

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

CITY OF TORONTO

Applicant

-and-

**LANOVA OUTSOURCING CORP., PHYTOS APOTHECARY AND WELLNESS
CENTRE, 2501615 ONTARIO LTD., NADINE GOURKOW, IVAN NOE GOURKOW-
SCHULKOWSKI, TALON TAPES INDUSTRIES LTD., 2431318 ONTARIO LTD.,
LUES EPSTEIN, NIKOLETA TCHEPILEVA, PETER MINAS, ANASTASIA MINAS
AND, SUE YOUNG, MURRAY YOUNG AND JOAN YEE BRANN, 2881 DUNDAS INC.**

Respondents

and

ATTORNEY GENERAL OF CANADA

Intervener

Court File No. CV-17-581329

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

**PHYTOS APOTHECARY AND WELLNESS CENTRE and
GRASSROOTS NATURAL HEALTH SOCIETY**

Applicants

and

**CITY OF TORONTO, ATTORNEY GENERAL OF CANADA, TORONTO
POLICE SERVICE and TORONTO HYDRO**

Respondents

FACTUM OF THE CITY OF TORONTO

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PART I – OVERVIEW

1. The City of Toronto (the "City") brings the application bearing court file number CV-17-570106 (the "City's Application") pursuant to s. 380 of the *City of Toronto Act, 2006* ("COTA") for an Order restraining the respondents from using seven properties located in the City of Toronto (the "Subject Properties") as a chain of "Canna Clinic" marijuana dispensaries contrary to the City's zoning by-law 569-2013 (the "City's Zoning By-law").
2. The City opposes the application brought by Phytos Apothecary and Wellness Centre ("Phytos") and Grassroots Natural Health Society ("Grassroots") bearing court file number CV-17-581329 (the "Canna Clinic Application") seeking to strike down, declare invalid or make exemptions from the City's Zoning By-law, the *Controlled Drugs and Substances Act* (the "CDSA") and the Access to Cannabis for Medical Purposes Regulation (the "ACMPR") to allow them to continue to operate Canna Clinics at the Subject Properties.
3. The submissions below address the City's request for interim and interlocutory injunctions restraining this ongoing breach and the City's opposition to interlocutory injunctions sought by Phytos and Grassroots pending a final hearing of both applications together.
4. The Canna Clinic marijuana dispensaries are, without doubt, illegal. It is contrary to the *CDSA* for any person to operate a storefront marijuana dispensary, including for purported medical purposes. A storefront marijuana dispensary is not a permitted use under the City's Zoning By-law anywhere in the City. The respondents to the City's application engaged in the operation of the Canna Clinic marijuana dispensaries (the "Canna Clinic Operators" further defined below) do not dispute that they do so in violation of the *CDSA* and the City's Zoning By-law.

5. The Canna Clinic Operators attempt to cloak themselves under the guise of access to medical cannabis and thereby claim *Charter* protection for their activities; however, the evidence filed and the evidence omitted by the Canna Clinic Operators makes it clear that this is a pretense to preserve extremely profitable commercial activities. Any person may become a member of Canna Clinic by claiming to be affected by one of many qualifying medical conditions defined by Canna Clinic. Canna Clinic does not require any medical documentation to become a member: no prescription, no health document signed by a doctor confirming a diagnosis, not even the name of a doctor.

6. Through this pretense the Canna Clinic Operators have registered tens of thousands of members at their seven locations in the City of Toronto. The Canna Clinic Operators have refused to provide anonymized records regarding the basis on which their members were registered. They have also refused to identify the suppliers of the marijuana sold at Canna Clinics. The seven dispensaries at issue on these applications have revenues estimated to exceed \$3.5 million – per month. Transactions are conducted exclusively in cash and the only witness put forward by the Canna Clinic Operators has no idea where the cash goes after she places it in a safe at the end of the day.

7. The Government of Canada has established a strong regime to provide access to cannabis for medical purposes for Canadians who have the authorization of a health care practitioner. The evidence of the Attorney General of Canada ("AG for Canada") confirms that this regime, which provides for mail-order delivery of Cannabis through licensed producers as well as home growing options, is working well. The average price of cannabis through this regime is lower than that offered by Canna Clinic, a wide variety of cannabis strains are offered by the licensed producers and the licensed producers provide a variety of payment and shipping options to accommodate the different circumstances of their clients.

8. The City has established clear grounds for this court to grant injunctive relief pursuant to s. 380 of *COTA*. By contrast, the Canna Clinic Operators have not shown why this court should authorize the continued operation of the Canna Clinic marijuana dispensaries on a permanent or interim basis. Canna Clinics do not enhance but actually impair reasonable access to safe medical cannabis and create great risks to public safety. The Canna Clinic Operators are clearly driven to preserve, even if only on an interim basis, the extraordinary revenues they generate through their illegal activities. This for-profit commercial interest does not outweigh the presumed and actual public policy objectives of the City of Toronto and the Government of Canada that would be defeated if these operations are not closed immediately by interim injunction issued by this court.

PART II - FACTS

9. Below, the City will summarize the facts and evidence before the court regarding:

- the use of the Subject Properties in contravention of the City's Zoning By-law;
- the particulars of the current Federal access regime;
- the City's existing zoning for approved medical marijuana production facilities;
- the concerns raised by a select number of Canna Clinic members and others who seek to use cannabis for medical purposes;
- the incompatibility of Canna Clinic operations as a means of safe access to cannabis for medical purposes; and,
- the impacts of Canna Clinic operations on residents and community safety.

The Use of the Subject Properties in Contravention of the City's Zoning By-law

10. The seven Subject Properties that are at issue on this application are: 213 Ossington Avenue, 350 Broadview Avenue, 2352 Yonge Street, 1556 Queen Street West, 44 Kensington Avenue, 527 Eglinton Avenue West and 2887 Dundas Street West, all located in the City of Toronto.

Affidavit of Mark Sraga, sworn March 29, 2017 (the "Sraga Affidavit"), City's Application Record, Volume 1 of 3, Tab 2, p 16 para 3.

Affidavit of Cameron Culver, affirmed March 30, 2017 (the "First Culver Affidavit"), City's Application Record, Volume 2 of 3, Tab A, p 286 para 3.

The City has diligently and consistently pursued enforcement against the illegal use of the Subject Properties since May of 2016. Municipal Standards Officers ("MSOs") from the City's Municipal Licensing & Standards Division ("ML&S") have attended at each of the Subject Properties on numerous occasions to investigate violations of the City's Zoning By-law as part of an overall effort by the City to pursue enforcement against all marijuana dispensaries in the City to curtail the proliferation of such illegal operations.

First Culver Affidavit, City's Application Record, Volume 2 of 3, Tab A, pp 294-306, paras 43-100.

11. On each occasion they have attended at the Subject Properties, the City's MSOs have observed the Subject Properties to be operating as "marijuana dispensaries", meaning that they have found the Subject Properties to be openly used for the purpose of selling, storing and distributing marijuana. The Canna Clinic marijuana dispensaries at the Subject Properties all look and operate similarly. Each location has a reception desk near the entrance, followed by a set of corals set up to allow customers to form a line before approaching a sales counter. Behind the counters are shelves containing jars of dried marijuana flowers, syringes filled with cannabis oil, and other cannabis products like shatter or cannabis budders.

**First Culver Affidavit, City's Application Record, Volume 2 of 3, Tab A, pp 294-306, paras 43-100.
Affidavit of Cameron Culver affirmed June 8, 2017 (the "Second Culver Affidavit"), City's Supplementary Application Record, Tab 1, pp 2-4, paras 5-12.
Affidavit of Cameron Culver affirmed September 13, 2017 (the "Fourth Culver Affidavit"), City's Responding Application Record, Tab 2, pp 26-27, paras 6-13.**

12. A "marijuana dispensary" is not a defined use in the City's Zoning By-law. The *Planning Act*, authorizes a municipality to pass a by-law "prohibiting the use of land, for or except for such purposes as may be set out in the by-law." Pursuant to this authority, the City's Zoning By-law establishes permitted uses and prohibits all other uses. As a "marijuana dispensary" is not one of the permitted uses in the applicable provisions of the City's Zoning By-law and the use does not

fall within any of the permitted uses in this zone, the use of the Subject Properties as marijuana dispensaries contravenes the City's Zoning By-law. As such the use of any property in the City of Toronto as a "marijuana dispensary" is not a permitted use under the City's Zoning By-law and thus constitutes a breach of a by-law enacted by the City pursuant to an Act of the Province of Ontario. Pursuant to section 380 of the *COTA* the City is therefore entitled to seek an order to restrain the breach of the City's Zoning By-law.

Sraga Affidavit, City's Application Record, Volume 1 of 3, Tab 2, pp 18-20 & 30 paras 12-16 & 54-55.

The Federal Access to Cannabis for Medical Purposes Regulations

13. The Government of Canada has established an existing regime for reasonable access to medical cannabis in Canada, which is achieved through the *ACMPRs* (the "Federal Access Regime"). The Federal Access Regime establishes three overall routes for access: the ability to purchase medical cannabis from a licensed producer and the ability to grow cannabis for personal medical use through either a personal or designated person authorization. Licensed producers are not permitted to operate storefront cannabis dispensaries. Medical cannabis purchased from licensed producers must be shipped to registered clients through approved secure shipping methods.

Sraga Affidavit, City's Application Record, Volume 1 of 3, Tab 2, pp 18-20 & 30, paras 47-50.

14. The AG for Canada has filed compelling evidence that the Federal Access Regime succeeds in providing reasonable access to marijuana for medical purposes that is safe and produced in a regulated environment controlled through good production practices. Through the Federal Access Regime medical cannabis is currently more accessible than ever before. This Regime certainly satisfies the Government of Canada's obligation and desire to provide a constitutionally viable exemption for medical purposes to the general *CDSA* prohibitions on cannabis.

Affidavit of Eric Costen, affirmed September 7, 2017 (the "Costen Affidavit"), Attorney General of Canada's Responding Record, Tab 1, p 2, para 3.

The Mail-Order System and Prohibition on Storefront Outlets

15. The mail-order system for access to cannabis from licensed producers was enacted in 2013 to improve access to quality cannabis for medical purposes through licensed producers. The purpose of the licensed producer scheme was to address various concerns and pressures arising from the previous system which required that individuals grow their own cannabis themselves or through a designated person or purchase cannabis directly from Health Canada.

Costen Affidavit, Attorney General of Canada's Responding Record, Tab 1, p 7, paras 21-22.

16. When the Government of Canada established the licensed producer model, the mail-order system was found to have significant public policy advantages, including:

- It provides broad national access to cannabis, regardless of where authorized patients are located, including remote and rural communities;
- It allows effective tracking, tracing and ability to recall products;
- It provides a secure, reliable and discreet method of distribution; and,
- It has comparatively low operational costs, which reduces the price paid by patients.

Costen Affidavit, Attorney General of Canada's Responding Record, Tab 1, p 8, para 23.

Other Key Access and Production Safeguards Established under the ACMPRs

17. The Federal Access Regime does not permit unregulated access to medical cannabis but rather establishes numerous safeguards, including restrictions on access, to ensure that the Federal Access Regime only permits access for appropriate medical purposes in a manner that is safe.

18. A central safeguard of the Federal Access Regime is the requirement for a person wishing to obtain cannabis to obtain a medical document from a health care practitioner specifying the daily quantity of cannabis that the health care practitioner authorizes for that person and a time period for the authorization not exceeding one year. This document establishes the medical basis for the request to access and the obligation to renew it ensures that this medical basis for access is ongoing.

Costen Affidavit, Attorney General of Canada's Responding Record, Tab 1, p 9, para 31.

19. There is substantial participation in the Federal Access Regime in the Canadian medical community and this participation is increasing rapidly. Statistics collected by Health Canada indicate that in June of 2017, 2,786 health care practitioners authorized the use of cannabis for medical purposes. This represents an increase of approximately 400% in the number of health care practitioners participating in the Federal Access Regime over a period of 2.5 years.

Costen Affidavit, Attorney General of Canada's Responding Record, Tab 1F, p 213.

20. The Federal Access Regime also imposes important safeguards on the commercial production of medical cannabis to ensure the safety of patients. Applicants are required to provide details about their proposed operations including proposed physical safety measures, proposed record keeping policies and numerous quality assurance measures. Key personnel who will control production under the license are required to obtain security clearances and the applicant is required to notify the local municipal, police force and fire department.

Costen Affidavit, Attorney General of Canada's Responding Record, Tab 1, p 11, paras 35-36.

21. If a license is granted, licensed producers are required to follow mandated good production practices with requirements regarding the cleanliness of the production facility and equipment, an obligation to employ trained quality assurance personnel and employ validated testing methods. Eric Costen of Health Canada rejected the proposition that the safeguards built into the Federal Access Regime could be adequately replaced by product testing alone. It was Mr. Costen's evidence that the safeguards in the Federal Access Regime work in concert to ensure that the cannabis produced by licensed producers is safe.

**Costen Affidavit, Attorney General of Canada's Responding Record, Tab 1, p 12, para 38.
Cross-Examination of Eric Costen held September 15, 2017 (the "Costen Cross-Examination"), p 13.**

The Federal Access Regime Works Well as a Means of Ensuring Reasonable Access

22. The data compiled by Health Canada illustrates that the licensed producer system is functioning very well. In terms of key indicators such as pricing, the number of strains available, and ease of shipment the industry has shown itself to be agile and is growing exponentially to address increased demand. Through this evidence it is clear that:

- The *average* price of medical cannabis through the licensed producer scheme is *less than* the price of cannabis purchased through Canna Clinic (LP average price of \$9.17 per gram vs. Canna Clinic price of \$10 per gram);
- The *lowest* advertised price offered by the majority of licensed producers is *significantly* less than the price of cannabis purchased through Canna Clinic (Average lowest price across licensed producers of \$6.52 per gram versus \$10 per gram);
- Many licensed producers offer significant discounts through compassionate pricing programs available to medical users of limited means;
- Licensed producers offer a wide variety of cannabis strains with an average of 10 strains offered by each licensed producer and a total of 220 strains across licensed producers with options available in different profiles of the active components in marijuana to suit the needs of different users;
- Licensed producers offer a variety of shipping and payment options that can accommodate specific issues faced by medical users such as not having a credit card or a need to arrange delivery for individuals without a fixed address.

Costen Affidavit, Attorney General of Canada's Responding Record, Tabs 1, 1M & 1Q, pp 16-17, 230 & 316, paras 52, 55-56, 59-60.

23. Licensed producers are innovative. For example, some offer introductory packages of multiple cannabis strains, allowing new users to identify the types of medical marijuana that work best for them through some trial and error before committing to a large purchase.

24. The secure shipping method of delivery from licensed producers works well. Mr. Costen lists the varied shipping options and prices offered by licensed producers, which often allow for free

shipping and rapid delivery. Mr. Costen also confirms that Health Canada statistics indicate that all but a fraction of a single percentage of shipments reach their intended recipient.

**Costen Affidavit, Attorney General of Canada's Responding Record, Tab 1 & 1K, pp 16 & 228, para 53.
Costen Cross Examination, pp 34-35.**

25. There has been a rapid increase in participation rates since the beginning of the licensed producer system. At the outset of the licensed produced program there were 422 client registrations in the third quarter of the 2013/2014 fiscal year. By the end of the first quarter of the fiscal year 2017/2018, licensed producers had registered a total 201,398 clients with more than 30,000 new registrations per quarter for three consecutive quarters.

Costen Affidavit, Attorney General of Canada's Responding Record, Tabs 1 & 1S, pp 18 & 318, para 61.

26. Licensed producers have drastically increased production in order to ensure that they keep up with this rapid growth in demand for their product. Licensed producers are permitted to produce as much product as they consider necessary to meet demand. Health Canada indicates that in one year, licensed producers have more than tripled production from 5014 kg in Q1 of 2016-17 to 15,836 kg in Q1 of 2017-18. At the end of Q1 for 2017-18, licensed producers held in inventory more than 150% of the cannabis required to meet demand from the previous quarter.

Costen Affidavit, Attorney General of Canada's Responding Record, Tabs 1 & 1N, pp 17 & 237, para 57.

27. Health Canada further reports that the licensed producers provide extensive support services to their registered clients through the registration process and with respect to choosing products and receiving shipments. These support services include 1-800 number call centres in both official languages and websites that display and describe product offerings. Further, the evidence filed by Canna Clinic indicates that some of the licensed producers offer opportunities to meet in person with representatives of the licensed producers to facilitate registration and learn about products.

Costen Affidavit, Attorney General of Canada's Responding Record, Tab 1, pp 15-16, para 51.

28. The evidence delivered by the AG for Canada through Mr. Costen thus clearly establishes that the Federal Access Regime is effectively meeting its overall policy objective of providing Canadians who have the authorization of a health care practitioner with access to cannabis for medical purposes that is safe and subject to quality control requirements.

The City's Approval of a Permitted Medical Marihuana Production Facility Use

29. Toronto City Council has recently engaged with the intersection of its land use planning controls and the Federal Access Regime in 2013 when the federal government introduced licensed private producers of medical cannabis. These changes introduced a need to establish production facilities for medical cannabis, a use which was not permitted through zoning at that time.

Sraga Affidavit, City's Application Record, Tab 2, pp 23-26, paras. 37-45.

30. Prior to the coming into force of the *MMPRs* City staff reported to Toronto City Council to seek direction regarding what appropriate regulations would be required at the municipal level. During their review city planning staff confirmed that a medical marijuana production facility was not currently a permitted land use and identified a number of specific land use planning concerns that would need to be addressed through the City's Zoning By-law. The City ultimately established a permitted use of a "medical marijuana production facility" defined as:

"premises used for growing, producing, testing, destroying, storing or distribution of medical marihuana or cannabis authorized by a license issued by the federal Minister of Health pursuant to section 12 of the *Marihuana for Medical Purposes Regulations*, SOR/2013-119, under the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, as amended."

The use of a "medical marijuana production facility" is only permitted in Employment Zones of the City under the City's Zoning By-law, which do not include the Subject Properties. The Canna Clinic marijuana dispensaries operated at the Subject Properties do not meet the requirements of the medical marihuana production facility defined use.

Sraga Affidavit, City's Application Record, Tab 2, pp 22-26, paras. 29-33 & 37-45.

The Medical Cannabis Users

31. Canna Clinic has delivered affidavits from 17 individuals who use cannabis for medical purposes (the "Medical User Affiants"). Some, but not all, of the Medical User Affiants have purchased medical cannabis through the licensed producer system with a range of experiences. Some, but not all, of the Medical User Affiants have purchased cannabis from Canna Clinic.

Responding Application Record of *Lanova* et al ("Canna Clinic Resp. Rec."), Volumes 3-5, Tabs 9-25.

32. At cross-examination, the City requested production of the membership records held by Canna Clinic in respect of those Medical User Affiants that are members of Canna Clinic or claim to occasionally use Canna Clinic (12 of the 17 Medical User Affiants). The Canna Clinic respondents refused production of these records, which would have provided evidence as to what information, if any, Canna Clinic collected as to the medical basis of the Medical User Affiants' membership.

Exhibit 1 to the Cross-Examination of Samantha Deschamps (the "City's Notice of Exam"), City's Suppl. Resp. Rec., Tab 2A, pp

Cross-Exam of Samntha Deschamps, City's Suppl. Resp. Rec., Tab 2.

33. None of the Medical User Affiants have provided medical evidence that their treating health care practitioner believes they cannot obtain reasonable access to medical cannabis suitable for their needs through the Federal Access Regime. Although some of the Medical User Affiants express dissatisfaction with their personal experiences in the licensed producer system, their complaints do not illustrate any consistent or systemic defect in the Federal Access Regime. Rather, their concerns are either directly rebutted by the evidence of Health Canada summarized above, such as the incorrect belief that cannabis is more expensive when obtained through licensed producers or are related to specific events that are beyond the purview of the Federal Access Regime, such as a poor customer service interaction.

34. In many ways, the evidence from the Medical User Affiants actually confirms that the licensed producer system is working well. For example, Jesse Beardsworth, Glenda Biladeu and Shawn Wright all report that they had no difficulty in registering with a licensed producer. Kenneth Webber and Shawn Wright both report that they are satisfied by the variety of strains available through the licensed producers. Mr. Webber specifically reports that the strains available to him at a discounted price through the Aurora licensed producer compassionate pricing program are of good quality and suit his needs. Through this program Mr. Webber can purchase cannabis that is approximately half of the price of cannabis purchased at Canna Clinic.

Affidavit of Jesse Beardsworth, Canna Clinic Resp. Rec., Vol. 3, Tab 12, pp. 1122, paras 8 & 9.
Affidavit of Glenda Biladeu, Canna Clinic Resp. Rec., Vol. 3, Tab 16, pp. 1241, paras 5 & 6.
Affidavit of Shawn Wright, Canna Clinic Resp. Rec., Vol. 4, Tab 18, pp. 1451, para 10.
Affidavit of Kenneth Webber, Canna Clinic Resp. Rec., Vol. 4, Tab 17, pp. 1256, paras 20 & 21.

35. A number of the Medical User Affiants express personal preferences unrelated to their medical basis for accessing medical cannabis. Jessica May indicates that she does not want to purchase medical cannabis from a licensed producer because she does not, in general, like to shop online. She does not report that she is in anyway unable to shop online, only that it is not her preference.

Affidavit of Jessica May, Canna Clinic Resp. Rec., Vol. 5, Tab 24, pp. 1717, paras 4 & 5.

36. A troubling aspect of the affidavits from the Medical User Affiants is the use of Canna Clinic as a means to obtain cannabis specifically contrary to a physician's advice or against even Canna Clinic's own minimum requirements. For example, Eva Thomas Anderson reports that her physician has indicated that she should undergo a psychiatric assessment before her medical cannabis prescription is renewed, but she continues to purchase cannabis at Canna Clinic without the authorization of a health care practitioner. Canna Clinic's own evidence indicates that there can be a significant increase in risk of psychosis when the use of cannabis is coupled with additional

risk factors and Canna Clinic purportedly requires such patients to obtain a doctor's note or register with Health Canada prior to purchasing from Canna Clinic. Canna Clinic has not followed its own policy and refuses to produce membership records for Ms. Anderson.

**Affidavit of Eva Thomas-Anderson, Canna Clinic Resp. Rec., Vol. 5, Tab 21, pp. 1698, para 11.
Canna Clinic Administrative Training Manual ("Canna Manual"), Exhibit C to the Affidavit of Samantha Deschamps, Canna Clinic Resp. Rec., Vol. 5, Tab 26, pp. 1750.**

37. Maxine McKenzie obtains her cannabis from Canna Clinic even though she has never been to a Canna Clinic and is not even registered as a member. Rather her daughter and her partner purchase cannabis on her behalf, even though neither is registered with Canna Clinic as a caregiver who can purchase cannabis on her behalf. Canna Clinic has not provided any evidence as to what steps it has taken to address this sworn evidence as to a breach of its own policies.

Affidavit of Maxine McKenzie, Canna Clinic Resp. Rec., Vol. 3, Tab 14, pp. 1215-16, paras 26-29.

38. In summary, the evidence from the Medical User Affiants does not support a finding that the Federal Access Regime is inadequate. Even amongst these selected affiants, several Medical User Affiants report positive interactions with the Federal Access Regime. The Medical User Affiants report incorrect information about the licensed producer system with respect to pricing, strain availability and shipping options. What is clear from this evidence is that the continued operation of the Canna Clinics at the Subject Properties allows largely unrestricted access to cannabis in a manner that is not safe or consistent with basic tenets of the Federal Access Regime.

Canna Clinics Operations Are Radically Inconsistent with the Federal Access Regime

39. The record before this court about how Canna Clinic operates and who benefits financially from its operation is woefully inadequate; however, it is clear that the Canna Clinics sell cannabis that is illegally supplied to individuals from whom they require zero reliable medical information.

The pretense that the Canna Clinics are intended to provide access to cannabis for medical purposes is a sham, perpetuated only to preserve a highly profitable commercial enterprise.

Who or What is Operating Canna Clinic?

40. It is clear that the Canna Clinic marijuana dispensaries at the Subject Properties operate together, under the same brand; however, their organizational structure is opaque. The City has identified four corporations and two individuals who operate the Canna Clinic marijuana dispensaries at the Subject Properties. The individuals, Nadine Gourkow ("Nadine") and Ivan Noe Gourkow Schulkowski ("Ivan") (collectively the "Individual Operators") are closely connected to the Corporate Operators and appear to be the directing minds behind Canna Clinic.

41. The four corporations identified by the City are: Lanova Outsourcing Corp. ("Lanova"), 2501615 Ontario Ltd. ("2501615"), Phytos and Grassroots (the "Corporate Operators"). The Corporate Operators, Nadine and Ivan (referred to collectively as the "Canna Clinic Operators") have jointly filed evidence before the court. They do not take the position that the City has named incorrect parties, nor do they challenge the merits of the City's assertion that the Canna Clinic Operators use the Subject Properties in breach of the City's Zoning By-law.

Cross-Exam of Samantha Deschamps, City's Supp. Resp. Rec., Tab 2, pg 15, q 187.

42. In their Notice of Application, Phytos and Grassroots confirm that they are engaged in the operation of Canna Clinic. Phytos appears to hold the leases for the purpose of operating the Canna Clinics at 44 Kensington Avenue, 2352 Yonge Street, 350 Broadview Avenue, 1556 Queen Street West and 2887 Dundas Street West. Grassroots currently holds the leases for the purpose of operating the Canna Clinics at 213 Ossington Avenue and 527 Eglinton Avenue West. Both Ivan and Nadine are Directors and Officers for Phytos and Grassroots.

Affidavit of Samantha Deschamps, Phytos Appl Rec, Tab 3, pp 52, paras 12 & 13 & Exhibits C-D.

43. The companies Lanova and 2501615 are also engaged in the operation of the Canna Clinics. The City's MSOs found numerous records at the Subject Properties indicating that Lanova is involved in the day to day operation of the Canna Clinics, including phone, gas, hydro and other utility bills for the Subject Properties addressed to Lanova. Nadine is the sole director of Lanova.

First Culver Affidavit, City's Application Record, Vol. 2 of 3, Tab A, pp 292-3, pars 31-35.

44. The City's MSOs have also found business records belonging to 2501615 at one of the Subject Properties, 44 Kensington Avenue. Both Nadine and Ivan are directors of 2501615. From February 15, 2016 until February 1st, 2017 2501615 Ontario Ltd. held the lease for 527 Eglinton Avenue West, which was being operated as a Canna Clinic during this period. On February 1st, 2017 this lease was assigned to Grassroots with Nadine signing for 2501615 and Ivan signing for Grassroots.

First Culver Affidavit, City's Application Record, Vol. 2 of 3, Tab A, pp 293-3, pars 36-39.
Affidavit of Samantha Deschamps, Phytos Appl Rec, Tab 3, pp 52, paras 12 & 13 & Exhibits C-D.

45. In addition, it is noted that on or about January 17, 2017 an individual was found at Toronto Pearson Airport by Peel Region Police to be boarding a flight bound for Vancouver carrying a suitcase containing \$590,140 in Canadian currency. The individual was charged with possessing proceeds of crime and laundering the proceeds of crime. In support of a subsequent forfeiture application, Constable Robert Trujillo has sworn that the individual carrying these funds was found to be carrying paystubs to the individual from 2501615 as well as other Canna Clinic business records. Based on his investigation Constable Trujillo swears that he formed the suspicion that 2501615 is a shell company operating to launder the proceeds of Canna Clinic.

First Culver Affidavit, City's Application Record, Vol. 2 of 3, Tab A, pp 293-3, pars 36-39.
Exhibits 14A-C of the First Culver Affidavit, City's Application Record, Vol. 2 of 3, pp 429-463.

46. Canna Clinic is primarily based in British Columbia. Canna Clinic operates a number of clinics in Vancouver which operate contrary to the licensing regime of the City of Vancouver. The only employee of Canna Clinic that has submitted evidence on these applications has an employment contract with a separate BC entity. Lanova is a BC based company. The corporate profile reports for the Corporate Operators indicate that both Ivan and Nadine reside in British Columbia.

Affidavit of Samantha Deschamps, sworn May 19, 17 ("First Deschamps Affidavit"), Canna Clinic Resp. Rec., Vol. 5, Tab 26, pp 1729, para. 2.

47. In sum, Nadine, Ivan and all four of the Corporate Operators are engaged together in the operation of the Canna Clinic marijuana dispensaries at the Subject Properties and are each responsible for the breach of the City's Zoning By-law. Given the complex and opaque manner in which the Corporate Operators and Individual Operators work together to operate the Canna Clinic dispensaries it is necessary for the court to make injunctive orders against each of them to ensure compliance with the City's Zoning By-law.

The Owners of the Subject Properties

48. The owners of the Subject Properties are responsible for the use of their properties and were thus served as respondents to the City's Application. The City's record describes its efforts to notify the owners of the illegal use of the Subject Properties. None of the owners of the Subject Properties delivered evidence in response to the City's Application. The City has been in contact with counsel representing each of the owners of the Subject Properties and will make submissions to update the court with respect to the participation of the owners of the Subject Properties.

How Canna Clinics Operate in the City of Toronto

49. Canna Clinics' operations are also opaque and very troubling. Canna Clinic will register as a "member" any person who completes a simple application process requiring next to no medical information and sell that person an unlimited amount of cannabis, indefinitely.

Canna Manual, Ex. C to First Deschamps Affid, Canna Clinic Resp. Rec., Vol 5, Tab 26, pp 1748-1778.

50. The sole witness put forward by Canna Clinic Operators as an actual employee of Canna Clinic is Samantha Deschamps. Ms. Deschamps is 28 years old and started working for Canna Clinic in April 2016 for a wage of \$13.50 per hour. She was promoted to manager two months later in June of 2016. Ms. Deschamps is not an officer or director for the Corporate Operators. She reports to an individual named Sterling McElroy who is helping her work on these court cases; however, she is unaware of whether Mr. McElroy is an employee of any of the Corporate Operators. She does not know who Mr. McElroy reports to and she has neither met nor spoken with Nadine or Ivan.

**First Deschamps Affidavit, Canna Clinic Resp. Rec., Vol. 5, Tab 26, pp 1729, para. 2.
Cross-Exam of Samantha Deschamps, City's Suppl. Resp. Rec., Tab 2.**

Becoming a Member at Canna Clinic

51. Although Canna Clinic maintains a pretense of requiring that its members demonstrate a need for medical access to cannabis, the process to become a member of Canna Clinic explicitly does not require an individual to provide any medical documentation to demonstrate the authorization of a health care practitioner or even to confirm a medical diagnosis. Canna Clinic's own code of conduct advises all of its members that purchasing cannabis from it is illegal.

Canna Manual, Ex. C to First Deschamps Affid, Canna Clinic Resp. Rec., Vol 5, Tab 26, pp 1748-1778.

52. Canna Clinic has established a list of "Qualifying Medical Illnesses for Marijuana Usage". To become a member of Canna Clinic an individual may simply present identification confirming that they are 19 years of age or older and state that they have been diagnosed with one of the qualifying

medical conditions. Although Canna Clinic's membership application form has a space for applicants to provide the name of their physician or clinic, Canna Clinic has specifically instructed its employees that this information is not required if the person does not see a doctor or clinic.

**Canna Manual, Ex. C to First Deschamps Affid, Canna Clinic Resp. Rec., Vol 5, Tab 26, pp 1749.
Membership Applic, Ex. G to First Deschamps Affd, Canna Clinic Resp Rec, Vol 5, Tab 26, p 1801.**

53. In addition to the list of qualifying medical illnesses, Canna Clinic lists a number of conditions for which the use of medical marijuana is not recommended and for which membership will not be approved without further documents. These conditions include Bipolar Disorder, Pregnancy, cardiovascular diseases and other heart conditions, as well as schizophrenia & psychosis

Canna Manual, Ex. C to First Deschamps Affid, Canna Clinic Resp Rec, Vol 5, Tab 26, pp1749-51.

54. MSO Culver, who has given evidence for the City as to his investigations at the Subject Properties, states that he has overheard the new member sign up process twice, standing within a few feet of the transaction. Mr. Culver did not hear any attempt by the Canna Clinic representative to engage the new member in a discussion about their condition, possible contraindications or whether medical cannabis was appropriate for them. The applicant was simply asked to fill out the form and provide ID so that they could purchase cannabis.

