Cannabis Legalization
Update on Distribution and Sales

Government of Northwest Territories
Department of Finance
October, 2018
Overview

• There has been on-going preparation for legalization of cannabis on October 17, 2018.

• Work across several sectors. Today’s update is on the progress related to distribution and sales within the NWT.

• Will cover:
  o Retail Arrangements
  o Cannabis Supply
  o Retail Pricing
  o On-Line Sales
  o Cannabis Regulations & Retail Framework
  o Communications
Retail Arrangements

• On legalization date, cannabis will be available to NWT residents through:
  – Liquor Stores in Yellowknife, Hay River, Fort Smith, Fort Simpson and Norman Wells
  – On-Line Sales that will be accessible through the NTLCC
• The liquor vendor in Inuvik has indicated that they do not wish to sell cannabis.
• While residents in Inuvik will have access to cannabis through the on-line store on October 17, we expect to begin the process to identify a retail distributor over the winter.
• Similar to liquor sales, retailers will obtain cannabis through the NTLCC and be paid a retail commission.
Cannabis Suppliers

- The NTLCC expects to obtain whole flower, oils, seeds and pre-rolls from major cannabis producers.
- Pricing has been obtained for about 100 products with various blends and package sizes.
- Consumer preference and availability of supply will determine specific products offered in the NWT.
- We expect that cannabis supply may be an issue initially and will work with other suppliers as needed.
Sample Retail Pricing

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Product Type</th>
<th>Brand Name</th>
<th>Strain Name</th>
<th>Retail Price/Gram</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tilray</td>
<td>Whole Flower</td>
<td>Marley Natural</td>
<td>Blueberry</td>
<td>$8.21</td>
</tr>
<tr>
<td>Tilray</td>
<td>Whole Flower</td>
<td>Marley Natural</td>
<td>Afghani CBD</td>
<td>$8.21</td>
</tr>
<tr>
<td>Canopy Growth</td>
<td>Bud</td>
<td>Plain Packaging</td>
<td>Indica</td>
<td>$8.51</td>
</tr>
<tr>
<td>Canopy Growth</td>
<td>Milled Flower</td>
<td>Plain Packaging</td>
<td>Indica</td>
<td>$9.12</td>
</tr>
<tr>
<td>Tilray</td>
<td>Whole Flower</td>
<td>Marley Natural</td>
<td>Afghani CBD</td>
<td>$9.12</td>
</tr>
<tr>
<td>Canopy Growth</td>
<td>Bud</td>
<td>Plain Packaging</td>
<td>Balanced</td>
<td>$9.75</td>
</tr>
<tr>
<td>Canopy Growth</td>
<td>Bud</td>
<td>Plain Packaging</td>
<td>Indica</td>
<td>$9.75</td>
</tr>
<tr>
<td>Canopy Growth</td>
<td>Dried Flower</td>
<td>Tweed</td>
<td>Bakerstreet</td>
<td>$10.47</td>
</tr>
<tr>
<td>Canopy Growth</td>
<td>Dried Flower</td>
<td>Tweed</td>
<td>Penelope</td>
<td>$10.47</td>
</tr>
<tr>
<td>Aurora</td>
<td>Flower</td>
<td>Hybrid</td>
<td>Nanas</td>
<td>$10.84</td>
</tr>
<tr>
<td>Aurora</td>
<td>Flower</td>
<td>Sativa</td>
<td>Chocolope</td>
<td>$10.84</td>
</tr>
<tr>
<td>Aurora</td>
<td>Flower</td>
<td>Indica</td>
<td>Grand Daddy Purps</td>
<td>$10.84</td>
</tr>
<tr>
<td>Tilray</td>
<td>Whole Flower</td>
<td>NB - NWT</td>
<td>Alien Dawg</td>
<td>$10.93</td>
</tr>
<tr>
<td>Canopy Growth</td>
<td>Dried Flower</td>
<td>LBS</td>
<td>Moonbeam</td>
<td>$13.64</td>
</tr>
<tr>
<td>Canopy Growth</td>
<td>Bud</td>
<td>LBS</td>
<td>Sunset</td>
<td>$14.55</td>
</tr>
</tbody>
</table>

- Similar pricing for all retail vendors.
- Packaging typically includes 1 gram, 3.5 grams and 7 grams.
- While it varies by product:
  - Regular blends THC levels range from 14-20%.
  - Premium blends THC levels range from 20-25%.
- Canada Post shipping rates apply to on-line purchases.
On-Line Sales

- On-line sales will carry High Park products.
- Age verification will be required on pick-up and Canada Post shipping charges will apply.
Cannabis Regulations & Retail Framework

- Regulations associated with the *Cannabis Products Act* have been completed.
- A key element is the process related to entities that want to become a cannabis vendor.
- An information guide has been prepared that outlines the process and key considerations for potential cannabis vendors.
- The guide provides:
  - a description of the application process;
  - information to help applicants to make business decisions; and
  - information on how retail vendors will be able to buy and sell product.
Overview of Vendor Application Process

- The *NWT Retail Cannabis Framework – Information Guide* provides detailed information on the steps and information needed from interested vendors.
- The process includes consultation with community governments to obtain their view on adding a cannabis vendor for their community.
- A public process will be undertaken to ensure that NWT residents have access to safe non-medical cannabis that complies with federal and territorial requirements.
Communications and other activities associated with cannabis include:

- Website
- Household mailer
- Point of sale material
- Cannabis video
- Ads on print and radio

Efforts are also being undertaken by other departments with a role.
Conclusion

• The GNWT is ready for cannabis legalization on October 17, 2018.
• It is recognized that this is not a singular event, but rather part of a process of legalization that has taken place over a relatively short period of time.
• Uncertainty exists on cannabis supply, market size, product preferences, and various implications associated with legalization.
• Future developments, like federal consideration of edibles, are also likely to require adjustments.
NWT Retail Cannabis Framework
Information Guide
Who is this guide for? .......................................................................................... 1

Application and Licensing ............................................................................... 2

1. Who can apply to be a cannabis vendor?......................................................... 2
2. Do applicants have to undergo a background check?........................................ 2
3. Does having a record of criminal activity exclude an individual, or a shareholder in a company, from being designated a cannabis vendor?.......................................................... 2
4. If an applicant has an interest in a federally licensed producer or processor, can they be considered to become a designated cannabis vendor?.......................................................... 2
5. What kind of information will need to be provided about companies who apply to become a cannabis vendor?........................................................................... 3
6. What information must be provided about the proposed location for a cannabis retail store?.................................................................................................................. 3
7. Will there be a cap on the number of cannabis vendors?.................................. 3
8. Will a cannabis vendor be allowed to sell medicinal cannabis?.......................... 3
9. Will the NTLCC be licensing consumption in lounges?...................................... 4
10. Will cannabis sales be licensed at outdoor festivals and other events?................ 4
11. What is the process to become a designated cannabis vendor?.......................... 4
12. Will there be an application fee?....................................................................... 4
13. For how long will a cannabis vendor’s Consignment Agreement be valid?........... 5
14. Can I sell my cannabis retail store and have the Consignment Agreement transferred to the new owner?................................................................. 5
15. How long will the selection and application process take?.................................. 5

