



CANNABIS  
COMPLIANCE  
INC.

# AGENDA

- Introduction
- Cannabis Regulatory Models
- Federal Licence Classes and Permissions
- Federal and Municipal Considerations



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Director – Quality and  
Regulatory

# WHO IS CCI?

CCI is a global consulting firm with subject matter expertise in the regulated consumer products industry

- A legacy of success based on knowledge of safety and compliance best practice
- Fifteen years of licencing and regulatory expertise
- Successful completion of over 66,000 licences
- The original consulting company in Canada to offer a breadth of cannabis services
- A proud Canadian company with a global presence in more than 25 countries around the world



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# Regulatory Models

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# THE FUTURE

## Now

(Post -October 17<sup>th</sup>, 2018)

- Recreational and medicinal
- Craft cannabis

## October 2019

- Edible cannabis
- Cannabis extracts
- Cannabis topicals

## Post -October 2019

- Cannabis Health Products
- Veterinary Health Products
- Cosmetics and Household Use Products



## THE PLAYERS

## NEW ACTS & REGS

Federal  
Government

Provincial  
Government

Municipal  
Government

Licence  
Holders

**Federal – HC, CFIA, PMRA**

The Cannabis Act & Regulations

Safe Food for Canadians Act & Regulations

Tobacco and Vaping Act

Pest Management and Regulatory Agency

**Provincial – AGCO, OMAFRA**

Cannabis Control Act & Regulations

Land Use Act & Regulations

**Municipal**

Local By -Laws

# REGULATORY MODELS

## Federal:

- Cultivation and production of safe quality products
- Prevention diversion and protection of young persons
- Establishment of provincial distribution model
- Continuity of access for medicinal use

## Provincial:

- Establishment of recreational sale and distribution
- Land use protection guidelines

## Municipal:

- Urban planning and development for federally licensed and provincial retail licensed sites
- Local law enforcement



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# Federal Licences

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# TYPES OF CANNABIS LICENCES

The Cannabis Act and Regulations, introduced new facility licensing classes to cultivate, manufacture, research, test and sell cannabis and cannabis products.

- Cultivation – Standard
- Cultivation – Micro
- Cultivation – Nursery
- Processor – Standard
- Processor – Micro
- R&D
- Sale for Medical Purposes
- Analytical Testing
- Cannabis Drug
- Industrial Hemp



# CULTIVATION LICENCES

**The Standard Cultivation Licence allows for the following activities:**

- Cultivation, harvesting and drying of cannabis.
- Outdoor cultivation
- Sale of cannabis to licence holders: Cultivation, Processor, R&D, Testing Laboratory, and Cannabis Drug Licence.

**The Micro Cultivation Licence allows for the same activities as Standard with the restriction:**

- A holder may cultivate a total of 200 m<sup>2</sup> of cannabis canopy.

**The Nursery Licence allows for the same activities as Standard with the following restrictions:**

- Unlimited cannabis canopy.
- Up to 50 m<sup>2</sup> of flower canopy for breeding and testing.
- Obligated to destroy flowers within 30 days.
- Sale of only seeds and plants to other licence holders.

# PROCESSOR LICENCES

**The Standard Processor Licence allows for the following activities:**

- Processing unlimited quantities of cannabis.
- Formulation development, manufacturing, packaging and labelling.
- Sale of Cannabis to licence holders: Cultivation, Processor, R&D, Testing Laboratory, and Cannabis Drug Licence.
- Sale of Cannabis Products to Provinces for recreational distribution and to Federal Medical Sales Licence holders for medical distribution.

**The Micro Processor Licence allows for the same activities as Standard with the restriction:**

- A holder may process a total of 600 kg of dried cannabis (or equivalent) annually.

# OTHER LICENCES TYPES

End -user recreational sale is provincially licensed

## Federal Medical Sales Licence:

- Patient registration and prescription processing.
- Direct or indirect sale to patients

## R&D Licence:

- Limited cultivation, processing and clinical testing based on protocol.
- Development, manufacturing, packaging and labelling.