**First Culver Affidavit , City's Application Record, Vol 2, Tab A, , pp 289&301, para 17&75.
Second Culver Affidavit, City's Suppl. Record, Tab 1, p 3 para 9.**

55. Canna Clinic has provided no evidence as to the basis on which it has established its lists of qualifying medical illnesses or the list of conditions that do not qualify for membership. There is no evidence that Canna Clinic has consulted with health care practitioners in creating this list, nor that they continue to do so on an ongoing basis in order to monitor the currency of the lists.

56. Canna Clinic keeps a record of every membership application. The City requested production of Canna Clinic membership records for the Medical User Affiants as well as for all members that

purchased from Canna Clinic during two random recent weeks, to obtain an understanding of the members to whom Canna Clinic purports to provide medical access. The City explicitly agreed that such information could be redacted of personal information. Canna Clinic refused this request.

**City's Notice of Exam, City's Suppl. Resp. Rec., Tab 2A, pp
Cross-Exam of Samntha Deschamps, City's Suppl. Resp. Rec., Tab 2.**

The Volume of Business Conducted By Canna Clinic

57. The evidence before the court illustrates that the Canna Clinics at the Subject Properties carry on an extraordinarily high volume business. The City submits that the volume of transactions carried on by Canna Clinic are, on their face, inconsistent with the pretense that Canna Clinic's operations are limited to providing access to cannabis for medical purposes. This inference is particularly warranted given that Canna Clinic has refused to disclose sales information.

58. The City has produced correspondence provided to it by the owners of one of the Subject Properties at 1556 Queen Street West in which one of the lawyers for Canna Clinic threatened to commence an action for damages in the event the lease was terminated. In this correspondence the lawyer stated that the Canna Clinic at 1556 Queen Street West has revenues in excess of \$550,000 per month. The 1556 Queen Street West Canna Clinic was estimated by Ms. Deschamps on cross-examination to be the fourth busiest of the seven Canna Clinics in Toronto.

Ex. 5 to First Culver Affidavit, City's Application Record, Vol 2, Tab 5, p 329.

59. Based on this statement about one of the less busy Canna Clinics in Toronto, it is reasonable to estimate that the seven Canna Clinics in Toronto have at least \$3.5 million in *monthly* revenues. At cross-examination, Ms. Deschamps indicated that at the Yonge Street Canna Clinic where she works, there are approximately 19,000 members signed up for this location alone and that daily sales at a single Canna Clinic dispensary in Toronto can be as high as \$25,000.

Cross-Exam of Samntha Deschamps, City's Suppl. Resp. Rec., Tab 2, pp 33&56, qq 104& 223.

60. Toronto Police recently issued a press release reporting that on September 11, 2017 they seized 168.7 kg of marijuana, 14.5 kg of marijuana oil and 4.9 kg of marijuana shatter during a raid at 44 Kensington Ave. Based on Canna Clinic's own prices, the quantities seized represent \$1,687,360 in revenue from dried cannabis and \$343,000 in revenue from shatter, plus the value of 14.5 kg of marijuana oil, which is sold in small syringes for \$90 each. As such, this one Canna Clinic location was found stocked with more than \$2 million in product.

Exhibit A to Fourth Culver Affidavit, City's Resp. Rec., Tab 2A, p32,

How Transactions Are Conducted at Canna Clinic

61. All transactions at Canna Clinic are conducted in cash. Customers may withdraw cash from an ATM machines operated by Canna Clinic that accept VISA, AMEX, Discover and Mastercard credit cards, requiring Canna Clinic customers to incur credit card cash advance interest rates.

Canna Clinic Menu, Canna Clinic Resp Rec, Ex E to First Deschamps Affidavit, Vol 5, Tab 26, p 1788.

62. Ms. Deschamps indicated that she was previously the manager of the Canna Clinic at 350 Broadview Avenue and responsible at the end of the day to place the cash revenue received by Canna Clinic into a safe at the premises. She has no idea what happened to the cash after it was placed in the safe. She does not know if these funds were deposited into a bank or given to somebody else. As set out above, Peel Region Police arrested an individual travelling through Pearson International Airport carrying a suitcase containing approximately \$600,000 in cash, enroute to Vancouver. The funds were believed to be proceeds from Canna Clinic.

**Cross-Exam of Samntha Deschamps, City's Suppl. Resp. Rec., Tab 2, pp 35, qq 111-112.
Exhibits 14A-C of the First Culver Affidavit, City's Application Record, Vol. 2 of 3, pp 429-463.**

63. Canna Clinic operates a point of sale system known as "MMJ" that allows it to track every sale. The City requested point of sale records for two random individual weeks, to allow a further understanding of how Canna Clinic conducts transactions. The City confirmed that it was agreeable to the production of data with all personal information redacted. Canna Clinic has refused to produce point of sale records as requested or at all.

**City's Notice of Exam, City's Suppl. Resp. Rec., Tab 2A, pp
Cross-Exam of Samntha Deschamps, City's Suppl. Resp. Rec., Tab 2.**

64. In the Canna Clinic Application, Phytos and Grassroots claim that they carry on Canna Clinic operations as not-for-profit enterprises. Through cross-examination the City requested production of financial records pertaining to their operation of Canna Clinic, including monthly financial statements and income and non-profit organization information returns for the Corporate Operators. The Canna Clinic Operators refused to produce any of these documents.

Canna Clinic's Supply Is Illegal, But Otherwise Unknown

65. Canna Clinic has disclosed no information about its supply of cannabis and at cross-examination Ms. Deschamps stated that she had no information as to where Canna Clinic obtains its supply of cannabis. Through cross-examination the City requested production by Canna Clinic of the identities of its suppliers, production of supply invoices and details of the shipping and delivery policies applicable to its suppliers. Canna Clinic refused to produce these records.

**City's Notice of Exam, City's Suppl. Resp. Rec., Tab 2A, pp
Cross-Exam of Samntha Deschamps, City's Suppl. Resp. Rec., Tab 2, p 36, q 121.**

66. Canna Clinic's supply is, without doubt, illegal and contrary to the *CDSA*. The only legal commercial production that is permitted under the *CDSA* and Federal Access Regime is through a licensed producer, which may not sell other than as permitted through the mail-order system

prescribed by the Federal Access Regime. Those authorized to grow for personal use or as a designated grower may only do so for the use of the person for which the authorization was issued.

67. As noted by Mr. Costen on behalf of the Attorney General of Canada, illegal marijuana dispensaries such as Canna Clinic pose a number of risks to public health and safety. One of the risks associated with illegal marijuana dispensaries is the potential that their operations serve to benefit and provide revenue for criminal organizations.

Costen Affidavit, Attorney General of Canada's Responding Record, Tabs 1, pp 20-21, para 70.

Other Community and Health and Safety Impacts from the Operation of Canna Clinics

68. There is additional evidence that the continued operation of the Canna Clinic marijuana dispensaries at the Subject Properties has significant community impacts and poses health and safety concerns. Of particular concern is the fact that Canna Clinic marijuana dispensaries are repeatedly and frequently the subject of armed robberies in Toronto. These armed robberies have included multiple instances where firearms were discharged in the premises while members of the public and Canna Clinic employees are present. Toronto Police have expressed the concern that such armed robberies are common to all illegal marijuana dispensaries in the City and that the violence associated with these events is increasing and called for dispensary operators to "take responsibility" for their decision to open illegal storefronts. As indicated by Mr. Costen on behalf of the AG for Canada, illegal marijuana dispensaries are considered to be particularly at risk for such incidents because of the value and fungibility of their product on the international black market for cannabis.

Second Culver Affidavit, City's Suppl. Rec., Tab H, p 39.

69. In addition, On September 11 and 13, 2017 municipal standards officers attended at the Canna Clinic at 44 Kensington Avenue and observed numerous property standards violations, including

large holes in the walls and ceilings, blocked doorways and exits, cracked sewage plumbing and a crumbling retaining wall. Further, on September 13, 2017 Toronto Fire Services also attended at 44 Kensington Avenue and observed similar deficiencies that were violations of the Fire Code, including breached fire separations, improper wiring, blocked mandatory exits and the removal of a smoke alarm. As a result a Property Standards Order was made and a Fire Code Notice of Violation was issued to the Corporate Operators. These violations place the safety of the occupants of this Subject Property, including employees and members of the public, at risk.

Fourth Culver Affidavit, City's Resp. Rec., Tab 2, paras 16-20.

PART III –THE LAW

City's Authority to Seek an Injunction to Restrain the Breach of a By-law

70. The City's application is brought pursuant to section 380 of *COTA*, which provides that where any by-law of the City under *COTA* or any other Act is contravened, the contravention may be restrained by application at the instance of the City, in addition to any other remedy that may be available to the City. The City applies for an order restraining the ongoing breach of the City's Zoning By-law.

City of Toronto Act, 2006, SO 2006, c 11, Schedule A, s 380 (“*City of Toronto Act*”).
 Notice of Application, Application Record, Volume 1 of 3, Tab 1.
Courts of Justice Act, RSO 1990, c C-43, s 101.

71. The courts have established the analysis to be conducted by the court on an application by the City under s. 380 of *COTA* or by another municipality under the equivalent section 440 of the *Municipal Act, 2001* (formerly s. 328). The first stage of this analysis requires the municipality to establish that the respondents are breaching a municipal by-law. When the municipality has done so, however, the Court will assess the factors normally considered in an application for an equitable injunction differently. First, the threshold required to prove irreparable harm or balance of convenience is very low. Breach of the law constitutes irreparable harm to the public interest.

In addition, the hardship that defendants may suffer as a result of the imposition of an injunction will not outweigh the public interest in having the law obeyed.

City of Toronto Act, supra, s 380.

Municipal Act, 2001, SO 2001, C 25, s 440.

York (Regional Municipality) v DeBlasi, 2014 ONSC 3259, City's Book of Authorities ("City's BoA") Tab 1, paras 62-64.

Neighbourhoods of Windfields Limited Partnership v Death, [2008] OJ No 3298 (Sup Ct J), City's BoA, Tab 2 paras 172, 175, 179, 180.

Ottawa (City) v Barrymore's Inc et al, [2002] OJ No 3871 (Sup Ct J), City's BoA, Tab 3, para 65-66, 69-71.

72. In the ordinary course, when a public authority seeks an injunction in respect of an alleged contravention of a public statute, regulation or by-law, the court should be reluctant to refuse the application on discretionary grounds. There is an overriding public interest in seeing that laws, including City by-laws, are effective and enforced when there is a breach. In particular, the Court of Appeal specifically stated in *Newcastle Recycling Limited v. Clarington Municipality*, that:

"Where a municipal authority seeks an injunction to enforce a by-law which it establishes is being breached, the courts will refuse the application only in exceptional circumstances."

Newcastle Recycling Limited v Clarington (Municipality), [2005] OJ No 5344 (CA), leave to appeal to SCC refused, 33772 (October 28, 2010), City's BoA Tab 4 at para 32.

Ottawa (City) v Barrymore's Inc et al, supra, paras 44-45, 66.

Hamilton (City) v Loucks, [2003] OJ No 3669 (Sup Ct J), City's BoA, Tab 21 at para 32.

73. As the City by-law at issue in this application is the City's Zoning By-law, it is important to understand the role played by zoning by-laws in the overall scheme for city and land use planning established under the *Planning Act*. As summarized by the court in *Windfields v. Death*:

"Zoning by-laws are authorized under section 34 of the Planning Act in order to control the use of land, regulate the erection, location, and use of buildings, and prevent development of environmentally unsuitable or contaminated lands. That authorization includes the right of a municipality to prohibit all but one or more uses on specific areas or parcels of land."

Zoning by-law must also be interpreted in light of the City's general statutory authority to regulate and control land uses to protect health, safety, and welfare of its citizens.

City of Toronto Act, 2006, supra, s 6(1).

Neighbourhoods of Windfields Limited Partnership v Death, City's BoA, Tab 2 *supra*, paras 19 & 33.

74. Counsel for the Canna Clinic Operators have expressly confirmed that they are not taking the position that any of the respondents named as Corporate or Individual Operators are improperly named; however, for completeness, the City notes that where a company has been formed for the express purpose of doing a wrongful act or if, when formed, those in control expressly direct that a wrongful thing be done, the individuals as well as the company are responsible for the consequences.

Wawanesa Mutual Ins v Chalmers & Co (1969), 69 WWR 612 (SKQB), City's BoA, Tab 5 paras 17-18.

What is the Test for an Interlocutory Injunction?

75. The matters currently before the court are requests by the City and Canna Clinic for interim or interlocutory injunctions pending the final hearing of these applications together. The test for interlocutory injunctions remains the test set out by the Supreme Court of Canada in *RJR-MacDonald Inc. v. Canada (Attorney General)*, which requires the Applicant to prove, on a balance of probabilities, that:

- 1) there is a serious question to be tried;
- 2) the Applicant will suffer irreparable harm if the injunction is not granted; and,
- 3) the balance of convenience favours the granting of the injunction.

RJR-MacDonald Inc v Canada (Attorney General), [1994] 1 SCR 311, City's BoA Tab 6 para 43.

Standing to Allege Breach of Charter Rights Under s. 7 & 15

76. Before considering the interlocutory injunction test, the City will set out its position that Phytos and Grassroots lack standing to raise the constitutional arguments set out in their Notice of Application and NCQ in that proceeding relating to sections 7 and 15 of the Charter.

77. Phytos and Grassroots lack standing in their application because the Charter rights on which the Phytos and Grassroots NCQ is premised are not rights which they assert belong to them.

Rather the Charter rights raised in their NCQ are expressly rights asserted to belong to those who actually seek to use medical cannabis for medical purposes. There are no Canna Clinic members who are parties to the Canna Clinic Application and it is clear from the facts set out above that Phytos and Grassroots do not come before the court out of a public interest, but rather to preserve their private interests.

78. Sections 7 and 15 of the Charter are intended to confer protection on a singularly human level. By its nature, a corporation can neither enjoy "life, liberty or security of the person", nor possess any of the grounds enumerated in section 15 (race, ethnic origin, colour, religion, sex, or disability). Only human beings can enjoy the rights afforded by sections 7 and 15. The Supreme Court of Canada is clear that corporations are not protected by section 7. Accordingly, Phytos and Grassroots do not have standing under sections 24 or 52 of the *Constitution Act, 1982* to seek declaratory relief on the basis of infringement of sections 7 or 15.

Irwin Toy Ltd. v Quebec (Attorney General), [1989] 1 SCR 927, City's BoA, Tab 7 at paras. 94-96.
R v Church of Scientology, [1997] OJ No 1548 (CA), City's BoA, Tab 8 at paras 114-119, 122.

79. Relief under section 24(1) of the Charter is not available to Phytos or Grassroots for the infringement or denial of rights that do not extend to a corporation, including equality, liberty and security rights of a person. A declaration of invalidity under section 52(1) on the basis of sections 7 and 15 of the *Charter* is only available to a party that otherwise has standing. Corporations are only afforded standing under section 52(1) to challenge the constitutional validity of a law on behalf of a third party *in defence* of a criminal charge or where they are otherwise compelled before the court by a government.

R v Church of Scientology, supra, City's BoA, Tab 8 paras. 114-119.

80. As such it is the City's position that Phytos and Grassroots are without standing to challenge the validity of the City's Zoning By-law or the Federal Access Regime on the basis of sections 7 or 15 of the Charter and these aspects of the Canna Clinic Application should be dismissed.

Serious Issue

81. Moving on to consider the first branch of the interlocutory test, it is the City's position that it has clearly established that there is a serious issue that the operation of the Canna Clinic marijuana dispensaries at the Subject Properties is a violation of the City's Zoning By-law. Conversely, it is the City's position that the Phytos and Grassroots have not demonstrated a serious issue that they will be successful in obtaining any of the relief sought in their application.

82. The consideration at the "serious issue" stage of the *RJR-MacDonald* test is whether the court is satisfied that "the claim is not frivolous or vexatious; in other words, that there is a serious question to be tried." The "serious question" is assessed from the Applicant's perspective and as such, constitutional objections to the City's Zoning By-law do not factor into the analysis at this stage for the purposes of the City's Application.

RJR-MacDonald Inc. v Canada (Attorney General), supra, City's BoA, Tab 6 paras 44, 50.
Vancouver Board of Parks and Recreation v Mickelson, 2003 BCSC 1271, City's BoA, Tab 9 at para 23.

A Serious Issue is Established that the City's Zoning By-law has been Breached

83. The question therefore is simply whether there is a serious issue as to whether the operation of the Canna Clinic marijuana dispensaries at the Subject Properties is a violation of the City's Zoning By-law. The City submits that this is patently clear, because:

- The City's Zoning By-law establishes permitted uses for every property in the City and provides that every use that is not permitted is not allowed, in accordance with s. 34 of the *Planning Act*;
- The Subject Properties are used as marijuana dispensaries, i.e. they are used for the purposes of selling, storing and distributing marijuana;

- A marijuana dispensary is not a permitted use at the Subject Properties or anywhere in the City;
- The Canna Clinic marijuana dispensaries do not meet the requirements of the defined use of a "medical marijuana production facility", which in any event is not a permitted use at the Subject Properties;
- The illegal use of the Subject Properties is by the Corporate and Individual Operators and it is clear that it is necessary to grant injunctive relief against each of them to compel compliance with the City's Zoning By-law.

84. The Canna Clinic respondents are not challenging the merits of the City's assertion that the Canna Clinic Operators use the Subject Properties in breach of the City's Zoning By-law. There is no doubt that the City has raised a serious issue that the City's Zoning By-law has been breached and that it is entitled to a permanent injunction pursuant to section 380 of *COTA*.

Phytos and Grassroots have Not Established a Serious Issue

85. Phytos and Grassroots have failed to establish that their application raises a serious issue to be tried. As noted above, Phytos and Grassroots lack standing to raise allegations of a breach of sections 7 and 15 of the Charter through their application.

86. In *Satschko*, this court held that the plaintiffs on a motion for an interlocutory injunction to suspend a regulatory regime pending a determination of its constitutionality failed to meet the serious issue test, stating:

"The possibility that a Charter right infringement arising out of a particular enactment might be found by a court of competent jurisdiction does not detract from the legislative competence of the government's exercise of its powers under the Constitution Act, 1867."

Satschko v Ontario (Min of Gov Svcs), [2007] OJ No 1600 (Sup Ct J), *City's BoA, Tab 10* at paras 20-21.

87. The existing jurisprudence of Canadian courts does not establish an unlimited right to use cannabis for medical purposes. Rather, the courts have acknowledged that there are legitimate state interests that may result in restrictions on the ability of a person with a serious medical

condition to access cannabis. One such restriction that has been repeatedly upheld that by the courts is the obligation on a person seeking to access medical cannabis to provide a medical opinion from a health care practitioner in support of the access request. As stated by Doherty J.A. of the Ontario Court of Appeal in *Mernagh* in 2013:

"The trial judge... wrongly took this court's jurisprudence as holding that persons who were seriously ill had a constitutional right to use marihuana to treat their illness. In fact, this court has held that there must be a constitutionally viable medical exemption to the prohibition against the possession and cultivation of marihuana. That exemption does not, however, depend exclusively on the individual's desire to use marihuana, but also requires medical oversight of that decision."

The Court of Appeal also held in *Hitzig* that the question of whether marihuana will mitigate the particular symptom of an individual is fundamentally a medical question and it is reasonable for the state to require a medical opinion as is also the case for prescription drugs.

R v Mernagh, [2013] OJ No 440 (CA), City's BoA, Tab 11 at para 123.
Hitzig v Canada, [2003] OJ No 3873 (CA), City's BoA, Tab 12 at paras 139-143.

88. The role of health care practitioners as a "gatekeeper" in the Federal Access Regime thus serves compelling state interests and has been upheld by the courts. There is no evidence before the court that suggest any need to revisit this finding. The evidence before the court from Mr. Costen on behalf of the Attorney General of Canada confirms that in fact physician co-operation and participation in the Federal Access Regime has increased dramatically. Phytos and Grassroots have not established a serious issue with respect to their challenge to the requirement that those accessing medical cannabis under the Federal Access Regime must provide a health document from a health care practitioner authorizing the use and setting out the authorized dosage.

89. In addition, it is clear that factually speaking there is no serious issue to be tried with respect to the Canna Clinic Application. The evidence of Eric Costen respecting the performance of

licensed producers under the Federal Access Regime clearly establishes that there is absolutely no merit to Phytos and Grassroots' claims that licensed producers are significantly more expensive than dispensaries (they are less expensive), that licensed producers do not provide an adequate variety of strains of cannabis (there are 220 strains available) or that there are no options for those who do not have credit cards or are without a fixed address (it is clear there are viable options from licensed producers in both instances).

90. Any remaining claims raised by Phytos and Grassroots that are not factually rebutted by the evidence currently before the court do not raise a serious issue as to the constitutional viability of the Federal Access Regime. For example, although several of the Medical User Affiants assert that they personally prefer to see, smell and touch their cannabis before purchasing it, this preference is clearly not one that engages *Charter* rights.

Irreparable Harm

91. The question at the second stage of the *RJR-MacDonald* test, irreparable harm, is whether “refusal to grant relief could so adversely affect the Applicants’ own interests that the harm could not be remedied” if the Applicant later won on the merits. “Irreparable” harm “refers to the nature of the harm suffered rather than its magnitude. It is harm which either cannot be quantified in monetary terms or which cannot be cured.

RJR-MacDonald Inc v Canada (Attorney General), *supra*, para 58 & 59.

There Will be Irreparable Harm to the Public Interest if the Interim Injunctions Requested by the City are Not Granted

92. For the second stage of the *RJR-MacDonald* test, this court has identified that the appropriate authority to be applied in circumstances where municipalities are seeking interlocutory injunctions to enforce their by-laws is the Ontario High Court of Justice's decision

in *Municipality of Metropolitan Toronto v. N.B. Theatrical Agencies, Inc.*, which has been cited as precedent across Canada:

"[a] municipality whose duty is to enforce its by-laws need not show that it will suffer irreparable harm in the same way that it must be established by a private plaintiff. Where by-laws of a municipality are being flagrantly violated a court ought to assist the municipality by granting interlocutory relief."

Municipality of Metro Toronto v NB Theatrical Agencies, Inc., [1984] OJ No 3062 (H Ct J), City's BoA, Tab 13 para 24.

93. In following the High Court of Justice's decision, MacDonald J. of the Ontario Court of Justice enunciated the rationale for the principle that a municipality necessarily suffers irreparable harm by virtue of the violation of its by-laws:

"I am satisfied that the municipality, by virtue of its obligations to its citizens, is in a different position from an ordinary litigant and this special status gives rise to special considerations which prevail... The irreparable harm if this injunction is not granted is to the municipality who has obligations to its citizens to enforce and maintain by-laws designed for what may be referred to as the quiet enjoyment of its citizens. The municipality, to put it most simplistically, has a duty to protect its resident by the passing and implementation of by-laws. The citizens have a right to quiet enjoyment and in addition, and perhaps more importantly, from a policy perspective, its citizens have a right to anticipate that the by-laws of the town will be adhered to."

Markham (Town) v Eastown Plaza Ltd., [1992] OJ No 1716 (Ct J (Gen Div)), City's BoA, Tab 14 pp 3-4.

94. The low bar that has been set for a municipality to demonstrate irreparable harm was acknowledged in *RJR-MacDonald*. Moreover, in the present case, the City has expended considerable resources as a public authority in the pursuit of compliance with the City's Zoning By-law and consistently attempted to discharge its duty to promote and protect the public's interest in the adherence of its by-laws. Measures taken by the City have included, *inter alia*, issuing notices of contravention to, and laying charges against, the respondents to the City's application, and conducting regular inspections under COTA and the *Planning Act*.

RJR-MacDonald Inc v Canada (Attorney General), *supra*, City's BoA Tab 6 at para 71.

95. In light of the criteria that irreparable harm be harm which cannot be compensated by an award of damages, it has not surprisingly been held to be the case that municipalities inevitably suffer irreparable harm when their by-laws are not upheld, since they cannot properly be monetarily compensated for the violation of the by-laws.

Manitoba (Att Gen) v Metropolitan Stores (MTS) Ltd, [1987] 1 SCR 110, City's BoA Tab 15 at para 34.
Vancouver Board of Parks and Recreation v Mickelson, *supra*, City's BoA Tab 9 paras 24-25.

96. In addition, the ongoing and flagrant breach of the City's Zoning By-law by the Canna Clinic Operators will continue to drain municipal resources that could otherwise be committed to other matters. The City has persistently pursued enforcement against the Canna Clinic Operators in respect of their illegal use of the Subject Properties since May of 2016; however, the Canna Clinics continue to operate. An order of this court is necessary to compel closure both to protect the public interest in the enforcement of by-laws and to provide an effective means of establishing compliance that will not result in continued diversion of the City's enforcement resources.

There Will Not be Irreparable Harm Arising from the Closure of the Canna Clinics

97. With respect to whether any irreparable harm would occur to the interests of Phytos and Grassroots, it must be emphasized that these entities come before the court claiming to be not-for-profit enterprises. Despite apparent contradictions to this claim, Phytos and Grassroots should not be permitted to both claim not-for-profit status and suggest that their economic interests will suffer irreparable harm. Phytos and Grassroots opened the Canna Clinic marijuana dispensaries at the Subject Properties knowing that their operations were illegal.

Strategic Media Outdoor Inc v Toronto (City), [2009] OJ No 451 (Sup Ct J), City's BoA Tab 16 para 26.

98. The question with respect to irreparable harm is whether the *applicants* would suffer harm that could not later be remedied. Irreparable harm refers to harm suffered by the applicant and not

to private third party harm. It is not relevant under this analysis whether an order requiring Canna Clinic to close would impact Phytos and Grassroots' heating and cooling or locksmith contractors.

Strategic Media Outdoor Inc v. City of Toronto, supra, City's BoA, ab 16 at paras. 21 & 25.

99. Similarly, Phytos and Grassroots suggest that an interim injunction would place them in breach of their leases with respect to the Subject Properties; however, this is both irrelevant and not supported by the evidence. The owners of the Subject Properties are named as respondents but do not oppose the City's application. Further, the owners for multiple Subject Properties have sought to terminate the leases indicating that they wish to end the illegal use of their properties.

100. As has been repeatedly stated by the City, Phytos and Grassroots are seeking to assert rights on behalf of others to serve their own private purposes, which they have no standing to do. Nevertheless, there is substantial evidence before the court that even if there were actual users of medical cannabis before the court seeking relief, they would not be subjected to irreparable harm by granting injunctive relief to the City. As set out above, the Federal Access Regime achieves its goal of providing a reasonable means of providing access to cannabis for medical purposes in a manner that is safe. The evidence before the court confirms that, even if the Canna Clinics are closed, those seeking medical cannabis with the authorization of a medical practitioner would:

- Be able to access medical cannabis at a lower cost through a licensed producer than through Canna Clinic;
- Have a wide variety of cannabis strains available from which to choose;
- Have confidence that licensed producers have a sufficient supply of safe, high-quality product in a variety of strains suitable for their needs;
- Be able to pay for and receive shipment of their medical cannabis in a variety of ways capable of accommodating their individual circumstances; and,
- In the event they did not wish to obtain medical cannabis through a licensed producer, grow their own medical cannabis or designate a person to grow medical cannabis on their behalf.

101. By contrast, the evidence does not support Canna Clinic's claims that allowing it to continue to operate in violation of the City's Zoning By-law or the *CDSA* would prevent any irreparable harm. As noted repeatedly, Canna Clinic is a more expensive option for individuals to obtain medical cannabis. Contrary to the practices of most licensed producers, there is no evidence that Canna Clinic offers a compassionate pricing program for individuals of limited means.

102. Further, although a number of the Medical User Affiants raise concerns regarding past supply shortages at licensed producers, there is no evidence that Canna Clinic itself does not experience supply shortages. In fact, the evidence suggests the opposite. Although Canna Clinic has refused to produce any records regarding its supply, the City's investigations confirm that it is common for Canna Clinic itself to sell out of entire product categories. This is confirmed from photographs of the Canna Clinic "menus" posted at each of the Subject Properties when the City's MSOs attended at the Subject Properties. On numerous occasions these menus indicate that a large number of products were sold out.

103. In sum, the City submits that it has clearly established that the ongoing breach of the City's Zoning By-law will cause irreparable harm to the public interest. This harm necessarily would arise from any failure of this court to enforce a valid by-law of the City that was enacted in the public interest as part of an overall scheme to regulate the use of land in the City. Conversely, Phytos and Grassroots have not demonstrated any irreparable harm as defined in *RJR-MacDonald* that would result from closing the Canna Clinics at the Subject Properties.

Balance of Convenience

104. The final stage of *RJR-MacDonald Inc. v. Canada (Attorney General)* requires the court to consider the balance of convenience as between the parties. The balance of convenience is

determined by assessing the damage that each party alleges it will suffer in the event that an interim injunction is granted or not.

RJR-MacDonald Inc. v. Canada (Attorney General), *supra*, City's BoA, Tab 6 para 80.

105. In assessing the balance of convenience, the court is required to consider the public interest. As discussed above, there is an assumed public benefit, strongly substantiated in this case, that legislation is presumed to be enacted for the benefit of the public and should be enforced. The public's interest in the enforcement of such laws cannot be overcome absent a truly compelling competing public benefit. The balance of convenience is not tipped in favour of the party seeking to suspend legislation solely by the mere fact of that party's challenge to the legislation's constitutional validity. This court has held that the combined effect of the jurisprudence in this area creates a very low hurdle for governments and a high one for applicants seeking an interlocutory injunction to restrain the operation of laws enacted by elected assemblies.

RJR-MacDonald Inc v Canada (Attorney General), *supra*, City's BoA Tab 6 para 80.

Vancouver Board of Parks and Recreation v Mickelson, *supra*, City's BoA Tab 9 para 34.

Manitoba (Attorney General) v Metropolitan Stores (MTS) Ltd, *supra*, City's BoA Tab 15 at para 56.

Harper v Canada (Attorney General), [2000] 2 SCR 764, City's BoA Tab 17 at para 9.

Ontario Federation of Anglers & Hunters v Ontario (Ministry of Natural Resources), [1999] OJ No 1690 (Sup Ct J), City's BoA Tab 18 at para 78.

106. The City submits that in this case, without doubt, the balance of convenience weighs in favour of the interim injunction requested by the City. As set out above, the City's Zoning By-law was enacted pursuant to its authority under the *Planning Act* and further to its powers under *COTA* to regulate the use of land in the City of Toronto so as to promote the health, safety and well-being of its citizens. Further to these general goals, it is clear that the City has maintained a prohibition on the use of land as a marijuana dispensary and, accordingly, its citizens are entitled to the quiet enjoyment of the City's Zoning By-law. Whether the City could or should have enacted particular land-use and business licensing by-laws is not an issue before this court.

Markham (Town) v. Eastown Plaza Ltd, supra, City's BoA Tab 14 pp 3-4.

Delta (Municipality) v WeeMedical Dispensary Society, [2016] BCJ No 1801 (SC) at paras 22-26.

107. The Canna Clinic Operators' true target is the Federal Access Regime, which does not permit storefront marijuana dispensaries. As set out above, the Federal Access Regime serves an essential public interest, which is ensuring that Canadians with the authorization of a medical practitioner have a properly regulated means of accessing safe medical cannabis. The mail-order requirement for the delivery of medical cannabis from licensed producers to authorized patients was specifically adopted by the Government of Canada because it has significant public policy advantages, including that:

- It provides broad national access to cannabis, regardless of where authorized patients are located, including remote and rural communities;
- It allows effective tracking, tracing and ability to recall products;
- It provides a secure, reliable and discreet method of distribution; and,
- It has comparatively low operational costs, which reduces the price paid by patients.

108. In the context of the balance of convenience analysis, it important to emphasize that the Canna Clinic Operators have knowingly, deliberately and continuously carried on their operations in Toronto in breach of the City's Zoning By-law and in violation of the *CDSA* and Federal Access Regime. They acknowledge in their own code of conduct that their activities are illegal. The Canna Clinic Operators could have challenged the City's Zoning By-law, the Federal Access Regime and the *CDSA* prior to engaging in these unlawful activities, but chose not to do so in order advance their own private commercial interests. This court should not reward parties who choose to operate illegally to further their own private commercial interests. The Canna Clinic Operators should not have the option of choosing which laws are valid and which laws may be ignored. This is not how a society governed by the rule of law should conduct itself.

Calgary (City) v. Gold et al, (20 November 2015) Calgary 1501-12242 (ABQB), City's BoA, Tab 20.