Operations: General.......................................................................................... 6

16. Does a cannabis store have to be a certain distance from schools and other retailers?....... 6
17. Will there be any restrictions on where a cannabis retail store can be located?................ 6
18. Are there any rules about what a cannabis store can be called?.......................... 6
19. Can minors enter a cannabis store?................................................................. 6
20. What hours can a cannabis store be open?........................................................ 6
21. Can a cannabis store sell cannabis online? .................................................... 6
22. Can a cannabis store offer mail-order delivery of its products?......................... 7
23. Can a cannabis store offer in-town delivery of its products? ................................................................. 7
24. Are there rules around pricing of cannabis products? .............................................................................. 7
25. Is there a limit to how much cannabis can be sold to a person? ............................................................ 8
26. Can people consume cannabis in a cannabis store? .................................................................................... 8
27. Can a cannabis store sell cannabis to people outside of the Northwest Territories? ............................. 8
28. Will people be allowed to see, touch, or smell product in a cannabis store? ............................................ 8
29. Do cannabis store employees need any special training? ........................................................................ 9
30. Will cannabis stores be required to have a certain product tracking/inventory control system? ................................. 9
31. What else can be sold in cannabis stores besides cannabis products? ........................................................ 9
32. Can cannabis products be added as a product for sale in an already established business (other than a liquor store)? ........................................................................................................ 9
33. What format will cannabis products be sold in? .......................................................................................... 9

Operations: Physical Store .......................................................................................................................... 10

34. Are there any rules about the physical layout of cannabis stores? ........................................................... 10
35. Where will cannabis stores be allowed to store inventory? ........................................................................ 10
36. Are there security requirements for cannabis stores? .................................................................................. 10

Supply ................................................................................................................................................................. 11

37. How do cannabis stores obtain cannabis to sell? ...................................................................................... 11
38. Can financial arrangements be made with federally licensed producers? .................................................. 11
39. What types of cannabis can be sold in cannabis stores? ............................................................................. 11
40. Will cannabis stores be able to sell edible cannabis products? ............................................................... 11

Inspections and Compliance .......................................................................................................................... 12

41. How often will cannabis stores be inspected? ............................................................................................ 12
42. What happens if a cannabis store is found to be out of compliance? ....................................................... 12
43. Can the police enter and inspect a cannabis store? .................................................................................... 12

Appendix 1: Application Process .................................................................................................................. 13
Appendix 2 - Sensory Display Container Guidelines .................................................................................... 18
Appendix 3 - Cannabis Store Physical Security Requirements ....................................................................... 20
Appendix 4 - Inspections and Enforcement .................................................................................................. 22
APPLICATIONS AND OPERATIONS

The sale of cannabis in the Northwest Territories (NWT) will be done through the Northwest Territories’ Liquor and Cannabis Commission (NTLCC) and private retailers designated by the Minister of Finance. The NTLCC will control the inventory, sale and delivery of cannabis and set prices for cannabis products.

In addition, the NTLCC will be the online retailer of cannabis, be responsible for regulating the cannabis industry in the NWT, including entering into agreements with cannabis vendors designated by the Minister and monitoring the operation of vendors.

WHO IS THIS GUIDE FOR?

This guide provides information for those who are considering applying to become a vendor of retail non-medicinal cannabis in the NWT including:

- a description of the application process;
- information to help applicants make business decisions; and
- information on how retail businesses will be able to buy and sell product.

This information will also assist local governments in preparing for potential retail store applications within their community.
APPLICATION AND LICENSING

1. Who can apply to be a cannabis vendor?
Anyone may apply to be designated as a cannabis vendor. The NWT Liquor and Cannabis Commission (NTLCC) will evaluate all applications and provide recommendations to the Minister for approval.

2. Do applicants have to undergo a background check?
Yes, the NTLCC will conduct background checks on owners, shareholders, directors, officers, and investors in order to ensure security clearance. The NTLCC may also require background checks on family members who live in the same home as an applicant and associates, as it feels necessary. This will typically involve an examination of the individual’s criminal history, involvement in civil lawsuits, financial history, and other relevant information.

3. Does having a record of criminal activity exclude an individual, or a shareholder in a company, from being designated a cannabis vendor?
Having a record of criminal activity will not necessarily exclude an applicant from becoming a cannabis vendor. As part of the required background check, police/criminal records will be evaluated in relation to their relevance to the application and the recentness of the activity or offence(s) committed. The NTLCC will evaluate the records of criminal activity of all applicants (including shareholders) as part of the review process. When reviewing an individual’s record of criminal activity, the NTLCC will pay particular attention to whether a person has been convicted of:

- An offence under the *Criminal Code* (Canada), the *Excise Act* (Canada), the *Food and Drugs Act* (Canada) or the *Income Tax Act* (Canada); or
- An offence under the *Controlled Drugs and Substances Act* (Canada), other than under Section 4(1) of that Act for possession of any substance included in Schedule II to that Act; or
- An offence that is sufficiently serious that it may detract from the integrity of lawful cannabis activities in the Northwest Territories.

4. If an applicant has an interest in a federally licensed producer or processor, can they be considered to become a designated cannabis vendor?
Yes, a person or company may have an interest in both a producer and a retailer but must keep these interests separate. The NTLCC is responsible for negotiating supply agreements with producers. Individual vendors will be required to order product directly from the NTLCC and will not be permitted to have purchasing relationships with growers.
5. **What kind of information will need to be provided about companies who apply to become a cannabis vendor?**

As described in more detail below, applicants will need to supply information about ownership, management structure, and financing including but not necessarily limited to the names of any owners, directors, officers and investors along with incorporation documents and disclosures about the company's background. The NTLCC will confirm financial representation made as part of the application process.

6. **What information must be provided about the proposed location for a cannabis retail store?**

Depending on what stage of the application process, a different level of detail about the location will be required. During the early stages, applicants will have to provide the legal address, and offer to lease or purchase, a floor plan and a site plan. Before a cannabis vendor’s application can be approved, applicants will have to provide proof of possession (for example, title, lease, or agreement for sale), an approved development permit, and fire approval/right to occupy the location. If additional information is required, it will be requested during the application process.

As part of the details on the proposed location, applicants will be expected to consult with the community government and include in the application the results of the consultation. This may include information such as:

- confirmation that a business licence will be issued if the applicant is successful in communities where a business licence will be necessary; and
- confirmation that zoning bylaws allow the business to operate in that proposed location.