## Cannabis Drug Licence:

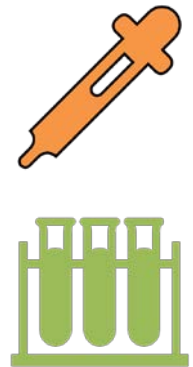
- Cannabis drug development, manufacturing, distribution and sale.
- Traditional pharmacy sale via prescription

## Analytical Testing Licence:

- Mandatory third-party analysis
- Product stability trials

## Industrial Hemp Licence:

- Cultivation and harvest of select cannabis cultivars
- Distribution and sale of seeds, fiber, leaves and flowers



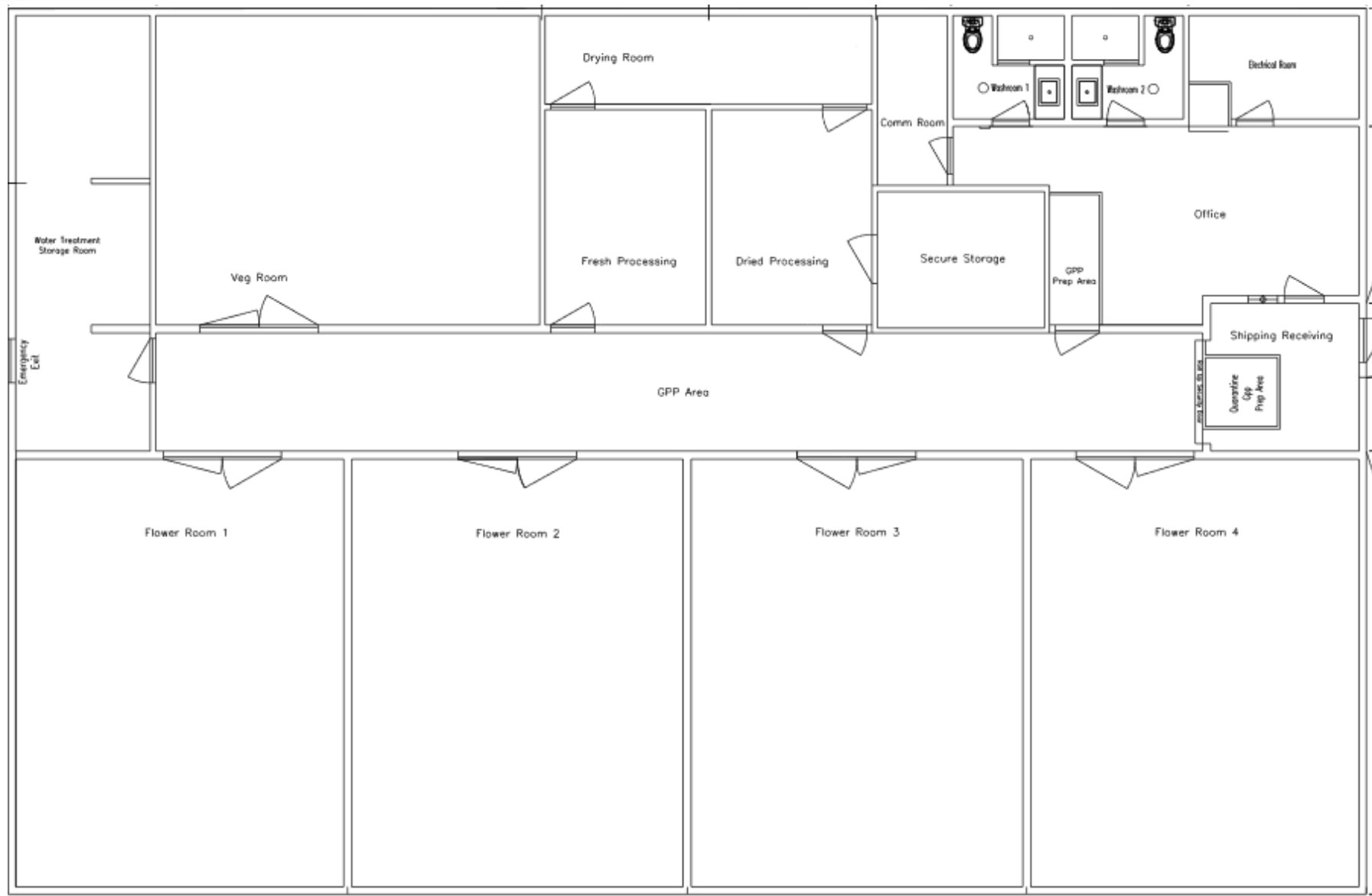
# FACILITY LAYOUT

Layout of facility depends on licence type, operations and business scale

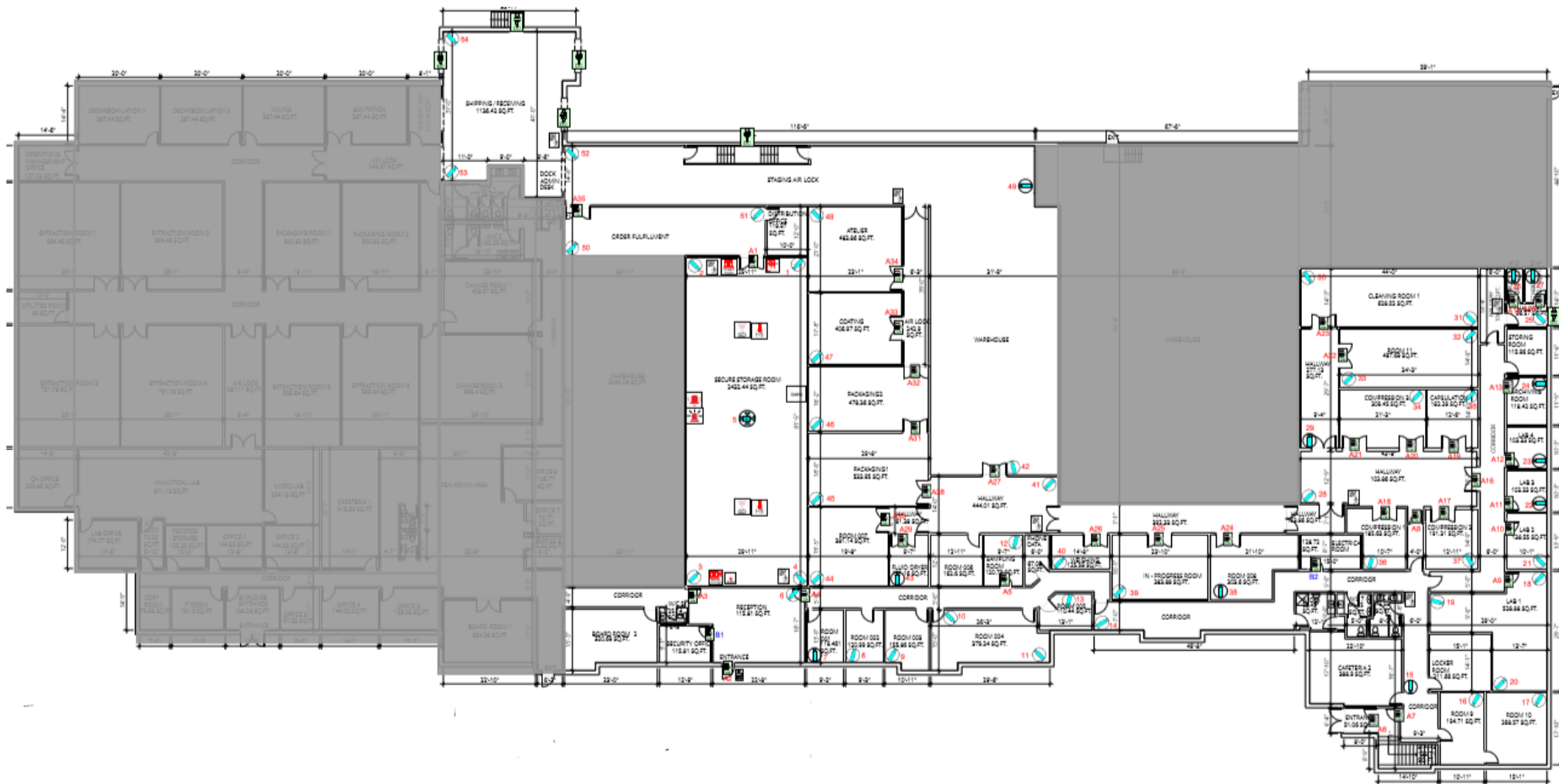
## Standard List of Rooms:

<b>Administrative Areas</b>	<b>Cultivator Areas</b>	<b>Processor Areas</b>	<b>Transition and Warehouse Areas</b>	<b>Support Areas</b>
Reception/Security Office	Genetics/Mother Room	Extraction Rooms	Changerooms/ Gowning Areas	Maintenance/ Machine Shop
Offices/Meeting Rooms	Propagation Room	Dispensing/ Mixing Rooms	Transition Corridors	Mechanical/ Utilities Room
Call Center	Vegetative Rooms	Production Rooms	Shipping/ Receiving Areas	Chemical/Hazmat Storage
Washrooms	Flowering Rooms	Packaging/ Labelling Rooms	General Warehouse	Laneways/ Parking Lot
Lunchroom	Outdoor Cultivation Areas	Sanitation Room	Secure Storage Room	
Server Rooms	Trimming Room	Equipment Storage	Destruction Room	
Document Storage	Drying Room	Laboratories		
Corridors	Curing Room			

# MICRO SITE LAYOUT



# STANDARD SITE LAYOUT



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# Federal, Provincial & Municipal Considerations

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# FEDERAL CONSIDERATIONS

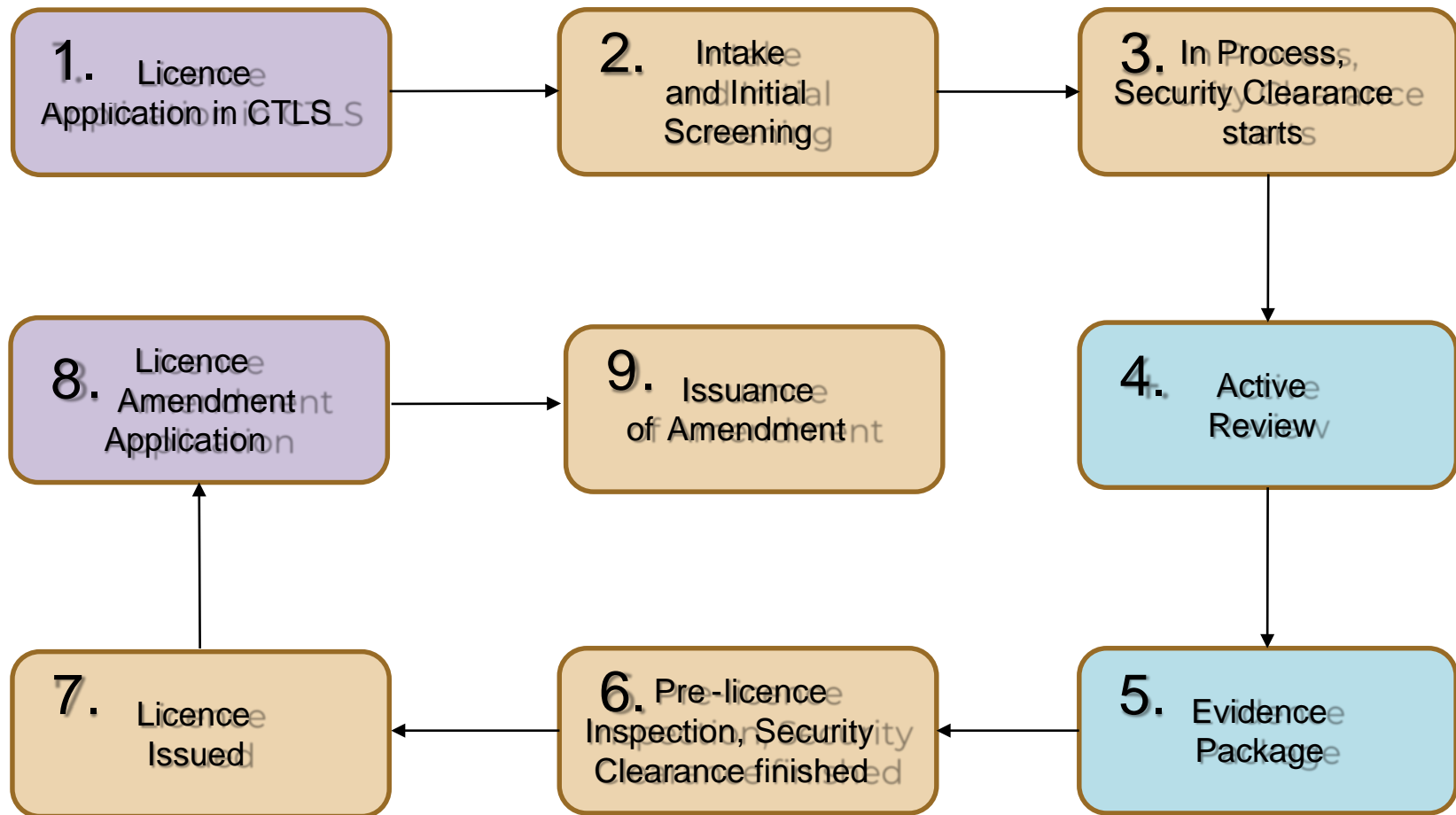
Health Canada ensures public health and safety are paramount.