109. There are a number of significant concerns and risks to the public that arise from the Canna Clinic Operators' request that they be permitted to operate pursuant to an interim injunction. Canna Clinic sells cannabis to members of the public without regulation or the supervision or authorization of a health care practitioner. Canna Clinic purports to provide what amounts to medical advice to its members regarding which conditions should and should not be treated with cannabis and advice regarding the potency and strains that are best suited for their conditions. These are fundamentally medical decisions, and there is a compelling state interest in ensuring appropriate medical oversight.

110. As a result of the Canna Clinic Operators' refusal to produce records detailing their operations, the court has no way to assess the validity of Canna Clinic's claims that it provides access to individuals with medical conditions that can or should be treated by cannabis. Canna Clinic has, from amongst tens of thousands of members, selected twelve individuals who appear to be Canna Clinic members with medical conditions. Even amongst these twelve selected individuals there are significant concerns as to how they buy cannabis from Canna Clinic and Canna Clinic also refuses to produce the membership records for these individuals.

111. A further concern that arises from Canna Clinic's operations is the opacity of its supply process. As noted above, the Canna Clinic Operators have refused to disclose any information about how they obtain their supply of cannabis. This raises two public policy risks. First, there is a significant concern that an illegal supply could result in the sale of unsafe cannabis to the public. As confirmed by the cross-examination evidence of Eric Costen from Health Canada, the overall scheme of regulatory oversight and good protection practices that is imposed on licensed

producers through the Federal Access Regime works in concert to ensure that cannabis sold through this program is safe.

112. The second public policy risk posed by the lack of information about Canna Clinic's supply, and its operations generally, is that the continued operation of these Canna Clinics will result in funneling financial support to criminal organizations. There is no evidence before the court as to where the estimated \$3.5 million in *monthly* revenues, is diverted.

113. This court should be critical of the evidence put forth by the Canna Clinic on these applications and as a result their submissions on the alleged damage to them if an injunction was granted. The only evidence from a Canna Clinic representative is from Samantha Deschamps. Although Ms. Deschamps has been given the title of manager and "administrative compliance officer" it is clear that she knows nothing about how Canna Clinics operate. She has not met Nadine or Ivan. She reports to an individual that, as far as she is aware, is not an employee of one of the Canna Clinic Operators. At the end of her shift as a manager of one of the Canna Clinics at the Subject Properties she placed the day's cash revenues in a safe and she has no idea where that money goes. Ms Deschamps is not responsible for decision making at Canna Clinic or entering into the leases at the Subject Properties nor does she know who pays its expenses.

114. In light of Canna Clinic's failure to provide open and honest disclosure, Canna Clinic's submissions on the alleged harm to it cannot be accepted nor can it relied upon to self-regulate during the term of an interim injunction. The only conclusion that can be reached is that Canna Clinic is driven exclusively by its own private commercial interests, which are fundamentally in conflict with the public interest.

115. With respect to the relief sought by Canna Clinic, there is no palatable choice before the court that will adequately protect the public interest. Suspending the operation of the *CDSA* prohibition on trafficking in cannabis would cause chaos across Canada and allow an unregulated market to be exploited by criminal interests. Exempting Canna Clinic from the *CDSA* is not any more palatable, however, as it would, in effect, grant Canna Clinic an exclusive license to be the only lawful storefront marijuana dispensary in Canada, rewarding Canna Clinic's illegal activities.

116. Finally, it should be noted that currently all levels of government in Canada are working diligently towards the legalization of cannabis for non-medical purposes on July 1, 2018. The Government of Canada will enact legalization legislation and has announced it will maintain the existing medical access regime. The Province of Ontario will be responsible for regulating the retail distribution of non-medicinal cannabis in Ontario and has announced that cannabis will be sold exclusively by a crown corporation. The Government of Ontario has further announced that illicit cannabis dispensaries, such as Canna Clinic, will be shut down. It is not in the public interest to further complicate this transition by authorizing Canna Clinic to continue to operate.

117. In summary, the City submits that the balance of convenience weighs heavily in favour of granting the City the requested interim injunction closing the Canna Clinic marijuana dispensaries at the Subject Properties. The injunction requested by the City would establish compliance with laws enacted by the City and the Government of Canada that are presumed and have been demonstrated to have been enacted in the public interest. The evidence before the court, and the evidence that Canna Clinic has refused to place before this court, strongly weighs against allowing the ongoing operation of the Canna Clinic marijuana dispensaries at the Subject Properties, which would frustrate and defeat the purposes of the City's Zoning By-law and which

would place members of the public at risk, potentially provide and approve the accrual of revenues to criminal enterprises and undermine the existing Federal Access Regime.


PART IV – ORDER REQUESTED

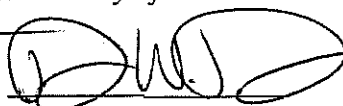
118. The City respectfully requests that the requests by Phytos and Grassroots for interim and interlocutory injunctions be dismissed and the City's requests for interim and interlocutory injunctions be granted as follows:


- i. An order granting an interim and interlocutory injunction restraining the Corporate Operators and Individual Operators as well as any related companies, directors, officers, employees, agents or assigns from using the Subject Properties or any other properties in the City of Toronto to sell, store or distribute marijuana and restraining the carrying on of any other non-permitted use at the Subject Properties, in contravention of By-law 569-2013 of the City or any other zoning by-law passed by the City pursuant to s. 34 of the *Planning Act*;
- ii. An order as against the respondents Talon Tapes Industries Ltd., 2431318 Ontario Ltd., Lues Epstein, Nikoleta Tchepileva, Peter Minas, Anastasia Minas, Sue Young, Murray Young, Joan Yee Brann and 2881 Dundas Inc. that they shall abide by the order made against the Corporate and Individual Operators above;
- iii. An order permitting the City, its servants or its agents to effect the closure of the Subject Properties in the event the orders in subparagraphs (i) and/or (ii) above are not complied with;
- iv. An order requiring the Sheriff of Toronto and the Chief of Police of the Toronto Police Service to provide whatever assistance the Applicant, its servant and agents may require to effect the closure of the Subject Properties in accordance with subparagraph 1(d) above;
- v. An order requiring the Corporate Operators and Individual Operators to pay its costs of these motions for interlocutory and interim injunctions forthwith on a substantial indemnity basis.

ALL OF WHICH IS RESPECTFULLY SUBMITTED, this 20th day of September, 2017.

Counsel for the City of Toronto:


Tim Carre


Diana Dimmer


Jared Wherle

SCHEDULE A

1. *York (Regional Municipality) v DiBlasi*, [2014] OJ No 2546
2. *Neighbourhoods of Windfields Limited Partnership v Death*, [2008] OJ No 3298
3. *Ottawa (City) v Barrymore's Inc*, [2002] OJ No 3871
4. *Newcastle Recycling Ltd v Clarington (Municipality)*, [2005] OJ No 5344
5. *Wawanesa Mutual Insurance v Chalmers & Co* (1969), 69 WWR 612
6. *RJR-MacDonald Inc v Canada (Attorney General)*, [1994] 1 SCR 311
7. *Irwin Toy Ltd v Quebec (Attorney General)*, [1989] 1 SCR 927
8. *R v Church of Scientology*, [1997] OJ No 1548
9. *Vancouver Board of Parks and Recreation v Mickelson*, 2003 BCSC 1271
10. *Satschko v Ontario (Minister of Government Services)*, [2007] OJ No 1600
11. *R v Mernagh*, [2013] OJ No 440
12. *Hitzig v Canada*, [2003] OJ No 3873
13. *Municipality of Metropolitan Toronto v NB Theatrical Agencies Inc*, [1984] OJ No 3062
14. *Markham (Town) v Eastown Plaza Ltd*, [1992] OJ No 1716
15. *Manitoba (Attorney General) v Metropolitan Stores (MTS) Ltd*, [1987] 1 SCR 110
16. *Strategic Media Outdoor Inc v Toronto (City)*, [2009] OJ No 451
17. *Harper v Canada (Attorney General)*, [2000] 2 SCR 764
18. *Ontario Federation of Anglers & Hunters v. Ontario (Ministry of Natural Resources)*, [1999] O.J. No. 1690
19. *Delta (Municipality) v WeeMedical Dispensary Society*, [2016] BCJ No 1801
20. *Calgary (City) v Gold et al*, (20 November 2015) Calgary 1501-12242 (ABQB)
21. *Hamilton (City) v Loucks*, [2003] OJ No 3669

SCHEDULE B

City of Toronto Act, 2006

S.O. 2006, chapter 11
Schedule A

Part II General Powers of The City

Powers

Scope of powers

6 (1) The powers of the City under this or any other Act shall be interpreted broadly so as to confer broad authority on the City to enable the City to govern its affairs as it considers appropriate and to enhance the City's ability to respond to municipal issues. 2006, c. 11, Sched. A, s. 6 (1); 2006, c. 32, Sched. B, s. 2.

Ambiguity

(2) In the event of ambiguity in whether or not the City has the authority under this or any other Act to pass a by-law or to take any other action, the ambiguity shall be resolved so as to include, rather than exclude, powers the City had on the day before this section came into force. 2006, c. 11, Sched. A, s. 6 (2).

...

General Enforcement Powers

Power to restrain

380 If any city by-law or by-law of a local board of the City under this or any other Act is contravened, in addition to any other remedy and to any penalty imposed by the by-law, the contravention may be restrained by application at the instance of a taxpayer or the City or local board. 2006, c. 11, Sched. A, s. 380; 2006, c. 32, Sched. B, s. 78.

Municipal Act, 2001

S.O. 2001, Chapter 25

General Enforcement Powers

Power to restrain

440 If any by-law of a municipality or by-law of a local board of a municipality under this or any other Act is contravened, in addition to any other remedy and to any penalty imposed by the by-law, the contravention may be restrained by application at the instance of a taxpayer or the municipality or local board. 2006, c. 32, Sched. A, s. 184.

Planning Act

R.S.O. 1990, CHAPTER P.13

Purposes

1.1 The purposes of this Act are,

- (a) to promote sustainable economic development in a healthy natural environment within the policy and by the means provided under this Act;
- (b) to provide for a land use planning system led by provincial policy;
- (c) to integrate matters of provincial interest in provincial and municipal planning decisions;
- (d) to provide for planning processes that are fair by making them open, accessible, timely and efficient;
- (e) to encourage co-operation and co-ordination among various interests;
- (f) to recognize the decision-making authority and accountability of municipal councils in planning. 1994, c. 23, s. 4.

PART V

LAND USE CONTROLS AND RELATED ADMINISTRATION

Zoning by-laws

34. (1) Zoning by-laws may be passed by the councils of local municipalities:

Restricting use of land

1. For prohibiting the use of land, for or except for such purposes as may be set out in the by-law within the municipality or within any defined area or areas or abutting on any defined highway or part of a highway.

...

Restricting erecting, locating or using of buildings

2. For prohibiting the erecting, locating or using of buildings or structures for or except for such purposes as may be set out in the by-law within the municipality or within any defined area or areas or upon land abutting on any defined highway or part of a highway.

...

6. For requiring the owners or occupants of buildings or structures to be erected or used for a purpose named in the by-law to provide and maintain loading or parking facilities on land that is not part of a highway. R.S.O. 1990, c. P.13, s. 34 (1); 1994, c. 23, s. 21 (1, 2); 1996, c. 4, s. 20 (1-3); 2006, c. 22, s. 115.

Excepted lands and buildings

(9) No by-law passed under this section applies,

(a) to prevent the use of any land, building or structure for any purpose prohibited by the by-law if such land, building or structure was lawfully used for such purpose on the day of the passing of the by-law, so long as it continues to be used for that purpose; or

(b) to prevent the erection or use for a purpose prohibited by the by-law of any building or structure for which a permit has been issued under subsection 8 (1) of the *Building Code Act, 1992*, prior to the day of the passing of the by-law, so long as the building or structure when erected is used and continues to be used for the purpose for which it was erected and provided the permit has not been revoked under subsection 8 (10) of that Act. R.S.O. 1990, c. P.13, s. 34 (9); 2009, c. 33, Sched. 21, s. 10 (1).

By-law may be amended

(10) Despite any other provision of this section, any by-law passed under this section or a predecessor of this section may be amended so as to permit the extension or enlargement of any land, building or structure used for any purpose prohibited by the by-law if such land, building or structure continues to be used in the same manner and for the same purpose as it was used on the day such by-law was passed. R.S.O. 1990, c. P.13, s. 34 (10).

Notice of particulars and public access

(10.7) Within 15 days after the council gives an affirmative notice under subsection (10.4), or within 15 days after the Municipal Board advises the clerk of its affirmative decision under subsection (10.5), as the case may be, the council shall,

(a) give the prescribed persons and public bodies, in the prescribed manner, notice of the application for an amendment to a by-law, accompanied by the prescribed information; and

(b) make the information and material provided under subsections (10.1) and (10.2) available to the public. 2006, c. 23, s. 15 (4).

Notice of refusal

(10.9) When a council refuses an application to amend its by-law, it shall ensure that written notice of the refusal is given in the prescribed manner, no later than 15 days after the day of the refusal,

(a) to the person or public body that made the application;

(b) to each person and public body that filed a written request to be notified of a refusal; and

(c) to any prescribed person or public body. 2015, c. 26, s. 26 (3).

Appeal to O.M.B.

(11) Where an application to the council for an amendment to a by-law passed under this section or a predecessor of this section is refused or the council refuses or neglects to make a decision on it within 120 days after the receipt by the clerk of the application, any of the following may appeal to the Municipal Board by filing with the clerk of the municipality a notice of appeal, accompanied by the fee prescribed under the *Ontario Municipal Board Act*:

1. The applicant.

2. The Minister. 2006, c. 23, s. 15 (5); 2015, c. 26, s. 26 (4).

Appeal to O.M.B.

(11.0.2) The Municipal Board shall hear the appeal under subsection (11) and shall,

(a) dismiss it;

- (b) amend the by-law in such manner as the Board may determine; or
- (c) direct that the by-law be amended in accordance with the Board's order. 2006, c. 23, s. 15 (5).

Information and public meeting; open house in certain circumstances

(12) Before passing a by-law under this section, except a by-law passed pursuant to an order of the Municipal Board made under subsection (11.0.2) or (26),

(a) the council shall ensure that,

(i) sufficient information and material is made available to enable the public to understand generally the zoning proposal that is being considered by the council, and

(ii) at least one public meeting is held for the purpose of giving the public an opportunity to make representations in respect of the proposed by-law; and

(b) in the case of a by-law that is required by subsection 26 (9) or is related to a development permit system, the council shall ensure that at least one open house is held for the purpose of giving the public an opportunity to review and ask questions about the information and material made available under subclause (a) (i). 2006, c. 23, s. 15 (6); 2009, c. 33, Sched. 21, s. 10 (2).

Notice

(13) Notice of the public meeting required under subclause (12) (a) (ii) and of the open house, if any, required by clause (12) (b),

(a) shall be given to the prescribed persons and public bodies, in the prescribed manner; and

(b) shall be accompanied by the prescribed information. 2006, c. 23, s. 15 (6).

Timing of open house

(14) The open house required by clause (12) (b) shall be held no later than seven days before the public meeting required under subclause (12) (a) (ii) is held. 2006, c. 23, s. 15 (6).

Timing of public meeting

(14.1) The public meeting required under subclause (12) (a) (ii) shall be held no earlier than 20 days after the requirements for giving notice have been complied with. 2006, c. 23, s. 15 (6).

Participation in public meeting

(14.2) Every person who attends a public meeting required under subclause (12) (a) (ii) shall be given an opportunity to make representations in respect of the proposed by-law. 2006, c. 23, s. 15 (6).

Alternative measures

(14.3) If an official plan sets out alternative measures for informing and obtaining the views of the public in respect of proposed zoning by-laws, and if the measures are complied with, clause (10.7) (a) and subsections (12) to (14.2) do not apply to the proposed by-laws, but subsection (14.6) does apply. 2015, c. 26, s. 26 (6).

Coming into force

(30) If one or more appeals have been filed under subsection (19), the by-law does not come into force until all of such appeals have been withdrawn or finally disposed of, whereupon the by-law, except for those parts of it repealed or amended under subsection (26) or as are repealed or amended by the Lieutenant Governor in Council under subsection (29.1), shall be deemed to have come into force on the day it was passed. 1996, c. 4, s. 20 (13); 2004, c. 18, s. 6 (4).

Controlled Drugs and Substances Act

S.C. 1996, c. 19

PART I

Offences and Punishment

Particular Offences

Possession of substance

- **4 (1)** Except as authorized under the regulations, no person shall possess a substance included in Schedule I, II or III.
- Obtaining substance
 - (2) No person shall seek or obtain
 - (a) a substance included in Schedule I, II, III or IV, or
 - (b) an authorization to obtain a substance included in Schedule I, II, III or IVfrom a practitioner, unless the person discloses to the practitioner particulars relating to the acquisition by the person of every substance in those Schedules, and of every authorization to obtain such substances, from any other practitioner within the preceding thirty days.
- Punishment
 - (3) Every person who contravenes subsection (1) where the subject-matter of the offence is a substance included in Schedule I
 - (a) is guilty of an indictable offence and liable to imprisonment for a term not exceeding seven years; or
 - (b) is guilty of an offence punishable on summary conviction and liable
 - (i) for a first offence, to a fine not exceeding one thousand dollars or to imprisonment for a term not exceeding six months, or to both, and
 - (ii) for a subsequent offence, to a fine not exceeding two thousand dollars or to imprisonment for a term not exceeding one year, or to both.
- Punishment
 - (4) Subject to subsection (5), every person who contravenes subsection (1) where the subject-matter of the offence is a substance included in Schedule II
 - (a) is guilty of an indictable offence and liable to imprisonment for a term not exceeding five years less a day; or
 - (b) is guilty of an offence punishable on summary conviction and liable
 - (i) for a first offence, to a fine not exceeding one thousand dollars or to imprisonment for a term not exceeding six months, or to both, and

- **(ii)** for a subsequent offence, to a fine not exceeding two thousand dollars or to imprisonment for a term not exceeding one year, or to both.

Trafficking in substance

- **5 (1)** No person shall traffic in a substance included in Schedule I, II, III, IV or V or in any substance represented or held out by that person to be such a substance.
- Possession for purpose of trafficking
 - (2)** No person shall, for the purpose of trafficking, possess a substance included in Schedule I, II, III, IV or V.
- Punishment
 - (3)** Every person who contravenes subsection (1) or (2)
 - (a)** subject to paragraph (a.1), if the subject matter of the offence is a substance included in Schedule I or II, is guilty of an indictable offence and liable to imprisonment for life, and
 - **(i)** to a minimum punishment of imprisonment for a term of one year if
 - **(A)** the person committed the offence for the benefit of, at the direction of or in association with a criminal organization, as defined in subsection 467.1(1) of the *Criminal Code*,
 - **(B)** the person used or threatened to use violence in committing the offence,
 - **(C)** the person carried, used or threatened to use a weapon in committing the offence, or
 - **(D)** the person was convicted of a designated substance offence, or had served a term of imprisonment for a designated substance offence, within the previous 10 years, or
 - **(ii)** to a minimum punishment of imprisonment for a term of two years if
 - **(A)** the person committed the offence in or near a school, on or near school grounds or in or near any other public place usually frequented by persons under the age of 18 years,
 - **(B)** the person committed the offence in a prison, as defined in section 2 of the *Criminal Code*, or on its grounds, or
 - **(C)** the person used the services of a person under the age of 18 years, or involved such a person, in committing the offence;

(a.1) if the subject matter of the offence is a substance included in Schedule II in an amount that is not more than the amount set out for that substance in

Schedule VII, is guilty of an indictable offence and liable to imprisonment for a term of not more than five years less a day;

(b) if the subject matter of the offence is a substance included in Schedule III or V,

- **(i)** is guilty of an indictable offence and liable to imprisonment for a term not exceeding ten years, or
- **(ii)** is guilty of an offence punishable on summary conviction and liable to imprisonment for a term not exceeding eighteen months; and

(c) where the subject-matter of the offence is a substance included in Schedule IV,

- **(i)** is guilty of an indictable offence and liable to imprisonment for a term not exceeding three years, or
- **(ii)** is guilty of an offence punishable on summary conviction and liable to imprisonment for a term not exceeding one year.

- **(4)** [Repealed, 2012, c. 1, s. 39]

- Interpretation

(5) For the purposes of applying subsection (3) in respect of an offence under subsection (1), a reference to a substance included in Schedule I, II, III, IV or V includes a reference to any substance represented or held out to be a substance included in that Schedule.

- Interpretation

(6) For the purposes of paragraph (3)(a.1) and Schedule VII, the amount of the substance means the entire amount of any mixture or substance, or the whole of any plant, that contains a detectable amount of the substance.

The Constitution Act, 1982

Citation: *The Constitution Act, 1982*, being Schedule B to the *Canada Act 1982 (UK)*, 1982, c 11

PART I CANADIAN CHARTER OF RIGHTS AND FREEDOMS

Whereas Canada is founded upon principles that recognize the supremacy of God and the rule of law:

Guarantee of Rights and Freedoms

- | | |
|--------------------------------------|--|
| Rights and freedoms in Canada | 1. The <i>Canadian Charter of Rights and Freedoms</i> guarantees the rights and freedoms set out in it subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society. |
|--------------------------------------|--|

Fundamental Freedoms

- | | |
|-----------------------------|--|
| Fundamental freedoms | 2. Everyone has the following fundamental freedoms: <ul style="list-style-type: none">(a) freedom of conscience and religion;(b) freedom of thought, belief, opinion and expression, including freedom of the press and other media of communication;(c) freedom of peaceful assembly; and(d) freedom of association. |
|-----------------------------|--|

- | | |
|---|---|
| Life, liberty and security of person | 7. Everyone has the right to life, liberty and security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice. |
|---|---|

Equality Rights

Equality before and under law and equal protection and benefit of law

15. (1) Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.



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[Home](#) → [Laws Website Home](#) → [Consolidated Regulations](#)

→ [SOR \(Statutory Orders and Regulations\)/2016-230 - Table of Contents](#)

→ [SOR \(Statutory Orders and Regulations\)/2016-230](#)

Access to Cannabis for Medical Purposes Regulations (SOR (Statutory Orders and Regulations)/2016-230)

Full Document: [HTML \(FullText.html\)](#) | [XML \(/eng/XML/SOR-2016-230.xml\)](#) [442 KB] | [PDF \(/PDF/SOR-2016-230.pdf\)](#) [1143 KB]

Regulations are current to 2017-08-27 and last amended on 2017-02-13. [Previous Versions \(PITIndex.html\)](#)

[Table of Contents](#)

Access to Cannabis for Medical Purposes Regulations

SOR (Statutory Orders and Regulations)/2016-230

CONTROLLED DRUGS AND SUBSTANCES ACT (/eng/acts/C-38.8)

Registration 2016-08-05

Access to Cannabis for Medical Purposes Regulations

P.C. 2016-743 2016-08-05

Whereas a provision of the annexed Regulations provides for the communication of information obtained under the Regulations to certain classes of persons referred to in paragraph 55(1)(s) of the *Controlled Drugs and Substances Act (/eng/acts/C-38.8)*^a and, in the opinion of the Governor in Council, it is necessary to communicate that information to those classes of persons for the proper administration or enforcement of the Act and the Regulations;

^aS.C. 1996, c. 19

Therefore, His Excellency the Governor General in Council, on the recommendation of the Minister of Health, pursuant to subsection 55(1)^b of the *Controlled Drugs and Substances Act (/eng/acts/C-38.8)*^a, makes the annexed *Access to Cannabis for Medical Purposes Regulations (/eng/regulations/SOR-2016-230)*.

^bS.C. 2015, c. 22, s. 4(1)

Interpretation

Definitions

1 (1) The following definitions apply in these Regulations.

Act means the *Controlled Drugs and Substances Act (/eng/acts/C-38.8)*. (Loi)

adult means a person who is 18 years of age or older. (*adulte*)

cannabis means the substance set out in item 1 of Schedule II to the Act. (*cannabis ou chanvre indien*)

cannabis oil means an oil, in liquid form at room temperature of $22 \pm 2^{\circ}\text{C}$, that contains cannabis in its natural form. (*huile de chanvre indien*)

designated person means the individual who is authorized by a registration referred to in section 178 to produce cannabis for the medical purposes of the registered person. (*personne désignée*)

dried marihuana means harvested marihuana that has been subjected to any drying process, but does not include seeds. (*marihuana séchée*)

former Marihuana for Medical Purposes Regulations means the regulations made by Order in Council P.C. 2013-645 of June 6, 2013 and registered as SOR/2013-119. (*ancien Règlement sur la marihuana à des fins médicales*)

former Marihuana Medical Access Regulations means the regulations made by Order in Council P.C. 2001-1146 of June 14, 2001 and registered as SOR/2001-227. (*ancien Règlement sur l'accès à la marihuana à des fins médicales*)

fresh marihuana means freshly harvested marihuana buds and leaves, but does not include plant material that can be used to propagate marihuana. (*marihuana fraîche*)

health care practitioner means, except in sections 123, 124 and 203, a medical practitioner or a nurse practitioner. (*praticien de la santé*)

licensed dealer has the same meaning as in section 2 of the Narcotic Control Regulations (/eng/regulations/C.R.C., c. 1041). (*distributeur autorisé*)

licensed producer means the holder of a licence issued under section 35. (*producteur autorisé*)

marihuana means the substance referred to as "Cannabis (marihuana)" in subitem 1(2) of Schedule II to the Act. (*marihuana*)

medical document means a medical document referred to in section 8. (*document médical*)

medical practitioner means a person who

(a) is registered and entitled under the laws of a province to practise medicine in that province; and

(b) is not named in a notice issued under section 59 of the Narcotic Control Regulations (/eng/regulations/C.R.C., c. 1041) that has not been retracted under section 60 of those Regulations. (*médecin*)

nurse practitioner means a nurse practitioner as defined in section 1 of the New Classes of

Practitioners Regulations (/eng/regulations/SOR-2012-230) who

- (a) is permitted to prescribe dried marihuana in the province in which they practise; and
- (b) is not named in a notice issued under section 59 of the Narcotic Control Regulations (/eng/regulations/C.R.C., c. 1041) that has not been retracted under section 60 of those Regulations. (*infirmier praticien*)

registered person means an individual who is registered with the Minister under Part 2.
(*personne inscrite*)

security clearance means a security clearance granted by the Minister under section 112.
(*habilitation de sécurité*)

transfer means, except in sections 140, 144 and 150, to transfer, whether directly or indirectly, without consideration. (*transférer*)

Destruction

(2) Cannabis is considered to be destroyed when it is altered or denatured to such an extent that its consumption and propagation is rendered impossible or improbable.

Drying

(3) The production of marihuana includes subjecting it to a drying process.

Equivalency in dried marihuana

2 (1) The provisions of this section apply for determining, for the purposes of these Regulations, the quantity of cannabis other than dried marihuana that is equivalent to a given quantity of dried marihuana.

Substances obtained from a licensed producer and products

(2) The quantity of any fresh marihuana or cannabis oil that is obtained from a licensed producer — and the quantity of any products referred to in paragraphs 4(1)(b) and (c) originating from those substances — that is equivalent to a given quantity of dried marihuana must be calculated by

- (a) taking into account the dried marihuana equivalency factor determined under section 79 that the licensed producer has indicated on the label of the fresh marihuana or cannabis oil; and
- (b) in the case of products referred to in paragraphs 4(1)(b) and (c), taking into account the weight of the fresh or dried marihuana — or the volume of the cannabis oil — that was used to make them.

Marihuana produced under Part 2 and products

(3) The quantity of any marihuana that is produced under Part 2 — and the quantity of any products referred to in paragraphs 4(1)(b) and (c) originating from that marihuana — that is

equivalent to a given quantity of dried marihuana must be calculated by:

- (a) considering 5 g of fresh marihuana as equivalent to 1 g of dried marihuana; and
- (b) in the case of products referred to in paragraphs 4(1)(b) and (c), taking into account the weight of the fresh or dried marihuana that was used to make them.

Possession

Obtaining substance

3 (1) Subject to the other provisions of these Regulations, a person listed in subsection (2) may possess fresh or dried marihuana or cannabis oil and a person listed in subsection (3) may possess cannabis if the person has obtained it

- (a) in accordance with these Regulations;
- (b) in the course of activities performed in connection with the enforcement or administration of any Act or its regulations;
- (c) from a person who is exempt under section 56 of the Act from the application of subsection 5(1) of the Act with respect to that substance; or
- (d) in the case referred to in subparagraph (2)(a)(iii), under subsection 65(2.1) of the Narcotic Control Regulations (/eng/regulations/C.R.C., c. 1041).

Fresh or dried marihuana or cannabis oil

(2) The following persons may possess fresh or dried marihuana or cannabis oil:

- (a) a person who has obtained the substance for their own medical purposes or for those of another individual for whom they are responsible
 - (i) from a licensed producer,
 - (ii) from a health care practitioner in the course of treatment for a medical condition, or
 - (iii) from a hospital, under subsection 65(2.1) of the Narcotic Control Regulations (/eng/regulations/C.R.C., c. 1041);
- (b) a person who requires the substance for the practice of their profession as a health care practitioner in the province in which they have that possession; or
- (c) a hospital employee, if they possess the substance for the purposes of and in connection with their employment.

Cannabis

(3) The following persons may possess cannabis:

- (a) a person who has obtained cannabis for their own medical purposes by producing it as a registered person;
- (b) a person who has obtained cannabis — for their own medical purposes or for those of

another individual for whom they are responsible — from a designated person;

(c) a person who requires cannabis for their business as a licensed producer and who possesses it in accordance with section 22;

(d) a person who requires cannabis for their business as a licensed dealer;

(e) a person who is employed as an inspector, an analyst, a peace officer, a member of the Royal Canadian Mounted Police or a member of the technical or scientific staff of a department of the Government of Canada or of the government of a province and who possesses the cannabis for the purposes of and in connection with their employment; or

(f) a person who is acting as the agent or mandatary of a person whom they have reasonable grounds to believe is a person referred to in paragraph (e) and who possesses the cannabis for the purpose of assisting that person in the administration or enforcement of any Act or its regulations.

Employee or agent or mandatary

(4) A person may possess fresh or dried marihuana or cannabis oil if the person is an employee of or is acting as the agent or mandatary for a person referred to in paragraph (2)(b) or (c), while acting in the course of their employment or their role as agent or mandatary.

Employee or agent or mandatary

(5) A person may possess cannabis if the person is an employee of or is acting as the agent or mandatary for a person referred to in paragraph (3)(c) or (d), while acting in the course of their employment or their role as agent or mandatary.

Altering substance

4 (1) An individual who, in accordance with these Regulations or subsection 65(2.1) of the Narcotic Control Regulations (/eng/regulations/C.R.C., c. 1041), obtains fresh or dried marihuana or cannabis oil for their own medical purposes or for those of another individual for whom they are responsible, and an individual who, in accordance with these Regulations, produces marihuana for their own medical purposes or those of another person for whom they are the designated person, may alter the chemical or physical properties of

(a) the fresh or dried marihuana or cannabis oil;

(b) a product resulting from an alteration of a substance referred to in paragraph (a); or

(c) a product that is derived from a product referred to in paragraph (b).

No organic solvents

(2) The individual must not use organic solvents when doing those alterations. For the purposes of this subsection, **organic solvent** means any organic compound that is highly flammable, explosive or toxic, including petroleum naphtha and compressed liquid hydrocarbons such as butane, isobutane, propane and propylene.

Providing substance

(3) An individual who is responsible for another individual may provide a product referred to in subsection (1) only to that individual.

Possession

(4) An individual may possess a product referred to in subsection (1) if they produced it in accordance with this section or obtained it in accordance with these Regulations.

Obtaining cannabis — Narcotic Control Regulations (/eng/regulations/C.R.C., c. 1041)

5 (1) A licensed producer may possess cannabis that they have obtained in accordance with the Narcotic Control Regulations (/eng/regulations/C.R.C., c. 1041) if they require it for their business.

Employee or agent or mandatary

(2) A person may possess cannabis referred to in subsection (1) if the person is an employee of or is acting as the agent or mandatary of the licensed producer, while acting in the course of their employment or their role as agent or mandatary.