7. **Will there be a cap on the number of cannabis vendors?**

There is no set cap on the number of cannabis vendor that will be designated by the Minister. Through the Request for Proposals process detailed later in this document, the Minister will assess community interest, the applications received and their viability, and then designate vendors as appropriate.

8. **Will a cannabis vendor be allowed to sell medicinal cannabis?**

No, medical cannabis will continue to be sold online by federally regulated producers only. However, like other Canadians, medical users will be able to buy cannabis from retailers of non-medical cannabis. The federal government has committed to conducting a review of the medical cannabis system in five years.
9. **Will the NTLCC be licensing consumption in lounges?**

No, the licensing of cannabis consumption in lounges is not permitted in the NWT.

The GNWT’s objective is to provide, through the NWT Liquor and Cannabis Commission, access to a safe supply of cannabis products for individuals 19 years of age and over. There is no legislative authority to authorize the licencing of consumption in lounges in the *Cannabis Products Act*.

10. **Will cannabis sales be licensed at outdoor festivals and other events?**

While there are provisions in the *Act* to allow for special occasion permits, no applications for permits will be accepted at this time.

11. **What is the process to become a designated cannabis vendor?**

If you are interested in applying to become a designated cannabis vendor, you are invited to submit an expression of interest to the NTLCC. This can be done in the form of a letter to the Director of the NTLCC expressing your interest.

Once the NTLCC receives an expression of interest from a potential vendor, this will trigger consideration of adding a retail cannabis outlet in a community. Should the initial assessment indicate community support and sufficient demand, a public Request for Proposals (RFP) process will be undertaken for that specific community. All potential vendors interested in becoming cannabis vendors will be invited to participate in an RFP process that is described in more detail in Appendix 1.

Once you have been designated a cannabis vendor by the Minister, you will be required to enter into a Consignment Agreement with the NTLCC. This document will outline your contractual relationship with the NTLCC and describe how you are permitted to operate as a vendor in the NWT. This Agreement will be for a period of five years, with the potential to renew for an additional five years.

Please note that permission to become a cannabis vendor is not an endorsement of the applicant’s business plan or an indication of future government support. The business has to function as a viable business in its own right and is provided the same support that the GNWT provides other businesses through its various programs.

12. **Will there be an application fee?**

Yes. Applicants will be required to submit an application fee of $1000 when they submit their preliminary documents as a part of the RFP process. If an applicant does not pass the Pre-Application Security Screening half of this fee will be refunded to the applicant.
13. For how long will a cannabis vendor’s Consignment Agreement be valid?

Your Consignment Agreement with the NTLCC will be valid for a period of five years, at which time it will be subject to a review. As a vendor, you will be required to notify the NTLCC of any changes to the business structure (change of ownership/investors) since the time of application. Failure to do so may result in the cancellation of the Consignment Agreement and the revocation of your designation as an approved cannabis vendor. Any changes to ownership structures will be subject to review by the Minister.

14. Can I sell my cannabis retail store and have the Consignment Agreement transferred to the new owner?

You are designated as an approved cannabis vendor based on the information you provide in your application package. Before you sell your business, potential buyers should work with the NTLCC in order to ensure that they qualify to be designated as a cannabis vendor. If a new owner also qualifies as a designated cannabis vendor, they can assume your contract with the NTLCC for the sale of cannabis.

15. How long will the selection and application process take?

The NTLCC is committed to conducting thorough reviews of applicants and applications in order to ensure that successful retailers will operate in a safe and lawful manner. Plans are being put in place to ensure that applications are processed as efficiently as possible. However, the time needed to complete the process will depend on the number of applications.
OPERATIONS: GENERAL

16. Does a cannabis store have to be a certain distance from schools and other retailers?
   Local governments have the authority to impose distance requirements and other conditions, so applicants should inquire with their local government about local distance requirements before committing to a location. The NTLCC will not be setting these requirements.

17. Will there be any restrictions on where a cannabis retail store can be located?
   The NTLCC will require that the store comply with any municipal zoning requirements and provide evidence of compliance in the application. Beyond that, the NTLCC will not regulate the location of stores. For example, local governments may restrict how close a store can be to another cannabis store, schools, daycares, or other places.

18. Are there any rules about what a cannabis store can be called?
   The names of cannabis stores must comply with federal legislation and regulations respecting advertising and promotion.

   Store names must be in good taste and may not promote intoxication. Terms and images such as, but not limited to “chronic”, “stoned” or “high” will not be permitted.

   Store names cannot be misleading as to what type of business is done in the store. As a non-medicinal cannabis retailer, stores cannot have a name that would lead people to believe the store provides medicinal cannabis. For example, the words “pharmacy”, “apothecary”, and “dispensary” all have meanings linked to the selling of medicines, so these words cannot be used in association with a non-medicinal cannabis store.

19. Can minors enter a cannabis store?
   Minors may only enter a cannabis store if they are accompanied by their parent or an eligible person authorized by their parent.

20. What hours can a cannabis store be open?
   The hours of operation of cannabis stores will be determined by the NTLCC in consultation with individual community governments.

21. Can a cannabis store sell cannabis online?
   No, only the NTLCC will be permitted to sell cannabis products online in the NWT.
22. Can a cannabis store offer mail-order delivery of its products?
Yes, cannabis stores will be able to offer mail-order delivery of cannabis in the same way that liquor stores offer mail-order liquor delivery. This system will have control in place to protect against bootlegging and access by minors, including requirements that:

- The purchaser must be a resident of the Northwest Territories who is, 19 or over, and they must provide positive identification that includes data of birth, current address and sample signature.
- Customer orders must be placed in writing, providing method of payment and directions for shipment, and they must be signed by the customer.
- Store will check order with identification provided and verify that the customer is 19 or over; does not reside in a community with a store that sells cannabis; and the cannabis order is not being shipped to a community where cannabis is prohibited.
- Payment will be rendered before cannabis is shipped.
- Each order will be packaged and sent individually to the purchaser by common carrier at the address provided on the identification provided by the purchaser.
- The purchaser must sign to receive the shipment.

23. Can a cannabis store offer in-town delivery of its products?
No.

24. Are there rules around pricing of cannabis products?
Cannabis stores in the NWT will sell cannabis on consignment. This means that the retail prices for all cannabis products will be set by the NTLCC and will include a retailer commission that is consistent among retailers. At this time the retailer commission has been set at 17% of the wholesale price.
25. Is there a limit to how much cannabis can be sold to a person?

An individual can legally have no more than 30 grams of dried cannabis (or combined equivalent in other forms) when they are in public. As a result, retail and online sales transactions will be limited to the equivalent of 30 grams of cannabis.

The following table, taken from Schedule 3 of the federal Cannabis Act, lists the amounts of other authorized cannabis forms that are equivalent to 30 grams of dried cannabis.

