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THE LIQUOR AND GAMING CONTROL ACT (C.C.S.M. c. L153)

Cannabis Regulation

Regulation 120/2018
Registered September 12, 2018

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PART 1

INTRODUCTORY PROVISIONS

INTERPRETATION

Definitions

1(1) The following definitions apply in this regulation.

"Act" means *The Liquor, Gaming and Cannabis Control Act*.

"age-restricted cannabis store" means a cannabis store that is the subject of an age-restricted retail cannabis licence.

"cannabis producer" means a person who is authorized to produce cannabis for commercial purposes under the *Cannabis Act* (Canada).

"controlled-access cannabis store" means a cannabis store that is the subject of a controlled-access retail cannabis licence.

"display container" means a container that allows a person to see and smell cannabis inside the container, but that does not allow a person to touch that cannabis.

"licensee" means

- (a) the holder of a retail cannabis licence in Part 2;
- (b) the holder of a cannabis distributor licence in Part 3; and
- (c) the holder of a retail cannabis licence or a cannabis distributor licence in Part 4.

"retail area" means the area of a cannabis store set out in the retail cannabis licence where members of the public may be present.

"storage area" means the area of a cannabis store set out in the retail cannabis licence where cannabis that is not available for immediate sale is stored.

1(2) For the purposes of this regulation,

- (a) the holder of a retail cannabis licence and the principals of the holder are deemed to be cannabis store employees; and
- (b) the holder of a cannabis distributor licence and the principals of the holder are deemed to be cannabis distributor employees.

Determining equivalent amounts of cannabis

2 For the purposes of the Act, the amount of a class of cannabis that is equivalent to 1 g of dried cannabis is to be determined in accordance with Schedule 3 of the *Cannabis Act* (Canada).

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EXCEPTIONS TO PROHIBITIONS

Exception to possession limits

2.1(1) Cannabis store employees and cannabis distributor employees may possess the equivalent of more than 30 grams of dried cannabis while in a cannabis store or premises where the sale or storage of cannabis has been authorized under the Act.

2.1(2) A person who is authorized or retained by a licensee to transport cannabis to the licensee or to deliver cannabis to customers of the licensee may possess the equivalent of more than 30 grams of dried cannabis in a public place while they are engaged in the transport or delivery of the cannabis as long as the person does so in a manner that is consistent with the conditions that apply to the authorization or retainer.

2.1(3) An inspector may possess the equivalent of more than 30 grams of dried cannabis if the inspector comes into possession of the cannabis while acting in the course of duty.

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Exception to packaging and labelling requirements

2.2(1) Cannabis store employees may possess cannabis that is not packaged, labelled and stamped in accordance with the requirements of subsection 101.15.2(2) of the Act if

(a) the cannabis is contained in a display container in the retail area of a cannabis store; or

(b) the cannabis is in the storage area of a cannabis store.

2.2(2) An inspector may possess cannabis that is not packaged, labelled and stamped in accordance with the requirements of subsection 101.15.2(2) of the Act if he or she comes into possession of the cannabis while acting in the course of duty.

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PART 2

CANNABIS STORES

SECURITY MEASURES AT CANNABIS STORES

Security measures at age-restricted cannabis stores

3 The licensee of an age-restricted cannabis store must ensure that

(a) commercial-grade locks are installed on all exterior doors of the cannabis store and the perimeter of the store is secured in a manner that prevents unauthorized access; and

(b) a monitored security alarm system is in operation at all times that detects power outages, unauthorized entry to the cannabis store and any attempts to tamper with the alarm system.

Security measures at controlled-access cannabis stores

4(1) The licensee of a controlled-access cannabis store that is located within larger premises which are not operated by the licensee must comply with section 3 in relation to the controlled-access cannabis store.

4(2) If a controlled-access cannabis store is located within larger premises operated by the licensee,

(a) section 3 applies to the larger premises operated by the licensee; and

(b) the perimeter of all parts of the cannabis store must be secured in a manner that prevents unauthorized access at all times when the cannabis store is closed.

Video surveillance

5(1) A licensee must ensure that a video surveillance system is in continuous operation at the cannabis store.

