

ONTARIO REGULATION 468/18

made under the

CANNABIS LICENCE ACT, 2018

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INTERPRETATION

Interpretation

1. In this Regulation,

“licensed producer” means a person who is authorized by a licence issued under the *Cannabis Act* (Canada) to produce cannabis for commercial purposes.

Affiliates

2. (1) In paragraph 2 of subsection 4 (4) of the Act and this Regulation, an affiliate of a person is,

- (a) a corporation that is affiliated with the person for the purposes of the *Business Corporations Act*, as set out in subsection 1 (4) of that Act;

- (b) a corporation that is affiliated with another corporation in the manner referred to in clause (a), if that other corporation is at the same time affiliated with the person in that manner;
 - (c) a corporation of which the person beneficially owns or controls, directly or indirectly, shares or securities currently convertible into shares carrying more than 9.9 per cent of the voting rights under all circumstances or by reason of the occurrence of an event that has occurred and is continuing, or a currently exercisable option or right to purchase such shares or such convertible securities;
 - (d) a partner in the same partnership as the person;
 - (e) a trust in which the person has a substantial beneficial interest, whether vested or contingent, or with respect to which the person acts as a trustee;
 - (f) a member of the same joint venture, unincorporated association, unincorporated syndicate or unincorporated organization as the person; or
 - (g) a person who is deemed under subsection (2) or (3) to be an affiliate of the person or an affiliate of an affiliate of the person.
- (2) A person is deemed to be an affiliate of another person if the person is a corporation and the other person, or a group of persons or entities acting jointly or in concert with the other person, owns a beneficial interest in shares of the corporation,
- (a) carrying at least 50 per cent of the votes for the election of directors of the corporation and the votes carried by the shares are sufficient, if exercised, to elect a director of the corporation; or
 - (b) having a fair market value, including a premium for control if applicable, of at least 50 per cent of the fair market value of all the issued and outstanding shares of the corporation.
- (3) A person is deemed to be an affiliate of another person if the other person, or a group of persons or entities acting jointly or in concert with the other person, has any direct or indirect influence that, if exercised, would result in control in fact of that person.
- (4) Subsections (2) and (3) apply with respect to a group of persons or entities acting jointly or in concert with another person whether or not they are acting pursuant to an agreement or arrangement.

GENERAL INELIGIBILITY

Ineligibility, prescribed offences

3. The following offences are prescribed for the purposes of paragraph 3 (4) of the Act, paragraph 2 of subsection 4 (6) of the Act and paragraph 2 of subsection 5 (4) of the Act:

1. An offence under the Act.
2. An offence under section 6, 7, 8, 8.1, 13 or 15 of the *Cannabis Control Act, 2017* or, before the day on which section 1 of Schedule 1 to the *Cannabis Statute Law Amendment Act, 2018* came into force, the *Cannabis Act, 2017*.
3. An offence under Division 1 of Part 1 of the *Cannabis Act* (Canada).

Ineligibility, contravention of prescribed provisions

4. The following provisions are prescribed for the purposes of paragraph 4 of subsection 3 (4) of the Act, paragraph 3 of subsection 4 (6) of the Act and paragraph 3 of subsection 5 (4) of the Act:

1. Sections 6, 7, 8, 8.1, 13 and 15 of the *Cannabis Control Act, 2017* or, before the day on which section 1 of Schedule 1 to the *Cannabis Statute Law Amendment Act, 2018* came into force, the *Cannabis Act, 2017*.
2. Sections 8, 9, 10, 11, 12, 13 and 14 of the *Cannabis Act* (Canada).

Prescribed offences under *Controlled Drugs and Substances Act* (Canada)

5. Sections 4, 5, 7 and 7.1 of the *Controlled Drugs and Substances Act* (Canada) are prescribed for the purposes of subsections 3 (6) and 5 (5) of the Act.