<table>
<thead>
<tr>
<th>Class of Cannabis</th>
<th>Quantity that is equivalent to 1 gram of dried cannabis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dried cannabis</td>
<td>1 g</td>
</tr>
<tr>
<td>Fresh cannabis</td>
<td>5 g</td>
</tr>
<tr>
<td>Solids containing cannabis</td>
<td>15 g</td>
</tr>
<tr>
<td>Non-solids containing cannabis</td>
<td>70 g</td>
</tr>
<tr>
<td>Cannabis solid concentrates</td>
<td>0.25 g</td>
</tr>
<tr>
<td>Cannabis non-solid concentrates</td>
<td>0.25 g</td>
</tr>
<tr>
<td>Cannabis plant seeds</td>
<td>1 seed</td>
</tr>
</tbody>
</table>

26. Can people consume cannabis in a cannabis store?

No. Consumption of any kind will not be permitted in the store, and providing samples will not be permitted. Under the Cannabis Smoking and Control Act and the accompanying Cannabis Smoking Control Regulations, the smoking of cannabis is prohibited in certain public areas including those frequented by children and crowds, from vehicles, and from any place where tobacco smoking is not allowed. There will be no consumption of cannabis at cannabis retail outlets, and there will be no designated establishments where non-medicinal cannabis can be consumed.

27. Can a cannabis store sell cannabis to people outside of the Northwest Territories?

No, interjurisdictional retail sales will not be allowed. Cannabis stores will not be able to sell cannabis to people outside of the NWT, but neither will retailers outside of the NWT be able to sell to people in the NWT.

28. Will people be allowed to see, touch, or smell product in a cannabis store?

Vendors must follow the federal legislation and regulations including that cannabis must be sold in its original packaging with the excise stamp intact. Sensory display containers will be permitted provided there is no ingestion of cannabis product or smoke in the store. Please see Appendix 2 for guidelines around the use of sensory display containers.
29. **Do cannabis store employees need any special training?**

Yes, there are mandatory training requirements for cannabis store owners and employees. Specific information about this training and how it must be provided to employees is described in the RFP documents.

The NTLCC is developing product training materials in co-operation with suppliers which will be available for use by cannabis store operators.

30. **Will cannabis stores be required to have a certain product tracking/inventory control system?**

There is a requirement to report sales figures to the federal government on a monthly basis. In order to facilitate this reporting process, all cannabis vendors will be required to use the existing NTLCC point of sale system. The cost to the vendor for the use of this system is approximately $10,000/year.

31. **What else can be sold in cannabis stores besides cannabis products?**

In addition to dried cannabis, cannabis oil and seed, a vendor may sell cannabis accessories as defined by the federal *Cannabis Act* such as rolling papers or wraps, holders, pipes, water pipes, bongs and vaporizers.

Cannabis retail vendors can also sell cannabis-related ancillary items as defined by the NTLCC. This will include such things as cannabis industry magazines, branded t-shirts and ashtrays, cannabis artwork. Cannabis stores will also be permitted to sell snacks. There is no limit on the number of accessories and ancillary items that can be carried.

32. **Can cannabis products be added as a product for sale in an already established business (other than a liquor store)?**

Possibly.

Any existing store interested in adding cannabis to their product line would have to comply with all territorial and federal legislation and regulations, including store security requirements, customer age restrictions, store hours and any other restrictions included in the Consignment Agreement.

33. **What format will cannabis products be sold in?**

Under federal requirements, cannabis must be packaged by the federally licensed producer, complete with an excise stamp for the territory where it will be sold. Retailers will not be allowed to open packages before selling, sell partial packages or re-package the product.
**OPERATIONS: PHYSICAL STORE**

34. **Are there any rules about the physical layout of cannabis stores?**

To help limit youth exposure to cannabis products, the federal government requires that cannabis products not be visible from outside a cannabis store. There will be many different ways for cannabis stores to achieve this requirement that comply with territorial and federal requirements respecting advertising and promotion.

Premises are required to have a sales area; a separate entrance/exit; product receiving capability; a secure storage room and display for cannabis and accessories; and no access from any area of the premises to another business. Drive-through windows are prohibited. The product must be secure behind the counter and only counter sales are permitted.

Please see Appendix 3 for further information about the security requirements for physical stores.

35. **Where will cannabis stores be allowed to store inventory?**

The NTLCC employs ‘just-in-time” inventory systems to minimize the space that will be required for on-site storage. All cannabis inventory must be stored on-site.

36. **Are there security requirements for cannabis stores?**

Yes. Retailers have a strong incentive to secure the store premises both during and after operating hours to protect the inventory from theft. Detail about the specific security requirements for cannabis stores has been included in Appendix 3. Store operators are responsible for any shrinkage in inventory.
**Supply**

37. **How do cannabis stores obtain cannabis to sell?**

The NTLCC will be the only source of legal wholesale cannabis in the NWT. Retailers will not be permitted to purchase any cannabis products directly from licensed producers or any other source, including designated growers under the medical cannabis regime. Selling unauthorized product will result in the automatic revocation of their designation as a cannabis vendor, cancellation of the Consignment Agreement and possible criminal charges.

38. **Can financial arrangements be made with federally licensed producers?**

Cannabis retailers cannot accept money or request any inducement from a producer. This means they must not:

- Pay money to secure access to a supplier’s product.
- Request money from a supplier in return for providing benefits such as preferential shelf space.
- Accept money in exchange for agreeing not to stock a competitor’s product.

39. **What types of cannabis can be sold in cannabis stores?**

Cannabis stores will be able to sell whole flower, ground flower, pre-rolled cannabis, some oil products and seeds available from the NTLCC. The NTLCC will work with vendors to ensure that the product selection is meeting the customer’s demands.

40. **Will cannabis stores be able to sell edible cannabis products?**

No, because edible cannabis products are not legal for sale in Canada. The federal government has stated that it will be considering the regulation of edibles one year after legalization.
INSPECTIONS AND COMPLIANCE

To ensure that cannabis is being sold in a lawful and responsible manner, the NTLCC will establish a compliance program that will include education, inspection and enforcement activities for the operation of the stores. The focus will be on encouraging voluntary compliance but the Commission has the authority to revoke a retailer's designation as a cannabis vendor for non-compliance with the Consignment Agreement or on discovery of false claims on the application.

41. How often will cannabis stores be inspected?

Cannabis stores will be inspected before the Minister agrees to a vendor designation and then on a regular, but ad-hoc basis after opening. The NTLCC will investigate any complaints received. Retail store operators cannot refuse an inspection and must make their premises, including records, available to inspectors immediately upon request.

42. What happens if a cannabis store is found to be out of compliance?

The NWT has developed detailed guidelines about inspection that can be found in Appendix 4 at the end of this document.

