



Liquor and Cannabis  
Regulation Branch

# DISCUSSION PAPER

Market Controls

June 2025

## Purpose

The Liquor and Cannabis Regulation Branch, Ministry of Public Safety and Solicitor General invites Indigenous partners and interested parties to comment on B.C.'s cannabis market controls. This discussion paper provides a brief background and discussion questions.

Responses will be accepted until **September 1, 2025**

## Contact

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## Introduction

When cannabis became legal in 2018, the Province created rules to govern the legal cannabis market. These rules are referred to as market controls and include:

- **Licence Cap:** limits the number of cannabis retail store licences a company, person or group can hold to eight;
- **Tied House:** prohibits financial or other arrangements between cannabis retail store licensees and federally licensed producers;
- **Vertical Integration:** restricts federally licensed producers' ownership of cannabis retail stores.

The Liquor and Cannabis Regulation Branch (LCRB) is reviewing these cannabis market controls and considering whether setting a minimum required distance between cannabis retail stores (CRS) and allowing the sale of retail branded cannabis products (also called “white label” or “private label” products) would support the cannabis industry in B.C.

## Who can give feedback?

The LCRB wants to hear from:

- Section 119 agreement holders and Indigenous partners
- Cannabis retail licensees
- Federally licensed producers
- First Nations, Modern Treaty Nations and local governments
- Cannabis industry organizations
- Other Partners

## What's This About?

Market controls are intended to:

- Support diversity in the legal market,
- Prevent well-capitalized companies from dominating the retail market,
- Foster a competitive marketplace, and
- Create economic opportunities for local entrepreneurs and Indigenous people.

Current market controls apply to all CRSs in B.C.; however, exceptions, such as vertical integration and tied house exemptions, have been part of government-to-government section 119 agreements between First Nations and the Province.

### Previous Licence Cap Engagement:

In 2023, the LCRB engaged, on the licence cap, with cannabis store licensees, Section 119 agreement holders, First Nations and Modern Treaty Nations, local governments and cannabis industry associations. The LCRB received 61 responses and most responses either supported no change to the licence cap or wanted to raise the licence cap. Now, with the broader review of market controls we are seeking updated input.

### Provincial Distance Criteria:

The LCRB has heard the cannabis industry advocating for a minimum distance between CRSs similar to the distancing requirement in B.C.'s liquor framework. This would potentially require CRSs to be a set distance from another CRS. The distance between CRSs can be based on different criteria, such a specific measurement or limiting the number of stores allowed in a specific area based on population. The current cannabis framework allows First Nations and local governments to set distancing rules for their communities. In acknowledgement of the role that First Nations and local governments play in shaping B.C. communities, the LCRB is committed to maintaining local authority.

### Retail Branded Cannabis Products:

The LCRB has heard that CRSs want to sell cannabis products with their own retail branding. Retail branded cannabis products are commonly known as “white label” or “private label” cannabis products.

We understand “white label” to mean a product that is produced by a Producer and then packaged and sold by retailers using their own branding. The specific product could be sold by multiple companies, and the labeling or branding would be specific to the retailer where the product is sold.

On the other hand, “private label” means a product that is produced by a Producer and packaged and sold using a specific company or retailer’s branding, opposed to multiple companies selling the same product under their brand.

## What's not Changing

The LCRB will continue to require a local government or Indigenous nation's recommendation on a proposed retail store location before approving or changing a cannabis store licence in their community.

Any potential changes to B.C.'s market controls must align with federal cannabis rules under the *Cannabis Act* and its regulations.

## Discussion Questions

The LCRB wants to hear your feedback on the following:

- the licence cap,
- minimum distancing rules between CRSs, and
- the sale of retail branded cannabis products in CRSs.

Feedback received will inform policy development for this project.

Please share your thoughts on the questions below. All questions may not be relevant to all participants. Comments not related to the questions will not be considered at this time. Your comments are confidential and will not be shared in a manner that identifies you.

### Licence Cap:

- How does the licence cap affect the cannabis industry in B.C.?
- Which of the following options do you most agree with (and why):
  - a) Keep the licence cap at 8.
  - b) Increase the licence cap to 12.
  - c) Increase the licence cap to 16.
  - d) Remove the licence cap.
  - e) Other (please specify).

### Retail Branded Cannabis Products:

If you are a provincially licensed retail store or a federally licensed producer:

- Is this something that would benefit your business as a cannabis retailer or federally licensed producer and why?
- Are you interested in partnerships to develop and sell retail branded cannabis products?
- Are there any restrictions or limitations that should be placed on retail branded cannabis products?

### Provincial Distance Criteria:

- In addition to any rules or requirements from First Nations or local governments, do you think the province should introduce a minimum distance rule between CRSs and why?
- Is there criteria that should be considered, such as:
  - a. CRSs must be a set distance (in meters or kilometers) from each other,
  - b. The distance between CRSs is based on population (e.g., no requirement for low-density areas and distance rules for high-density areas), and/or
  - c. The number of stores allowed in an area is based on population (e.g., the number of CRSs in high-density areas are limited to a specific number).
- If you are a community or municipality, what do you see as the benefits and challenges of a provincial distancing rule and why?

### Other Ideas:

- Given the existing market controls, are there any additional measures that could further support the cannabis industry in B.C.? Please provide specific suggestions or ideas that have not yet been considered.

## Submitting your Comments

Send your comments to [LCRB.Outreach@gov.bc.ca](mailto:LCRB.Outreach@gov.bc.ca) with the subject "Cannabis Market Controls Engagement." Email submissions are preferred.

**Submission deadline:** September 1, 2025

When submitting your comments, please include:

- Full name of the person submitting
- Name of the business/organization and licence number, if applicable
- Municipality, regional district or Indigenous nation in which your store or production facility is located
- Municipality, regional district or Indigenous nation in which you are submitting a response on behalf of, if applicable
- Phone number, including area code and reply email address

If you wish to provide comments by mail, you can send to:

Liquor and Cannabis Regulation Branch  
PO Box 9292 Stn Prov Govt

Victoria, BC V8W 9J8

## Collection Notice

By submitting a response to this consultation paper, I understand that my personal information is being collected pursuant to sections 26(c) and 26(e) of the *Freedom of Information and Protection of Privacy Act* for the purposes of sharing my views or the views of my organization in response to the questions outlined in the consultation paper. Any questions about the collection, use, disclosure and storage of my Personal Information pursuant to this engagement should be directed to the Communications Director, Liquor and Cannabis Regulation Branch at PO Box 9292 STN PROV GOVT, Victoria, B.C., V8W 9J8, or by phone at 236-478-0348.