Retail operator licence, compliance with tax laws

6. A person is not eligible to be issued a retail operator licence if any of the following circumstances apply, as confirmed by the Ministry of Finance for the purposes of the application for the licence:

1. The person is in default of filing a return under a tax statute administered and enforced by the government of Ontario, or of paying any tax, penalty or interest assessed under any such statute for which payment arrangements have not been made.
2. If the person has a business number with the Canada Revenue Agency, the person is in default of filing a return under the *Taxation Act, 2007*, the *Income Tax Act* (Canada), Part IX of the *Excise Tax Act* (Canada) or an Act of another

province or territory that imposes a tax on corporations and is administered and enforced by the Canada Revenue Agency.

Retail operator licence, corporation owned by licensed producer

7. A corporation is not eligible to be issued a retail operator licence if more than 9.9 per cent of the corporation is owned or controlled, directly or indirectly, by one or more licensed producers or their affiliates.

Ineligibility, other circumstances

8. A person is not eligible to be issued a licence or authorization under the Act if the person is or has been a member of a criminal organization as defined in subsection 467.1 (1) of the *Criminal Code* (Canada), or is or has been involved in, or contributes or has contributed to, the activities of such an organization.

RETAIL STORE AUTHORIZATIONS

Cannabis retail store requirements

9. A retail store authorization may not be issued with respect to a proposed cannabis retail store if,

- (a) the retail space where cannabis would be sold,
 - (i) would not be enclosed by walls separating it from any other commercial establishment or activity and from any outdoor area, or
 - (ii) could be entered from or passed through in order to access any other commercial establishment or activity, other than a common area of an enclosed shopping mall; or
- (b) the premises at which the cannabis to be sold in the store would be received or stored would be accessible to any other commercial establishment or activity or to the public.

Public interest

10. For the purposes of paragraph 5 of subsection 4 (6) of the Act, only the following matters are matters of public interest:

- 1. Protecting public health and safety.
- 2. Protecting youth and restricting their access to cannabis.
- 3. Preventing illicit activities in relation to cannabis.

No issuance, proximity to schools

11. (1) In this section,

“private school” means a private school as defined in the *Education Act*.

(2) For the purposes of clause 4 (12) (a) of the Act, a proposed cannabis retail store may not be located less than 150 metres from a school or a private school, as determined in accordance with the following:

- 1. If the school or private school is the primary or only occupant of a building, 150 metres shall be measured from the property line of the property on which the school or private school is located.
- 2. If the school or private school is not the primary or only occupant of a building, 150 metres shall be measured from the boundary of any space occupied by the school or private school within the building.
- (3) Subsection (2) does not apply to a private school if,
 - (a) it is located on a reserve; or
 - (b) it only offers classes through the Internet.

Maximum permissible authorizations

12. The Registrar shall refuse to issue a retail store authorization if,

- (a) the applicant already holds 75 retail store authorizations; or
- (b) the applicant and its affiliates between them already hold 75 retail store authorizations.

Display of authorization

13. It is a condition of a retail store authorization that the holder display the authorization in a conspicuous place in the cannabis retail store.

Distribution services

14. (1) It is a condition of a retail store authorization that the holder not enter into contracts or agreements with any person or entity for the provision of cannabis distribution services.

(2) Subsection (1) does not apply with respect to,

- (a) a contract or agreement with the Ontario Cannabis Retail Corporation or with a person or entity acting under a contract to provide distribution services to or on behalf of the Ontario Cannabis Retail Corporation; or
- (b) a contract of employment with the holder to work in a cannabis retail store.

REVOCATIONS AND SUSPENSIONS

Revocation without proposal, prescribed contraventions

15. For the purposes of clause 11 (3) (c) of the Act, section 9 of the *Cannabis Act* (Canada) is prescribed.

Public notice of suspension of authorization

16. (1) If a retail store authorization is suspended, the holder shall prominently display a sign respecting the suspension in a conspicuous place that is visible from the exterior of the public entrance to the cannabis retail store.

(2) The sign referred to in subsection (1) shall be in the form approved by the Registrar and shall be displayed for the duration of the suspension.