Possession limit

6 (1) An individual who possesses products referred to in paragraphs 4(1)(b) and (c), fresh or dried marihuana or cannabis oil — for their own medical purposes or for those of another individual for whom they are responsible — must not possess a total quantity of those products and substances that exceeds the equivalent of the least of the following amounts:

(a) in the case of substances obtained from a licensed producer or products originating from those substances, 30 times the daily quantity of dried marihuana referred to in paragraph 8(1)(d),

(b) in the case of marihuana produced in accordance with Part 2 or products originating from it, 30 times the daily quantity of dried marihuana referred to in paragraph 8(1)(d),

(c) in the case of substances obtained from a hospital by or for an out-patient or products originating from those substances, 30 times the daily quantity of dried marihuana referred to in subparagraph 65.2(c)(iii) of the Narcotic Control Regulations (/eng/regulations /C.R.C., c. 1041), and

(d) 150 g of dried marihuana.

Dried marihuana equivalency factor

(2) For the purposes of paragraph (1)(c), the quantity of any products referred to in paragraphs 4(1)(b) and (c), fresh marihuana and cannabis oil must be calculated taking into account the dried marihuana equivalency factor determined under section 79 that the licensed producer has indicated on the label of the fresh marihuana or cannabis oil and, in the case of products described in those paragraphs, also taking into account the weight of the fresh or dried marihuana – or the volume of the cannabis oil – that was used to make them.

Health Care Practitioners

Authorized activities

7 (1) In addition to being authorized to possess fresh or dried marihuana or cannabis oil in accordance with section 3, a health care practitioner may conduct the following activities in regard to a person who is under their professional treatment:

- (a) transfer or administer the substance; or
- (b) provide a medical document.

Transfer

(2) The health care practitioner may also transfer the substance to an individual who is responsible for the person under their professional treatment.

Medical document

8 (1) A medical document provided by a health care practitioner to a person who is under their professional treatment must indicate

- (a) the practitioner's given name, surname, profession, business address and telephone number, the province in which they are authorized to practise their profession and the number assigned by the province to that authorization and, if applicable, their facsimile number and email address;
- (b) the person's given name, surname and date of birth;
- (c) the address of the location at which the person consulted with the practitioner;
- (d) the daily quantity of dried marihuana, expressed in grams, that the practitioner authorizes for the person; and
- (e) the period of use.

Period of use

(2) The period of use referred to in paragraph (1)(e)

- (a) must be specified as a number of days, weeks or months, which must not exceed one year; and
- (b) begins on the day on which the medical document is signed by the practitioner.

Validity of medical document

(3) A medical document is valid for the period of use specified in it.

Attestation

(4) The medical document must be signed and dated by the practitioner providing it and must attest that the information in the document is correct and complete.

Thirty-day limit

9 (1) A health care practitioner must not transfer to a person under their professional treatment

or an individual who is responsible for that person (both of whom are referred to in this section as the **transferee**) in a 30-day period a total quantity of fresh marihuana, dried marihuana and cannabis oil that, taking into account the dried marihuana equivalency factor determined under section 79, exceeds the equivalent of 30 times the daily quantity of dried marihuana referred to in paragraph 8(1)(d) that the practitioner has indicated in the medical document on the basis of which the transfer is made.

Definition of 30-day period

(2) In this section, **30-day period** means

- (a) the 30-day period beginning on the day on which the practitioner first transfers a substance to the transferee; and
- (b) every 30-day period after the period referred to in paragraph (a).

First 30-day period

(3) For the purpose of applying subsection (2), the first 30-day period begins on the day on which the practitioner first transfers a substance to the transferee after the day on which that subsection comes into force, even if the practitioner previously transferred a substance to them.

Additional limit

(4) A health care practitioner must not, at any one time, transfer to the transferee a quantity of the substance that, taking into account the dried marihuana equivalency factor determined under section 79, exceeds the equivalent of 150 g of dried marihuana.

Exclusion

(5) A quantity of the substance that the health care practitioner transfers to the transferee to replace a quantity of the substance that the transferee has returned under section 148 is to be excluded for the purpose of calculating the total quantity referred to in subsection (1).

General Provisions

Application of Narcotic Control Regulations (/eng/regulations/C.R.C., c. 1041)

10 For greater certainty, except in the case of inconsistency with these Regulations, the Narcotic Control Regulations (/eng/regulations/C.R.C., c. 1041) also apply to cannabis referred to in these Regulations.

Further information

11 The Minister may, on receiving an application made under these Regulations, require the submission of any further information that pertains to the information contained in the application and that is necessary for the Minister to process the application.

Police enforcement

12 If, under the Controlled Drugs and Substances Act (Police Enforcement) Regulations (/eng/regulations/SOR-97-234), a member of a police force or a person acting under the

direction and control of the member is, in respect of the conduct of the member or person, exempt from the application of subsection 4(2) or section 5, 6 or 7 of the Act, the member or person is, in respect of that conduct, exempt from the application of these Regulations.

Alteration of documents

13 It is prohibited to mark, alter or deface a medical document or other document issued under these Regulations.

Providing assistance in administration of substance

14 (1) While in the presence of a person who has obtained fresh or dried marihuana or cannabis oil — or who has produced or obtained a product referred to in paragraph 4(1)(b) or (c) — for their own medical purposes, another person may, for the purpose of providing assistance in the administration of the substance to that person, possess that substance.

Possession limit

(2) The person providing assistance must not possess a total quantity of substances that exceeds the equivalent of

(a) in the case of fresh or dried marihuana or cannabis oil, the daily quantity of dried marihuana that the other person is authorized to possess, namely the quantity referred to in paragraph 8(1)(d) of these Regulations or subparagraph 65.2(c)(iii) of the Narcotic Control Regulations (*/eng/regulations/C.R.C., c. 1041*); or

(b) in the case of a product referred to in paragraph 4(1)(b) or (c), 5 g of dried marihuana.

Demonstrate authority to possess or produce

15 An individual who, in accordance with these Regulations, possesses or produces fresh or dried marihuana, cannabis oil or marihuana plants or seeds or a product referred to in paragraph 4(1)(b) or (c) must, on demand, demonstrate to a police officer that the possession or production is authorized.

Prohibition — obtaining from more than one source

16 (1) It is prohibited to seek or obtain fresh or dried marihuana, cannabis oil or marihuana plants or seeds from more than one source at a time on the basis of the same medical document.

Exception

(2) However, a registration certificate issued by the Minister under Part 2 on the basis of a medical document may be used to

(a) obtain an interim supply of fresh or dried marihuana or cannabis oil from a single licensed producer; and

(b) obtain marihuana plants or seeds from one or more licensed producers.

PART 1

Commercial Production

Interpretation

Definitions

17 (1) The following definitions apply in this Part.

advertisement has the same meaning as in subsection 2(1) of the Narcotic Control Regulations (/eng/regulations/C.R.C., c. 1041). (*annonce*)

brand name means, with reference to cannabis, the name, in English or French,

(a) that is assigned to it;

(b) that is used to distinguish it; and

(c) under which it is sold, provided or advertised. (*marque nominative*)

client means a person who is registered as a client with a licensed producer under section 133. (*client*)

competent authority has the same meaning as in subsection 2(1) of the Narcotic Control Regulations (/eng/regulations/C.R.C., c. 1041). (*autorité compétente*)

delta-9-tetrahydrocannabinol means Δ^9 -tetrahydrocannabinol ((6aR, 10aR)-6a,7,8,10a-tetrahydro-6,6,9-trimethyl-3-pentyl-6H-dibenzo [b,d] pyran-1-ol). (*delta-9-tétrahydrocannabinol*)

hospital has the same meaning as in subsection 2(1) of the Narcotic Control Regulations (/eng/regulations/C.R.C., c. 1041). (*hôpital*)

immediate container means the container referred to in section 80. (*contenant immédiat*)

international obligation means an obligation in respect of cannabis set out in a convention, treaty or other multilateral or bilateral instrument that Canada has ratified or to which Canada adheres. (*obligation internationale*)

pest control product has the same meaning as in subsection 2(1) of the Pest Control Products Act (/eng/acts/P-9.01). (*produit antiparasitaire*)

responsible person in charge means, for the purposes of Division 1 of this Part, the person designated under paragraph 32(1)(b). (*personne responsable*)

Security Directive means the *Directive on Physical Security Requirements for Controlled Substances* (*Security Requirements for Licensed Dealers for the Storage of Controlled Substances*) published by the Department of Health, as amended from time to time. (*Directive en matière de sécurité*)

senior person in charge means the person designated under paragraph 32(1)(a).
(*responsible principal*)

site means

- (a) a building or a place in a building used by a licensed producer; or
- (b) an area occupied exclusively by buildings used by a licensed producer. (*installation*)

Producer's site

(2) In this Part, a reference to the site of a licensed producer is a reference to the site specified in the producer's licence.

General Provisions

Marihuana

18 (1) Marihuana must not be sold or provided under this Part

- (a) with any additives; or
- (b) in any dosage form, such as in a roll or capsule.

Definition of *additive*

(2) For the purposes of paragraph (1)(a), **additive** means anything other than marihuana but does not include any residue of a pest control product or its components or derivatives unless the amount of the residue exceeds any maximum residue limit specified for the product, component or derivative under section 9 or 10 of the *Pest Control Products Act (eng/acts/P-9.01)*.

Cannabis oil

19 (1) Cannabis oil must not be sold or provided under this Part

- (a) with any additives other than those that are necessary to maintain the product's quality and stability; or
- (b) in any dosage form other than a capsule or similar dosage form.

Definition of *additive*

(2) For the purposes of paragraph (1)(a), **additive** does not include any residue of a pest control product or its components or derivatives unless the amount of the residue exceeds any maximum residue limit specified for the product, component or derivative under section 9 or 10 of the *Pest Control Products Act (eng/acts/P-9.01)*.

Notice of refusal or revocation

20 If the Minister proposes to refuse to issue, amend or renew a licence or permit or proposes to revoke a licence or permit, other than in the case of a revocation under section 45 or subsection 47(4), 101(1) or 108(1), the Minister must

- (a) send the applicant or the holder of the licence or permit a notice that sets out the reasons for the refusal or revocation; and
- (b) give the applicant or holder an opportunity to be heard in respect of the refusal or revocation.

Inspection of site

21 In order to confirm any information submitted in support of an application for a licence or an amendment or renewal of a licence, an inspector may, at a time during normal business hours and with the reasonable assistance of the applicant, inspect the site in respect of which the application was made.

DIVISION 1

Licensed Producers

SUBDIVISION A

Authorized Activities and General Obligations

Activities

22 (1) Subject to subsections (2) to (8) and to the other provisions of these Regulations, a licensed producer may

- (a) possess, produce, sell, provide, ship, deliver, transport and destroy marihuana or cannabis oil;
- (b) possess and produce cannabis in its natural form, other than marihuana or cannabis oil, for the purpose of producing cannabis oil, and sell, provide, ship, deliver, transport and destroy that cannabis if it was obtained or produced for that purpose; and
- (c) possess and produce cannabis, other than marihuana or cannabis oil, for the purpose of conducting in vitro testing that is necessary to determine the cannabinoid content of marihuana or cannabis oil, and sell, provide, ship, deliver, transport and destroy that cannabis if it was obtained or produced for that purpose.

Cannabis

(2) A licensed producer may sell or provide a substance referred to in subsection (3) to

- (a) another licensed producer;
- (b) a licensed dealer;
- (c) the Minister; or
- (d) a person to whom an exemption relating to the substance has been granted under section 56 of the Act.

Substances

(3) The substances that may be sold or provided under subsection (2) are

- (a)** marihuana and cannabis oil;
- (b)** cannabis in its natural form, other than marihuana or cannabis oil, that was obtained or produced for the purpose of producing cannabis oil; and
- (c)** cannabis, other than marihuana or cannabis oil, that was obtained or produced for the purpose of conducting in vitro testing that is necessary to determine the cannabinoid content of marihuana or cannabis oil.

Fresh or dried marihuana or cannabis oil

(4) A licensed producer may

- (a)** sell or provide fresh or dried marihuana or cannabis oil to
 - (i)** a client of that producer or an individual who is responsible for the client,
 - (ii)** a hospital employee, if the possession of the substance is for the purposes of and in connection with their employment, or
 - (iii)** a person to whom an exemption relating to the substance has been granted under section 56 of the Act; and
- (b)** ship fresh or dried marihuana or cannabis oil to a health care practitioner in the case referred to in subparagraph 130(1)(f)(iii).

Registered person

(5) A licensed producer may sell or provide marihuana plants or seeds to a client who is registered with them on the basis of a registration with the Minister made under Part 2 or to an individual who is responsible for the client.

Activities limited

(6) A licensed producer may conduct an activity referred to in subsection (1), (2), (4) or (5) if the producer

- (a)** is licensed to conduct the activity; and
- (b)** conducts the activity in accordance with their licence.

Import

(7) A licensed producer may import marihuana or a substance referred to in paragraph (3)(c) if they do so in accordance with an import permit issued under section 95.

Export

(8) A licensed producer may

- (a)** possess marihuana or a substance referred to in paragraph (3)(c) for the purpose of export; and

(b) export it if they do so in accordance with an export permit issued under section 103.

Dwelling place

23 A licensed producer must not conduct any activity referred to in section 22 at a dwelling place.

Activities — indoors and at site

24 A licensed producer must produce, package or label cannabis only indoors and at the producer's site.

Indoor storage only

25 (1) A licensed producer must store cannabis only indoors and at the producer's site.

Security Directive

(2) A licensed producer must store cannabis, other than marihuana plants, in accordance with the Security Directive.

Identification of licensed producer

26 A licensed producer must include their name, as set out in their licence, on all the means by which the producer identifies themselves in relation to cannabis, including advertising, product labels, orders, shipping documents and invoices.

Responsible person in charge present

27 A licensed producer must not perform a transaction involving cannabis unless the responsible person in charge or, if applicable, the alternate responsible person in charge is physically present at the producer's site.

Safekeeping during transportation

28 A licensed producer must take any steps that are necessary to ensure the safekeeping of

(a) cannabis, when shipping, delivering or transporting it; and

(b) marihuana, cannabis oil or a substance referred to in paragraph 22(3)(c), when transporting it to a port of exit from Canada and when transporting it between the port of entry into Canada and the producer's site.

Report of loss or theft

29 If a licensed producer experiences a theft of cannabis or an unusual waste or disappearance of cannabis that cannot be explained on the basis of normally accepted business activities, the licensed producer must

(a) report the occurrence to a member of a police force within 24 hours after becoming aware of it; and

(b) provide a written report to the Minister within 10 days after becoming aware of the occurrence.

Destruction

30 (1) A licensed producer may destroy cannabis only if they do so

- (a)** in accordance with a method that
 - (i)** conforms with all federal, provincial and municipal environmental legislation applicable to the location at which it is to be destroyed, and
 - (ii)** does not result in any person being exposed to cannabis smoke; and
- (b)** in the presence of at least two persons who are qualified to witness the destruction, one of whom must be a person referred to in paragraph (2)(a).

Witness to destruction

(2) The following persons are qualified to witness the destruction of cannabis:

- (a)** the senior person in charge, the responsible person in charge and, if applicable, the alternate responsible person in charge; and
- (b)** a person who works for or provides services to the licensed producer and acts in a senior position.

Transportation of cannabis

(3) If the cannabis is to be destroyed at a location other than the licensed producer's site, the senior person in charge, the responsible person in charge or, if applicable, the alternate responsible person in charge must accompany the cannabis to the location at which it is to be destroyed.

SUBDIVISION B

Licensing

Eligible persons

31 The following persons are eligible to apply for a producer's licence:

- (a)** an adult who ordinarily resides in Canada; and
- (b)** a corporation that has its head office in Canada or operates a branch office in Canada and whose officers and directors are all adults.

Senior person in charge and responsible person in charge

32 (1) A licensed producer must designate

- (a)** one senior person in charge to have overall responsibility for management of the activities conducted by the licensed producer under their licence at their site — who may, if appropriate, be the licensed producer; and
- (b)** one responsible person in charge to work at the licensed producer's site and have responsibility for supervising the activities with respect to cannabis conducted by the

licensed producer under their licence at that site and for ensuring that the activities comply with the Act and its regulations and the Food and Drugs Act (/eng/acts/F-27) — who may, if appropriate, be the senior person in charge.

Alternate responsible person in charge

(2) A licensed producer may designate one or more alternate responsible persons in charge to work at the licensed producer's site and have authority to replace the responsible person in charge when that person is absent.

Eligibility

(3) The senior person in charge, the responsible person in charge and, if applicable, the alternate responsible person in charge

(a) must be adults; and

(b) must be familiar with the provisions of the Act and its regulations and the Food and Drugs Act (/eng/acts/F-27) that apply to the licence held by the licensed producer by whom they are designated.

Application for licence

33 (1) To apply for a producer's licence, a person must submit to the Minister an application that contains the following information:

(a) if the applicant is

(i) an individual, the individual's name, date of birth and gender and any other name registered with a province, under which the individual intends to identify themselves or conduct the activities for which the licence is sought (referred to in this section as the **proposed activities**), or

(ii) a corporation, its corporate name and any other name registered with a province, under which it intends to identify itself or conduct the proposed activities, as well as the name, date of birth and gender of each of its officers and directors;

(b) the address, telephone number and, if applicable, the facsimile number and email address for

(i) the site for which the licence is sought (referred to in this section as the **proposed site**), and

(ii) if applicable, each building within the site where the proposed activities are to be conducted;

(c) the mailing address for the proposed site and, if applicable, for each building referred to in subparagraph (b)(ii), if different from the address provided under paragraph (b);

(d) the name, date of birth and gender of each of the following persons:

(i) the proposed senior person in charge,

- (ii) the proposed responsible person in charge, and
- (iii) if applicable, the proposed alternate responsible person in charge;
- (e) the name and gender of each of the persons authorized to place an order for cannabis on behalf of the applicant;
- (f) the activities among those referred to in subsection 22(1) that are proposed to be conducted, the purposes for conducting those activities and the substances in respect of which each of the activities is to be conducted;
- (g) the proposed activities that are to be conducted at each building referred to in subparagraph (b)(ii) and the substances in respect of which each of those activities is to be conducted at each building;
- (h) a detailed description of the security measures at the proposed site, as determined in accordance with the Security Directive and Subdivision C;
- (i) a detailed description of the method that the applicant proposes to use for keeping records, which must permit
 - (i) compliance with the requirements of Division 5,
 - (ii) the Minister to audit the activities of the licensed producer with respect to cannabis, and
 - (iii) the reconciliation of orders for cannabis and shipments and inventories of cannabis;
- (j) if applicable, the maximum quantity (expressed as the net weight in kilograms) of fresh marihuana, dried marihuana, cannabis oil and the substance referred to in paragraph 22(3)(b) to be produced by the applicant under the licence and the production period;
- (k) if applicable, the maximum quantity (expressed as the net weight in kilograms) of fresh marihuana, dried marihuana, cannabis oil and marihuana seeds to be sold or provided by the applicant under the licence under subsections 22(2), (4) and (5) and the period in which that quantity is to be sold or provided; and
- (l) if applicable, the maximum number of marihuana plants to be sold or provided by the applicant under the licence under subsections 22(2) and (5) and the period in which that quantity is to be sold or provided.

Dried marihuana equivalency factor

(2) In the case of an application for a licence to sell or provide fresh marihuana or cannabis oil under subsection 22(4), the applicant must provide the Minister, before commencing to sell or provide the substance, with the dried marihuana equivalency factor determined under section 79 and the method that they used to determine it.

Multiple sites

(3) If the applicant intends to conduct an activity referred to in subsection 22(1) at more than

one site, a separate application must be submitted for each proposed site.

Statement by signatory

(4) An application for a producer's licence must

- (a)** be signed and dated by the proposed senior person in charge; and
- (b)** include a statement signed and dated by that person indicating that
 - (i)** all of the information and documents submitted in support of the application are correct and complete to the best of their knowledge, and
 - (ii)** they have the authority to bind the applicant.

Accompanying documents

(5) An application for a producer's licence must be accompanied by

- (a)** a declaration, signed and dated by the proposed senior person in charge, stating that the proposed senior person in charge, the proposed responsible person in charge and, if applicable, the proposed alternate responsible person in charge are familiar with the provisions of the Act and its regulations and the Food and Drugs Act (/eng/acts/F-27) that will apply to the licence;
- (b)** if applicable, a copy of any document filed with the province in which the proposed site is located that states the applicant's name and any other name registered with the province under which the applicant intends to identify themselves or conduct the proposed activities;
- (c)** if the applicant is a corporation, a copy of the certificate of incorporation or other incorporating instrument;
- (d)** a declaration signed and dated by the proposed senior person in charge indicating whether or not the applicant is the owner of the entire proposed site;
- (e)** if the proposed site or any portion of it is not owned by the applicant, a declaration signed and dated by the owner of the site or each portion of the site consenting to the use of it by the applicant for the proposed activities;
- (f)** a declaration signed and dated by the proposed senior person in charge stating that the proposed site is not a dwelling place;
- (g)** a declaration signed and dated by the proposed senior person in charge stating that the notices to local authorities have been provided in accordance with section 48 and specifying the names, titles and addresses of the senior officials to whom they were addressed and the dates on which they were provided, together with a copy of each notice;
- (h)** a document signed and dated by the quality assurance person referred to in section 75 that includes
 - (i)** a description of the person's qualifications in respect of the matters referred to in subparagraph 75(1)(a)(ii), and

(ii) a report establishing that the buildings, equipment and sanitation program to be used in conducting the proposed activities referred to in Subdivision D comply with the requirements of that Subdivision; and

(i) floor plans for the proposed site.

Security clearance required

34 The following persons must hold a security clearance:

- (a) the senior person in charge;
- (b) the responsible person in charge;
- (c) if applicable, the alternate responsible person in charge;
- (d) if a producer's licence is issued to an individual, that individual; and
- (e) if a producer's licence is issued to a corporation, each officer and director of the corporation.

Issuance of licence

35 Subject to section 36, the Minister must, after examining the information and documents required under section 33 and, if applicable, section 11, and after all of the security clearances required by section 34 have been granted under section 112, issue to the applicant a producer's licence that indicates

- (a) the licence number;
- (b) the name of the licence holder;
- (c) the list of authorized activities;
- (d) the address of the site and, if applicable, of each building within the site where the licensed producer may conduct the authorized activities;
- (e) in respect of each building, the authorized activities that may be conducted at that building and, in respect of each activity, the substances in respect of which the activity may be conducted;
- (f) the security level, determined in accordance with the Security Directive, of each location within the site where cannabis, other than marihuana plants, is stored;
- (g) the effective date of the licence;
- (h) the expiry date of the licence, which must not be later than three years after its effective date;
- (i) if applicable, the maximum quantity (expressed as the net weight in kilograms) of fresh marihuana, dried marihuana, cannabis oil and the substance referred to in paragraph 22(3)(b) that may be produced under the licence in a specified period;
- (j) if applicable, the maximum quantity (expressed as the net weight in kilograms) of fresh

marihuana, dried marihuana, cannabis oil and marihuana seeds that may be sold or provided under the licence in a specified period in accordance with subsections 22(2), (4) and (5);

(k) if applicable, the maximum number of marihuana plants that may be sold or provided under the licence in a specified period in accordance with subsections 22(2) and (5); and

(l) if applicable, any conditions that the licence holder must meet in order to

(i) comply with an international obligation,

(ii) provide the security level referred to in paragraph (f),

(iii) put in place the security measures referred to in Subdivision C, or

(iv) reduce any potential public health, safety or security risk, including the risk of cannabis being diverted to an illicit market or use.

Grounds for refusal

36 (1) The Minister must refuse to issue, renew or amend a producer's licence in the following circumstances:

(a) the applicant is not eligible under section 31;

(b) the requirements of section 48 or 49 have not been met;

(c) an inspector, who has requested an inspection, has not been given the opportunity by the applicant to conduct an inspection under section 21;

(d) the Minister has reasonable grounds to believe that false or misleading information was submitted in, or false or falsified documents were submitted with, the application;

(e) information received from a peace officer, a competent authority or the United Nations raises reasonable grounds to believe that the applicant has been involved in the diversion of a controlled substance or precursor to an illicit market or use;

(f) the applicant does not have in place the security measures set out in the Security Directive and Subdivision C in respect of an activity for which the licence is sought;

(g) the applicant is in contravention of or has contravened in the past 10 years

(i) a provision of the Act or its regulations or the Food and Drugs Act (/eng/acts/F-27), or

(ii) a term or condition of another licence or a permit issued to it under any of those regulations;

(h) the issuance, renewal or amendment of the licence would likely create a risk to public health, safety or security, including the risk of cannabis being diverted to an illicit market or use;

(i) any of the following persons does not hold a security clearance:

- (i) the senior person in charge,
 - (ii) the responsible person in charge,
 - (iii) if applicable, the alternate responsible person in charge,
 - (iv) if the applicant is an individual, that individual, and
 - (v) if the applicant is a corporation, any of its officers or directors;
- (j) the proposed method of record keeping does not meet the requirements of paragraph 33(1)(i); or
- (k) if applicable, the information required under section 11 has not been provided or is insufficient to process the application.

Exception

(2) Unless it is necessary to do so to protect public health, safety or security, including preventing cannabis from being diverted to an illicit market or use, the Minister must not refuse to issue, renew or amend a licence under paragraph (1)(d) or (g) if the applicant has carried out, or signed an undertaking to carry out, the necessary corrective measures to ensure compliance with the Act and its regulations and the Food and Drugs Act (/eng/acts/F-27).

Failure to comply with undertaking

(3) If an applicant fails to comply with an undertaking referred to in subsection (2), the Minister must refuse to issue, renew or amend the licence.

Period of validity

37 A producer's licence is valid until the earlier of

- (a) the expiry date of the licence, and
- (b) the date on which the licence is revoked under any of sections 44 to 47.

Renewal application

38 (1) To apply to renew their licence, a licensed producer must submit to the Minister an application that contains the following:

- (a) the original of the licence; and
- (b) a declaration signed and dated by the senior person in charge stating that as of the date of the application
 - (i) that person has the authority to bind the applicant, and
 - (ii) to the best of that person's knowledge,
 - (A) the information shown on the producer's licence as specified in paragraphs 35(a) to (f) and (i) to (l) is correct and complete, and
 - (B) if applicable, the requirements of sections 40 and 41 have been met.

Renewal

(2) Subject to section 36, the Minister must, after examining the information and documents required under subsection (1) and, if applicable, section 11, issue a renewed licence that contains the information set out in paragraphs 35(a) to (l).

Simultaneous processing of applications

(3) If a licensed producer submits an application under section 39 or paragraph 40(1)(a) together with an application under subsection (1), the Minister may process them together.

Amendment application

39 (1) A licensed producer proposing to amend the content of their licence must provide the Minister with the following documents:

- (a)** an application in writing describing the proposed amendment, as well as any information or documents mentioned in section 33 that are relevant to the proposed amendment;
- (b)** if applicable, a declaration signed and dated by the senior person in charge stating that the notices to local authorities have been provided in accordance with section 49 and specifying the names, titles and addresses of the senior officials to whom they were addressed and the dates on which they were provided, together with a copy of each notice; and
- (c)** the original of the licence.

Statement by signatory

(2) The application must

- (a)** be signed and dated by the senior person in charge; and
- (b)** include a statement signed and dated by that person indicating that
 - (i)** all of the information and documents submitted in support of the application are correct and complete to the best of their knowledge, and
 - (ii)** they have the authority to bind the applicant.

Issuance

(3) Subject to section 36, the Minister must, after examining the information and documents required under this section and, if applicable, section 11, amend the licence accordingly and may add any conditions that the licence holder must meet in order to

- (a)** comply with an international obligation;
- (b)** provide the security level referred to in paragraph 35(f) or the new level applicable as a result of the amendment of the licence;
- (c)** put in place the security measures referred to in Subdivision C; or
- (d)** reduce any potential public health, safety or security risk, including the risk of cannabis

being diverted to an illicit market or use.

Notice to Minister — change of personnel

40 (1) A licensed producer must

- (a)** apply for and obtain the Minister's approval before making a change involving the replacement or the addition of
 - (i)** the senior person in charge,
 - (ii)** the responsible person in charge and, if applicable, the alternate responsible person in charge,
 - (iii)** if applicable, an officer or director referred to in subparagraph 33(1)(a)(ii), or
 - (iv)** an individual authorized to place an order for cannabis on behalf of the licensed producer;
- (b)** except in the case referred to in subsection (3), notify the Minister, not later than five days after the event, when a person referred to in any of subparagraphs (a)(i), (ii) and (iv) ceases to carry out their duties; and
- (c)** notify the Minister, not later than five days after the event, when a person referred to in subparagraph (a)(iii) ceases to be an officer or director.

Accompanying information

(2) The licensed producer must, with the application for approval referred to in paragraph (1)(a), provide the Minister with the following information and documents with respect to the new person:

- (a)** in the case of the replacement of the senior person in charge or the responsible person in charge or the replacement or addition of an alternate responsible person in charge,
 - (i)** the information specified in paragraph 33(1)(d), and
 - (ii)** the declaration specified in paragraph 33(5)(a);
- (b)** in the case of the replacement or addition of an officer or director, the information specified in subparagraph 33(1)(a)(ii) concerning that person; and
- (c)** in the case of the replacement or addition of an individual who is authorized to place an order for cannabis on behalf of the licensed producer, the information specified in paragraph 33(1)(e).

Notice to Minister — responsible person in charge

(3) A licensed producer must notify the Minister not later than the next business day if the responsible person in charge ceases to carry out their duties and there is no person designated as an alternate responsible person in charge.

Notice to Minister — various changes

41 (1) A licensed producer must, within five days after the change, notify the Minister of any change to

- (a) the method used for keeping records;
- (b) the telephone number and, if applicable, the facsimile number and email address for
 - (i) their site; and
 - (ii) if applicable, each building within the site where the activities are conducted under the licence; or
- (c) the security of their site, other than a change that affects the security level of any location within the site where cannabis, other than marihuana plants, is stored.

Dried marihuana equivalency factor

(2) A licensed producer must provide the Minister with any new dried marihuana equivalency factor determined under section 79, and the method used to determine it, at least 10 days before selling or providing, under subsection 22(4), fresh marihuana or cannabis oil in respect of which the label referred to in section 84 or 88 indicates the new factor.

Statement by signatory of notice

42 An application or notification made under section 40 or 41, respectively, must

- (a) be signed and dated by the senior person in charge; and
- (b) include a statement signed and dated by that person indicating that
 - (i) all information and, if applicable, documents submitted in support of the application or notification are correct and complete to the best of their knowledge, and
 - (ii) they have the authority to bind the licensed producer.

Suspension

43 (1) The Minister must suspend a producer's licence without prior notice in respect of any or all activities or substances set out in the licence if the Minister has reasonable grounds to believe that it is necessary to do so to protect public health, safety or security, including preventing cannabis from being diverted to an illicit market or use.

Notice of suspension

(2) The suspension takes effect as soon as the Minister notifies the licensed producer of the decision to suspend and provides a written report that sets out the reasons for the suspension.

Opportunity to be heard

(3) The licensed producer may, within 10 days after receipt of the notice, provide the Minister with reasons why the suspension is unfounded.

Ceasing of suspended activities

(4) If a licence is suspended in respect of any or all activities or substances set out in the licence, the licensed producer must cease conducting those activities with respect to those substances for the duration of the suspension.

Reinstatement of licence

(5) The Minister must, by notice to the licensed producer, reinstate a licence, in respect of any or all activities or substances affected by the suspension, if the licensed producer demonstrates to the Minister that

- (a)** the failure that gave rise to the suspension has been rectified; or
- (b)** the suspension was unfounded.

Revocation following suspension

44 The Minister must revoke a licence if the licensed producer fails to comply with the decision of the Minister to suspend the licence under section 43 or if the failure that gave rise to the suspension is not rectified.

Revocation — lost or stolen licence

45 The Minister must revoke a producer's licence on being notified by the licensed producer that the licence has been lost or stolen.

Revocation — other grounds

46 (1) Subject to subsection (2), the Minister must revoke a producer's licence in the following circumstances:

- (a)** the Minister has reasonable grounds to believe that the licence was issued on the basis of false or misleading information submitted in, or false or falsified documents submitted with, the application;
- (b)** the licensed producer has, since the issuance of the licence, contravened a provision of the Act or its regulations or the Food and Drugs Act (eng/acts/F-27) or a condition of their licence or of an import or export permit issued under this Part;
- (c)** the licensed producer is no longer eligible under section 31;
- (d)** information received from a peace officer, a competent authority or the United Nations raises reasonable grounds to believe that the licensed producer has been involved in the diversion of a controlled substance or precursor to an illicit market or use; or
- (e)** any of the persons referred to in section 34 does not hold a security clearance.