- **Licensing**
  - Corporation, personnel and business model
  - Physical security
  - Good Production Practices (GPP)  
(Sanitation, air, odour control, quality assurance)
  - Mandatory testing for pesticides
  - Packaging and labelling
- **Physical Site Amendments and New Products**
  - Adding/removing operational areas
  - Packaging and labelling
  - Product Notices
- **Promotion**
  - Advertising and promotional prohibitions
  - CRA Excise Tax licence and stamps



# HEALTH CANADA LICENSING APPROACH

**Application Eligibility:** Applicants must have a fully constructed building in place, including evidence that they building meets physical security and Good Production Practices (GPP) requirements



# FEDERAL CONSIDERATIONS

For licence holders, compliance is key.

- **Regulatory Inspections**
  - Inspection Types: Pre -licence, Initial, Targeted, Regular
  - Assess compliance to Cannabis Act and Regulations
  - Regional Cannabis Inspectorates issue minor/major/critical observations and compliance rating
  - [https://www.canada.ca/en/health\\_-canada/services/drugs\\_-medication/cannabis/compliance\\_-enforcement/medical\\_-cannabis\\_-quarterly\\_-compliance\\_-enforcement\\_-report\\_-inspection\\_-data\\_-summary.html](https://www.canada.ca/en/health/_canada/services/drugs_-medication/cannabis/compliance_-enforcement/medical_-cannabis_-quarterly_-compliance_-enforcement_-report_-inspection_-data_-summary.html)
- **Suspension and Revocation**
  - Four licence suspensions to date
  - One licence revocation
- **Administrative Monetary Penalties (AMPs)**
  - New Notice of Violation and Monetary Penalty Process
  - [https://www.canada.ca/en/health\\_-canada/services/cannabis\\_-regulations\\_-licensed\\_-producers/administrative\\_-monetary\\_-penalties.html](https://www.canada.ca/en/health_-canada/services/cannabis_-regulations_-licensed_-producers/administrative_-monetary_-penalties.html)

# FEDERAL CONSIDERATIONS

Health Canada ensures public health and safety are paramount.

For licence holders, compliance is key.

- **Recent HC Guidance Publications:**
  - CTLS User Guide
  - Licensing Application Guides
  - Physical Security Requirements
  - Licence Management Guide
  - Excise Tax Licence and Fees Management
  - Good Production Practices
  - Packaging and Labelling
  - Product Notices
  - Promotional Prohibitions
  - Regulatory Reporting
  - Mandatory Testing Requirements
  - Voluntary Recall Guide
  - Mandatory Testing Requirements



# PROVINCIAL CONSIDERATIONS

Health Canada defers urban planning considerations to provincial and municipal governments.

- Provincially Regulated:
- Alcohol and Gaming Commission of Ontario:
  - Sale and Distribution

<https://www.agco.ca/cannabis> -municipalities
- OMAFRA:
  - Guidelines on Permitted Uses in Ontario's Prime Agricultural Land
  - Agricultural Impact Assessments
  - General Environmental Issues
  - Water resources and conservation
- Email concerns to:  
[ag.info.omafra@ontario.ca](mailto:ag.info.omafra@ontario.ca)





# MUNICIPAL CONSIDERATIONS

Cannabis Regulations S. 40: A holder of a licence must not conduct any activity that is authorized by the licence at a dwelling -house.

## Municipally Regulated:

- Development and building permits
- Zoning, survey, and land use compatibility
- Neighbouring lots/businesses, communities impact assessment:
  - Noise, traffic, visual disturbance
- Lot size, partitioning/amalgamation and dwelling assessment
- Hazards and obstructions assessment
- Municipal services assessment:
  - Road access and snow removal
  - Utilities: Hydro, gas, water
  - Water and sewage removal



# MUNICIPAL CONSIDERATIONS

Health Canada defers urban planning considerations to municipal governments.

