

Appendix 2 – CS-2021-09

Multi-Level Regulated Ecosystem: Key Players

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| The OCS operates in a strictly regulated recreational cannabis ecosystem alongside other federal and provincial organizations with clear mandates and responsibilities:  |   |   |   |
| Health Canada  | Ontario Cannabis Retail Corporation   | Alcohol and Gaming Commission of Ontario  | Licensed Producers  |
| <ul style="list-style-type: none"><li>At the federal level, Health Canada is responsible for protecting public health and safety through the creation and administration of regulations that govern cannabis production. As part of this mandate, Health Canada sets strict industry-wide rules, standards, and requirements for cannabis producers that it licenses to grow and process cannabis.</li><li>Health Canada is also responsible for ensuring that regulated parties, including the OCS, do not engage in activities that are prohibited under the federal <b>Cannabis Act</b></li></ul> | <ul style="list-style-type: none"><li>The <b>Ontario Cannabis Retail Corporation Act, 2017</b> provides the OCS with the exclusive right to sell recreational cannabis online in Ontario and to private retail stores authorized by the AGCO.</li></ul> | <ul style="list-style-type: none"><li>The provincial <b>Cannabis Licence Act, 2018</b> establishes the AGCO as the provincial regulator permitted to grant the licences and authorizations required to operate a private cannabis retail store in Ontario. As regulator, the AGCO has the authority to enforce provincial rules and standards that apply to the sale of recreational cannabis in authorized private stores across the province.</li></ul> | <ul style="list-style-type: none"><li>A licence issued by Health Canada is required to cultivate, process and sell cannabis for medical or non-medical purposes. Licence holders are only permitted to sell cannabis to parties authorized by a provincial or territorial government to possess, sell or distribute cannabis (i.e., the OCS in Ontario), to medical patients, and to other federal licence holders.</li><li>Licence holders must comply with strict regulations set out under the federal <b>Cannabis Act</b> and the <b>Cannabis Regulations</b></li></ul> |