Exceptions

(2) Unless it is necessary to do so to protect public health, safety or security, including preventing cannabis from being diverted to an illicit market or use, the Minister must not revoke a producer's licence in the circumstances described in paragraph (1)(a) or (b) if the licensed producer has carried out, or signed an undertaking to carry out, the necessary corrective

measures to ensure compliance with the Act and its regulations and the Food and Drugs Act (/eng/acts/F-27).

Failure to comply with undertaking

(3) If the licensed producer fails to comply with an undertaking referred to in subsection (2), the Minister must revoke the licence.

Notice of cessation of activities

47 (1) A licensed producer who intends to cease conducting activities at their site — whether before or on the expiry of their licence — must submit to the Minister a written notice to that effect at least 30 days before ceasing those activities.

Content of notice

(2) The notice must be signed and dated by the senior person in charge and contain the following information:

- (a) the expected date of the cessation of activities at the site;
- (b) a description of the manner in which any cannabis remaining on the site as of the date referred to in paragraph (a) will be dealt with by the licensed producer, including
 - (i) if some or all of it will be sold or provided to another licensed producer who will be conducting activities at the same site, the name of that producer,
 - (ii) if some or all of it will be sold or provided to another licensed producer or a licensed dealer, the name of that producer and the address of their site or the name of that dealer and the address of their premises, and
 - (iii) if some or all of it will be destroyed, the date on which and the location at which the destruction is to take place;
- (c) the address of the location at which the licensed producer's records, books, electronic data and other documents will be kept after activities have ceased; and
- (d) the name, address, telephone number and, if applicable, the facsimile number and email address of a person whom the Minister may contact for further information after activities have ceased.

Update

(3) After having ceased the activities, the licensed producer must submit to the Minister a detailed update of the information referred to in paragraphs (2)(a) to (d), if it differs from what was set out in the notice submitted under subsection (1). The update must be signed and dated by the senior person in charge.

Return and revocation of licence

(4) If the activities cease before the expiry of the licence, the licensed producer must return to the Minister the original of the licence. The Minister must then revoke the licence.

Notice to local authorities – licence application

48 (1) Before submitting an application for a producer's licence to the Minister under section 33, the applicant must provide a written notice to the following authorities in the area in which the site referred to in paragraph 33(1)(b) is located:

- (a) the local government;
- (b) the local fire authority; and
- (c) the local police force or the Royal Canadian Mounted Police detachment that is responsible for providing policing services to that area.

Content of notice

(2) The notice must contain the following information:

- (a) the name of the applicant;
- (b) the date on which the applicant will submit the application to the Minister;
- (c) the activities referred to in subsection 22(1) for which the licence is to be sought, specifying that they are to be conducted in respect of cannabis; and
- (d) the address of the site and, if applicable, of each building within the site where the applicant proposes to conduct those activities.

Senior official

(3) The notice must be addressed to a senior official of the local authority to whom it is provided.

Definition — local government

(4) In this section, *local government* includes

- (a) an incorporated or unincorporated city, metropolitan area, town, village or municipality;
- (b) a *band*, as defined in subsection 2(1) of the *Indian Act* ([/eng/acts/I-5](#)); and
- (c) a band that is a party to a comprehensive self-government agreement given effect by an Act of Parliament.

Notice to local authorities — amendment application

49 (1) Before submitting a licence amendment application to the Minister under section 39 concerning a change referred to in subsection (2), a licensed producer must provide a written notice to the authorities referred to in paragraphs 48(1)(a) to (c) in the area in which the site to be specified in the amended licence is located.

Applicable changes

(2) Subsection (1) applies in respect of an application to amend a licence to change

- (a) the name of the licensed producer;

- (b) the activities to be conducted by the producer under the licence; or
- (c) the address of the site and, if applicable, of each building within the site where those activities are to be conducted.

Content of notice

(3) The notice must contain the following information:

- (a) the name of the licensed producer and, if applicable, the proposed new name of the producer;
- (b) the date on which the producer will submit the application to the Minister;
- (c) the activities referred to in subsection 22(1) that are to be set out in the amended licence, specifying that they are to be conducted in respect of cannabis; and
- (d) the address of the site and, if applicable, of each building within the site that is to be set out in the amended licence.

Senior official

(4) The notice must be addressed to a senior official of the local authority to whom it is provided.

Notice to local authorities — various matters

50 (1) Within 30 days after the issuance, renewal, amendment, suspension, reinstatement or revocation of its licence, a licensed producer must provide a written notice to the local authorities referred to in paragraphs 48(1)(a) to (c) in the area in which the site specified in the licence is located and provide a copy of the notice to the Minister.

Content of notice

(2) The notice must contain the following information:

- (a) the name of the licensed producer and the address of their site; and
- (b) a description of the applicable event referred to in subsection (1) and its effective date and, in the case of an amendment to the licence, details of the amendment.

Senior official

(3) The notice must be addressed to a senior official of the local authority to whom it is provided.

Notice to licensing authorities

51 (1) Within 30 days after the issuance of its licence, a licensed producer must provide a written notice to each licensing authority that is responsible for the registration or authorization of persons to practise medicine or nursing in each province and provide a copy of the notice to the Minister.

Content of notice

(2) The notice must contain the following information:

- (a) the name of the licensed producer, the mailing address of their site and, if applicable, their email address; and
- (b) the effective date of the licence.

SUBDIVISION C

Security Measures

General

Compliance with security measures

52 A licensed producer must ensure that the security measures set out in this Subdivision are carried out.

Unauthorized access

53 The licensed producer's site must be designed in a manner that prevents unauthorized access.

Perimeter of Site

Visual monitoring

54 (1) The perimeter of the licensed producer's site must be visually monitored at all times by visual recording devices to detect any attempted or actual unauthorized access.

Visual recording devices

(2) The devices must, in the conditions under which they are used, be capable of making a visible recording of any attempted or actual unauthorized access.

Intrusion detection system

55 The perimeter of the licensed producer's site must be secured by means of an intrusion detection system that operates at all times and that allows for the detection of any attempted or actual unauthorized access to or movement in the site or tampering with the system.

Monitoring by personnel

56 (1) The intrusion detection system must be monitored at all times by personnel who must determine the appropriate steps to be taken in response to the detection of any occurrence referred to in section 54 or 55.

Record of detected occurrences

(2) If any such occurrence is detected, the personnel must make a record of

- (a) the date and time of the occurrence; and
- (b) the measures taken in response to it and the date and time when they were taken.

Areas Within a Site Where Cannabis is Present

Restricted access

57 (1) Access to areas within a site where cannabis is present (referred to in this section and sections 58 to 61 as **those areas**) must be restricted to persons whose presence in those areas is required by their work responsibilities.

Responsible person in charge present

(2) The responsible person in charge or, if applicable, the alternate responsible person in charge must be physically present while other persons are in those areas.

Record

(3) A record must be made of the identity of every person entering or exiting those areas.

Physical barriers

58 Those areas must include physical barriers that prevent unauthorized access.

Visual monitoring

59 (1) Those areas must be visually monitored at all times by visual recording devices to detect illicit conduct.

Visual recording devices

(2) The devices must, in the conditions under which they are used, be capable of making a visible recording of illicit conduct.

Intrusion detection system

60 Those areas must be secured by means of an intrusion detection system that operates at all times and that allows for the detection of any attempted or actual unauthorized access to or movement in those areas or tampering with the system.

Filtration of air

61 Those areas must be equipped with a system that filters air to prevent the escape of odours and, if present, pollen.

Monitoring by personnel

62 (1) The intrusion detection system must be monitored at all times by personnel who must determine the appropriate steps to be taken in response to the detection of any occurrence referred to in section 59 or 60.

Record of detected occurrences

(2) If any such occurrence is detected, the personnel must make a record of

(a) the date and time of the occurrence; and

(b) the measures taken in response to it and the date and time when they were taken.

SUBDIVISION D

Good Production Practices

Prohibition — sale, provision or export

63 (1) A licensed producer must not sell or provide fresh or dried marihuana, cannabis oil or marihuana plants or seeds under subsection 22(4) or (5) or export them, if applicable, unless the applicable requirements of this Subdivision have been met.

Research and development activity

(2) A licensed producer must not sell or provide those substances under subsection 22(4) or (5) if they have been used in research and development activity.

Microbial and chemical contaminants

64 The microbial and chemical contaminants of fresh or dried marihuana or cannabis oil must be within generally accepted tolerance limits for herbal medicines for human consumption, as established in any publication referred to in Schedule B to the Food and Drugs Act (/eng/acts/F-27).

Disintegration of capsule

65 A capsule or similar dosage form of cannabis oil that is intended to be swallowed whole or used as a suppository must meet the requirements of a disintegration test that is applicable to the formulation of the capsule or similar dosage form and that is set out in any publication referred to in Schedule B to the Food and Drugs Act (/eng/acts/F-27).

Pest control product

66 Fresh or dried marihuana or marihuana plants or seeds must not be treated with a pest control product unless the product is registered for use on marihuana under the Pest Control Products Act (/eng/acts/P-9.01) or is otherwise authorized for use under that Act.

Maximum yield quantity — cannabis oil

67 (1) Cannabis oil must not exceed a maximum yield quantity of 30 mg of delta-9-tetrahydrocannabinol per millilitre of the oil in the immediate container, taking into account the potential to convert delta-9-tetrahydrocannabinolic acid into delta-9-tetrahydrocannabinol.

Capsule or other dosage form

(2) If cannabis oil is in a capsule or similar dosage form, each capsule or unit of the dosage form must not exceed a maximum yield quantity of 10 mg of delta-9-tetrahydrocannabinol, taking into account the potential to convert delta-9-tetrahydrocannabinolic acid into delta-9-tetrahydrocannabinol.

Solvents

68 (1) Cannabis oil must not contain residues of solvents other than Class 3 solvents listed in the *Guidance Document — Impurities: Guideline for Residual Solvents, ICH Topic Q3C(R5)*, published by the Department of Health, as amended from time to time.

Residue limit

(2) Those residues must not exceed the limits established under that document.

Non-application of section 64

(3) Section 64 does not apply with respect to those residues.

Analytical testing

69 Analytical testing for the following must be conducted using validated methods:

- (a) the contaminants referred to in section 64;
- (b) the disintegration referred to in section 65;
- (c) the residues of solvents referred to in section 68; and
- (d) the content of delta-9-tetrahydrocannabinol, delta-9-tetrahydrocannabinolic acid, cannabidiol and cannabidiolic acid.

Premises

70 (1) Fresh or dried marihuana, cannabis oil or marihuana plants or seeds must be produced, packaged, labelled and stored in premises that are designed, constructed and maintained in a manner that permits those activities to be conducted under sanitary conditions, and in particular that

- (a) permits the premises to be kept clean and orderly;
- (b) permits the effective cleaning of all surfaces in the premises;
- (c) permits the substance to be stored or processed appropriately;
- (d) prevents the contamination of the substance; and
- (e) prevents the addition of an extraneous substance to the substance.

Storage

(2) Those substances must be stored under conditions that will maintain their quality.

Equipment

71 Fresh or dried marihuana, cannabis oil or marihuana plants or seeds must be produced, packaged, labelled and stored using equipment that is designed, constructed, maintained, operated and arranged in a manner that

- (a) permits the effective cleaning of its surfaces;
- (b) permits it to function in accordance with its intended use;
- (c) prevents the contamination of the substance; and
- (d) prevents the addition of an extraneous substance to the substance.

Sanitation program

72 Fresh or dried marihuana, cannabis oil or marihuana plants or seeds must be produced, packaged, labelled and stored in accordance with a sanitation program that sets out

- (a) procedures for effectively cleaning the premises in which those activities are conducted;
- (b) procedures for effectively cleaning the equipment used in those activities;
- (c) procedures for handling any substance used in those activities; and
- (d) all requirements, in respect of the health, hygienic behaviour and clothing of the personnel who are involved in those activities, that are necessary to ensure that those activities are conducted in sanitary conditions.

Standard operating procedures

73 Fresh or dried marihuana, cannabis oil or marihuana plants or seeds must be produced, packaged, labelled and stored in accordance with standard operating procedures that are designed to ensure that those activities are conducted in accordance with the requirements of this Subdivision.

Recall

74 A licensed producer must establish and maintain a system of control that permits the rapid and complete recall of every lot or batch of fresh or dried marihuana, cannabis oil or marihuana plants or seeds that has been made available for sale.

Quality assurance

75 (1) A licensed producer must

- (a) have a quality assurance person who
 - (i) is responsible for assuring the quality of the fresh or dried marihuana, cannabis oil or marihuana plants or seeds before they are made available for sale, and
 - (ii) has the training, experience and technical knowledge relating to the activity conducted and the requirements of this Subdivision; and
- (b) investigate every complaint received in respect of the quality of those substances and, if necessary, take corrective and preventative measures.

Methods and procedures

(2) Those substances must be produced, packaged, labelled and stored using methods and procedures that, prior to their implementation, have been approved by a quality assurance person.

Approval prior to sale

(3) Every lot or batch of those substances must be approved by a quality assurance person before it is made available for sale.

Returns

(4) Any of those substances that is sold or provided under subsection 22(4) or (5) and subsequently returned to the licensed producer must not be resold or provided again.

Sample of lot or batch

76 (1) Subject to subsection (3), if the Minister has reasonable grounds to believe that a lot or batch of fresh or dried marihuana, cannabis oil or marihuana plants or seeds made available for sale or provision by a licensed producer may — by reason of the manner in which the substance was produced, packaged, labelled or stored — pose a risk to the health of a person who obtains the substance for their own medical purposes, the Minister may require the licensed producer to provide the Minister with a sample of that lot or batch.

Quantity

(2) The sample must be of sufficient quantity to enable a determination of whether the lot or batch meets the requirements of sections 64 and 66 and, if applicable, sections 65, 67 and 68.

Period

(3) The Minister must not require a sample to be provided if more than one year has elapsed after the date of the last sale or provision of any portion of the lot or batch.

Recall reporting

77 Before commencing a recall of fresh or dried marihuana, cannabis oil or marihuana plants or seeds, a licensed producer must provide the Minister with the following information in respect of the substance to be recalled:

- (a)** its brand name;
- (b)** the number of each lot or batch to be recalled;
- (c)** if known by the licensed producer, the name and address of each licensed producer who imported or produced any of it;
- (d)** the reasons for commencing the recall;
- (e)** the quantity that was produced or imported into Canada by the licensed producer;
- (f)** the quantity that was sold or provided in Canada by the licensed producer;
- (g)** the quantity remaining in the possession of the licensed producer;
- (h)** the number of persons referred to in subsections 22(2), (4) and (5) to whom it was sold or provided by the licensed producer; and
- (i)** a description of any other action that the licensed producer is taking in respect of the recall.

Adverse reactions

78 (1) A licensed producer who sells or provides fresh or dried marihuana or cannabis oil must

provide the Minister with a case report for each serious adverse reaction to the substance, within 15 days after the day on which the producer becomes aware of the reaction.

Summary report

(2) A licensed producer who sells or provides fresh or dried marihuana or cannabis oil must prepare annually and maintain a summary report that contains a concise and critical analysis of all adverse reactions to the substance that have occurred during the previous 12 months.

Provide Minister with report on request

(3) If, after reviewing a case report provided under subsection (1) or after reviewing any other safety data relating to the fresh or dried marihuana or cannabis oil, the Minister has reasonable grounds to believe that it may — by reason of the manner in which it was produced, packaged, labelled or stored — pose a risk to the health of a person who in accordance with these Regulations obtains it for their own medical purposes, the Minister may request that, within 30 days after the day on which the request is received, the licensed producer

(a) provide the Minister with a copy of any summary report prepared under subsection (2); or

(b) prepare and provide the Minister with an interim summary report containing a concise and critical analysis of all adverse reactions to the substance that have occurred since the date of the most recent summary report prepared under subsection (2).

Definitions

(4) The following definitions apply in this section.

adverse reaction means a noxious and unintended response to fresh or dried marihuana or cannabis oil. (*réaction indésirable*)

case report means a detailed record of all relevant data associated with the use of fresh or dried marihuana or cannabis oil by a person. (*fiche d'observation*)

serious adverse reaction means a noxious and unintended response to fresh or dried marihuana or cannabis oil that requires in-patient hospitalization or a prolongation of existing hospitalization, that causes congenital malformation, that results in persistent or significant disability or incapacity, that is life threatening or that results in death. (*réaction indésirable grave*)

SUBDIVISION E

Dried Marihuana Equivalency Factor

Equivalency factor

79 (1) A licensed producer who sells or provides fresh marihuana or cannabis oil under subsection 22(4) must determine the quantity of the marihuana or oil that is equivalent to one gram of dried marihuana.

Information

(2) The information about the dried marihuana equivalency factor must be made available on the licensed producer's website and be provided on request.

SUBDIVISION F

Packaging, Labelling and Shipping

Packaging

80 (1) A licensed producer who sells or provides fresh or dried marihuana or cannabis oil under subsection 22(4) must ensure that

(a) the substance is packaged in an immediate container

(i) that is in direct contact with the substance or, in the case of a substance in a capsule or similar dosage form, that is in direct contact with the capsules or units of that dosage form,

(ii) that prevents the contamination of the substance and, in the case of dried marihuana, keeps it dry,

(iii) that has a security feature that provides reasonable assurance to consumers that the container has not been opened prior to receipt, and

(iv) that is a child resistant package that meets the requirements of subsections C.01.001(2) to (4) of the Food and Drug Regulations (eng/regulations/C.R.C., c. 870); and

(b) not more than the equivalent of 30 g of dried marihuana is in the immediate container.

Marihuana seeds

(2) A licensed producer who sells or provides marihuana seeds under subsection 22(5) must ensure that they are packaged in an immediate container that

(a) is in direct contact with the seeds;

(b) keeps them dry and prevents their contamination; and

(c) has a security feature that provides reasonable assurance to consumers that the container has not been opened prior to receipt.

Marihuana plants

(3) A licensed producer who sells or provides marihuana plants under subsection 22(5) must ensure that they are sold or provided in a package that has a security feature that provides reasonable assurance to consumers that the package has not been opened prior to receipt.

Accuracy of weight

81 (1) A licensed producer who sells or provides fresh or dried marihuana or cannabis oil under

subsection 22(4) must ensure that the net weight of the substance in the immediate container is not less than 95% and not more than 105% of the net weight specified on the label in accordance with section 84.

Accuracy of volume

(2) A licensed producer who sells or provides cannabis oil under subsection 22(4) must ensure that the net volume of the oil in the immediate container is not less than 95% and not more than 105% of the net volume specified on the label in accordance with section 84.

Accuracy — number of capsules or units

(3) A licensed producer who sells or provides cannabis oil under subsection 22(4) in a capsule or similar dosage form must ensure that number of capsules or units in the container is the same as the number specified on the label in accordance with section 84.

Accuracy — number of seeds

82 A licensed producer who sells or provides marihuana seeds under subsection 22(5) must ensure that the number of seeds in the immediate container is the same as the number specified on the label in accordance with section 85.

Accuracy — number of plants

83 A licensed producer who sells or provides marihuana plants under subsection 22(5) must ensure that the exact number of plants in the package referred to in subsection 80(3) is indicated on the package.

Product label — marihuana or cannabis oil

84 (1) A licensed producer who sells or provides fresh or dried marihuana or cannabis oil under subsection 22(4) must ensure that a label that contains the following information and the information set out in subsection (2), (3) or (4), as applicable, is affixed to the immediate container:

- (a) the name, telephone number and email address of the licensed producer;
- (b) the words "Fresh marihuana / *Marihuana fraîche*", "Dried marihuana / *Marihuana séchée*" or "Cannabis oil / *Huile de chanvre indien*" (or the equivalent term "Cannabis oil / *Huile de cannabis*"), as applicable;
- (c) in respect of the substance in the container,
 - (i) its brand name,
 - (ii) its lot number, preceded by one of the following designations:
 - (A) "Lot number",
 - (B) "Lot no.",
 - (C) "Lot", or

- (D) "(L)",
- (iii) its recommended storage conditions,
- (iv) its packaging date, and
- (v) either
 - (A) its expiry date established in accordance with section 91, or
 - (B) a statement that no expiry date has been determined;
- (d) the symbol "N" set out in the upper left quarter of the label in a colour contrasting with the rest of the label or in type not less than half the size of any other letters used on the label;
- (e) the warning "KEEP OUT OF REACH OF CHILDREN / *TENIR HORS DE LA PORTÉE DES ENFANTS*"; and
- (f) the statement "Important: Please read the Health Canada document provided with this package before using this product. / *Important : Veuillez lire le document de Santé Canada qui accompagne ce colis avant d'utiliser ce produit.*".

Fresh or dried marihuana

(2) In the case of fresh or dried marihuana, the label must also contain the following information in respect of the marihuana in the container:

- (a) its net weight in grams;
- (b) the percentage of delta-9-tetrahydrocannabinol w/w, followed by the word "delta-9-tetrahydrocannabinol";
- (c) the percentage of delta-9-tetrahydrocannabinol w/w that the marihuana could yield, taking into account the potential to convert delta-9-tetrahydrocannabinolic acid into delta-9-tetrahydrocannabinol;
- (d) the percentage of cannabidiol w/w, followed by the word "cannabidiol";
- (e) the percentage of cannabidiol w/w that the marihuana could yield, taking into account the potential to convert cannabidiolic acid into cannabidiol; and
- (f) in the case of fresh marihuana, the dried marihuana equivalency factor determined under section 79.

Oil other than in dosage form

(3) In the case of cannabis oil that is not sold in a capsule or similar dosage form, the label must also contain the following information in respect of the oil in the container:

- (a) its net weight in grams;
- (b) its net volume in millilitres;
- (c) the quantity of delta-9-tetrahydrocannabinol, in milligrams per millilitre;

- (d) the quantity of delta-9-tetrahydrocannabinol, in milligrams per millilitre, that the oil could yield, taking into account the potential to convert delta-9-tetrahydrocannabinolic acid into delta-9-tetrahydrocannabinol;
- (e) the quantity of cannabidiol, in milligrams per millilitre;
- (f) the quantity of cannabidiol, in milligrams per millilitre, that the oil could yield, taking into account the potential to convert cannabidiolic acid into cannabidiol;
- (g) the dried marijuana equivalency factor determined under section 79;
- (h) the carrier oil used;
- (i) the name of any food allergen, within the meaning of subsection B.01.010.1(1) of the Food and Drug Regulations (/eng/regulations/C.R.C., c. 870), that is contained in the oil; and
- (j) in the case of cannabis oil that is intended for topical use only, the warning "FOR TOPICAL USE ONLY. DO NOT INGEST. / POUR USAGE TOPIQUE SEULEMENT. NE PAS INGÉRER."

Oil in dosage form

- (4)** In the case of cannabis oil that is sold in a capsule or similar dosage form, the label must also contain the following information in respect of the oil in the container:
- (a) the number of capsules or units of that dosage form;
 - (b) the net weight in grams as well as the net volume in millilitres of each capsule or unit;
 - (c) the quantity of delta-9-tetrahydrocannabinol, in milligrams, in each capsule or unit;
 - (d) the quantity of delta-9-tetrahydrocannabinol, in milligrams, that each capsule or unit could yield, taking into account the potential to convert delta-9-tetrahydrocannabinolic acid into delta-9-tetrahydrocannabinol;
 - (e) the quantity of cannabidiol, in milligrams, in each capsule or unit;
 - (f) the quantity of cannabidiol, in milligrams, that each capsule or unit could yield, taking into account the potential to convert cannabidiolic acid into cannabidiol;
 - (g) the dried marijuana equivalency factor determined under section 79;
 - (h) the carrier oil used;
 - (i) the name of any food allergen, within the meaning of subsection B.01.010.1(1) of the Food and Drug Regulations (/eng/regulations/C.R.C., c. 870), that is contained in the oil; and
 - (j) in the case of cannabis oil that is intended for topical use only, the warning "FOR TOPICAL USE ONLY. DO NOT INGEST. / POUR USAGE TOPIQUE SEULEMENT. NE PAS INGÉRER."

Product label – marihuana seeds

85 A licensed producer who sells or provides marihuana seeds under subsection 22(5) must ensure that a label that contains the following information is affixed to the immediate container:

- (a) the name, telephone number and email address of the licensed producer;
- (b) the words “Marihuana seeds / *Graines de marihuana*”, “Cannabis seeds / *Graines de chanvre indien*” or “Cannabis seeds / *Graines de cannabis*”;
- (c) in respect of the seeds in the container,
 - (i) the number of seeds,
 - (ii) their brand name,
 - (iii) their lot number, preceded by one of the following designations:
 - (A) “Lot number”,
 - (B) “Lot no.”,
 - (C) “Lot”, or
 - (D) “(L)”,
 - (iv) their recommended storage conditions, and
 - (v) their packaging date; and
- (d) the information required by paragraphs 84(1)(d) to (f).

Product label – marihuana plants

86 A licensed producer who sells or provides marihuana plants under subsection 22(5) must ensure that each plant bears a label that contains the following information:

- (a) the name, telephone number and email address of the licensed producer;
- (b) the words “Marihuana plant / *Plant de marihuana*”, “Cannabis plant / *Plant de chanvre indien*” or “Cannabis plant / *Plant de cannabis*”;
- (c) in respect of the plant,
 - (i) its brand name,
 - (ii) its lot number, preceded by one of the following designations:
 - (A) “Lot number”,
 - (B) “Lot no.”,
 - (C) “Lot”, or
 - (D) “(L)”, and
 - (iii) its packaging date; and

(d) the information required by paragraphs 84(1)(d) to (f).

Client label

87 (1) A licensed producer who sells or provides fresh or dried marihuana or cannabis oil under subsection 22(4) to a client or an individual who is responsible for the client must ensure that

(a) a label that contains the following information is affixed to the immediate container:

(i) the client's given name and surname,

(ii) the given name, surname and profession of the health care practitioner who provided the client's medical document,

(iii) the name of the licensed producer,

(iv) the daily quantity of dried marihuana, in grams, indicated on the client's medical document or in the client's registration with the Minister made under Part 2,

(v) the expiry date of the client's registration referred to in section 134,

(vi) the shipping date, and

(vii) the date referred to in subsection 146(2); and

(b) a separate document containing the information referred to in paragraph (a) accompanies each shipment of the substance.

Marihuana seeds

(2) A licensed producer who sells or provides marihuana seeds under subsection 22(5) to a client or an individual who is responsible for the client must ensure that a label that contains the following information is affixed to the immediate container:

(a) the client's given name and surname;

(b) the name of the licensed producer;

(c) the expiry date of the client's registration referred to in section 134; and

(d) the shipping date.

Marihuana plants

(3) A licensed producer who sells or provides marihuana plants under subsection 22(5) to a client or an individual who is responsible for the client must ensure that the package referred to in subsection 80(3) or each plant bears a label that contains the following information:

(a) the given name and surname of the client;

(b) the name of the licensed producer;

(c) the expiry date of the client's registration referred to in section 134; and

(d) the shipping date.

Combined label

88 In the case of fresh or dried marihuana, cannabis oil or marihuana plants or seeds to be sold or provided to a client or an individual who is responsible for the client, the information required under section 84, 85 or 86 and under paragraph 87(1)(a) or subsection 87(2) or (3), as applicable, may be set out on one label.

SOR/2017-18, s. 26.

[Previous Version \(/eng/regulations/SOR-2016-230/section-88-20160824.html\)](#)

Department of Health document

89 A licensed producer who sells or provides fresh or dried marihuana, cannabis oil or marihuana plants or seeds under subsection 22(4) or (5) must ensure that each shipment of the substance is accompanied by a copy of the current version of the document entitled *Consumer Information — Cannabis (Marihuana, marijuana)*, published by the Department of Health.

Presentation of information — label

90 (1) All information that is required under section 84, 85 or 86 and under paragraph 87(1)(a) or subsection 87(2) or (3), as applicable, to appear on a label must be

- (a) in English and in French;
- (b) clearly and prominently displayed on the label; and
- (c) readily discernible under the customary conditions of use.

Presentation of information — document

(2) All information in a document that is required under paragraph 87(1)(b) or section 89 must be in English and in French and readily discernible under the customary conditions of use.

SOR/2017-18, s. 27.

[Previous Version \(/eng/regulations/SOR-2016-230/section-90-20160824.html\)](#)

Expiry date

91 (1) A licensed producer must not include an expiry date on a label referred to in section 84 unless

- (a) the licensed producer has submitted data to the Minister that establishes the stability period during which, after the fresh or dried marihuana or cannabis oil is packaged in accordance with section 80 and when it is stored under its recommended storage conditions referred to in subparagraph 84(1)(c)(iii),
 - (i) the substance maintains not less than 80% and not more than 120% of its delta-9-tetrahydrocannabinol content and cannabidiol content, and
 - (ii) the microbial and chemical contaminants of the substance remain within the limits referred to in section 64; and
- (b) in the Minister's opinion the data submitted by the licensed producer meets the

requirements of paragraph (a) and the Minister has notified the producer to that effect.

Definition of *expiry date*

(2) For the purposes of subsection (1) and subparagraph 84(1)(c)(v), ***expiry date*** means the date, expressed at minimum as a year and month, that is the end of the stability period.

Reference to Acts or regulations

92 It is prohibited to include a reference, direct or indirect, to the Act, the *Food and Drugs Act* (*/eng/acts/F-27*) or any regulations made under those Acts on a label of or in an advertisement for fresh or dried marihuana, cannabis oil or marihuana plants or seeds unless the reference is a specific requirement of either of those Acts or those regulations.

Shipping

93 (1) A licensed producer who ships fresh or dried marihuana or cannabis oil to a person referred to in subsection 22(2) or (4), or who ships a substance referred to in paragraph 22(3)(b) to a person referred to in subsection 22(2), must

- (a)** ship the substance in only one shipment per order;
- (b)** prepare the package in a manner that ensures the security of its contents, such that
 - (i)** it will not open or permit the escape of its contents during handling and transportation,
 - (ii)** it is sealed so that it cannot be opened without the seal being broken,
 - (iii)** it prevents the escape of cannabis odour, and
 - (iv)** it prevents its contents from being identified without it being opened;
- (c)** use a shipping method that ensures the tracking and safekeeping of the package during transportation; and
- (d)** ship it only to the following address:
 - (i)** in the case of a client or an individual who is responsible for that client, the shipping address specified in the client's registration document referred to in paragraph 133(2)(a), and
 - (ii)** in the case of any other person referred to in subsection 22(2) or (4), the shipping address indicated in the order referred to in section 149; and
- (e)** in the case of a client or an individual who is responsible for that client, ship the substance in a quantity that does not exceed the equivalent of 150 g of dried marihuana.

Marihuana seeds

(2) A licensed producer who ships marihuana seeds to a person referred to in subsection 22(2) or (5) must

- (a)** comply with the requirements of paragraphs (1)(a) to (c); and

(b) ship the package only to the following address:

(i) in the case of a person referred to in subsection 22(2), the shipping address indicated in the order referred to in section 149; and

(ii) in the case of a person referred to in subsection 22(5), the address of the site for the production of marihuana plants or the site for the storage of cannabis that is specified in the person's registration with the Minister made under Part 2.

Marihuana plants

(3) A licensed producer who ships marihuana plants to a person referred to in subsection 22(2) or (5) must

(a) prepare the package in a manner that ensures the security of its contents, such that

(i) it will not open or permit the escape of its contents during handling and transportation,

(ii) it is sealed so that it cannot be opened without the seal being broken, and

(iii) it prevents its contents from being identified without it being opened;

(b) use a shipping method referred to in paragraph (1)(c); and

(c) ship it to the address referred to in paragraph (2)(b).

Cannabis for in vitro testing

(4) A licensed producer who ships a substance that is referred to in paragraph 22(3)(c) to a person referred to in subsection 22(2) must

(a) use a shipping method referred to in paragraph (1)(c); and

(b) ship it only to the shipping address indicated in the order referred to in section 149.

