

APPLICATIONS

BC Micro License Association

Federal Pardons

The federal government is turning its mind to the issue of pardons for past cannabis-related convictions: <http://www.martlet.ca/pardons-will-be-issued-for-past-cannabis-possession-charges/>.

It is important to note the difference between a pardon and an expungement. The new legislation isn't out yet, but based on media reports, the feds are going for the half-measure of pardons, not the full-monty expungements. We will provide an update once the draft legislation is made public.

For Real?

<https://business.financialpost.com/cannabis/cannabis-business/cannabis-investing/canadian-cannabis-investor-gets-lifetime-ban-from-u-s-as-vegas-conference-goers-face-scrutiny-at-border>

Like we said in our previous newsletter, be careful out there, because "inadmissible" is for life. Serious stuff, indeed.

We get the feeling this is an issue that will not be resolved, or resolvable, in the foreseeable future given the current political climate in the US.

This, too: <https://www.ctvnews.ca/canada/buying-cannabis-with-a-credit-card-why-you-should-think-about-privacy-1.4182055>



Preparing for Your Application

We thought it might be helpful to put all of the Health Canada links related to Cannabis Act licence applications into one newsletter.

We also want to remind everyone that the first step in the process is to have a site for your operations. Check with your municipality to determine whether commercial cannabis activity is permitted; a zoning variance or an ALR non-farm use application may be required.

The first document to read is the Cannabis Licensing and Application Guide. It has details about the information that will be required for the application: <https://www.canada.ca/content/dam/hc-sc/documents/services/publications/drugs-health-products/cannabis-licensing-guide/cannabis-licensing-guide.pdf>.

This link is also helpful; it has some more information about the application process: <https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/industry-licensees-applicants/applying-licence.html> (at the bottom of the page, you can access the CTLS "Getting Started" guide).

Information about the application and licensing fees can be found here: <https://www.canada.ca/content/dam/hc-sc/documents/services/publications/drugs-health-products/cannabis-fees-order/cannabis-fees-order-guide.pdf>.

One issue applicants may not be aware of is that the applicant also has to



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fulfil Canada Revenue Agency requirements, in addition to the Health Canada ones. The Cannabis Excise Tax may have to be pre-paid: <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/excise-duties-levies/apply-cannabis-licence.html>.

To learn more about the on-going CTLS reporting requirements after a licence is granted by HC, see: <https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/tracking-system.html>.

Information about testing and the limits for pesticides: <https://www.canada.ca/en/public-health/services/publications/drugs-health-products/cannabis-testing-pesticide-requirements.html>. Make sure to click on the "Limits" document at the top of the page for the numbers that matter.

Applicants may also want to turn their minds to their 'brand': <https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/laws-regulations/promotion-prohibitions.html>. Marketing and promotion will be strictly controlled and the packaging requirements are insane - see Division 2, Sub-Division B of the Cannabis Act and Part 7 of the regulations.

Packaging is something that should definitely be sorted out as early in the process as possible.

If anyone is wondering about how Health Canada will enforce the provisions of the Cannabis Act, this is helpful: <https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/laws-regulations/compliance-enforcement-policy-cannabis-act/policy.html>.

The application process is complicated and a significant amount of information is required. We encourage potential applicants familiarize themselves as much as they can with the above noted material because knowledge is power, right?

If any potential applicant needs motivation, remember the BC LDB is *crying* for BC micro-produced cannabis. It would seem the LPs are having some, um, 'difficulty' with their supply-chain: <https://www.fool.ca/2018/11/21/investors-panic-as-cannabis-shortages-plague-industry/>, but *this* is what gets coverage: <https://business.financialpost.com/cannabis/aurora-ceo-criticizes-ontario-b-c-retail-cannabis-rollouts-in-profanity-laced-appearance-in-vegas> (dude, language!).

There are massive opportunities for micro-licensees into the foreseeable future, especially since demand continues to rise: <https://business.financialpost.com/cannabis/cannabis-spending-grew-1-1-per-cent-in-q3-to-5-9-billion>

Just a reminder - Health Canada has advised us that the web-based information seminar and Q & A for our members will be scheduled for the end of November, early-December, 2018. We're pretty excited about this opportunity and will have details up on our IG as soon as they become available:

https://www.instagram.com/bc_micro_license_association/?hl=en