43. Can the police enter and inspect a cannabis store?

Yes, police can inspect a cannabis store to ensure it is operating in compliance with legal requirements.
APPENDIX 1: APPLICATION PROCESS

If you are interested in applying to become a designated cannabis vendor, you are invited to submit an expression of interest to the NTLCC. This can be done in the form of a letter to the Director of the NTLCC expressing your interest.

Once the NTLCC receives an expression of interest from a potential vendor, this will trigger consideration of adding a retail cannabis outlet in a community. Should the initial assessment indicate community support and sufficient demand, a public Request for Proposals (RFP) process will be undertaken for that specific community. All potential vendors interested in becoming cannabis vendor will be invited to participate in an RFP process as described below.

1. **Pre-Application Security Screening**: Potential applicants must provide a completed applicant disclosure form which will include the following information:
   a. Information about the corporate structure, including the name of ALL owners, investors, promoters, parent or holding companies, shareholders and partners and their immediate family;
   b. Preliminary financial disclosure, including financial statements (if applicable) for the last three years, copies of completed income tax returns, and a listing of current financial obligations;
   c. Personal information about ALL owners, investors, promoters, parent or holding companies, shareholders and partners and their immediate family (includes basic identifying information, work/employment history, family information, existing business interests, criminal/litigation/disciplinary information, criminal records check from RCMP, and financial information); and
   d. Authorization to request additional information from:
      i. the Canadian Customs and Revenue Agency, or other equivalent foreign taxing authority;
      ii. any financial institutions, foreign or domestic, including banks, credit unions, trust companies, investment dealers or brokerage houses; and/or
      iii. credit reporting agencies, foreign or domestic.

The applicant must submit the partially refundable $1000 application at this point during the process. If an applicant is unsuccessful, $500 will be returned to them.

2. **Review of Pre-Application Security Screening**: The NTLCC will review the Pre-Application Security Screening Form and confirm that the applicant(s) qualify to be designated as a cannabis vendor, provided that they meet all additional application conditions.

During this phase of the application process, the NTLCC will review the information provided by the applicant related to:

- Criminal history (factors considered include the nature of the violation, the length of time since the offence and whether the criminal history reflects an ongoing pattern of criminal behaviour);
• History of financial stability and solvency that may include a request for consent to conduct a credit check;
• History of compliance with territorial and federal tax laws;
• History of civil litigation involving fraud, deceit, misrepresentation or breach of trust; and
• Accuracy and completeness of the personal information provided.

3. **Application Package Submitted:** Once the pre-screening has been completed, and the applicant has been deemed eligible to become a cannabis vendor, the applicant(s) will be required to submit a complete application package to the NTLCC which contains:

   a. **Business Plan including Financial Capacity**

      The applicant must clearly demonstrate the Applicant’s plan to successfully operate a business as well as the financial capacity to finance, open and operate a cannabis retail store, respond to the challenges that may arise, both during the set up phase and in the initial operating phase of year one.

      Business information must include:

      i. Particulars of individual for every director, shareholder, officer involved with the company, as well as the proposed manager of the cannabis store;

      ii. Particulars of incorporation of company (if applicable)

      iii. Particulars of Shareholding company (if applicable)

      iv. Certificate of incorporation

      v. Proposed business and operating name

      The information on financial capacity must include:

      i. A high-level overview of anticipated start-up and operating costs. (Note: this will be evaluated against reasonable cost expectations developed by the NTLCC. If costs are low, please explain why, such as equipment/premises already owned.)

<table>
<thead>
<tr>
<th>Start-up Costs</th>
<th>Monthly</th>
<th>Annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owned building improvements or leasehold improvements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information technology costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Operating Costs

<table>
<thead>
<tr>
<th>Operating Costs</th>
<th>Monthly</th>
<th>Annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent/utilities/etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staffing costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory management and sales tracking system costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Revenue

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Monthly</th>
<th>Annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-store cannabis sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accessories and ancillary sales</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**ii.** A clear statement identifying the source of funds, including identification of all investors. The applicant must demonstrate access to funds adequate to meet the financial needs described in the tables above; and

**iii.** A clear statement confirming that funds are lawfully obtained.

When considering financial integrity, the NTLCC will review the extensive financial disclosure required from the applicant, persons with ownership and decision-making authority and any investors who provide support to the business. This review is focused on ensuring that the funds used for the cannabis retail store are legally obtained, and that the applicant has sufficient financial resources to establish and operate a cannabis retail store.

**b. Other Related products**

The applicant must provide a description of the other products that will be available for sale in their store. They should also include an estimate of the percentage of total sales expected to be from all available product lines.

**c. Description of the Proposed Site**

The applicant must clearly describe the proposed location for the cannabis retail store, including:

**i. A floor plan of the premises;**

Floor plans may be blueprints, architectural drawings, or a line drawing by hand. If the applicant is providing a line drawing, the floor plan must be of high quality and clearly legible. The drawing must include measurements as well as noting:

- Measurements;
- Entrances and exits;
- Dimensions/square footage;
- Location of shelving;
- Point of sale area;
- Office area;
- Delivery/Mail order area;
- Shipping/Receiving Area; and
- Proposed camera placement and area of coverage.

ii. A site plan of surrounding businesses;

Site plans may be hand drawn but must be of high quality and clearly legible. The drawing must include:
- Detailed site plan of surrounding businesses;
- Other business name(s) (if vacant, please state);
- Geographical directions (i.e. North, South, East, West);
- Location and names of surrounding roadways; and
- Parking areas.

iii. An offer to lease for the proposed location;

iv. Information about the store’s compliance with local government zoning (and other) by-laws;

v. A description of the storage system to be used at the store; and

vi. A description of the security system to be used at the store.

4. **Review of Application**: The NTLCC will review the application package to determine what type of recommendation will be made to the Minister about the application. This review will evaluate the application against the following:

   a. Meets the legislative and regulatory requirements of the Northwest Territories and the local community government;
   b. Will not create risks to public health, safety or security, including the risk of cannabis being diverted to an illicit market or use;
   c. Demonstrates a clear understanding of anticipated start-up and operating costs and estimated revenue;
   d. Provides a clear statement identifying source of funds, including all investors, and satisfies the financial needs;
   e. Provides a clear statement confirming that the funds are lawfully obtained;
   f. Demonstrates economic viability of the venture;
   g. Identifies and explicitly confirms that the proposed system will be able to complete customer transactions, maintain inventory, generate files for ordering, reporting and remitting taxes and reporting cannabis sales and purchases;
h. Confirms, if systems are part of a larger accounting frameworks, that it will keep records and reporting separate from other business points of sale;

i. Confirms that reports will be able to be submitted in CSV format; and

j. Establish that there are no other grounds for refusing the application.

The NTLCC will provide the Minister of Finance with a recommendation for approval or denial for each application received. The Minister of Finance will then make a determination, based on the evaluation against the criteria included above, whether to approve or deny the application.