SUBDIVISION G

Import and Export

Application for import permit

94 (1) To apply for a permit to import marihuana or a substance referred to in paragraph 22(3)(c), a licensed producer must submit the following information to the Minister:

(a) their name, address and licence number;

(b) in respect of the substance to be imported,

(i) its description and, in the case of marihuana, an indication of whether it is in the form of seeds, plants or dried marihuana,

(ii) its intended use,

(iii) if applicable, its brand name,

- (iv) its quantity, and
- (v) in the case of dried marihuana, its percentages of delta-9-tetrahydrocannabinol w/w and cannabidiol w/w;
- (c) the name and address of the exporter in the country of export;
- (d) the port of entry into Canada;
- (e) the address of the customs office, sufferance warehouse or bonded warehouse to which the substance is to be delivered; and
- (f) each mode of transportation used, the country of export and, if applicable, any country of transit or transshipment.

Statement by signatory

- (2) An application for an import permit must
 - (a) be signed and dated by the responsible person in charge or, if applicable, the alternate responsible person in charge at the licensed producer's site; and
 - (b) include a statement, signed and dated by that person, indicating that all information submitted in support of the application is correct and complete to the best of the signatory's knowledge.

Issuance of import permit

95 (1) Subject to section 96, the Minister must, after examining the information and documents required under section 94 and, if applicable, section 11, issue to the licensed producer an import permit that indicates

- (a) the permit number;
- (b) the information referred to in paragraphs 94(1)(a) to (f);
- (c) the effective date of the permit;
- (d) its expiry date, which is the earlier of
 - (i) the 180th day after the effective date, and
 - (ii) December 31 of the year of the effective date; and
- (e) if applicable, any conditions that the permit holder must meet in order to
 - (i) comply with an international obligation, or
 - (ii) reduce any potential public health, safety or security risk, including the risk of the imported substance being diverted to an illicit market or use.

Duration of permit

- (2) An import permit is valid until the earliest of

- (a) its expiry date or the date on which it is suspended or revoked under section 100 or 101, respectively,
- (b) the expiry date of the producer's licence to which the permit pertains or the date on which that licence is suspended or revoked, and
- (c) the expiry date of the export permit that applies to the substance to be imported and that is issued by a competent authority in the country of export or the date on which that permit is suspended or revoked.

Validity

(3) A permit issued under this section is valid only for the importation in respect of which it is issued.

Refusal to issue import permit

96 The Minister must refuse to issue an import permit if

- (a) in respect of the application for the permit, there exists a circumstance described in paragraph 36(1)(d), (e), (f) or (h), with any modifications that the circumstances require;
- (b) the applicant does not hold a producer's licence with respect to the substance that is to be imported;
- (c) the applicant has been notified that one of the following applications submitted by the applicant in respect of the producer's licence to which the requested permit pertains is to be refused under section 36:
 - (i) an application under section 33 for a producer's licence,
 - (ii) an application under section 38 for the renewal of a producer's licence, or
 - (iii) an application under section 39 for the amendment of a producer's licence; or
- (d) the Minister has reasonable grounds to believe that
 - (i) the shipment for which the permit is requested would contravene the laws of the country of export or any country of transit or transshipment, or
 - (ii) the importation is for the purpose of re-exporting the substance.

Provision of copy of import permit

97 On request of a customs officer, the holder of an import permit must provide a copy of the permit to the customs office, sufferance warehouse or bonded warehouse, as the case may be, at the port of entry into Canada at the time of importation.

Declaration after release from customs

98 The holder of an import permit must provide the Minister, within 15 days after the day of release, in accordance with the Customs Act (/eng/acts/C-52.6), of a shipment that contains the imported substance, with a declaration that contains the following information:

- (a) the name of the licensed producer and the numbers of the producer's licence and import permit in respect of the shipment;
- (b) the date of release of the shipment; and
- (c) in respect of the imported substance,
 - (i) its description and, in the case of marihuana, an indication of whether it is in the form of seeds, plants or dried marihuana,
 - (ii) its intended use,
 - (iii) if applicable, its brand name,
 - (iv) its quantity, and
 - (v) in the case of dried marihuana, its percentages of delta-9-tetrahydrocannabinol w/w and cannabidiol w/w.

Transportation of imported substance

99 The holder of an import permit must ensure that, after the imported substance is released, it is transported directly to the site specified in their producer's licence.

Suspension of import permit

100 (1) The Minister must suspend an import permit without prior notice if

- (a) the Minister has reasonable grounds to believe that it is necessary to do so to protect public health, safety or security, including preventing the imported substance from being diverted to an illicit market or use; or
- (b) the importation would contravene the laws of any country of transit or transshipment.

Notice of suspension

(2) The suspension takes effect as soon as the Minister notifies the permit holder of the decision to suspend and provides a written report that sets out the reasons for the suspension.

Opportunity to be heard

(3) The permit holder may, within 10 days after receipt of the notice, provide the Minister with reasons why the suspension is unfounded.

Revocation of import permit

101 (1) The Minister must revoke an import permit

- (a) at the request of the holder;
- (b) if the holder informs the Minister that the permit has been lost or stolen; or
- (c) if the permit is being replaced by a new permit.

Revocation — other grounds

(2) Subject to subsection (3), the Minister must revoke an import permit in the following circumstances:

- (a) there exists a circumstance described in any of paragraphs 46(1)(a) to (e) in respect of the producer's licence to which the permit pertains;
- (b) the Minister has reasonable grounds to believe that the import permit was issued on the basis of false or misleading information submitted in, or false or falsified documents submitted with, the application for the permit; or
- (c) the importation is for the purpose of re-exporting the imported substance.

Exceptions

(3) Unless it is necessary to do so to protect public health, safety or security, including preventing the imported substance from being diverted to an illicit market or use, the Minister must not revoke an import permit in the circumstances described in paragraph (2)(b) or 46(1)(a) or (b) if the permit holder has carried out, or signed an undertaking to carry out, the necessary corrective measures to ensure compliance with the Act and its regulations and the Food and Drugs Act (/eng/acts/F-27).

Failure to comply with undertaking

(4) If the permit holder fails to comply with an undertaking mentioned in subsection (3), the Minister must revoke the permit.

Revocation following suspension

(5) The Minister must revoke a permit if the permit holder fails to comply with the suspension of the permit under section 100 or if the situation giving rise to the suspension is not rectified.

Application for export permit

102 (1) To apply for a permit to export marihuana or a substance referred to in paragraph 22(3)(c), a licensed producer must submit the following information and declaration to the Minister:

- (a) their name, address and licence number;
- (b) in respect of the substance to be exported,
 - (i) its description it and, in the case of marihuana, an indication of whether it is in the form of seeds, plants or dried marihuana,
 - (ii) its intended use,
 - (iii) if applicable, its brand name,
 - (iv) its quantity, and
 - (v) in the case of dried marihuana, its percentages of delta-9-tetrahydrocannabinol w/w and cannabidiol w/w;

- (c) the name and address of the importer in the country of final destination;
- (d) the port of exit from Canada and, if applicable, any country of transit or transshipment;
- (e) the address of the customs office, sufferance warehouse or bonded warehouse at which the shipment is to be presented for export;
- (f) each mode of transportation used; and
- (g) a declaration that, to the best of their knowledge, the shipment does not contravene the laws of the country of final destination or any country of transit or transshipment.

Accompanying document

(2) An application for an export permit must be accompanied by a copy of the import permit issued by a competent authority in the country of final destination that sets out the name and address of the site of the importer in the country of final destination.

Statement by signatory

(3) An application for an export permit must

- (a) be signed and dated by the responsible person in charge or, if applicable, the alternate responsible person in charge at the licensed producer's site; and
- (b) include a statement, signed and dated by that person, indicating that all information submitted in support of the application is correct and complete to the best of the signatory's knowledge.

Issuance of export permit

103 (1) Subject to section 104, the Minister must, after examining the information and documents required under section 102 and, if applicable, section 11, issue an export permit to the licensed producer that indicates

- (a) the permit number;
- (b) the information referred to in paragraphs 102(1)(a) to (f);
- (c) the effective date of the permit;
- (d) its expiry date, which is the earliest of
 - (i) the 120th day after the effective date,
 - (ii) December 31 of the year of the effective date, and
 - (iii) the expiry date of the import permit issued by a competent authority in the country of final destination; and
- (e) if applicable, any conditions that the permit holder must meet in order to
 - (i) comply with an international obligation, or
 - (ii) reduce any potential public health, safety or security risk, including the risk of the

exported substance being diverted to an illicit market or use.

Duration of permit

(2) An export permit is valid until the earliest of

- (a)** its expiry date or the date on which it is suspended or revoked under section 107 or 108, respectively,
- (b)** the expiry date of the producer's licence to which the permit pertains or the date on which the that licence is suspended or revoked, and
- (c)** the expiry date of the import permit that applies to the substance to be exported and that is issued by a competent authority in the country of final destination or the date on which that permit is suspended or revoked.

Validity

(3) A permit issued under this section is valid only for the exportation in respect of which it is issued.

Refusal to issue export permit

104 The Minister must refuse to issue an export permit if

- (a)** in respect of the application for the permit, there exists a circumstance described in paragraph 36(1)(d), (e) or (h), with any modifications that the circumstances require;
- (b)** the applicant does not hold a producer's licence in respect of the substance that is to be exported;
- (c)** the applicant has been notified that one of the following applications submitted by the applicant in respect of the producer's licence to which the requested permit pertains is to be refused under section 36:
 - (i)** an application made under section 33 for a producer's licence,
 - (ii)** an application made under section 38 for the renewal of a producer's licence, or
 - (iii)** an application made under section 39 for the amendment of a producer's licence;
- (d)** the Minister has reasonable grounds to believe that the shipment for which the permit is requested would contravene the laws of the country of final destination or any country of transit or transshipment; or
- (e)** the shipment would not be in conformity with the import permit issued by a competent authority of the country of final destination.

Provision of copy of export permit

105 On request of a customs officer, the holder of an export permit must provide a copy of the permit to the customs office, sufferance warehouse or bonded warehouse, as the case may be, at the port of exit from Canada at the time of exportation.

Declaration after export

106 The holder of an export permit must provide the Minister, within 15 days after the day on which a shipment of the substance is exported, with a declaration that contains the following information:

- (a) the name of the licensed producer and the numbers of the producer's licence and export permit in respect of the shipment;
- (b) the date of export; and
- (c) in respect of the exported substance,
 - (i) its description and, in the case of marihuana, an indication as to whether it is in the form of seeds, plants or dried marihuana,
 - (ii) its intended use,
 - (iii) if applicable, its brand name,
 - (iv) its quantity, and
 - (v) in the case of dried marihuana, its percentages of delta-9-tetrahydrocannabinol w/w and cannabidiol w/w.

Suspension of export permit

107 (1) The Minister must suspend an export permit without prior notice if

- (a) the Minister has reasonable grounds to believe that it is necessary to do so to protect public health, safety or security, including preventing the exported substance from being diverted to an illicit market or use;
- (b) the exportation is not in conformity with an import permit issued by a competent authority of the country of final destination; or
- (c) the exportation would contravene the laws of the country of final destination or any country of transit or transshipment.

Notice of suspension

(2) The suspension takes effect as soon as the Minister notifies the permit holder of the decision to suspend and provides a written report that sets out the reasons for the suspension.

Opportunity to be heard

(3) The permit holder may, within 10 days after receipt of the notice, provide the Minister with reasons why the suspension is unfounded.

Revocation of export permit

108 (1) The Minister must revoke an export permit

- (a) at the request of the holder;

- (b) if the holder informs the Minister that the permit has been lost or stolen; or
- (c) if the permit is being replaced by a new permit.

Revocation — other grounds

(2) Subject to subsection (3), the Minister must revoke an export permit in the following circumstances:

- (a) there exists a circumstance described in any of paragraphs 46(1)(a) to (e) in respect of the producer's licence to which the permit pertains; or
- (b) the Minister has reasonable grounds to believe that the export permit was issued on the basis of false or misleading information submitted in, or false or falsified documents submitted with, the application.

Exceptions

(3) Unless it is necessary to do so to protect public health, safety or security, including preventing the exported substance from being diverted to an illicit market or use, the Minister must not revoke an export permit in the circumstances described in paragraph (2)(b) or 46(1)(a) or (b) if the permit holder has carried out, or signed an undertaking to carry out, the necessary corrective measures to ensure compliance with the Act and its regulations and the Food and Drugs Act (/eng/acts/F-27).

Failure to comply with undertaking

(4) If the permit holder fails to comply with an undertaking mentioned in subsection (3), the Minister must revoke the permit.

Revocation following suspension

(5) The Minister must revoke a permit if the permit holder fails to comply with the suspension of the permit under section 107 or if the situation giving rise to the suspension is not rectified.

SUBDIVISION H

Security Clearances

Eligibility

109 Only the following persons may submit to the Minister an application for a security clearance:

- (a) a person named in an application for a producer's licence as
 - (i) the proposed senior person in charge,
 - (ii) the proposed responsible person in charge, or
 - (iii) if applicable, the proposed alternate responsible person in charge;
- (b) if a producer's licence is sought by an individual, that individual;

- (c) if a producer's licence is sought by a corporation, each officer and director of the corporation;
- (d) a person referred to in any of subparagraphs 40(1)(a)(i) to (iii); and
- (e) the holder of a security clearance who is seeking to obtain a new security clearance before the end of the validity period of their current clearance.

Application for security clearance

110 (1) An application for a security clearance must include the following information and documentation, to be used only for the purposes of sections 111 and 112:

- (a) the applicant's usual given name used, other given names, surname, all other names used and details of any name changes;
- (b) the applicant's date of birth, gender, height, weight, and eye and hair colour;
- (c) if the applicant was born in Canada, the number and province of issue of their birth certificate;
- (d) if the applicant was born outside Canada, their place of birth, the port and date of entry into Canada, and, in the case of a naturalized Canadian or permanent resident, the number of the applicable certificate issued under the *Citizenship Act (/eng/acts/C-29)* or the *Immigration and Refugee Protection Act (/eng/acts/I-2.5)*;
- (e) either of the following documents:
 - (i) a copy of a valid piece of photo identification of the applicant issued by the Government of Canada or the government of a province, or
 - (ii) a copy of the applicant's passport that includes the passport number, country of issue and expiry date and the applicant's photograph;
- (f) the addresses of all locations at which the applicant resided during the five years preceding the application;
- (g) an identification of the applicant's activities during the five years preceding the application, including the names and addresses of the applicant's employers and any post-secondary educational institutions attended;
- (h) the dates, destination and purpose of any travel of more than 90 days outside Canada, excluding travel for government business, during the five years preceding the application;
- (i) the information referred to in subsection (2) respecting
 - (i) the applicant's spouse or common-law partner, and
 - (ii) any former spouses or common-law partners with whom the relationship ended within the five years preceding the application;
- (j) the applicant's fingerprints, taken by a Canadian police force or by a private company that

is accredited by the Royal Canadian Mounted Police to submit fingerprints to it for the purpose of a criminal record check; and

(k) a declaration signed and dated by the licensed producer or the applicant for a producer's licence stating that the applicant for the security clearance requires or will require a security clearance and specifying the reasons for that requirement.

Spouse or common-law partner

(2) The information required in respect of any of the persons referred to in paragraph (1)(i) is

(a) in the case of the applicant's spouse or common-law partner, the following information:

(i) their gender, full given name, surname and, if applicable, maiden name,

(ii) their date and place of birth and, if applicable, date of death,

(iii) if born in Canada, the number and province of issue of their birth certificate,

(iv) if born outside Canada, their place of birth, their nationality and the port and date of entry into Canada, and

(v) their present address, if known; and

(b) in the case of former spouses and common-law partners with whom the relationship ended within the five years preceding the application, the information referred to in subparagraphs (a)(i), (ii) and (v).

Signed by applicant

(3) The application for a security clearance must be signed and dated by the applicant.

Definition of *common-law partner*

(4) In this section, ***common-law partner*** means any person who is cohabiting with the applicant in a relationship of a conjugal nature and has done so for a period of at least one year.

Checks

111 On receipt of a fully completed application for a security clearance, the Minister must conduct the following checks for the purpose of assessing whether an applicant poses a risk to the integrity of the control of the production and distribution of cannabis under the Act and its regulations, including the risk of cannabis being diverted to an illicit market or use:

(a) a criminal record check in respect of the applicant; and

(b) a check of the relevant files of law enforcement agencies, including intelligence gathered for law enforcement purposes.

Minister's decision

112 The Minister may grant a security clearance if, in the Minister's opinion, the information provided by the applicant and that resulting from the checks is reliable and is sufficient for the Minister to determine, by taking into account the following factors, that the applicant does not

pose an unacceptable risk to the integrity of the control of the production and distribution of cannabis under the Act and its regulations, including the risk of cannabis being diverted to an illicit market or use:

(a) whether, within the preceding 10 years, the applicant

(i) has been convicted, as an adult, of a **designated drug offence** as defined in section 2 of the *Narcotic Control Regulations* ([/eng/regulations/C.R.C., c. 1041](#)) or a **designated criminal offence** as defined in that section,

(ii) has been convicted, as an adult, of an offence committed outside Canada that, if committed in Canada, would have constituted an offence referred to in subparagraph (i),

(iii) has been convicted of an offence referred to in subparagraph (i) as a **young person** in **ordinary court**, as those terms were defined in subsection 2(1) of the *Young Offenders Act* ([/eng/acts/Y-1](#)), chapter Y-1 of the Revised Statutes of Canada, 1985, immediately before that Act was repealed,

(iv) has received an **adult sentence as a young person**, as those terms are defined in subsection 2(1) of the *Youth Criminal Justice Act*, in respect of an offence referred to in subparagraph (i), or

(v) has received a sentence — for an offence they committed outside Canada when they were at least 14 years old but less than 18 years old that, if committed in Canada, would have constituted an offence referred to in subparagraph (i) — that was longer than the maximum youth sentence that could have been imposed under the *Youth Criminal Justice Act* ([/eng/acts/Y-1.5](#)) for such an offence;

(b) whether it is known or there are reasonable grounds to suspect that the applicant

(i) is or has been involved in, or contributes or has contributed to, illicit activities directed toward or in support of the trafficking or diversion of controlled substances or precursors,

(ii) is or has been a member of a **criminal organization** as defined in subsection 467.1(1) of the *Criminal Code* ([/eng/acts/C-46](#)), or participates or has participated in, or contributes or has contributed to, the activities of such an organization as referred to in subsection 467.11(1) of the *Criminal Code* ([/eng/acts/C-46](#)),

(iii) is or has been a member of an organization that is known to be involved in or to contribute to — or in respect of which there are reasonable grounds to suspect involvement in or contribution to — activities directed toward or in support of the threat of or the use of acts of violence against persons or property, or is or has been involved in, or is contributing to or has contributed to, the activities of such an organization, or

(iv) is or has been associated with an individual who is known to be involved in or to contribute to — or in respect of whom there are reasonable grounds to suspect involvement in or contribution to — activities referred to in subparagraph (i), or is a member of an organization referred to in subparagraph (ii) or (iii);

(c) whether there are reasonable grounds to suspect that the applicant is in a position in which there is a risk that they be induced to commit an act or to aid or abet any person to commit an act that might constitute a risk to the integrity of the control of the production and distribution of cannabis under the Act and its regulations, including the risk of cannabis being diverted to an illicit market or use;

(d) whether the applicant has had a security clearance cancelled; and

(e) whether the applicant has submitted false or misleading information in, or false or falsified documents with, their application for a security clearance.

Outstanding criminal charge

113 If there is an outstanding criminal charge against the applicant that could, if the applicant were convicted, be taken into account by the Minister under paragraph 112(a), the Minister may decline to process the application until the charge has been disposed of by the courts, in which case the Minister must notify the applicant in writing.

Refusal to grant security clearance

114 (1) If the Minister intends to refuse to grant a security clearance, the Minister must notify the applicant in writing to that effect.

Content of notice

(2) The notice must set out the basis for the Minister's intention and fix a period of time within which the applicant may make written representations to the Minister, which period of time must start on the day on which the notice is served or sent and must be not less than 20 days.

Opportunity to make written representations

(3) The Minister must not refuse to grant a security clearance until the written representations have been received and considered or before the period of time fixed in the notice has expired, whichever comes first. The Minister must notify the applicant in writing of any refusal.

Validity period

115 (1) The Minister must establish a period of validity for a security clearance in accordance with the level of risk posed by the applicant as determined under section 112, but the period must not exceed five years.

Extension of period

(2) If the validity period is less than five years, the Minister may extend the period to a total of five years if the Minister determines under section 112 that the holder does not pose an unacceptable risk to the integrity of the control of the production and distribution of cannabis under the Act and its regulations, including the risk of cannabis being diverted to an illicit market or use.

Security clearance no longer required

116 A licensed producer must notify the Minister in writing not later than five days after the

holder of a security clearance is no longer required under this Part to hold a security clearance. The Minister must then cancel the clearance.

Suspension of security clearance

117 (1) The Minister may suspend a security clearance on receipt of information that could change the Minister's determination made under section 112.

Written notice to holder

(2) Immediately after suspending a security clearance, the Minister must notify the holder in writing of the suspension.

Content of notice

(3) The notice must set out the basis for the suspension and fix a period of time within which the holder may make written representations to the Minister, which period of time must start on the day on which the notice is served or sent and must be not less than 20 days.

Reinstatement of clearance

(4) The Minister may reinstate the security clearance if the Minister determines under section 112 that the holder does not pose an unacceptable risk to the integrity of the control of the production and distribution of cannabis under the Act and its regulations, including the risk of cannabis being diverted to an illicit market or use.

Cancellation of clearance

(5) The Minister may cancel the security clearance if the Minister determines under section 112 that the holder may pose an unacceptable risk to the integrity of the control of the production and distribution of cannabis under the Act and its regulations, including the risk of cannabis being diverted to an illicit market or use. The Minister must notify the holder in writing of any cancellation.

Opportunity to be heard

(6) The Minister must not cancel the security clearance until the written representations referred to in subsection (3) have been received and considered or before the time period fixed in the notice referred to in that subsection has expired, whichever comes first.

New applications

118 If the Minister refuses to grant or cancels a security clearance, an applicant may submit a new application only if

- (a)** a period of five years has elapsed since the day on which the refusal or cancellation occurs; or
- (b)** a change has occurred in the circumstances that led to the refusal or cancellation.

Sending of notices by Minister

119 The Minister must send any notice to be given under this Subdivision to the person at their

last known address by using a method of sending that involves

- (a) a means of tracking it during transit;
- (b) the safekeeping of it during transit; and
- (c) the keeping of an accurate record of the signatures of any persons having charge of it until it is delivered.

False or misleading information

120 It is prohibited to knowingly submit to the Minister an application containing false or misleading information in order to obtain a security clearance.

SUBDIVISION I

Communication of Information

Information concerning clients

121 (1) Subject to subsection (2), if a licensed producer is provided with the given name, surname, date of birth and gender of an individual by a member of a Canadian police force who requests information in the course of an investigation under the Act or these Regulations, the licensed producer must provide as soon as feasible, within 72 hours after receiving the request, the following information to that Canadian police force:

- (a) an indication of whether or not the individual is
 - (i) one of their clients, or
 - (ii) an individual who is responsible for one of their clients;
- (b) in the case of one of their clients, whether the client is registered with the Minister under Part 2 and, if so, whether the client's registration with the producer is for the purpose of obtaining
 - (i) an interim supply of fresh or dried marihuana or cannabis oil,
 - (ii) marihuana plants or seeds, or
 - (iii) the substances referred to in subparagraphs (i) and (ii); and
- (c) the daily quantity of dried marihuana that is specified in the medical document supporting the client's registration or that is specified in that individual's registration with the Minister made under Part 2.

Verification

(2) Before providing the requested information, the licensed producer must verify in a reasonable manner that the person requesting the information is a member of a Canadian police force.

Use of information

(3) Information provided under this section must be used only for the purposes of the investigation referred to in subsection (1) and for the proper administration or enforcement of the Act or these Regulations.

Definition of *health care practitioner*

122 In sections 123 and 124, ***health care practitioner*** means

- (a) a person who is, or was, registered and entitled under the laws of a province to practise medicine in that province; or
- (b) a person who is, or was, a ***nurse practitioner*** as defined in section 1 of the *New Classes of Practitioners Regulations (eng/regulations/SOR-2012-230)* and who is, or was, permitted to prescribe dried marihuana in the province in which they practise or practised.

Information concerning health care practitioners

123 (1) A licensed producer must provide in writing, as soon as feasible, any factual information about a health care practitioner that has been obtained under the Act or these Regulations to the licensing authority that is responsible for the registration or authorization of persons to practise the profession

- (a) in a province in which the practitioner is, or was, authorized to practise, if the authority submits to the licensed producer a written request that sets out the practitioner's name and address, a description of the information being sought and a declaration that the information is required for the purpose of assisting an official investigation by the authority; or
- (b) in a province in which the practitioner is not authorized to practise, if the authority submits to the licensed producer
 - (i) a written request that sets out the practitioner's name and address and a description of the information being sought, and
 - (ii) either
 - (A) documentation that shows that the practitioner has applied to that authority to practise in that province, or
 - (B) documentation that shows that the authority has reasonable grounds to believe that the practitioner is practising in that province without being authorized to do so.

Factual information

(2) The factual information that may be requested includes information — notably patient information — contained in, or in respect of,

- (a) any medical document that has been signed by the practitioner and that has formed the basis for registering a client;
- (b) any authorization to possess that has formed the basis for registering a client and that was issued under the former *Marihuana Medical Access Regulations (eng/regulations/SOR-2001-227)* on the basis of a medical declaration that was made by the practitioner;

and

(c) any medical declaration that was made by the practitioner under those former Regulations and that has formed the basis for registering a client.

Exception

(3) The factual information that may be requested does not include information relating to clients who have registered with the licensed producer on the basis of a registration with the Minister made under Part 2.

Secure transmission

(4) A licensed producer must ensure that the information that they provide under this section is securely transmitted.

Quarterly reports to licensing authorities

124 (1) A licensing authority that is responsible for the registration or authorization of persons to practise medicine or nursing in a province may submit a written request to a licensed producer to obtain information, on a quarterly basis, in respect of each client who is registered by the producer on the basis of a medical document that was signed by a health care practitioner who was entitled, at the time of the verification performed in accordance with section 132, to practise the relevant profession in the province and was consulted in that province.

Information

(2) A licensed producer who receives a request must, after the end of each quarter and in accordance with subsection (3), provide the licensing authority with the following information in respect of each client referred to in subsection (1) who was validly registered at any time during the relevant quarter, together with details of any changes to the information that have occurred during the quarter:

- (a) the client's given name, surname and date of birth;
- (b) the postal code for, and the name of the province specified in, the address provided under subparagraph 130(1)(b)(i) or (ii);
- (c) the given name, surname and business address of the health care practitioner who signed the medical document and the number assigned by the province to the practitioner's authorization to practise;
- (d) the daily quantity of dried marihuana that is specified in the medical document;
- (e) the period of use that is specified in the medical document;
- (f) the date on which the medical document was signed by the practitioner; and
- (g) if fresh or dried marihuana or cannabis oil was shipped to the client during the quarter, the quantity of the substance, in grams, contained in each shipment and the dates of the shipments.

Quarterly deadlines

- (3) The information must be provided to the licensing authority by
- (a) April 30 of a given year for the quarter beginning on January 1 and ending on March 31 of that year;
 - (b) July 31 of a given year for the quarter beginning on April 1 and ending on June 30 of that year;
 - (c) October 31 of a given year for the quarter beginning on July 1 and ending on September 30 of that year; and
 - (d) January 31 of a given year for the quarter beginning on October 1 and ending on December 31 of the previous year.

Initial report

- (4) For greater certainty, for the purposes of subsection (2), the first quarter in respect of which information must be provided is the quarter in which the request is received.

No information to provide

- (5) If the licensed producer has no information to provide for a quarter, they must send a notice to that effect to the licensing authority by the relevant deadline referred to in subsection (3).

Deadline — ceasing activities

- (6) If the licensed producer ceases to conduct activities, any information that they are required to provide to the licensing authority must, despite subsection (3), be provided no later than 30 days after the activities cease.

Revocation notice

- (7) The licensing authority may, at any time, send the licensed producer a notice revoking the request referred to in subsection (1), in which case the final quarter in respect of which information must be provided to the authority is the one that precedes the quarter in which the notice is received.

Transmission of information

- (8) A licensed producer, or former licensed producer, who provides information to a licensing authority under this section must
- (a) ensure that the information is securely transmitted in accordance with the specifications set out in the *Directive on the Electronic Transmission of Information Under the Controlled Drugs and Substances Act (/eng/acts/C-38.8)* published by the Department of Health, as amended from time to time; and
 - (b) provide the information only in an electronic format that is set out in that directive.

Information concerning licensed producers

125 The Minister is authorized to provide any information set out in a notice referred to in section 48, 49 or 50 to a Canadian police force or a member of a Canadian police force who requests the information in the course of an investigation under the Act or these Regulations, subject to that information being used only for the purposes of that investigation and the proper administration or enforcement of the Act or these Regulations.

Information concerning import or export permit

126 The Minister is authorized, for the purpose of verifying whether an importation or exportation of marihuana or a substance referred to in paragraph 22(3)(c) complies with this Part, to provide to a customs officer in Canada any information referred to in sections 94, 95, 98, 102, 103 and 106 and to inform them whether a permit has been suspended or revoked.

Providing information to foreign organizations

127 The Minister is authorized, for the proper administration or enforcement of the Act or these Regulations and for the purpose of enabling Canada to fulfill its international obligations under article 12 of the United Nations Single Convention on Narcotic Drugs, 1961, to provide the following information and documents to the International Narcotics Control Board or a competent authority:

- (a) any information or document that a licensed producer is required to provide to the Minister under this Division;
- (b) any information pertaining to an activity authorized by a licence or permit issued to a licensed producer under this Part, including the licensed producer's name, the nature of the authorized activity and any conditions specified in the licence or permit;
- (c) in respect of cannabis that a licensed producer receives from another licensed producer or a licensed dealer, the following information:
 - (i) in the case of fresh or dried marihuana or cannabis oil, its quantity and the date on which it was received, or
 - (ii) in the case of cannabis other than substances referred to in subparagraph (i), the name of the substance in question, its quantity and the date on which it was received;
- (d) in respect of an order that a licensed producer fills under section 143, the quantity of fresh or dried marihuana, cannabis oil or marihuana plants or seeds and the date on which it was shipped;
- (e) in respect of an order that a licensed producer fills under subsection 149(1) or (2), the following information:
 - (i) in the case of dried marihuana, its quantity and the date on which it was shipped, or
 - (ii) in the case of cannabis other than dried marihuana, the name of the substance in question, its quantity and the date on which it was shipped;
- (f) any record that a licensed producer is required to keep under subsection 161(2) or

section 163, 164 or 166; and

(g) a copy of any permit issued under section 95 or 103.

Security clearance — Minister

128 The Minister is authorized to communicate to a law enforcement agency information concerning an application for a security clearance for the purpose of conducting the checks referred to in section 111, subject to that information being used by that agency only for that purpose.

DIVISION 2

Client Registration and Ordering

Registration

Eligibility

129 An individual is eligible to be a client of a licensed producer only if they ordinarily reside in Canada.

Registration application

130 (1) Before registering an individual as a client, a licensed producer must obtain from the individual or an individual who is responsible for the individual an application that contains the following information, as well as the original of the applicant's medical document or a copy of their registration certificate issued by the Minister under Part 2:

- (a) the applicant's given name, surname, date of birth and gender;
- (b) either
 - (i) the address of the place in Canada where the applicant ordinarily resides, as well as, if applicable, the applicant's telephone number, facsimile number and email address, or
 - (ii) if the applicant ordinarily resides in Canada but has no dwelling place, the address, as well as, if applicable, the telephone number, facsimile number and email address of a shelter, hostel or similar institution, located in Canada, that provides food, lodging or other social services to the applicant;
- (c) the mailing address of the place referred to in paragraph (b), if different from the address provided under that paragraph;
- (d) if applicable, the given name, surname, date of birth and gender of one or more individuals who are responsible for the applicant;
- (e) if the place referred to in subparagraph (b)(i) is an establishment that is not a private residence, the type and name of the establishment;
- (f) an indication as to which of the following is to be their shipping address for fresh or dried marihuana or cannabis oil:

- (i) the address referred to in subparagraph (b)(i),
 - (ii) the mailing address of the place referred to in subparagraph (b)(i), or
 - (iii) the address of the health care practitioner who provided the medical document, if the practitioner has given their consent under section 131 to receive the shipment on behalf of the applicant; and
- (g) in the case of a registration application that is made on the basis of a registration with the Minister made under Part 2,
- (i) an indication as to whether the application is being made for the purpose of obtaining
 - (A) an interim supply of fresh or dried marihuana or cannabis oil,
 - (B) marihuana plants or seeds, or
 - (C) the substances referred to in clauses (A) and (B), and
 - (ii) if applicable, the applicant's shipping address for marihuana plants or seeds, which must be one of the following addresses that is specified in their registration with the Minister:
 - (A) the address of the site for the production of marihuana plants, or
 - (B) the address of the site for the storage of cannabis.

