or the non-medical cannabis retail store licensee is a significant shareholder of a significant shareholder of a marketing licensee.

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

Value-added Promotional Items

A marketing licensee cannot provide value-added promotional items in non-medical cannabis retail stores. A value-added promotional item is an item of nominal value offered with the purchase of a product at no additional cost.

Product Vouchers for Non-Medical Cannabis Retail Stores

A marketing licensee cannot provide product vouchers to a non-medical cannabis retail store licensee or to members of the general public that may be redeemed for cannabis. This includes coupons or discounts.

Compliance & Enforcement

A marketing licensee is required to:

1. Comply with the *Cannabis Control and Licensing Act*, its Regulations, the terms and conditions in this handbook, the terms and conditions printed on the front of the licence, and any direction from the GM received by letter.
2. Always allow Branch inspectors and/or peace officers to enter the marketing licensee's place of business. Never impede their entry in any way.
3. Upon request, provide Branch staff with any documents and/or records as outlined in this handbook.

For more information please visit the Branch [Compliance & Enforcement web pages](#).

Other ministries also have terms and conditions that licensees and employees must follow. Please refer to [this page](#) on the Branch website for more information.

Glossary

“the Branch” means the Liquor and Cannabis Regulation Branch, the provincial government agency that regulates the promotion and sales of non-medical cannabis in licensed non-medical cannabis retail stores.

“federal producer” means a person who produces cannabis for commercial sale 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 the legislative authority to make decisions regarding non-medical cannabis licensing in British Columbia.

“marketing licensee” refers to any individual, partnership, corporation or Indigenous nation that holds a British Columbia marketing licence. *Any person appointed by the marketing licensee to act in the marketing licensee's place or with the marketing licensee's authority, such as a manager, or authorized representative will be required to ensure the requirements, terms and conditions of the marketing licence are met and the marketing licensee will be accountable for the actions of any such persons.*

“marketing representative” means a person hired by a marketing licensee to promote the products of a licensed federal producer.

“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*;