5(2) The video surveillance system at the cannabis store must

(a) record all interior areas of the cannabis store, including the storage area;

(b) record all exterior entrances to the cannabis store or, if the cannabis store is located within larger premises operated by the licensee, all exterior entrances to those premises;

(c) record the area of the cannabis store where sale transactions are concluded;

(d) produce a clear colour image of all areas under surveillance and be capable of reproducing clear colour images from surveillance recordings; and

(e) provide a date and time stamp on each recorded frame.

5(3) A licensee must retain all video surveillance recordings for the period specified by the executive director.

5(4) A licensee must post a sign in a prominent location within the cannabis store that advises that a video surveillance system is in operation at the cannabis store.

Restricted access to storage area

6(1) The storage area of a cannabis store must be locked at all times when cannabis store employees or other authorized persons do not require access to the storage area.

6(2) Subject to subsection (3), only cannabis store employees may enter or access the storage area of the cannabis store.

6(3) A person who is not a cannabis store employee may enter or access the storage area if

(a) prior to entering or accessing the storage area, the person presents identification that confirms their name to a cannabis store employee; and

(b) the person is accompanied at all times by a cannabis store employee.

DISPLAY AND SALE OF CANNABIS

Sale of cannabis plants and seeds prohibited

7 A licensee must not sell live cannabis plants or viable cannabis seeds.

Cannabis display requirements

8(1) Subject to subsection (2), all cannabis in the retail area of the cannabis store must be kept in locked cases or containers that can be opened or accessed only by cannabis store employees.

8(2) The licensee of an age-restricted cannabis store may keep cannabis in a display container in the retail area of the cannabis store if

(a) the display container is chained or permanently secured in a manner that ensures that it cannot be removed from the store; or

(b) cannabis store employees keep the display container in their possession at all times when showing it to customers.

Handling cannabis prior to purchase prohibited

9 A licensee must ensure that customers at the cannabis store are not able to handle cannabis at any time before it has been purchased.

Cannabis must remain in original packaging

10 Except as permitted by section 11, a licensee must ensure that all cannabis in the cannabis store remains in the same unopened packaging as when it was delivered to the cannabis store.

Cannabis in display containers

11(1) The licensee of an age-restricted cannabis store may remove cannabis from its original package and place it in a display container in the retail area of the cannabis store.

11(2) Cannabis that was in a display container must not be sold by a licensee.

Product and pricing information in controlled-access store

12(1) Except as permitted under subsection (2), the licensee of a controlled-access cannabis store must not display any promotional information respecting cannabis within the cannabis store.

12(2) The licensee of a controlled-access cannabis store may post signs in the store that list the cannabis offered for sale and the applicable price.

Cannabis must be sold in original package

13 A licensee may sell cannabis only if

- (a) it is in the same packaging as when it was delivered to the cannabis store;
- (b) the original packaging has not been opened, unsealed or damaged in any way; and
- (c) all labels on the original packaging are in place, have not been modified in any way and are not obscured.

Maximum amount of cannabis that may be sold

14 A licensee must not sell more than 30 g of dried cannabis, or an equivalent amount of one or more other classes of cannabis to a person in a single transaction.

Sale of cannabis by employees

15 A licensee must not allow any person other than a cannabis store employee to sell cannabis in the cannabis store.

Completing transactions at controlled-access cannabis store

16 The licensee of a controlled-access cannabis store must ensure that all purchases are concluded at the cannabis store before the customer leaves with the cannabis in their possession.

PROOF OF AGE**Proof of age**

17(1) If a person who appears to be under 19 years of age

- (a) attempts to enter an age-restricted cannabis store; or

(b) attempts to purchase cannabis at a cannabis store;

a cannabis store employee must require that person to produce one of the authorized types of identification set out in subsection (2) that confirms that the person is 19 years of age or older.

17(2) A person who is required to produce identification under subsection (1) must produce one of the following types of identification that belongs to the person:

(a) a valid passport;

(b) a valid driver's licence;

(c) a valid identification card issued by Manitoba Public Insurance;

(d) a valid Secure Certificate of Indian Status issued by the Government of Canada;

(e) two valid pieces of government-issued identification, with at least one piece of identification containing a photograph of the person.

