

Legal update

High expectations: Ontario's new cannabis (private) retail model

August 2018 Cannabis

The new Ontario government just [announced](#) its cannabis retail model. In a complete “u-turn” from the previous provincial government’s approach, Ontario is shifting to a private retail model.

Following the legalization of cannabis for adult use on October 17, initially the Ontario Cannabis Store's (OCS) website will be the sole retail channel. The plan is for there to be private, brick-and-mortar retailer locations in place by April 1, 2019. Although we do not yet know what the requirements will be for private retailers, the elements of what we do know are summarized below.

Beginning on October 17, 2018, consumers 19 years of age or older will be permitted to purchase recreational cannabis exclusively through the OCS website.

The government will consult with stakeholders on the “tightly regulated” private retail model, which is set to launch by April 1, 2019. The OCS will be the wholesaler to all private retail stores, and an ‘Official Ontario Cannabis Retailer Seal’ will likely be used to identify licensed retailers. We can expect store hours of operation and staff training requirements to be regulated.

There is currently little detail on the eligibility requirements for private retailers as the government plans to develop these requirements as part of its consultations. Notably, the government has emphasized that recreational retailers and dispensaries currently operating are illegal and, if they continue to operate, will not be able to become authorized private retailers.

Municipalities will have a one-time window whereby they can choose to opt out of permitting physical cannabis retail stores within their boundaries.

We can expect that the Ontario government will look to those provinces that have already introduced plans for a private retail model (British Columbia, Alberta and Manitoba). We encourage anyone with an interest in the Ontario cannabis retail market to actively participate in the government’s consultation.

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