- Municipalities can support compliance for federally regulated concerns:
  - Physical security
  - Product diversion
  - Advertising and promotion
  - Public health and sanitation
  - Local disturbances (e.g. odour control)
- Email concerns to:  
[cannabis@canada.ca](mailto:cannabis@canada.ca)
- Or contact:  
Benoit P. Seguin  
Associate Director  
Compliance Issues and Response  
Cannabis Legalization and Regulation Branch,  
Health Canada  
[benoitp.seguin@canada.ca](mailto:benoitp.seguin@canada.ca)



# MUNICIPAL CONSIDERATIONS

## Exterior Building – North Side

### North Side Exterior Cameras Overview





# MUNICIPAL CONSIDERATIONS

## Exterior Building – East Side

### East Side Exterior Cameras

Cam 45



Cam 44



Cam 43

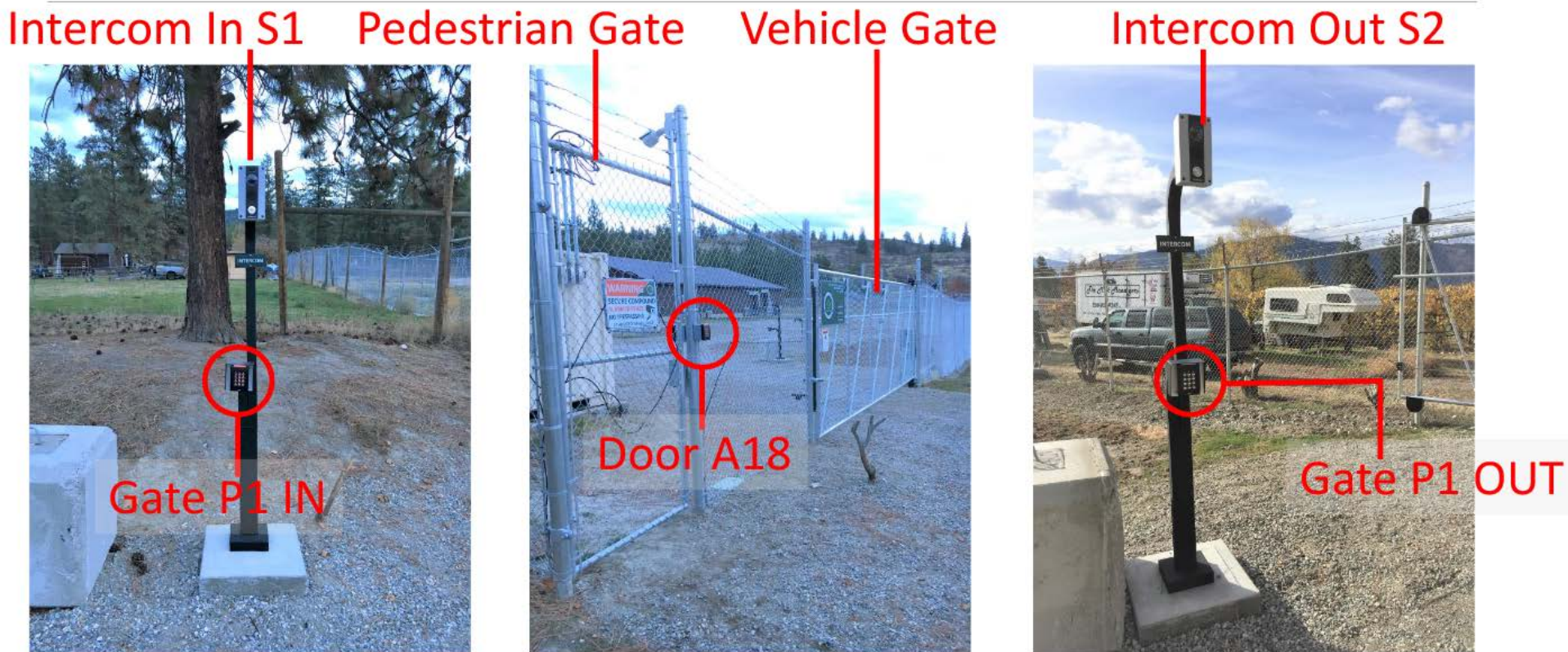


Cam 44 Cam 43



# MUNICIPAL CONSIDERATIONS

## Exterior – Main Perimeter Gate Entrances

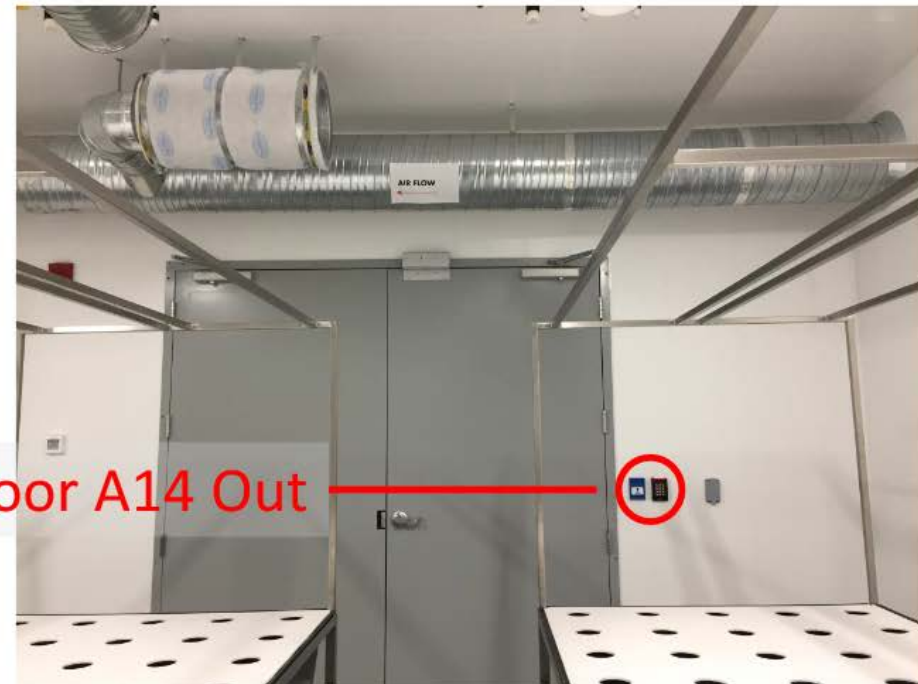
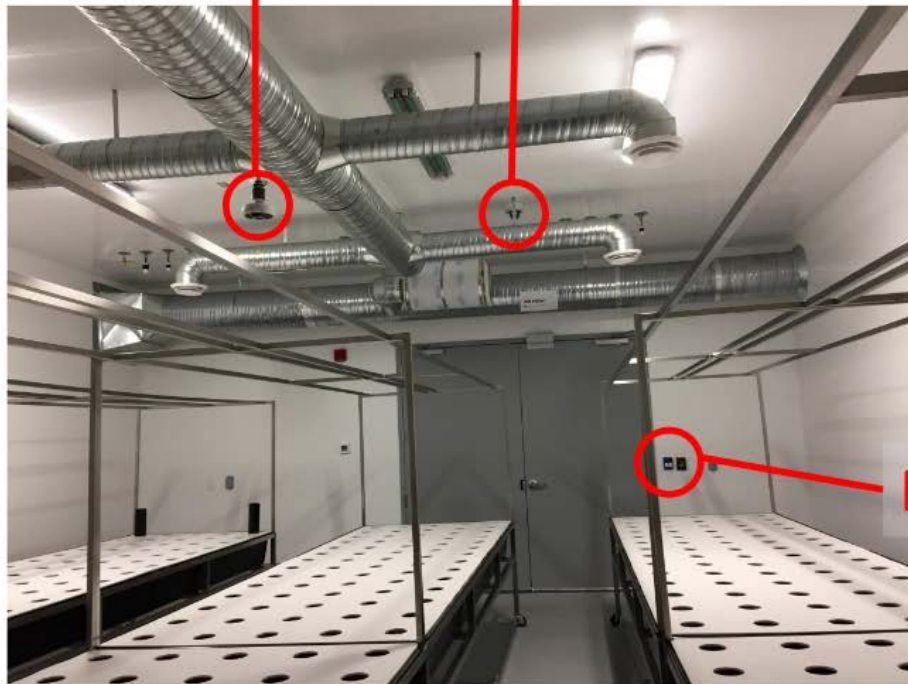




# MUNICIPAL CONSIDERATIONS

## Interior – Flower Room 1 (continued)

Cam 24      Cam 23



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Questions?

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Thank you.