Statement — application supported by medical document

- (2) An application that is supported by a medical document must be signed and dated by the applicant or an individual who is responsible for the applicant and include a statement that
- (a) the applicant ordinarily resides in Canada;
 - (b) the information in the application and the medical document is correct and complete;
 - (c) the medical document is not being used to seek or obtain fresh or dried marihuana or cannabis oil from another source;
 - (d) the original of the medical document is provided in support of the application; and
 - (e) the applicant will use fresh or dried marihuana or cannabis oil only for their own medical purposes.

Statement — application supported by registration certificate

- (3) An application that is supported by a copy of a registration certificate issued by the Minister under Part 2 must be signed and dated by the applicant or an individual who is responsible for the applicant and include a statement that
- (a) the applicant ordinarily resides in Canada;
 - (b) the information in the application and the registration certificate is correct and complete; and

(c) if the application is being made for the purpose of obtaining fresh or dried marihuana or cannabis oil,

(i) the registration certificate is not being used to seek or obtain those substances from another source, and

(ii) the applicant will use those substances only for their own medical purposes.

Statement by responsible individual

(4) If the application is signed and dated by an individual who is responsible for the applicant, it must include a statement by that individual that they are responsible for the applicant.

Homeless applicant

(5) If an application includes the information referred to in subparagraph (1)(b)(ii), the applicant must include with the application an attestation of residence signed and dated by a manager of the specified shelter, hostel or similar institution confirming that the institution provides food, lodging or other social services to the applicant.

Health care practitioner's consent to receive substance

131 (1) If the shipping address specified in a registration application is the one referred to in subparagraph 130(1)(f)(iii), the applicant must include with the application a statement signed and dated by the health care practitioner who provided the medical document to the applicant indicating that the practitioner consents to receive fresh or dried marihuana or cannabis oil on behalf of the applicant.

Withdrawal of consent

(2) If the applicant becomes a client of a licensed producer in accordance with section 133 and the health care practitioner ceases to consent to receive that substance on behalf of the client, the practitioner must send a written notice to that effect to the client and the licensed producer.

No further shipments

(3) A licensed producer who receives such a notice must not send any further shipments of that substance to that health care practitioner for that client.

Amendment to registration

(4) A client who receives such a notice and wishes to specify a new shipping address must submit to the licensed producer a registration amendment application in accordance with section 137.

Verification of medical document

132 (1) A licensed producer who receives an application under section 130 that is supported by a medical document and who intends to register the applicant must ensure that

(a) the medical document that supports the application meets all of the requirements of section 8;

(b) the person who provided the applicant with the medical document

(i) is a health care practitioner,

(ii) is entitled to practise their profession in the province in which the applicant consulted with that person, and

(iii) is not named in a notice issued under section 59 of the Narcotic Control Regulations (/eng/regulations/C.R.C., c. 1041) that has not been retracted under section 60 of those Regulations; and

(c) the applicant has consulted with the person referred to in paragraph (b) and the information set out in the medical document is correct and complete, as confirmed by the office of that person.

Exception

(2) The licensed producer is not required to do the verifications referred to in paragraph (1)(c) if the signature of the health care practitioner who provided the medical document is known to the producer.

Registration of client

133 (1) Subject to section 135, a licensed producer may register an applicant as a client.

Registration document and unique identifier

(2) If the licensed producer registers the applicant as a client, the producer must

(a) send the client a registration document that contains the following information:

(i) the name of the producer, and

(ii) in respect of the client,

(A) the client's given name, surname, date of birth and gender,

(B) the address referred to in subparagraph 130(1)(b)(i) or (ii),

(C) the client's shipping address in Canada

(I) for fresh or dried marihuana or cannabis oil, as specified in paragraph 130(1)(f);
and

(II) for marihuana plants and seeds, as specified in subparagraph 130(1)(g)(ii),
and

(D) the expiry date of the registration; and

(b) provide the client with information that will permit the client to use a unique identifier for the purpose of ordering fresh or dried marihuana, cannabis oil or marihuana plants or seeds.

Expiry of registration

134 A client's registration with the licensed producer expires at the end of the period of validity

of

- (a) the medical document that supports it, as determined in accordance with subsection 8(3); or
- (b) the registration with the Minister made under Part 2 that supports it.

Refusal to register

135 (1) A licensed producer must refuse to register an applicant as a client if

- (a) the application does not meet the requirements of section 130;
- (b) the licensed producer has reasonable grounds to believe that false or misleading information was submitted in, or false or falsified documents were submitted with, the application;
- (c) the requirements of section 132 are not met;
- (d) the medical document that is submitted with the application is no longer valid;
- (e) the registration with the Minister made under Part 2 that supports the application has expired or been cancelled;
- (f) the given name, surname or date of birth of the applicant is different from the given name, surname or date of birth that appears on the medical document or the registration certificate issued by the Minister under Part 2;
- (g) the health care practitioner who provided the medical document to the applicant notifies the licensed producer in writing that the use of dried marihuana by the applicant is no longer supported for clinical reasons;
- (h) in the case of an application that is being made for the purpose of obtaining fresh or dried marihuana or cannabis oil and that is supported by a registration with the Minister made under Part 2, the registration certificate has been used to seek or obtain those substances from another source; or
- (i) the address specified in the application under subparagraph 130(1)(b)(i) or (ii) is not in Canada.

Verification

(2) If a licensed producer has reasonable grounds to believe that a medical document submitted with an application is false or falsified, they must, before refusing to register the applicant, verify the validity of the document by contacting the office of the health care practitioner who purportedly signed the document.

Notice to Minister

(3) If a licensed producer refuses to register an applicant whose application is supported by a registration with the Minister made under Part 2, they must notify the Minister of the refusal and provide the Minister with the following information:

- (a) the given name and surname of the person named in the Part 2 registration;
- (b) the person's date of birth;
- (c) the registration number of the Part 2 registration;
- (d) the date of the refusal; and
- (e) the reason for the refusal.

Notice — refusal to register

136 (1) A licensed producer who proposes to refuse to register an applicant for a ground set out in subsection 135(1) or for a business reason must without delay send the applicant a notice that indicates the reason for the proposed refusal.

Opportunity to be heard

(2) The applicant may, within 10 days after receipt of the notice, provide the licensed producer with reasons why the refusal is unfounded.

Return of medical document

(3) A licensed producer who refuses to register an applicant must return to the applicant without delay any medical document that was submitted with the application.

Application to amend registration

137 (1) An application to amend a registration must be made to the licensed producer by the client or an individual who is responsible for the client when a change occurs in respect of any of the information provided under subsection 130(1).

Content of application

(2) The application must include

- (a) the requested amendment;
- (b) in the case of a change to any of the information provided under paragraph 130(1)(a), proof of the change; and
- (c) in the case of a change to the information provided under subparagraph 130(1)(f)(iii), the statement referred to in subsection 131(1).

Statement

(3) The application must be signed and dated by the client or an individual who is responsible for the client and include a statement that

- (a) the client ordinarily resides in Canada; and
- (b) the information in the application is correct and complete.

Statement by responsible individual

(4) If the application is signed and dated by an individual who is responsible for the client, it must include a statement by that individual that they are responsible for the client.

Amendment

138 (1) A licensed producer must amend a client's registration if the client's amendment application meets the requirements of subsections 137(2) and (3).

Amended registration document

(2) If the licensed producer amends the client's registration, the producer must send the client an amended registration document that contains the information referred to in subparagraphs 133(2)(a)(i) and (ii).

Cancellation of registration

139 (1) A licensed producer must cancel the registration of a client if

(a) the client or an individual who is responsible for the client requests the licensed producer to cancel the registration;

(b) the client dies, ceases to ordinarily reside in Canada or ceases to have a shipping address in Canada;

(c) the licensed producer has reasonable grounds to believe that

(i) the registration was made on the basis of false or misleading information submitted in, or false or falsified documents submitted with, the registration application, or

(ii) false or misleading information was submitted in, or false or falsified documents were submitted with, the application to amend the registration;

(d) the health care practitioner who provided the medical document to the client notifies the licensed producer in writing that the use of dried marihuana by the client is no longer supported for clinical reasons;

(e) the health care practitioner who provided the medical document to the client is named in a notice issued under section 59 of the Narcotic Control Regulations (/eng/regulations /C.R.C., c. 1041) that has not been retracted under section 60 of those Regulations; or

(f) the licensed producer is notified that the registration with the Minister made under Part 2 that supports the registration with the producer has been cancelled.

Time of cancellation

(2) The licensed producer must cancel the registration of the client without delay if the producer

(a) receives a request referred to in paragraph (1)(a) or a written notice under paragraph (1)(d);

(b) becomes aware of a ground referred to in paragraph (1)(b), (e) or (f) and has verified in a reasonable manner the existence of the ground; or

(c) has reasonable grounds to believe that a ground referred to in subparagraph (1)(c)(i) or (ii) exists.

Cancellation by producer for business reason

(3) A licensed producer may also cancel the registration of a client for a business reason.

Notice

(4) Except in the case of the death of a client, a licensed producer who proposes to cancel a client's registration under subsection (1) or (3) must without delay send a notice that indicates the reason for the cancellation to the client.

Opportunity to be heard

(5) The client or an individual who is responsible for the client may, within 10 days after receipt of the notice referred to in subsection (4), provide the licensed producer with reasons why the cancellation is unfounded.

Cancellation of all registrations

(6) A licensed producer whose licence is revoked must, without delay,

(a) cancel the registrations of all of their clients; and

(b) send a notice to each client that indicates the reason for the cancellation.

Medical document

(7) A licensed producer who cancels a client's registration must not return the medical document.

Notice to Minister

(8) If a licensed producer cancels a registration that is supported by a registration with the Minister made under Part 2, they must notify the Minister of the cancellation and provide the Minister with the following information:

(a) the given name and surname of the person named in the Part 2 registration;

(b) the person's date of birth;

(c) the registration number of the Part 2 registration;

(d) the date of the cancellation; and

(e) the reason for the cancellation.

Prohibition — transfer of document

140 A licensed producer must not transfer to any person

(a) a medical document on the basis of which a client has been registered; or

(b) a copy of a registration certificate issued by the Minister under Part 2 on the basis of

which a client has been registered.

New Medical Document or Registration Certificate

New application – new medical document

141 (1) A licensed producer must not sell or provide fresh or dried marihuana or cannabis oil to a client or an individual who is responsible for the client on the basis of a new medical document unless the client or the individual submits to the producer a new registration application that meets the requirements of section 130.

New application – new registration certificate

(2) A licensed producer must not sell or provide fresh or dried marihuana, cannabis oil or marihuana plants or seeds to a client or an individual who is responsible for the client on the basis of a new registration certificate issued by the Minister under Part 2 unless the client or the individual submits to the producer a new registration application that meets the requirements of section 130.

Applicable provisions

142 Sections 131 to 136 apply to an application under section 141.

Processing an Order

Order required

143 (1) A licensed producer must not sell or provide fresh or dried marihuana, cannabis oil or marihuana plants or seeds to a client or an individual who is responsible for the client unless the producer has first received, from the client or the individual, a written order in accordance with subsection (2) or a verbal order recorded in accordance with subsection (3).

Written orders

(2) A written order must

- (a)** be dated as of the day on which it is placed;
- (b)** set out
 - (i)** the given name, surname and date of birth of the client for whom the order is placed,
 - (ii)** the given name and surname of the person placing the order,
 - (iii)** the shipping address specified in the client's registration document for the substance being ordered, and
 - (iv)** the client's unique identifier; and
- (c)** specify the name of the substance being ordered and its quantity and brand name.

Verbal orders

(3) A licensed producer who receives a verbal order must, before filling the order, make a record

of the information referred to in section 155.

Shipping

144 In filling an order referred to in section 143, a licensed producer must not transfer physical possession of the fresh or dried marihuana, cannabis oil or marihuana plants or seeds to the client or to an individual who is responsible for that client other than by shipping it to that person.

Refusal

145 (1) A licensed producer must refuse to fill an order referred to in section 143 if

- (a) the order does not meet the requirements of section 143;
- (b) any of the information that is referred to in subparagraph 143(2)(b)(i) or (iii) does not correspond to the information set out in the client's registration document in accordance with clause 133(2)(a)(ii)(A) or (C);
- (c) the client's unique identifier referred to in subparagraph 143(2)(b)(iv) is not correct;
- (d) the client's registration has expired or been cancelled;
- (e) the order specifies a quantity of fresh or dried marihuana or cannabis oil that exceeds the equivalent of 150 g of dried marihuana;
- (f) the order specifies a total quantity of marihuana plants and seeds that, taking into account the equivalency factor specified in subsection (2), exceeds the equivalent of the maximum number of plants, determined in accordance with section 190, that are authorized to be under production under the client's registration with the Minister made under Part 2;
- (g) the order has been previously filled in whole or in part; or
- (h) more than 30 days have elapsed since the date referred to in paragraph 143(2)(a) or 155(a).

Equivalency factor

(2) For the purposes of paragraph (1)(f), three marihuana seeds are equivalent to one marihuana plant.

Notice of refusal

(3) The licensed producer must send the client a written notice of the reason for the refusal.

Thirty-day limit

146 (1) A licensed producer must not sell or provide to a client or an individual who is responsible for the client in a 30-day period a total quantity of fresh marihuana, dried marihuana and cannabis oil that exceeds the equivalent of 30 times the daily quantity of dried marihuana referred to in paragraph 8(1)(d).

Date of sale

(2) The quantity is considered to have been sold or provided, for the purposes of subsection (1), on the day on which the licensed producer reasonably anticipates that it will be received by the client.

Definition of 30-day period

(3) In this section, **30-day period** means

- (a) the 30-day period beginning on the day on which the licensed producer is considered, under subsection (2), to first sell or provide a substance to the client or the individual who is responsible for the client under the client's current registration with the producer; and
- (b) every 30-day period after the period referred to in paragraph (a).

First 30-day period

(4) For the purpose of applying subsection (3), the first 30-day period begins on the day on which the licensed producer is considered, under subsection (2), to first sell or provide a substance to the client or the individual who is responsible for the client after the day on which that subsection comes into force, even if the producer previously sold or provided a substance to them under the client's current registration with the producer.

Return

(5) If the client or an individual who is responsible for the client returns to the licensed producer a substance that the producer sold or provided to them, the producer may replace the returned substance with an equal quantity, to a maximum of a quantity that does not exceed the equivalent of 150 g of dried marihuana.

Exclusion

(6) The quantity of the substance that the licensed producer provides to the client or an individual who is responsible for the client to replace the returned substance is to be excluded for the purpose of calculating the total quantity referred to in subsection (1).

Return of marihuana plants or seeds

147 If a client or their designated person returns to a licensed producer marihuana plants or seeds that the producer sold or provided to them, the producer may replace the returned plants or seeds with an equal quantity that, taking into account the equivalency factor specified in subsection 145(2), does not exceed the equivalent of the maximum number of plants, determined in accordance with section 190, that are authorized to be under production under the client's registration with the Minister made under Part 2.

DIVISION 3

Clients and Other Authorized Users

Return

148 (1) An individual who, in accordance with this Part or subsection 65(2.1) of the Narcotic

Control Regulations (/eng/regulations/C.R.C., c. 1041), obtains fresh or dried marihuana or cannabis oil for their own medical purposes or for those of another individual for whom they are responsible may return the substance to the person who sold or provided it to them if that person accepts the return of the substance.

Marihuana plants or seeds

(2) A client registered on the basis of a registration with the Minister made under Part 2 who obtains marihuana plants or seeds for their own medical purposes, or the designated person of the client who obtains those plants or seeds for the medical purposes of the client, may return them to the licensed producer who sold or provided them to them if the producer accepts the return of the plants or seeds.

Return by shipping

(3) If the individual returns the substance by means of shipping it to the person who sold or provided it to them, they must

(a) ship it in a package that, having regard to the substance being shipped, meets the requirements of paragraph 93(1)(b) or 93(3)(a); and

(b) use a shipping method that meets the requirements of paragraph 93(1)(c).

Return to licensed producer

(4) If the individual returns the substance to the licensed producer who sold or provided it to them, they must do so by shipping it to the producer's site in accordance with paragraphs (3)(a) and (b).

DIVISION 4

Sale or Provision by a Licensed Producer to a Person Other than a Client

Order required — cannabis

149 (1) A licensed producer must not sell or provide cannabis under subsection 22(2) unless the producer has first received a written order in accordance with subsection (3) from

(a) in the case of a licensed dealer or another licensed producer, an individual who is authorized to place an order for cannabis on behalf of that dealer or producer; and

(b) in any other case, the person to whom the cannabis is to be sold or provided in accordance with the Act and this Part.

Fresh or dried marihuana or cannabis oil

(2) A licensed producer must not sell or provide fresh or dried marihuana or cannabis oil under subparagraph 22(4)(a)(ii) or (iii) unless the producer has first received a written order in accordance with subsection (3) from

(a) in the case referred to in subparagraph 22(4)(a)(ii), a pharmacist practising in the hospital or a health care practitioner authorized to place orders for that substance on behalf of the hospital; and

(b) in the case referred to in subparagraph 22(4)(a)(iii), the person to whom that substance is to be sold or provided.

Requirements

(3) The written order must

(a) be signed and dated by a person described in subsection (1) or (2) and indicate their name;

(b) indicate the shipping address in Canada; and

(c) specify the substance being ordered and include the following information:

(i) in the case of fresh or dried marihuana or cannabis oil, its quantity and brand name, or

(ii) in the case of cannabis other than cannabis referred to in subparagraph (i), its quantity, description and, if applicable, brand name.

Signature

(4) A licensed producer must verify in a reasonable manner the identity of the person who placed the order if the signature on the order is not known to the producer.

Definition — pharmacist

(5) In this section, **pharmacist** means a pharmacist as defined in section 2 of the Narcotic Control Regulations (eng/regulations/C.R.C., c. 1041) who is not named in a notice issued under section 48 of those Regulations that has not been retracted under section 49 of those Regulations.

Shipping

150 In filling an order referred to in subsection 149(2), a licensed producer must not transfer physical possession of the fresh or dried marihuana or cannabis oil to the person to whom it is sold or provided other than by shipping it to them.

Refusal

151 (1) A licensed producer must refuse to fill an order referred to in subsection 149(1) or (2) if

(a) the order does not meet the requirements of subsection 149(3); or

(b) in the circumstances described in subsection 149(4), the identity of the person cannot be verified.

Notice of refusal to fill order

(2) The licensed producer must send the person who placed the order a written notice of the reason for the refusal.

DIVISION 5

Record Keeping by Licensed Producers

Transactions

Cannabis received

152 Except in the case referred to in section 157, a licensed producer who receives cannabis must record the following information:

- (a) the name of the person from whom it was received;
- (b) the address of the site at which it was received;
- (c) the date on which it was received; and
- (d) an indication of which substance was received, as well as the following information:
 - (i) in the case of fresh or dried marihuana or cannabis oil, the quantity and, if applicable, brand name, or
 - (ii) in the case of cannabis other than cannabis referred to in subparagraph (i), its quantity, description, intended use and, if applicable, brand name.

Imported substances

153 A licensed producer who imports marihuana or a substance referred to in paragraph 22(3)(c) must retain a copy of the declaration required by section 98 and of the export permit issued by a competent authority in the country of export.

Exported substances

154 A licensed producer who exports marihuana or a substance referred to in paragraph 22(3)(c) must retain a copy of the declaration required by section 106 and of the import permit issued by a competent authority in the country of final destination.

Record of verbal order

155 A licensed producer who receives a verbal order referred to in subsection 143(3) must record the following information:

- (a) the date on which the order was placed and the order number;
- (b) the information referred to in paragraphs 143(2)(b) and (c); and
- (c) the name of the individual recording the order.

Filling of order from client

156 (1) A licensed producer who fills an order referred to in section 143 must record the following information:

- (a) the given name, surname and date of birth of the client for whom the order is placed;

- (b) the given name and surname of the individual placing the order;
- (c) the quantity, brand name and lot number of the fresh or dried marihuana, cannabis oil or marihuana plants or seeds sold or provided;
- (d) the date on which the order was received;
- (e) the date on which the substance was shipped; and
- (f) the address to which the substance was shipped.

Retention of documents

(2) A licensed producer must retain a written order referred to in subsection 143(2) or a written record of a verbal order referred to in subsection 143(3).

Refusal to fill an order

(3) A licensed producer who refuses to fill an order referred to in section 143 must retain a copy of the written notice referred to in subsection 145(3).

Returned substance

157 A licensed producer who receives fresh or dried marihuana, cannabis oil or marihuana plants or seeds that are returned under section 148 must record the following information:

- (a) the given name and surname of the client who returned the substance or on behalf of whom the substance was returned;
- (b) the address of the site at which it was received;
- (c) the name of the substance, its quantity and brand name; and
- (d) the date on which it was received.

Order from person other than client

158 (1) A licensed producer who fills an order referred to in subsection 149(1) or (2) must record the following information:

- (a) the name of the person to whom the substance was sold or provided;
- (b) the shipping address;
- (c) an indication of which substance was ordered, as well as the following information:
 - (i) in the case of fresh or dried marihuana or cannabis oil, its quantity and, if applicable, brand name, or
 - (ii) in the case of cannabis other than cannabis referred to in subparagraph (i), its quantity, description and, if applicable, brand name; and
- (d) the date on which the substance was shipped.

Refusal to fill an order

(2) A licensed producer who refuses to fill an order referred to in subsection 149(1) or (2) must retain a copy of the written notice referred to in subsection 151(2).

Client Registrations

Information

159 (1) A licensed producer must record the following information:

- (a) details of the verifications performed under subsection 121(2), section 132, subsection 135(2) and paragraph 139(2)(b); and
- (b) what will serve as the unique identifier referred to in paragraph 133(2)(b) and the manner in which and the date on which it was communicated to the client.

Documents

(2) A licensed producer must retain the following documents:

- (a) the registration application referred to in section 130;
- (b) the medical document referred to in section 130, or, if the document has been returned in accordance with subsection 136(3), a copy of it;
- (c) the copy of a registration certificate referred to in section 130;
- (d) a copy of a registration document referred to in paragraph 133(2)(a);
- (e) the application for the amendment of a registration referred to in section 137;
- (f) a copy of an amended registration document referred to in subsection 138(2); and
- (g) a copy of a notice referred to in section 136 or subsection 139(4) or (6).

Security, Production and Inventory

Security

160 A licensed producer must keep

- (a) the visual recordings referred to in sections 54 and 59;
- (b) the records referred to in subsections 56(2) and 62(2); and
- (c) the record referred to in subsection 57(3).

Good production practices and packaging, labelling and shipping

161 (1) A licensed producer must keep

- (a) records demonstrating that each lot or batch of fresh or dried marihuana, cannabis oil or marihuana plants or seeds that they sold or provided under subsection 22(4) or (5) was produced, packaged and labelled in accordance with Subdivisions D and F of Division 1;
- (b) a list of all brand names of fresh or dried marihuana, cannabis oil or marihuana plants or seeds that they produced, packaged or labelled;

- (c) a copy of the sanitation program referred to in section 72 in use at their site;
- (d) a copy of the standard operating procedures referred to in section 73 in use at their site;
- (e) documentation concerning the system of control referred to in section 74 in use at their site;
- (f) a description of the qualifications of the quality assurance person in respect of the matters referred to in subparagraph 75(1)(a)(ii); and
- (g) records of every complaint referred to in paragraph 75(1)(b) and of any corrective action taken.

Sale or provision

(2) A licensed producer who sells or provides fresh or dried marihuana, cannabis oil or marihuana plants or seeds must keep

- (a) records of any testing conducted by or on behalf of the licensed producer in respect of any lot or batch of the substance;
- (b) records of information necessary for the system of control referred to in section 74; and
- (c) a record of the information that the licensed producer is required by section 77 to provide to the Minister in respect of the recall of the substance.

Dried marihuana equivalency factor

162 A licensed producer must keep a record of the information concerning the method that they have used to determine the dried marihuana equivalency factor under section 79.

Lot or batch — marihuana

163 (1) A licensed producer must keep a record of the following information concerning each lot or batch of marihuana that they propagate, sow, harvest, dry, package or destroy:

- (a) the date on which marihuana plants are propagated by means other than sowing seeds and the number of new plants propagated in this manner;
- (b) the date on which marihuana seeds are sown and their net weight on that date;
- (c) the date on which marihuana is harvested and its net weight on that date;
- (d) the date on which the drying process for marihuana is completed, if any, and its net weight on that date;
- (e) the date on which marihuana is packaged and its net weight on that date; and
- (f) the date on which marihuana is destroyed and its net weight on that date, before the destruction.

Lot or batch — cannabis oil

(2) A licensed producer must keep a record of the following information concerning each lot or

batch of cannabis oil that they produce, package or destroy:

- (a) the date on which the oil is produced and its net weight or volume on that date;
- (b) if applicable, the date on which the oil is put into a capsule or other similar dosage form and the number of capsules or units of that dosage form;
- (c) in respect of the cannabis that was used to produce the oil, its description, its net weight or volume, its lot or batch number and the date on which it was produced;
- (d) the date on which the oil is packaged and its net weight or volume on that date; and
- (e) the date on which the oil is destroyed and its net weight or volume on that date, before the destruction.

Research and development

164 Every licensed producer must keep a record of the following information concerning cannabis that they use in a research and development activity:

- (a) its description, the quantity used, its lot or batch number and, if applicable, its brand name;
- (b) the date on which it was used in that activity;
- (c) the purpose and a brief description of that activity;
- (d) in respect of any product or compound containing that cannabis that they have made or assembled in the course of that activity,
 - (i) its description,
 - (ii) the date on which it was made or assembled and the quantity made or assembled,
 - (iii) if applicable, the date on which it was used for testing and the quantity used, and
 - (iv) if applicable, the date on which it was placed in inventory and the quantity placed in inventory; and
- (e) any other details permitting the reconciliation of the quantity of cannabis referred to in paragraph (a) and the quantities of products or compounds referred to in paragraph (d).

Destroyed cannabis

165 (1) A licensed producer must keep, for each instance in which they destroy cannabis, a record of the following information:

- (a) the date on which the cannabis was destroyed, the name of the substance destroyed and its net weight on that date, before the destruction;
- (b) the location at which it was destroyed;
- (c) a brief description of the method of destruction;
- (d) the names of the witnesses to the destruction that are referred to in paragraph 30(1)(b)

and the basis on which they are qualified to be witnesses under subsection 30(2); and

(e) if applicable, the name of the person who accompanied the cannabis in accordance with subsection 30(3).

Statement by witnesses

(2) A licensed producer must keep, for each instance in which they destroy cannabis, a statement signed and dated by each of the witnesses referred to in paragraph 30(1)(b) stating that they have witnessed the destruction and that the cannabis was destroyed in accordance with section 30.

Inventory — marihuana

166 (1) A licensed producer must keep a record of the net weight of each of the following that are in inventory at their site at the end of each quarter of the calendar year:

- (a) marihuana seeds, other than marihuana seeds referred to in paragraph (h);
- (b) harvested marihuana, other than marihuana referred to in paragraphs (e) and (f), that is not to be subjected to a drying process;
- (c) harvested marihuana, other than marihuana referred to in paragraphs (e) and (g), in respect of which the drying process has not been completed;
- (d) harvested marihuana, other than marihuana referred to in paragraphs (e) and (g), in respect of which the drying process has been completed;
- (e) marihuana that is destined for destruction;
- (f) packaged fresh marihuana;
- (g) packaged dried marihuana;
- (h) packaged marihuana seeds; and
- (i) cannabis other than marihuana or cannabis oil, with an indication of the name and net weight of each of the substances in question.

Inventory — marihuana plants

(2) A licensed producer must keep a record of the number of marihuana plants destined to be sold or provided that are in inventory at their site at the end of each quarter of the calendar year.

Inventory — cannabis oil

(3) A licensed producer must keep a record of the net weight of each of the following that are in inventory at their site at the end of each quarter of the calendar year:

- (a) cannabis oil that has not been packaged, other than cannabis oil referred to in paragraph (c);
- (b) packaged cannabis oil, other than cannabis oil referred to in paragraph (c); and

- (c) cannabis oil that is destined for destruction.

Notices to Local Authorities

Notices

167 A licensed producer must keep a copy of

- (a) each notice provided to local authorities under sections 48 to 50; and
- (b) each copy of a notice provided to the Minister under section 50.

Communications with Licensing Authorities

Documents

168 A licensed producer must keep

- (a) a copy of each notice provided to a licensing authority under section 51, as well a copy of the copy of the notice provided to the Minister under that section;
- (b) for each request received from a licensing authority under subsection 123(1),
 - (i) a copy of the request, together with any supporting documentation received,
 - (ii) a record of the date on which the request and documentation were received,
 - (iii) a copy of the information that was provided in response to the request,
 - (iv) a record of the date on which the information was provided, and
 - (v) a record of the steps that were taken to ensure that the information was securely transmitted to the authority;
- (c) a copy of any request or notice received from a licensing authority under section 124 and a record of the date on which it was received;
- (d) for each instance in which they provide information to a licensing authority under section 124,
 - (i) a copy of the information,
 - (ii) a record of the date on which the information was provided, and
 - (iii) a record of the steps that were taken to ensure that the information was securely transmitted to the authority; and
- (e) a copy of the notice sent under subsection 124(5).

General Obligations

Manner of keeping records

169 (1) A licensed producer must ensure that the records, documents and information referred to in this Division are kept in a manner that will enable an audit of them to be made in a timely manner and are available at their site.

Retention period

(2) A licensed producer must retain the records, documents and information for the following periods:

- (a)** in the case of a notice that the producer is required to provide or send under this Part, for a period of two years after the day on which the notice is provided or sent;
- (b)** in the case of information that the producer is required to record under sections 152 and 155, subsection 156(1), section 157, subsections 158(1) and 159(1) and sections 163, 164 and 166, for a period of two years after the day on which the information is recorded;
- (c)** in the case of the documents referred to in sections 153 and 154, for a period of two years after the day on which the declaration referred to in section 98 or 106, as applicable, is sent to the Minister;
- (d)** in the case of the documents referred to in subsection 156(2) and paragraphs 159(2)(a) to (f), for a period of two years after the day on which the producer obtained them or, in the case of documents made by the producer, the day on which they were made;
- (e)** in the case of the visual recordings or the records referred to in section 160, for a period of two years after the day on which they were made;
- (f)** in the case of the records referred to in paragraphs 161(1)(a) and (2)(b), for a period of two years after the date of the last sale or provision of any portion of the lot or batch of fresh or dried marihuana, cannabis oil or marihuana plants or seeds under subsection 22(4) or (5);
- (g)** in the case of a document referred to in any of paragraphs 161(1)(b) to (e), for the period during which it is current and for an additional period of two years after the day on which it is replaced by a new version;
- (h)** in the case of a document referred to in paragraph 161(1)(f), for the period during which the quality assurance person acts in that capacity and for an additional period of two years after the day on which the person ceases to do so;
- (i)** in the case of the records referred to in paragraph 161(1)(g), for a period of two years after the day on which the complaint was recorded;
- (j)** in the case of the records referred to in paragraph 161(2)(a), for a period of two years after the date of the last sale or provision of any portion of the lot or batch, other than a sale or provision for destruction;
- (k)** in the case of the records referred to in paragraph 161(2)(c), for a period of two years after the day on which the substance was recalled;
- (l)** in the case of the information concerning the method referred to in section 162, for a period of two years after the day on which the information is recorded;
- (m)** in the case of the records and documents referred to in section 165, for a period of two years after the day on which the cannabis was destroyed;

- (n) in the case of a document or record referred to in paragraph 168(b), for a period of two years after the day on which the information was provided to the licensing authority;
- (o) in the case of a request or notice referred to in paragraph 168(c), for a period of two years after the day on which it was received;
- (p) in the case of a document or record referred to in paragraph 168(d), for a period of two years after the day by which the producer was required to provide the information; and
- (q) in the case of a notice referred to in paragraph 168(e), for a period of two years after the end of the quarter to which the notice relates.

