



Article

Cannabis Law

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Cannabis Update: AGCO Doubles Rate of Retail Store Authorization Issuance

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As of September 1, 2020, Ontario cannabis retail operators are permitted to hold up to 30 retail store authorizations (“RSAs”), permitting them to open up to 30 separate locations. The previous limit was 10 RSAs. This is great news for retail operators that have been expanding aggressively and had reached or were close to reaching the previous 10 RSA cap. It will allow larger brands and chain retailers to continue their expansion and footprint in the Ontario market. This cap will be further increased to and capped at 75 separate stores after September 1, 2021.

In conjunction with this increase, the Alcohol and Gaming Commission of Ontario (“AGCO”) announced yesterday that it would be doubling the rate at which it is processing and granting RSAs, which was previously capped at 20 stores per month and has led to a huge backlog in the queue to have the AGCO process and approve the opening of new stores.

This is good news for those interested in entering the Ontario cannabis retail space, especially for those retail store applicants who are presently in the queue and who have built-out stores that are ready to open, subject only to receiving the AGCO’s final approval. We understand that some of these applicants presently in the queue have been advised that their final approval is not anticipated to be granted prior to October 2021, despite having an otherwise finished store. The AGCO has advised that it will soon contact all affected retail store applicants directly to advise them of any change to the timing of the expected issuance of their RSA.

The AGCO has posted a notification on its website indicating it has been receiving a high volume of applications and continues to receive hundreds of new applications per month.

The AGCO has issued 164 RSAs to date, with over 100 being issued just this year.

Should you require assistance with the application process for a cannabis retail store, feel free to contact a member of the **Torkin Manes’ Cannabis Law Group**.

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