17(3) If the person refuses or is unable to produce the required identification, the cannabis store employee must require the person to leave the cannabis store and must not sell cannabis to the person.

REMOTE ORDERS AND DELIVERY

Online sales

18 A licensee may only accept online remote orders that are submitted to a website operated by the licensee.

Age verification

19 A licensee must ensure that all measures specified by the executive director to prevent persons under 19 years of age from submitting remote orders are employed at the cannabis store.

Payment prior to delivery

20 Payment for remote orders must be processed by the licensee before the cannabis is sent for delivery from the cannabis store.

Packaging requirements

21 A licensee must ensure that all cannabis is delivered to a purchaser in a package that

(a) prevents persons from viewing the contents of the package without opening the package;

(b) is sealed so that the cannabis cannot be removed from the package without breaking the seal;

(c) is constructed of material and designed so that it will not open while being transported; and

(d) prevents the escape of cannabis odour.

Delivery requirements

22(1) A licensee must ensure that all deliveries of cannabis to customers comply with requirements specified by the executive director.

22(2) A licensee must not place more than 30 g of dried cannabis, or an equivalent amount of one or more other classes of cannabis, in a single package for delivery to a customer.

INVENTORY AND SALES RECORDS**Inventory management system**

23 A licensee must maintain an inventory management system that

- (a) tracks cannabis inventory at the cannabis store on an ongoing basis;
- (b) has a point-of-sale system;
- (c) enables the tracking of cannabis inventory by universal product code (UPC); and
- (d) identifies all cannabis available for sale and cannabis that cannot be sold.

Inventory records

24 A licensee must maintain records, for a period specified by the executive director, respecting the following:

- (a) cannabis received;
- (b) cannabis available for sale;
- (c) cannabis that is not available for sale due to usage in display containers, damage to packaging or quality control issues;
- (d) cannabis subject to recall;
- (e) cannabis sold, based on universal product code (UPC);
- (f) any additional matters specified by the executive director.

Reporting on inventory

25(1) A licensee must provide the executive director with reports on the matters set out in section 24, in the form and by a deadline specified by the executive director.

25(2) A licensee must notify the executive director as soon as reasonably practicable after discovering any inventory discrepancies.

Inventory and sales records

26 A licensee must keep records of all inventory counts and sales and supporting documentation for two years.

MISCELLANEOUS PROVISIONS RE CANNABIS STORES

Posting licence

27(1) A licensee must keep the retail cannabis licence posted in a conspicuous place in the cannabis store.

27(2) A licensee that operates a website must post the retail cannabis licence number in a conspicuous place on the website.

Off-site storage location requirements

28(1) A licensee may store cannabis at a location outside the cannabis store only if the executive director has given written approval authorizing cannabis storage at that location.

28(2) Sections 3, 5 and 6 apply, with necessary changes, to an authorized off-site storage location.

Sale of organic solvents prohibited

29(1) A licensee must not sell organic solvents at the cannabis store.

29(2) In subsection (1), "**organic solvent**" means an organic compound that is explosive or highly flammable, including petroleum naptha and compressed liquid hydrocarbons such as butane, isobutane, propane and propylene.

Materials to purchasers

30 A licensee must ensure that every purchaser of cannabis receives written materials respecting cannabis that have been approved by the authority.

No return of cannabis

31 A licensee must not accept a return of cannabis, except in the case of cannabis that is the subject of a recall.

Treatment of cannabis that cannot be sold

32(1) A licensee must keep in a separate part of the storage area all cannabis that cannot be sold because it has been used in display containers, its packaging has been damaged or due to quality control issues.

32(2) A licensee must dispose of all cannabis referred to in subsection (1) in the manner specified by the executive director.

Employee and storage area access records

33(1) A licensee must keep a daily record of

- (a) the cannabis store employees who are on duty that day; and

(b) the name of any person who is not a cannabis store employee who enters or accesses the storage area that day, and the time that person entered or accessed the storage area.