5. *Acceptance and Pre-Sale Store Inspection*: After the application has been tentatively approved, a pre-sale store inspection will be required. This inspection will confirm that the information submitted as part of the application process has been met. In addition, the applicant will be required to submit the following prior to their formal designation as a cannabis vendor:

   a. Executed retail agreement with the NTLCC which includes provisions detailing required reporting and the authority of the NTLCC to complete inspections;

   b. Executed copy of the lease agreement or certificate of title, in the name of the applicant;

   c. Approved development permit;

   d. Business license or written approval of the municipality; and

   e. Fire approval/Right to occupy.

6. *Designation as a Cannabis Vendor*: Once the applicant has successfully completed all of the above steps, the applicant will be issued confirmation from the Minister that they have been designated as a cannabis vendor.
APPENDIX 2 - SENSORY DISPLAY CONTAINER GUIDELINES

1. Cannabis vendors are permitted to use approved sensory display containers for the purposes of allowing patrons to examine cannabis products by sight and smell. Note: Sensory display containers are known as display pods or sniff jars.

2. An approved sensory display container must:
   a. be transparent;
   b. be lockable;
   c. be secured (affixed or tethered) to the showcase/counter;
   d. have a tamper-proof container that prevents access to the cannabis product contained within; and
   e. have a maximum volume no more than 500 ml.

3. Cannabis vendors are prohibited from allowing patrons to physically or directly handle cannabis products.

4. Cannabis vendors are only permitted to use a maximum of 15 sensory display containers containing cannabis product on display at any given time.

5. Cannabis vendors are only permitted to use a maximum of 2 grams of cannabis product in each sensory display container.

6. Cannabis vendors must purchase cannabis products from their inventory to be used in sensory display containers.

7. Cannabis products used for display purposes are at cost to the cannabis vendor and must be purchased through their point-of-sale system.

8. Cannabis products used for display purposes must immediately be secured in sensory display containers.

9. Once a cannabis vendor has purchased cannabis products from their inventory for display purposes, those cannabis products are deemed to be unsaleable, no longer eligible to be sold.

10. All sensory display containers must be stored in the secure cannabis storage room outside of operating hours.

11. Cannabis vendors are responsible for maintaining accurate records of all cannabis products used for display purposes. The sales receipts/invoice indicating all product purchases must be retained by the cannabis vendor.

12. Cannabis vendors must maintain a sensory display log and record the following:
   a. product code/Lot#/SKU;
   b. name of product;
   c. quantity of product;
   d. NTLCC invoice number;
e. NTLCC invoice date;
f. date cannabis products purchased from inventory; and

g. date cannabis products removed from approved container.

13. The sensory display log must be retained on the cannabis vendor’s premises for a period of two years.

14. Cannabis vendors must ensure cannabis products remain in sensory display containers until no longer used for display purposes.

15. Cannabis products that are removed from sensory display containers must be removed from the premises on the same business day. These cannabis products cannot be stored on the premises beyond the end of business day.

16. If cannabis product is being disposed of, it must be rendered unfit for use or consumption.
APPENDIX 3 - CANNABIS STORE PHYSICAL SECURITY REQUIREMENTS

1. A retail cannabis store designation will not be issued to an applicant who has not met the physical security requirements for the premises.

2. A retail cannabis store must be protected by a professionally installed and monitored alarm system that contains:
   a. detectors to indicate unauthorized attempts to tamper with, open, enter or penetrate perimeter entry points, perimeter windows and secure cannabis storage room;
   b. detectors to indicate unauthorized movement within the premises including the secure cannabis storage room;
   c. capability to detect any attempts to tamper with the system or malfunctions with the system which must be immediately repaired by a professional technician;
   d. panic/robbery button(s) installed at all point of sale positions.

3. A retail cannabis store must have a digital camera security system that contains:
   a. cameras that are enclosed in the ceiling or domes and linked to a monitor and recording system located in a secure area within the premises;
   b. cameras and lighting must be positioned to clearly capture 24 hour coverage of activity identifying all individuals entering/exiting the premises, including staff areas, and all individuals within the premises including the:
      i. point of sale area(s);
      ii. receiving area(s);
      iii. customer area(s); and
      iv. the secure cannabis storage room.
   c. system must have on premises 14 day minimum recording retention in a common format that is easily accessible, captured, viewed and capable of producing real time digital colour video and still images that clearly identify individuals and contain a time/date stamp not obscuring the image;
   d. recording and viewing system must be located in a secure location within the premises along with a maintained surveillance plan showing camera numbers, locations, coverage, authorized users list and operating instructions.
   e. recorded data and relevant information must be provided to the NTLCC and police upon request and are not to be destroyed if the cannabis vendor has knowledge, or should have had knowledge, of any pending criminal or regulatory investigation.
   f. system must be tested weekly to ensure all cameras and recording equipment are functioning properly and a log of the test results must be kept and available to the NTLCC upon request.
   g. all malfunctions must be immediately repaired.

4. A retail cannabis store must secure perimeter entry points against unauthorized access by:
a. the use of hollow metal doors with metal frame and tamper proof hinges at all entry points other than the customer entrance.

b. commercial grade non-residential locks on all access points with secured tamper proof strike plate.

c. customer entrance constructed of commercial grade material sufficient to secure against unauthorized access.

d. overhead receiving door constructed of commercial grade material and locking device sufficient to secure against unauthorized access.

e. perimeter locking devices not on a master key system.

5. All cannabis or cannabis accessories displayed in a customer area must be within a secure showcase that is locked at all times and accessible only by authorized staff.

6. All cannabis displayed within the locked showcase must be in its original sealed package or an approved container.

7. All cannabis accessories not displayed in a customer area must be stored in a locked storage room accessible only by authorized staff.

8. All cannabis not displayed in a customer area, and after operating hours all displayed cannabis, must be stored in a locked secure cannabis storage room accessible only by authorized staff.

9. The secure cannabis storage room cannot be used for any other purpose than the storage of cannabis, no other items or equipment may be present in the room.
APPENDIX 4 - INSPECTIONS AND ENFORCEMENT

General Information

1. A cannabis vendor must give NTLCC Inspectors full and unrestricted access to the vendor premises at any reasonable time (i.e. during regular business hours or at another time when people are present).

2. A cannabis vendor and their staff must not interfere in any way with NTLCC Inspectors performing their duties. The cannabis vendor is required to cooperate fully, including answering all reasonable questions regarding the management and operation of the premises.

3. A cannabis vendor must allow NTLCC Inspectors and officials to examine and make copies of all records, and if necessary, to remove records from the premises for further review.

4. When an NTLCC Inspector finds a cannabis vendor in contravention of the NTLCC or any relevant legislation, the Inspector may request the cannabis vendor to take appropriate steps to comply with the legislation or policy.

