

AGCO updates application process for cannabis retail licensing



AGCO

Alcohol and Gaming Commission of Ontario

On December 12, 2019, the Government of Ontario announced its move towards an open market for private cannabis retail in Ontario and related amendments to Ontario Regulation 468/18 made under the *Cannabis Licence Act, 2018*.

As a result, the Alcohol and Gaming Commission of Ontario (AGCO) will modify the application process for cannabis retail licensing. These changes will be introduced in the stages set out below, which align with the timelines established by the government.

The AGCO is committed to processing applications as quickly as possible with the objective of making a legal supply of cannabis more broadly available across Ontario. As regulator, the AGCO's priorities continue to be ensuring that only eligible applicants are licensed and that licensed operators act with honesty, integrity, and in the public interest, following all laws, regulations and standards.

CANNABIS LICENCE AND AUTHORIZATION

As a reminder, those who wish to operate a cannabis retail store in Ontario must follow a two-step application process with the AGCO:

- First, they must qualify for a **Retail Operator Licence**, which confirms they meet the eligibility criteria set out in the *Cannabis Licence Act, 2018* and its regulations.
- Second, once licensed, an operator's proposed physical store(s) must qualify for a **Retail Store Authorization**, which confirms the store meets the location, layout, security and other requirements set out in the regulations and standards.

An operator must qualify for a Retail Operator Licence before they can receive a Retail Store Authorization. The AGCO will only license applicants who meet all legal and regulatory requirements.

As of December 12, 2019



Change to Affiliation and Accessories Rules

Licensed Producers may now own or control up to 25% of a corporation holding a cannabis Retail Operator Licence. This is an increase from the 9.9% previously allowed.

The amended regulation expands the types of items retailers may sell in their stores. AGCO-authorized stores may now begin selling items directly related to cannabis or its use, but not food or beverages. Authorized stores may sell cannabis edibles once approved products become available for retail in Ontario in January 2020.

January 6 to March 2, 2020



Retail Operator Licence Application Process Open to All

The AGCO will begin accepting Retail Operator Licence (ROL) applications from any interested applicant as of January 6, 2020. This includes applications from Licensed Producers.

The Cannabis retail lottery and First Nations reserve allocation processes and rules will be revoked on January 6.

However, the current restriction on the total number of stores (i.e. 93) and their regional distribution will be maintained until March 2.

Until March 2, only applicants who were already selected and notified to apply for a ROL by the Registrar before January 6, 2020 may apply for a Retail Store Authorization.

March 2, 2020 onwards



Open Market

As of March 2, 2020, the restrictions on the total number of store authorizations permitted in the province, and their regional distribution, will be revoked.

As of that date, the AGCO will begin accepting applications for Retail Store Authorizations (RSA) from all interested applicants. This includes from Licensed Producers who may apply for a retail store at one production facility, as permitted by the Act.

In accordance with direction set by government, the AGCO expects to issue up to 20 RSAs per month as stores become ready.

Licensed operators may have up to 10 stores until September 2020, up to 30 until September 2021 and up to 75 thereafter.

For more information, visit us online www.agco.ca or call (416) 326-8700 or toll free 1 (800) 522-2876