Case reports and summary reports

(3) A licensed producer must retain the serious adverse reaction case reports and the summary reports referred to in subsections 78(1) and (2), respectively, for a period of 25 years after the day on which they were made.

Information required by Minister

170 A licensed producer must provide the Minister with any information that the Minister may require in respect of the records, documents and information referred to in this Division, in the form and at the times that the Minister specifies.

Former licensed producers

171 If a producer's licence expires without being renewed or is revoked, the former licensed producer must comply with the requirements of sections 169 and 170.

PART 2

Production for Own Medical Purposes and Production by a Designated Person

Interpretation

Definition

172 (1) In this Part, **production area** means the place where the production of marihuana plants is conducted, that is

- (a) entirely indoors;
- (b) entirely outdoors; or
- (c) partly indoors and partly outdoors.

Adjacent land

(2) For the purposes of paragraphs 177(4)(e) and 193(1)(d), a piece of land is considered to be adjacent to another piece of land if its boundary has at least one point in common with the boundary of the other piece of land.

General Provision

Signature and attestation

173 An application, declaration or notice that is required to be submitted under this Part by an applicant or registered person must be signed and dated by them — or an individual who is responsible for them — and attest that the information contained in it is correct and complete.

DIVISION 1

Registration with Minister

Eligibility – registered person

174 (1) An individual is eligible to be a registered person only if they ordinarily reside in Canada.

Eligibility – production for own medical purposes

(2) An individual is eligible to produce cannabis for their own medical purposes as a registered person only if they are an adult.

Prior offences

(3) An individual is not eligible to conduct the production referred to in subsection (2) if, within the preceding 10 years, they have been convicted, as an adult, of

(a) a designated cannabis offence — or an offence committed outside Canada that, if committed in Canada, would have constituted such an offence — that was committed while they were authorized to produce cannabis under the Act, other than under the former *Marihuana Medical Access Regulations (eng/regulations/SOR-2001-227)*; or

(b) a designated marihuana offence — or an offence committed outside Canada that, if committed in Canada, would have constituted such an offence — that was committed while they were authorized to produce marihuana

(i) under the Act, other than under these Regulations, or

(ii) by virtue of an injunction order issued by a court.

Definitions

(4) The following definitions apply in this section.

designated cannabis offence means

(a) an offence, in respect of cannabis, under section 5 of the Act, or under section 6 of the Act except with respect to importation; or

(b) a conspiracy or an attempt to commit, or being an accessory after the fact in relation to, or any counselling in relation to, an offence referred to in paragraph (a). (*infraction désignée relativement au chanvre indien*)

designated marihuana offence means

- (a) an offence, in respect of marihuana, under section 5 of the Act, or under section 6 of the Act except with respect to importation; or
- (b) a conspiracy or an attempt to commit, or being an accessory after the fact in relation to, or any counselling in relation to, an offence referred to in paragraph (a). (*infraction désignée relativement à la marihuana*)

Eligibility — one registration only

175 An individual must not be registered more than once at any time.

Eligibility — designated person

176 (1) Subject to subsection (2), an individual is eligible to be a designated person only if they are an adult who ordinarily resides in Canada.

Prior offences

(2) An individual is not eligible to be a designated person if, within the preceding 10 years, they

- (a) have been convicted, as an adult, of a **designated drug offence**, as defined in section 2 of the Narcotic Control Regulations (/eng/regulations/C.R.C., c. 1041);
- (b) have been convicted, as an adult, of an offence committed outside Canada that, if committed in Canada, would have constituted an offence referred to in paragraph (a);
- (c) have been convicted of an offence referred to in paragraph (a) as a **young person in ordinary court**, as those terms were defined in subsection 2(1) of the Young Offenders Act (/eng/acts/Y-1), chapter Y-1 of the Revised Statutes of Canada, 1985, immediately before that Act was repealed;
- (d) were a **young person** who received an **adult sentence**, as those terms are defined in subsection 2(1) of the *Youth Criminal Justice Act*, in respect of an offence referred to in paragraph (a); or
- (e) received a sentence — for an offence they committed outside Canada when they were at least 14 years old but less than 18 years old that, if committed in Canada, would have constituted an offence referred to in paragraph (a) — that was longer than the maximum youth sentence that could have been imposed under the Youth Criminal Justice Act (/eng/acts/Y-1.5) for such an offence.

Registration application

177 (1) An individual seeking a registration to produce cannabis for their own medical purposes or to have it produced for them by a designated person must submit to the Minister an application that includes the original of the applicant's medical document and the information and documents required by this section.

Responsible individual

(2) The application and related documents may also be submitted by an individual who is responsible for the applicant, in which case the application must be signed and dated by that individual and include a statement by them that they are responsible for the applicant.

Basic information

(3) The application must include

- (a)** the applicant's given name, surname, date of birth and gender;
- (b)** the full address of the place where the applicant ordinarily resides, as well as the applicant's telephone number and, if applicable, facsimile number and email address;
- (c)** the mailing address of the place referred to in paragraph (b), if different from the address provided under that paragraph;
- (d)** if applicable, the given name, surname, date of birth and gender of one or more individuals who are responsible for the applicant;
- (e)** if the place referred to in paragraph (b) is an establishment that is not a private residence, the type and name of the establishment;
- (f)** an indication that, as applicable,
 - (i)** the applicant will comply with the possession limit referred to in section 6, or
 - (ii)** any individual who is responsible for the applicant will comply with that limit and ensure that the applicant complies with it;
- (g)** an indication as to whether the registration is sought in respect of cannabis to be produced by the applicant or by a designated person named in the application; and
- (h)** an indication that the applicant or, if applicable, any individual who is responsible for the applicant will take all necessary measures to ensure the security of the cannabis in their possession.

Production for own medical purposes

(4) If the applicant intends to produce cannabis for their own medical purposes, the application must also include

- (a)** an indication that, within the 10 years preceding the application, they have not been convicted, as an adult, of an offence referred to in paragraph 174(3)(a) or (b);
- (b)** an indication that they will comply with the limit on the maximum number of plants under production referred to in paragraph 178(2)(l) and the limit on the maximum quantity of dried marihuana in storage referred to in paragraph 178(2)(n);
- (c)** the full address of the site where the proposed production of marihuana plants is to be conducted;
- (d)** the proposed production area;

(e) if the proposed production area involves outdoor production entirely or partly indoor and partly outdoor production, an indication that the production site is not adjacent to a school, public playground, day-care facility or other public place frequented mainly by persons under 18 years of age;

(f) an indication that the cannabis, other than marihuana plants, will be stored indoors and whether it is proposed to store it at

(i) the proposed site for the production of marihuana plants, or

(ii) the ordinary place of residence of the applicant, if different than the site referred to in subparagraph (i); and

(g) an indication that the applicant will take all necessary measures to ensure the security of the marihuana plants and cannabis.

Production by designated person

(5) If the cannabis is to be produced by a designated person, the application must include a declaration by the designated person that includes

(a) the information referred to in paragraphs (3)(a) to (c) and (e), in respect of the designated person;

(b) the information referred to in paragraphs (4)(c) to (e);

(c) an indication that the cannabis, other than marihuana plants, will be stored indoors and whether it is proposed to store it at

(i) the proposed site for the production of marihuana plants, or

(ii) the ordinary place of residence of the designated person, if different than the site referred to in subparagraph (i);

(d) an indication that

(i) within the 10 years preceding the application, they have not been convicted of an offence referred to in any of paragraphs 176(2)(a) to (c) or received a sentence referred to in paragraph 176(2)(d) or (e),

(ii) that they will take all necessary measures to ensure the security of the marihuana plants and cannabis, and

(iii) they will comply with the limit on the maximum number of plants under production referred to in paragraph 178(2)(l) and the limit on the maximum quantity of dried marihuana in storage referred to in paragraph 178(2)(n); and

(e) a document issued by a Canadian police force establishing that, within the 10 years preceding the application, the designated person has not been convicted of an offence referred to in paragraph 176(2)(a) or (c) or received a sentence referred to in paragraph 176(2)(d).

Signature and attestation of designated person

(6) The declaration referred to in subsection (5) must be signed and dated by the designated person and attest that the information contained in it is correct and complete.

Consent of owner

(7) If the proposed site for the production of marihuana plants is not the ordinary place of residence of the applicant or of the designated person, if any, and is not owned by the applicant or the designated person, the application must include the given name, surname, address and telephone number of the owner of the site and a declaration signed and dated by them consenting to production at the site.

Registration

178 (1) Subject to sections 183 to 185, if the requirements of section 177 are met, the Minister must register the applicant.

Content

(2) The registration must include

- (a)** the given name, surname, date of birth and gender of the registered person and, if applicable, the designated person;
- (b)** if applicable, the given name, surname, date of birth and gender of any individual who is responsible for the registered person;
- (c)** the full address of the place where the registered person and, if applicable, the designated person, ordinarily resides;
- (d)** the registration number;
- (e)** the name of the health care practitioner who provided the medical document;
- (f)** the maximum quantity of dried marihuana, in grams, that the registered person or, if applicable, any individual who is responsible for the registered person may possess under the registration, which is the lesser of
 - (i)** 30 times the daily quantity of dried marihuana referred to in paragraph 8(1)(d), and
 - (ii)** 150 g of dried marihuana;
- (g)** the effective date of the registration;
- (h)** the expiry date of the registration, which must correspond to the end of the period of validity of the medical document supporting the registration, as determined in accordance with subsection 8(3);
- (i)** the type of production that is authorized, namely production for one's own medical purposes or production by a designated person;
- (j)** the full address of the site where the production of marihuana plants is authorized;

- (k) the authorized production area;
- (l) the maximum number of marihuana plants, determined in accordance with section 190, that may be under production at the production site and, if the production area is partly indoors and partly outdoors, the maximum number of plants for each production period;
- (m) the full address of the site where the cannabis may be stored; and
- (n) the maximum quantity of dried marihuana, in grams, determined in accordance with section 191, that may be stored at the site authorized under paragraph (m).

Documents

(3) The Minister must

- (a) send a registration certificate to the registered person; and
- (b) send to the designated person, if any, a document containing information relating to the production by the designated person.

Renewal application

179 To apply to renew a registration, the registered person or an individual who is responsible for them must submit to the Minister an application that includes the registration number and the information and documents required under section 177.

Renewal

180 (1) Subject to sections 183 to 185, if an application complies with section 179, the Minister must renew the registration and send the renewed registration certificate to the registered person and send to the designated person, if any, an updated version of the document referred to in paragraph 178(3)(b).

Cancellation of existing registration

(2) Before renewing the registration, the Minister must cancel any existing registration .

Notice to former designated person

(3) If a registration is renewed before the expiry of the previous registration and the renewal results in the replacement of a designated person by another or by the registered person, the Minister must notify the former designated person of the loss of their authorization to produce cannabis under that registration.

Amendment application

181 (1) Subject to subsection (3), the registered person or an individual who is responsible for them must submit to the Minister an amendment application in respect of a change to any of the information set out in the registration.

Content

(2) The application must include

- (a) the registration number;
- (b) in respect of the proposed amendment,
 - (i) a description of it and the supporting reasons for it,
 - (ii) the information and documents mentioned in section 177 that are relevant to it, and
 - (iii) the date on which it is to take effect; and
- (c) in the case of a change in the given name or surname of the registered person, the designated person or an individual who is responsible for the registered person, proof of the change.

New application concerning new medical document

(3) In the case of a new medical document, a new registration application must be submitted under section 177.

Amendment

182 (1) Subject to sections 183 to 185, if an application complies with section 181, the Minister must amend the registration and, if applicable, send an amended registration certificate to the registered person and send to the designated person, if any, an updated version of the document referred to in paragraph 178(3)(b).

Notice to former designated person

(2) If the amendment results in the replacement of a designated person by another or by the registered person, the Minister must notify the former designated person of the loss of their authorization to produce cannabis under that registration.

Change of site

(3) If the Minister amends a registration in respect of a change in the location of the authorized site for the production of marihuana plants or the authorized site for the storage of cannabis, the Minister may specify the period during which the registered person or the designated person, if any, may transport cannabis from the former site to the new site.

Grounds for refusal — registration

183 The Minister must refuse to register an applicant or renew or amend a registration if

- (a) the applicant is not eligible under subsection 174(1) or section 175;
- (b) the medical document that supports the application does not meet all of the requirements of section 8 or is no longer valid;
- (c) the person who provided the applicant with the medical document
 - (i) is not a health care practitioner,
 - (ii) is not entitled to practise their profession in the province in which the applicant consulted with that person, or

(iii) is named in a notice issued under section 59 of the Narcotic Control Regulations (/eng/regulations/C.R.C., c. 1041) that has not been retracted under section 60 of those Regulations;

(d) the given name, surname or date of birth of the applicant is different from the given name, surname or date of birth that appears on the medical document;

(e) the health care practitioner who provided the medical document to the applicant notifies the Minister in writing that the use of dried marihuana by the applicant is no longer supported for clinical reasons; or

(f) any information, declaration or other item included in the application is false or misleading.

Grounds for refusal — production for own medical purposes

184 In the case of an application for a registration to produce for own's own medical purposes or an application to renew or amend such a registration, the Minister must refuse to register the applicant or to renew or amend the registration if

(a) the person is not eligible under subsection 174(2) or (3);

(b) the person would become authorized to produce marihuana plants under more than two registrations;

(c) the proposed site for the production of marihuana plants would be a production site under more than four registrations; or

(d) any information, declaration or other item included in the application is false or misleading.

Grounds for refusal — designated person

185 In the case of an application for a registration for production by a designated person or an application to renew or amend such a registration, the Minister must refuse to register the applicant or to renew or amend the registration

(a) if the person is not eligible under section 176; or

(b) for any reason referred to in paragraphs 184(b) to (d).

Notice of refusal

186 If the Minister proposes to refuse to register an applicant or to renew or amend a registration under any of sections 183 to 185, the Minister must

(a) notify the applicant in writing of the reason for the proposed refusal; and

(b) give the applicant an opportunity to be heard.

DIVISION 2

Production

Authorized Activities

Registered person — production for own medical purposes

187 A registered person whose registration authorizes them to produce cannabis for their own medical purposes may, in accordance with their registration and the provisions of this Part,

- (a) produce for their own medical purposes marihuana plants or cannabis other than marihuana plants;
- (b) store, for their own medical purposes, a quantity of cannabis not exceeding the equivalent of the maximum quantity of dried marihuana that may be stored under the registration;
- (c) transport directly, from the site for the storage of cannabis to the site for the production of marihuana plants, a total quantity of marihuana plants and seeds that, taking into account the equivalency factor specified in subsection 145(2), does not exceed the equivalent of the maximum number of plants, determined in accordance with section 190, that are authorized to be under production under the registration;
- (d) if the site for the production of marihuana plants is different from the place where the registered person ordinarily resides, transport directly from that site to that place a quantity of cannabis not exceeding the equivalent of the maximum quantity of dried marihuana that may be stored under the registration; and
- (e) if there is a change in the location of the site for the production of marihuana plants or the site for the storage of cannabis, transport cannabis directly from the former site to the new site.

Registered person who has a designated person

188 A registered person whose registration specifies a designated person may, if they are an adult, participate in the activities that the designated person is authorized to conduct under the registration.

Designated person

189 (1) A designated person may, in accordance with the registration and the provisions of this Part,

- (a) produce, for the medical purposes of the registered person, marihuana plants or cannabis other than marihuana plants;
- (b) store, for the purpose mentioned in paragraph (a), a quantity of cannabis not exceeding the equivalent of the maximum quantity of dried marihuana that may be stored under the registration;
- (c) transport directly, from the site for the storage of cannabis to the site for the production of marihuana plants, a total quantity of marihuana plants and seeds that, taking into account

the equivalency factor specified in subsection 145(2), does not exceed the equivalent of the maximum number of plants, determined in accordance with section 190, that are authorized to be under production under the registration;

(d) if the site for the production of marihuana plants is different from the site for the storage of cannabis, transport directly from the first to the second site a quantity of cannabis not exceeding the equivalent of the maximum quantity of dried marihuana that may be stored under the registration;

(e) subject to subsection (2), if the site for the storage of cannabis is different from the place where the registered person ordinarily resides, transport directly or ship from that site to that place a quantity of cannabis not exceeding the equivalent of the maximum quantity of dried marihuana that the registered person may possess under paragraph 178(2)(f);

(f) if there is a change in the location of the site for the production of marihuana plants or the site for the storage of cannabis, transport cannabis directly from the former site to the new site; and

(g) provide or deliver for the registered person a quantity of cannabis not exceeding the equivalent of the maximum quantity of dried marihuana that the registered person may possess under paragraph 178(2)(f).

Security when shipping

(2) A designated person shipping cannabis in the circumstances referred to in paragraph (1)(e) must take the measures specified in paragraphs 93(1)(b) and (c).

General Provisions

Maximum number of plants under production

190 (1) In the formulas in subsection (2),

A is the daily quantity of dried marihuana, expressed in grams, indicated in the medical document;

C is a constant equal to 1, representing the growth cycle of a marihuana plant from seeding to harvesting; and

D is the maximum number of marihuana plants that may be under production at the site for the production of marihuana plants under the registration.

Calculation

(2) The maximum number of marihuana plants is determined according to whichever of the following formulas applies:

(a) if the production area is entirely indoors,

$$D = [(A \times 365) \div (B \times 3C)] \times 1.2$$

where

B is 30 grams, being the expected yield of dried marihuana per plant;

(b) if the production area is entirely outdoors,

$$D = [(A \times 365) \div (B \times C)] \times 1.3$$

where

B is 250 grams, being the expected yield of dried marihuana per plant; and

(c) if the production area is partly indoors and partly outdoors,

(i) for the indoor period

$$D = [(A \times 182.5) \div (B \times 2C)] \times 1.2$$

where

B is 30 grams, being the expected yield of dried marihuana per plant, and

(ii) for the outdoor period

$$D = [(A \times 182.5) \div (B \times C)] \times 1.3$$

where

B is 250 grams, being the expected yield of dried marihuana per plant.

Rounding

(3) If the number determined for D is not a whole number, it is to be rounded to the next highest whole number.

Maximum quantity of dried marihuana in storage

191 (1) In the formulas in subsection (2),

E is

(a) if the production area is entirely indoors or outdoors, the maximum number of marihuana plants that the registered person or designated person is authorized to produce, calculated under paragraph 190(2)(a) or (b), whichever applies, or

(b) if the production area is partly indoors and partly outdoors, the maximum number of marihuana plants that the registered person or designated person is authorized to produce, calculated under subparagraph 190(2)(c)(ii); and

F is the maximum quantity of dried marihuana, in grams, that may be stored under the registration.

Calculation

(2) The maximum quantity of dried marihuana that may be stored under the registration is

determined according to whichever of the following formulas applies:

(a) if the production area is entirely indoors,

$$F = E \times B \times 1.5$$

where

B is 30 grams, being the expected yield of dried marihuana per plant;

(b) if the production area is entirely outdoors,

$$F = E \times B \times 1.5$$

where

B is 250 grams, being the expected yield of dried marihuana per plant: and

(c) if the production area is partly indoors and partly outdoors,

$$F = E \times B \times 1.5$$

where

B is 250 grams, being the expected yield of dried marihuana per plant.

Maximum quantity of cannabis in storage

192 A person who is authorized by a registration to produce cannabis must not store a total quantity of fresh marihuana, dried marihuana and any products referred to in paragraphs 4(1)(b) and (c) that exceeds the equivalent of the maximum quantity of dried marihuana that may be stored under the registration, as calculated under section 191.

Location and type of production

193 (1) A person who is authorized by a registration to produce cannabis

(a) may only produce marihuana plants at the authorized site for the production of marihuana plants;

(b) may only produce cannabis, other than marihuana plants, at the site for the production of marihuana plants or at the site for the storage of cannabis;

(c) must not cultivate, harvest or propagate marihuana partly indoors and partly outdoors simultaneously; and

(d) must not cultivate, harvest or propagate marihuana outdoors if the production site is adjacent to a school, public playground, day-care facility or other public place frequented mainly by persons under 18 years of age.

Exception

(2) A registered person or an individual responsible for them may produce a quantity of

cannabis, other than marihuana plants, at a location other than one specified in paragraph (1)(b) if the quantity produced does not exceed the equivalent of the maximum quantity of dried marihuana that they may possess under paragraph 178(2)(f).

Transport of plants

(3) If marihuana plants are shipped by a licensed producer to the site for the storage of cannabis, the person who is authorized by the registration to produce cannabis must transport the plants directly from that site to the site for the production of marihuana plants within seven days after the day on which the plants are received.

Storage at specified site

194 A person who is authorized by a registration to produce cannabis may store cannabis, other than marihuana plants, only indoors at the site authorized in the registration for that purpose.

Inspection

195 (1) To verify that the production of cannabis is in accordance with these Regulations and a registration, an inspector may, at any reasonable time, enter any place where the inspector believes on reasonable grounds that cannabis is being produced or stored by a registered person or a designated person, and may, for that purpose,

- (a) open and examine any receptacle or package found there that could contain cannabis;
- (b) examine anything found there that is used or may be capable of being used to produce or store cannabis;
- (c) examine any substance found there and, for the purpose of analysis, take samples; and
- (d) seize and detain, in accordance with Part IV of the Act, any substance found there, if the inspector believes, on reasonable grounds, that it is necessary.

Consent

(2) An inspector may not enter a dwelling place without the consent of an occupant of the dwelling place.

Provisions of the Act

(3) Subsections 31(6) to (9) of the Act apply, with the necessary modifications, to an inspection under this section.

DIVISION 3

General Obligations

Security

196 (1) A registered person or, if applicable, an individual who is responsible for them must maintain measures necessary to ensure the security of the cannabis in their possession and the registration certificate.

Reporting loss or theft

(2) In the case of the loss or theft of cannabis or the registration certificate, the registered person or the individual who is responsible for them must

- (a) within the 24 hours after becoming aware of the occurrence, notify a police force; and
- (b) within the next 72 hours after becoming aware of the occurrence, notify the Minister, in writing, and include confirmation that the notice required under paragraph (a) has been given.

Designated person

(3) The requirements specified in subsections (1) and (2) also apply to a designated person in regard to cannabis in their possession and the document referred to in paragraph 178(3)(b).

Cancellation of registration

197 (1) Subject to section 198, the Minister must cancel a registration if

- (a) the registered person is not eligible under section 174;
- (b) the designated person is not eligible under section 176;
- (c) the registered person or designated person has contravened section 193;
- (d) the registration was issued on the basis of false or misleading information;
- (e) the health care practitioner who provided the medical document to the registered person notifies the Minister in writing that the use of dried marihuana by the person is no longer supported for clinical reasons;
- (f) the health care practitioner who provided the medical document to the registered person is named in a notice issued under section 59 of the Narcotic Control Regulations (/eng/regulations/C.R.C., c. 1041) that has not been retracted under section 60 of those Regulations;
- (g) the registered person or an individual who is responsible for them requests the Minister to cancel the registration; or
- (h) the registered person dies or ceases to ordinarily reside in Canada.

Cancelling excess registrations

(2) Subject to section 198, if a site for the production of marihuana plants is authorized under more than four registrations, the Minister must cancel the excess registrations.

Communication to licensed producer

(3) If a registration is cancelled and the Minister is aware that the registration has formed the basis for registering with a licensed producer under Part 1, the Minister must notify the producer of the cancellation and provide them with the following information:

- (a) the given name and surname of the person named in the cancelled registration;

- (b) the person's date of birth;
- (c) the registration number of the cancelled registration; and
- (d) the date of the cancellation.

Effect of cancellation

(4) For greater certainty, if a registration is cancelled, the production of cannabis under the registration ceases to be authorized.

Notice of cancellation

198 The Minister must not cancel a registration , unless

- (a) the Minister has sent the registered person a notice of the reasons for the proposed cancellation and has given them an opportunity to be heard;
- (b) the Minister has sent the designated person, if any, a notice of the proposed cancellation; and
- (c) the failure that gave rise to the proposed cancellation is not rectified.

Destruction of cannabis — registered person

199 (1) A registered person who ceases to be authorized to produce marihuana plants under their registration must discontinue production of those plants and, subject to subsection (2), destroy all cannabis in their possession.

Exception

(2) The registered person is not required to destroy cannabis that is not in excess of the equivalent of the maximum quantity of dried marihuana that they may possess under paragraph 178(2)(f).

Destruction of cannabis — designated person

200 (1) A designated person who ceases to be authorized to produce cannabis under a registration must discontinue production of cannabis and, subject to subsection (2), destroy all cannabis in their possession.

Exception

(2) The person may, before destroying cannabis, transport, transfer, give or deliver, without delay, directly to the registered person, or an individual who is responsible for them, a quantity of cannabis not exceeding the equivalent of the maximum quantity of dried marihuana that the registered person may possess under paragraph 178(2)(f).

Destruction of cannabis — change in production area

201 If a registration is amended under section 182 or at the time of the renewal to reflect a change in the production area, the person authorized to produce cannabis must destroy

- (a) any marihuana plants under production that are in excess of the maximum number of

plants that may be produced under the registration, as amended; and

(b) any cannabis that they are storing that is in excess of the equivalent of the maximum quantity of dried marihuana that may be stored under the registration, as amended.

Communication of information – police

202 The Minister is authorized to provide any of the following information to a Canadian police force or a member of a Canadian police force who requests the information in the course of an investigation under the Act or these Regulations, subject to that information being used only for the purposes of that investigation and the proper administration or enforcement of the Act or these Regulations:

(a) in respect of a named individual, whether the individual is a registered person, a designated person or an individual who is responsible for the registered person;

(b) in respect of a specified address, whether the address is

(i) the place where a registered person or a designated person ordinarily resides and, if so, the name of that person and the registration number,

(ii) the site where the production of marihuana plants is authorized under a registration and, if so, the registration number, the name of the person who is authorized to produce and, if that person is a designated person, the name of the registered person who may participate in the production, or

(iii) the site where cannabis may be stored under a registration and, if so, the information referred to in subparagraph (ii); and

(c) in respect of a registration,

(i) the given name, surname, date of birth and gender of the registered person, the designated person, if any, and the individuals who are responsible for the registered person, if any,

(ii) the full address of the place where the registered person and the designated person, if any, ordinarily reside,

(iii) the registration number,

(iv) the maximum quantity of dried marihuana that the registered person may possess under paragraph 178(2)(f),

(v) its effective date and expiry date,

(vi) if the registration has expired, whether an application to renew it has been made before the date of expiry and the status of the application,

(vii) the full address of the site where the production of marihuana plants is authorized,

(viii) the authorized production area,

- (ix) the maximum number of marihuana plants that may be under production at the production site,
- (x) the full address of the site where cannabis may be stored, and
- (xi) the maximum quantity of dried marihuana that may be stored at the site referred to in subparagraph (x).

Communication of information — licensing authorities

203 (1) The Minister is authorized to provide, in respect of a health care practitioner who provided a medical document that formed the basis for a registration with the Minister, the following information to the provincial professional licensing authority that is responsible for the registration or authorization of persons to practise their profession in the province identified in the document as the province in which the practitioner is authorized to practise:

- (a) the given name, surname and date of birth of the person who registered with the Minister;
- (b) the postal code for, and the name of the province specified in, the address of the place where the registered person ordinarily resides;
- (c) the given name, surname and business address of the health care practitioner who signed the medical document and the number assigned by the province to the practitioner's authorization to practise;
- (d) the daily quantity of dried marihuana that is specified in the medical document;
- (e) the period of use that is specified in the medical document; and
- (f) the date on which the medical document was signed by the health care practitioner.

Definition of *health care practitioner*

(2) In this section, *health care practitioner* has the same meaning as in section 122.

[204 to 253 reserved]

PART 3

Transitional Provisions

Definition of *Licensed Producers Exemption*

254 In this Part, *Licensed Producers Exemption* means the *Section 56 Class Exemption for Licensed Producers Under the Marihuana for Medical Purposes Regulations to Conduct Activities with Cannabis* issued by the Minister on July 8, 2015.

Licences and permits continued

255 (1) A producer's licence or an import or export permit issued under the former *Marihuana for Medical Purposes Regulations* ([/eng/regulations/SOR-2013-119](#)) is continued under these Regulations and remains valid until it expires or is revoked.

Supplemental licences continued

(2) A supplemental licence issued in relation to the Licensed Producers Exemption is deemed to be continued under these Regulations as a producer's licence and remains valid until it expires or is revoked.

Security clearances continued

(3) A security clearance granted under the former *Marihuana for Medical Purposes Regulations (/eng/regulations/SOR-2013-119)* is continued under these Regulations and remains valid until it expires or is cancelled.

Client registrations continued

(4) A registration of a client with a licensed producer under the former *Marihuana for Medical Purposes Regulations (/eng/regulations/SOR-2013-119)* is continued under these Regulations and remains valid until it expires or is cancelled.

Decisions by Minister

256 A decision made by the Minister under the former *Marihuana for Medical Purposes Regulations (/eng/regulations/SOR-2013-119)* continues to have effect for the purposes of these Regulations.

Packaging and labelling — dried marihuana

257 A licensed producer who sells or provides dried marihuana under subsection 22(4) may, during the 180-day period after the day on which these Regulations come into force, comply with the packaging and labelling provisions of the former *Marihuana for Medical Purposes Regulations (/eng/regulations/SOR-2013-119)* instead of those of these Regulations.

Packaging and labelling — fresh marihuana or cannabis oil

258 A licensed producer who sells or provides fresh marihuana or cannabis oil under subsection 22(4) may, during the 180-day period after the day on which these Regulations come into force, comply with the packaging and labelling provisions of the Licensed Producers Exemption instead of those of these Regulations.

Sale or provision of marihuana plants or seeds

259 If a producer's licence that authorizes the sale or provision of dried marihuana was issued under the former *Marihuana for Medical Purposes Regulations (/eng/regulations/SOR-2013-119)* and is continued under these Regulations, the licensed producer may, pursuant to that licence and in accordance with these Regulations, sell or provide marihuana plants or seeds under section 22(5) of these Regulations until the earlier of

- (a) the 180th day after the day on which these Regulations come into force, and
- (b) the expiry, suspension or revocation of the licence.

Licence and permit applications

260 (1) If any of the following applications has been submitted under the former *Marihuana for Medical Purposes Regulations (/eng/regulations/SOR-2013-119)* but the Minister has not made a decision to approve or refuse the application before the day on which these Regulations come into force, it must be processed as an application under these Regulations:

- (a) an application for a producer's licence or an application to renew or amend a producer's licence;
- (b) an application for an import or export permit; or
- (c) an application for the approval of a change of personnel under paragraph 30(1)(a) of the *Marihuana for Medical Purposes Regulations (/eng/regulations/SOR-2013-119)*.

Supplemental licence applications

(2) If an application for a supplemental licence or an application to renew or amend a supplemental licence in relation to the Licensed Producers Exemption has been submitted but the Minister has not made a decision to approve or refuse the application before the day on which these Regulations come into force, it must be processed as an application under these Regulations to amend the producer's licence to which it relates.

Applications for security clearances

(3) If an application for a security clearance has been submitted under the former *Marihuana for Medical Purposes Regulations (/eng/regulations/SOR-2013-119)* but the Minister has not made a decision to approve or refuse the application before the day on which these Regulations come into force, it must be processed as an application under these Regulations.

PART 4

Consequential Amendments, Repeal, Application and Coming into Force

Consequential Amendments

Narcotic Control Regulations

261 [Amendments]

262 [Amendment]

263 [Amendment]

264 [Amendment]

265 [Amendment]

266 [Amendments]

267 [Amendment]

268 [Amendments]

269 [Amendments]

270 [Amendment]

271 [Amendment]

272 [Amendments]

273 [Amendment]

274 [Amendments]

275 [Amendment]

276 [Amendments]

277 [Amendment]

278 [Amendment]

279 [Amendment]

New Classes of Practitioners Regulations

280 [Amendment]

Repeal

281 [Repeal]

Application Before Publication

Application

282 For the purpose of paragraph 11(2)(a) of the *Statutory Instruments Act (/eng/acts/S-22)*, these Regulations apply before they are published in the *Canada Gazette (http://www.gazette.gc.ca/)*.

Coming into Force

August 24, 2016

283 These Regulations come into force on August 24, 2016.

Date modified:

2017-09-07

BETWEEN

City of Toronto

Applicants

- and -

Lanova Outsourcing Corp., et al

Respondents

BETWEEN:

Phytos Apothecary and Wellness Centre, et al

Applicants

and

City of Toronto. et al

Respondents

Court File No. 17-CV-581329

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

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