33(2) A licensee must retain the records required under subsection (1) for the period specified by the executive director.

Employment of young persons

34(1) The licensee of an age-restricted cannabis store must not employ any person under 19 years of age.

34(2) The licensee of a controlled-access cannabis store must ensure that only employees who are 19 years of age or older may be involved in the sale, handling or transportation of cannabis.

PART 3

CANNABIS DISTRIBUTORS

SECURITY MEASURES

Storage facility approval required

35 A licensee may store cannabis only at a location that has been approved by the executive director.

Security measures at cannabis storage facility

36 Sections 3 and 5 apply, with necessary changes, to a cannabis storage facility operated by a licensee.

Restricted access to storage facility

37(1) Subject to subsection (2), only cannabis distributor employees may enter or access a cannabis storage facility operated by a licensee.

37(2) A person who is not a cannabis distributor employee may enter a cannabis storage facility operated by a licensee if

(a) prior to entering or accessing the storage facility, the person presents identification that confirms their name to a cannabis distributor employee; and

(b) the person is accompanied at all times by a cannabis distributor employee.

Employee and storage facility access records

38(1) A licensee who operates a cannabis storage facility must keep a daily record of

(a) the cannabis distributor employees who are on duty at the facility that day; and

(b) the name of any person who is not a cannabis distributor employee who enters the facility that day, and the time that person entered the facility.

38(2) A licensee must retain the records required under subsection (1) for the period specified by the executive director.

No employment of young persons

39 A licensee must not employ any person under 19 years of age.

OPERATIONS

Cannabis to remain in original packaging

40 All cannabis delivered by a licensee to cannabis stores must be in the original packaging used by the cannabis producer.

Delivery requirements

41 A licensee must ensure that all deliveries of cannabis to cannabis stores comply with requirements specified by the executive director.

Disposal of cannabis that cannot be sold

42 A licensee must dispose, in the manner specified by the executive director, of all cannabis that cannot be sold at a cannabis store because it has been used in display containers, its packaging has been damaged or due to quality control issues.

RECORDS AND REPORTING

Inventory management system

43 A licensee must maintain an inventory management system that

- (a) tracks cannabis inventory on an ongoing basis;
- (b) enables the tracking of cannabis inventory by universal product code (UPC); and
- (c) identifies all cannabis available for sale and cannabis that cannot be sold.

Inventory records

44(1) A licensee must maintain records, for a period specified by the executive director, respecting the following:

- (a) cannabis received;
- (b) cannabis available for sale;
- (c) cannabis used by the licensee for promotional or marketing purposes;
- (d) cannabis that is not available for sale due to damage to packaging or quality control issues;
- (e) cannabis subject to recall;
- (f) cannabis sold, based on universal product code (UPC);
- (g) any additional matters specified by the executive director.

44(2) The records under subsection (1) must be maintained for a period specified by the executive director.

Reporting on inventory

45(1) A licensee must provide the executive director with reports on the matters set out in section 44, in the form and by a deadline specified by the executive director.

45(2) A licensee must notify the executive director as soon as reasonably practicable after discovering any inventory discrepancies.

Inventory and sales records

46 A licensee must keep records of all inventory counts and sales and supporting documentation for the current year and the two previous years.

PART 4

GENERAL PROVISIONS

Employee security screening policy

47(1) A licensee must establish a policy that sets out conduct that would prevent a person from being employed by the licensee or that requires the termination of a person's employment with the licensee.

47(2) A licensee must conduct appropriate background checks on a prospective employee to determine if the person has engaged in conduct set out in the employee security screening policy.

47(3) A licensee must not employ a person who has engaged in conduct set out in the employee security screening policy.

47(4) A licensee must provide the executive director with

(a) a copy of the licensee's employee security screening policy; and

(b) all amendments to the employee security screening policy as soon as practicable after the amendments are made.

Producing records and recordings to authority

48 Upon request, a licensee must provide the authority with access to specified records or surveillance recordings that the licensee is required to keep under this regulation.

September 12, 2018

Liquor and Gaming Authority of Manitoba

Bonnie Mitchelson
Chair