



## BRICK AND MORTAR CANNABIS RETAIL STORES IN ONTARIO What Aspiring Operators Should Know

By **Cindy Yi**



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April 1, 2019 marked the first day that brick and mortar cannabis retail stores in Ontario were permitted to open their doors, although less than half of the twenty-five individuals and companies awarded the retail operator licences through the Alcohol and Gaming Commission of Ontario (AGCO) lottery were ready to start operating. More are expected open over the next few weeks.

Despite the fact that no additional retail operator licences have been yet made available, the Province has made clear that once supply shortages at the federal level have been addressed, more licences will be handed out.

Here are some things that individuals and companies who are considering or planning to operate a retail cannabis store should consider:

### Licences

Three licences in total are required:

1. Retail Operator Licence (this is the one currently limited to 25 in Ontario)
2. Retail Store Authorization (required for every physical storefront location)
3. Cannabis Retail Manager Licence (this is not required if you are a sole proprietor acting as both owner and manager for a particular store, but otherwise this is required for anyone with management responsibilities to ensure the responsible sale of cannabis)

### Pre-requisites

#### For Individual Applicants

Individual applicants must:

- Be a minimum age of 19
- Be considered "financially responsible"
- Not have been refused a retail operator licence or had a licence revoked within the last two years, subject to some exceptions
- Have no convictions or charges under the Cannabis Licence Act, 2018, the Cannabis Control Act, 2017 or the Cannabis Act (Canada) and all related regulations
- Be the same individual exercising control over the applicant's cannabis retail business

- Have no current or previous ties to criminal organizations
- Not have made any false statements or provided false information in the application

#### For Retail Store Locations

Any given potential retail store location must:

- Be located in a municipality that has not opted out of allowing cannabis retail stores
- Be zoned for commercial/retail use
- If on a reserve, must include a Resolution of the Council of the band showing approval
- Comply with all federal and provincial laws with respect to advertising and promoting cannabis
- Ensure all workers have completed the designated employee training designed and approved by the AGCO
- Not be within 150 metres of a public or private school
- Have operating hours between 9 am and 11 pm, subject to stricter municipal requirements
- Only sell approved cannabis products (which are: cannabis flowers, tinctures, topicals and concentrates along with certain accessories)
- Only sell cannabis that was purchased directly from the Ontario Cannabis Retail Corporation
- Have a secure, high-resolution surveillance system in place at all times
- Ensure no cannabis or accessories are visible from the exterior of the premises

#### Advertising/Promotion

As of now, there are no Ontario-specific laws regarding the advertising and promotion of cannabis, but the federal Cannabis Act broadly contains five prohibitions:

1. You cannot use testimonials or personal endorsements – this includes from clients, customers, employees and celebrities;
2. You cannot advertise any pricing information – this can only be done at the point of sale;
3. You cannot appeal to children nor can your advertising occur in a location where it may be accessed by a minor audience;
4. You cannot use the depiction of a person, character or animal (real or fiction); and
5. You cannot present cannabis in a way that looks glamorous or exciting, or associated with recreation, vitality, risk or daring.

The foregoing only represents a high-level overview and summary of the requirements and considerations for anyone wishing to apply for a retail operator licence. If you have any questions with respect to the above, please contact Cindy Yi.

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