OPERATION OF CANNABIS RETAIL STORES

Permissible hours of operation

17. A cannabis retail store is authorized to be open to the public between 9:00 a.m. and 11:00 p.m. on any day.

Additional items that may be sold

18. For the purposes of paragraph 2 of section 18 of the Act, the holder of a retail store authorization may sell the following items at a cannabis retail store:

- 1. Cannabis accessories within the meaning of subsection 2 (1) of the *Cannabis Act* (Canada).
- 2. Shopping bags.

Cannabis retail seal

19. (1) For the purposes of subsection 7 (2) of the Act, the holder of a retail store authorization shall, in accordance with this section, prominently display the cannabis retail seal set out in Schedule 1 to this Regulation.

(2) The cannabis retail seal shall be displayed in a conspicuous place that is visible from the exterior of the public entrance to the cannabis retail store.

(3) The displayed cannabis retail seal shall be at least 17 centimetres in width at its widest point by 20 centimetres in height.

(4) Either the French version, the English version or both versions of the cannabis retail seal may be displayed.

(5) The holder of a retail store authorization that is revoked or fails to be renewed shall ensure that the cannabis retail seal is removed from display as soon as practicable after the revocation or non-renewal.

Preventing entry of individuals under 19 years of age

20. (1) The holder of a retail store authorization shall ensure that no individual who appears to be under 25 years of age is permitted to enter the cannabis retail store unless the holder or an employee of the holder has required the individual to provide a form of identification prescribed for the purposes of subsection 7 (2) of the *Cannabis Control Act, 2017* and the holder or employee is satisfied that the individual is at least 19 years of age.

(2) For the purposes of subsection (1), subsection 7 (3) of the *Cannabis Control Act, 2017* applies with necessary modifications.

Training requirements

21. (1) The Board may approve training courses or programs, including but not limited to training courses or programs respecting,

- (a) the responsible sale of cannabis;
- (b) record keeping requirements under the Act; and
- (c) measures required to be taken under the Act to reduce the risk of cannabis being diverted to an illicit market or activity.

(2) The following individuals are required to successfully complete training courses or programs approved under subsection (1):

- 1. Holders of a retail store authorization.

2. Holders of a cannabis retail manager licence.
3. Individuals employed to work in a cannabis retail store.

(3) The holder of a retail store authorization shall ensure that every holder of a cannabis retail manager licence or other individual employed to work in the cannabis retail store meets the requirements of subsection (2).

MATTERS RESPECTING MUNICIPALITIES

Notice of resolution

22. (1) For the purposes of subsection 41 (5) of the Act, a municipality shall provide to the Registrar written notice of a resolution passed under that section no later than three business days after the resolution is passed.

(2) Despite subsection (1), notice of a resolution referred to in subsection 41 (1) of the Act shall not be provided to the Registrar later than January 22, 2019.

(3) In subsection (1),

“business day” means a day from Monday to Friday, other than a holiday.

MATTERS RESPECTING RESERVES

Notice of resolution

23. For the purposes of subsection 43 (5) of the Act, a council of the band shall as soon as practicable after the passing of a resolution referred to in that section provide to the Registrar written notice of the resolution.

COMMENCEMENT

Commencement

24. This Regulation comes into force on the later of the day clause 49 (1) (a) of Schedule 2 to the *Cannabis Statute Law Amendment Act, 2018* comes into force and the day this Regulation is filed.

SCHEDULE 1 CANNABIS RETAIL SEAL



Text alternative: Illustration of English cannabis retail seal consisting of “ONTARIO AUTHORIZED” in white capitalized text, above a white horizontal line, above an illustration of a white trillium, on a black background with a white border. This text alternative is provided for convenience only and does not form part of the official law.



Text alternative: Illustration of French cannabis retail seal consisting of “DÉTAILLANT AUTORISÉ EN ONTARIO” in white capitalized text, above a white horizontal line, above an illustration of a white trillium, on a black background with a white border. This text alternative is provided for convenience only and does not form part of the official law.

Français

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