5. Any alleged violation observed by an NTLCC Inspector or a report of potential problems received from police, fire, health, other government official or the general public will be investigated and may result in an Incident Report or possible criminal charges by police or by the NTLCC.

Guidelines

1. NTLCC Inspectors visit the premises of cannabis vendors to:
   a. check for compliance with the NTLCC policies and relevant territorial and federal legislation;
   b. confirm no structural changes have been made to the premises affecting compliance with the licence;
   c. investigate complaints;
   d. conduct audits on cannabis vendor books and records;
   e. respond to cannabis vendor concerns about the operation of the premises.

2. All NTLCC Inspectors carry photo identification while on duty. A cannabis vendor may ask to see an Inspector's identification before providing any information.

3. NTLCC Inspectors are available to meet with cannabis vendors to assist them in the interpretation of legislation and NTLCC policies; however, Inspectors may report any violations they observe.

4. The NTLCC supports and encourages police “walk through” programs. Every police officer is considered an Inspector under the Cannabis Products Act, and cannabis vendors and their staff are required to cooperate fully with police officers who enter the cannabis vendor’s premises.
Cannabis Seizure and Analysis

2. Unauthorized or illegal cannabis is not permitted in a cannabis vendor's premises.

3. Unauthorized or illegal cannabis includes, but is not limited to, cannabis that:
   a. has been obtained from an unauthorized source;
   b. has been altered in any manner;
   c. is not contained in its original sealed package or NTLCC approved container;
   d. is contained in a package that has been tampered with; or
   e. is contained in a package with an altered or unauthorized label.

4. Any unauthorized or illegal cannabis products found in a cannabis vendor's premise will be seized immediately by an Inspector.

5. If cannabis is seized, an Inspector will submit a report which may result in disciplinary action up to and including suspension or cancellation of licence and/or territorial or federal charges.
CANNABIS PRODUCTS ACT

CANNABIS PRODUCTS REGULATIONS

The Commissioner, on the recommendation of the Minister, under section 70 of the Cannabis Products Act and every enabling power, makes the Cannabis Products Regulations.

Vendor Designation

1. Before determining that the designation of a person as a vendor under subsection 5(1) of the Act is in the public interest, the Minister shall take into consideration whether
   (a) the Commission has approved the person’s application for a security clearance; and
   (b) the person has submitted a business plan to the Minister that demonstrates to the Minister’s satisfaction that
      (i) the operation of a cannabis store by the person would be economically viable and not likely to create any risk to public health or safety, including the risk of cannabis being diverted to an illicit market or activity,
      (ii) the person has the capacity to keep proper records for business purposes, including all records required by law,
      (iii) the person is able to provide adequate storage facilities and procedures, including those necessary to minimize the risk of any cannabis being diverted to an illicit market or activity,
      (iv) the person has obtained all approvals from the applicable municipal council that are required by law, and
      (v) the operation of a cannabis store by the person in accordance with the business plan would not contravene any municipal bylaws.

LOI SUR LES PRODUITS DU CANNABIS

RÈGLEMENT SUR LES PRODUITS DU CANNABIS

La commissaire, sur la recommandation du ministre, en vertu de l’article 70 de la Loi sur les produits du cannabis et de tout pouvoir habilitant, prend le Règlement sur les produits du cannabis.

Désignation de vendeur

1. Avant de déterminer si la désignation d’une personne à titre de vendeur en vertu du paragraphe 5(1) de la loi est dans l’intérêt public, le ministre prend en considération les éléments suivants :
   a) si la Société a approuvé la demande d’habilitation de sécurité de la personne;
   b) si la personne a présenté au ministre un plan d’affaires qui, à la satisfaction de celui-ci, établit à la fois que :
      (i) l’exploitation d’un magasin de cannabis par la personne serait économiquement viable et ne serait pas susceptible d’entraîner des risques pour la santé ou la sécurité publique, notamment le risque de détournement du cannabis vers un marché ou pour des activités illicites,
      (ii) la personne a la capacité de tenir des registres appropriés à des fins commerciales, notamment tous les registres exigés par la loi,
      (iii) la personne est en mesure de fournir des installations et des méthodes d’entreposage adéquates, notamment celles nécessaires pour réduire au minimum le risque de détournement du cannabis vers un marché ou pour des activités illicites,
      (iv) la personne a obtenu du conseil municipal compétent toutes les approbations exigées par la loi,
      (v) l’exploitation par la personne d’un magasin de cannabis conformément au plan d’affaires ne contrevient à aucun règlement municipal.
Cannabis Stores

2. A vendor shall operate a cannabis store in accordance with the terms and conditions of the vendor’s agreement with the Minister.

3. A vendor shall operate a cannabis store during the days and hours specified in the vendor’s agreement with the Minister.

Transportation

4. (1) No common carrier shall transport cannabis for delivery from a cannabis store to a person at an address located within the community in which that cannabis store is situated.

(2) For the purposes of this section, a cannabis store situated and operating in Yellowknife is considered to be situated and operating in the communities of N’dilo and Dettah.

(3) Subsection (1) does not apply to the transportation of cannabis to a vendor, cannabis store or another common carrier.

Temporary Prohibition Orders

5. (1) The Minister may accept a request made under paragraph 20(1)(b) of the Act for a temporary prohibition order that is received less than 15 days before the prohibition period is intended to commence, if it was not possible to make the request 15 days before the intended date of commencement, or earlier, because the special circumstances in respect of which the order is requested is a crisis or other event that was not reasonably foreseeable before the 15-day period.

(2) For greater certainty, a failure to adequately plan for the request in a timely fashion does not constitute special circumstances that would support a waiver of the 15-day requirement.

Transport and Possession of Cannabis in Prohibited or Restricted Area

6. (1) A regulation referred to in section 19 of the Act or an order made under subsection 20(5) of the Act that prohibits or restricts the possession or transportation of cannabis does not apply to the possession or transportation of cannabis under this section.

Magasins de cannabis

2. Le vendeur exploite son magasin de cannabis en conformité avec les modalités du contrat qu’il a conclu avec le ministre.

3. Le vendeur exploite son magasin de cannabis pendant les jours et heures mentionnés dans le contrat qu’il a conclu avec le ministre.

Transport

4. (1) Il est interdit au transporteur public de transporter du cannabis, en vue de sa livraison, d’un magasin de cannabis à une personne dont l’adresse est située dans la collectivité où se trouve ce magasin de cannabis.

(2) Aux fins du présent article, un magasin de cannabis situé et exploité à Yellowknife est réputé situé et exploité dans les collectivités de N’dilo et Dettah.

(3) Le paragraphe (1) ne s’applique pas au transport de cannabis destiné à un vendeur, un magasin de cannabis ou un autre transporteur public.

Arrêtés de prohibition temporaire

5. (1) Le ministre peut accepter une demande de prohibition temporaire, présentée en vertu de l’alinéa 20(1)b) de la loi, qui a été reçue moins de 15 jours avant la date prévue du début de la période de prohibition temporaire, s’il était impossible de faire cette demande dans le délai prévu à la loi, ou plus tôt, car les circonstances particulières à l’égard desquelles l’arrêté est demandé sont une crise ou un autre événement qui était raisonnablement imprévisible avant le délai de 15 jours.

(2) Il est entendu que le défaut de bien planifier le moment de la demande ne constitue pas une circonstance particulière qui justifierait l’annulation du délai de 15 jours prévu.

Transport et possession de cannabis dans un secteur de prohibition ou de restriction

6. (1) Un règlement visé à l’article 19 de la loi ou un arrêté pris en vertu du paragraphe 20(5) de la loi qui interdit ou restreint la possession ou le transport de cannabis ne s’applique pas à la possession ou au transport de cannabis en vertu du présent article.
(2) A person may possess cannabis within a prohibited or restricted area for the purpose of transporting the cannabis if
   (a) the cannabis is being transported through the area between a place where it may be lawfully possessed to another such place;
   (b) the cannabis is not consumed, sold, shared or disposed of within the area;
   (c) in the case where the cannabis is being transported in a vehicle or aircraft, it is not removed from the vehicle or aircraft except to transfer it between one vehicle or aircraft and another; and
   (d) the possession and transportation of the cannabis does not contravene any provision of the Act.

(3) The onus of proving that a person is authorized to possess or transport cannabis within a prohibited or restricted area under this section rests with that person.

Inspections

7. Any person appointed under subsection 6(4) or 7(1) of the Royal Canadian Mounted Police Act (Canada) is an inspector for the purposes of the Act.

8. (1) Every inspector shall conduct inspections of regulated premises to ensure compliance with the Act and these regulations, and if applicable, the terms and conditions of a special occasion permit.

   (2) An inspector shall, in the performance of the inspector’s duties,
       (a) work in close cooperation with local law enforcement officers and health and fire inspection services; and
       (b) act in accordance with policy guidelines established by the Minister from time to time.

   (3) An inspector shall prepare an inspection report, in the form approved by the Commission, in respect of each inspection conducted by the inspector, and may include in the report comments on any matters or conditions that come to the inspector’s attention and any specific instructions given by the inspector in respect of the inspection.

(2) Une personne peut posséder du cannabis à l’intérieur d’un secteur de prohibition ou de restriction dans le but de transporter du cannabis si les conditions suivantes sont réunies :
   a) le cannabis est transporté à travers un secteur reliant deux destinations où la possession est permise;
   b) aucune consommation, vente, partage ou élimination de cannabis n’a lieu à l’intérieur du secteur;
   c) dans le cas où le cannabis est transporté dans un véhicule ou un aéronef, il n’est pas enlevé de celui-ci, sauf lors d’un transfert entre véhicules ou aéronefs;
   d) la possession et le transport de cannabis ne contravent pas aux dispositions de la loi.

(3) Il revient à la personne qui possède ou transporte du cannabis dans un secteur de prohibition ou de restriction de prouver qu’elle est autorisée à le faire en vertu du présent article.

Inspections

7. Toute personne nommée en vertu du paragraphe 6(4) ou 7(1) de la Loi sur la Gendarmerie royale du Canada (Canada) est un inspecteur aux fins de la loi.

8. (1) Les inspecteurs font l’inspection des établissements réglementés pour veiller au respect de la loi et du présent règlement et, s’il y a lieu, des conditions d’un permis de circonstance.

   (2) Dans l’exercice de ses fonctions, l’inspecteur :
       a) d’une part, travaille en étroite collaboration avec les agents locaux d’exécution de la loi et avec les services de la santé et d’inspection des incendies;
       b) d’autre part, agit conformément aux lignes directrices de politique établies à l’occasion par le ministre.

   (3) L’inspecteur élabore un rapport d’inspection, selon la forme approuvée par la Société, à l’égard de chaque inspection qu’il fait; il peut y inclure des commentaires sur toutes questions ou conditions portées à son attention ou sur toutes directives qu’il a données relativement à l’inspection.
(4) The inspector shall forward a copy of the inspection report to
  (a) a person authorized by the Minister for this purpose; and
  (b) the person responsible for the premises that were inspected.

9. If an inspector considers that a vendor or the holder of a special occasion permit is not in compliance with the Act or these regulations, the inspector may, by written notice, request the vendor or permit holder to remedy the non-compliance within a time period that is reasonable, given the existing circumstances.

Enforcement

10. The Minister may negotiate, with the persons and bodies involved in the enforcement of the Act and these regulations, a protocol respecting enforcement that includes their respective responsibilities, the procedures for conducting various tasks and the timely and efficient communication of information.

11. An inspector has the power to lay a charge or issue a ticket under the Summary Conviction Procedures Act for failure to comply with
    (a) a provision of the Act or these regulations; or
    (b) a condition of a special occasion permit.

12. (1) An inspector may use the services of a minor to assist in the enforcement of the provisions of the Act respecting minors.

    (2) A minor who acts for the purposes referred to in subsection (1) does not by that act commit an offence under the Act.

(4) L’inspecteur envoie une copie du rapport d’inspection aux personnes suivantes :
  a) la personne autorisée par le ministre à cette fin;
  b) la personne responsable de l’établissement ayant fait l’objet de l’inspection.

9. Si l’inspecteur estime que le vendeur ou le titulaire d’un permis de circonstance fait défaut de se conformer à la loi ou au présent règlement, il peut, par avis écrit, lui demander de remédier au défaut de conformité dans un délai raisonnable selon les circonstances.

Exécution

10. Le ministre peut négocier avec les personnes et organismes impliqués dans l’exécution de la loi et du présent règlement un protocole régissant l’exécution qui porte notamment sur les responsabilités de chacun, les procédures d’exécution de diverses tâches et la communication rapide et efficace de renseignements.

11. L’inspecteur a le pouvoir de porter une accusation ou d’émettre un avis de contravention en vertu de la Loi sur les poursuites par procédure sommaire dans le cas d’un défaut de conformité avec, selon le cas :
    a) une disposition de la loi ou du présent règlement;
    b) une condition d’un permis de circonstance.

12. (1) L’inspecteur peut retenir les services d’un mineur afin d’aider dans l’exécution des dispositions de la loi applicables aux mineurs.

    (2) Le mineur qui agit aux fins visées au paragraphe (1) ne commet de ce fait aucune infraction en vertu de la loi.
13. These regulations come into force on the day on which section 2 of Schedule A to the Cannabis Legalization and Regulation Implementation Act comes into force.

Dated October , 2018.

Margaret Thom
Commissioner of the Northwest Territories
Commissaire des Territoires du Nord-Ouest