



CANADA CANNABIS COMPLIANCE GUIDE

Includes a Fillable Compliance Checklist



Who We Are



Andrew Wilson

Chief Executive Officer, GrowerIQ

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“Compliance is not optional — it is the foundation every licensed cannabis operation is built on.”

GrowerIQ is the leading seed-to-sale cannabis compliance platform trusted by licensed producers across Canada and around the world. Our mission is to empower cannabis businesses to operate with confidence by embedding compliance directly into every cultivation, processing, and distribution workflow.

Founded in Canada, GrowerIQ understands the unique regulatory environment that licensed cannabis producers navigate every day. From Health Canada inspections to Cannabis Tracking System (CTS) reporting, our platform automates the compliance burden so our customers can focus on growing exceptional cannabis.

We built GrowerIQ because we believe that compliance should never be an obstacle to success — it should be a competitive advantage. With real-time tracking, automated reporting, and audit-ready documentation, GrowerIQ transforms regulatory obligations from a burden into a strength.

Our customers range from micro-cultivators to large-scale LPs, all benefiting from the same enterprise-grade compliance tools. Whether you are preparing for your first Health Canada inspection or streamlining your hundredth CTS submission, GrowerIQ is your partner in compliance excellence.

Canada Cannabis Compliance Guide

Canada's cannabis regulations are among the most comprehensive in the world. Every licensed producer — from micro-cultivators to large-scale operations — must navigate a complex web of record-keeping requirements, monthly reporting obligations, physical security mandates, and Good Production Practices (GPP) standards.

This guide distills the essential compliance obligations under the *Cannabis Act* and *Cannabis Regulations* into a clear, actionable reference. Whether you are an established LP or preparing for licensure, this guide will help you understand what Health Canada expects — and how to meet those expectations consistently.

IN THE GUIDE

A comprehensive overview of Canadian cannabis compliance covering the regulatory framework, licence types, core obligations, Health Canada inspections, and common compliance pitfalls — plus a fillable compliance checklist template.

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GrowerIQ can help you stay compliant and audit-ready!

Why Compliance Matters

In Canada, cannabis compliance is not merely a best practice — it is a legal requirement enforced through inspections, administrative penalties, and criminal sanctions. Health Canada's Regulatory Operations and Enforcement Branch actively monitors licence holders, conducting hundreds of inspections annually. Non-compliance can result in licence suspension, revocation, monetary penalties, or criminal prosecution.

889

Inspections conducted by Health Canada in 2024–2025

\$250K+

Maximum administrative monetary penalty per violation

\$5M

Maximum criminal fine under the Cannabis Act

"A Canadian cultivator had its licence suspended after an inspection found critical inventory control failures."

— Health Canada / MJBizDaily

Compliance Risks

- Licence suspension or revocation by Health Canada
- Administrative monetary penalties up to \$250,000 per violation
- Criminal charges with fines up to \$5 million
- Seizure and detention of cannabis products
- Mandatory product recalls
- Prohibition from holding future licences
- Increased inspection frequency and scrutiny
- Public disclosure of enforcement actions

Business Impacts

- Revenue loss during licence suspension periods
- Destruction of non-compliant inventory
- Reputational damage with retail and distribution partners
- Loss of investor and stakeholder confidence
- Increased insurance premiums
- Legal costs from enforcement proceedings
- Operational disruption during corrective actions
- Difficulty securing provincial distribution agreements

The Regulatory Framework

Canada legalized non-medical cannabis on October 17, 2018, through the *Cannabis Act* (Bill C-45). The Act establishes the legal framework for controlling the production, distribution, sale, and possession of cannabis. The detailed operational requirements are set out in the *Cannabis Regulations* (SOR/2018-144), which serve as the day-to-day rulebook for all licence holders.

“The March 2025 streamlining amendments represent the most significant regulatory update since legalization, simplifying security and reporting requirements for licence holders.”

Key Regulatory Facts

Cannabis Act (Bill C-45)

In force since October 17, 2018. Establishes the legal framework for cannabis production, distribution, sale, and possession in Canada. Amended in October 2019 to include edibles, extracts, and topicals.

Cannabis Regulations (SOR/2018-144)

The operational rulebook for licence holders. Covers licensing, security, GPP, record-keeping, reporting, packaging, labelling, and much more. Regularly amended — most recently in March 2025.

Regulator: Health Canada

The Regulatory Operations and Enforcement Branch (ROEB) within Health Canada is responsible for licensing, inspections, and enforcement. All licence applications, amendments, and reports go through Health Canada.

Annual Inspections

Health Canada conducted 889 inspections in 2024–2025, averaging more than 2 inspections every business day. Inspections can be announced or unannounced.

March 2025 Streamlining Amendments

Improved security, record-keeping, and reporting requirements. Reduced administrative burden while maintaining safety standards. Includes updated CTS reporting and revised security specifications.

Who Needs to Comply?

Health Canada issues several types of federal cannabis licences under the *Cannabis Regulations*. Each licence type authorizes specific activities and is subject to defined limits. All licence holders — regardless of type or scale — must comply with the full spectrum of regulatory obligations, including GPP, record-keeping, CTS reporting, security, and packaging requirements.

Licence Type	Authorized Activities	Key Limits
Standard Cultivation	Large-scale growing, harvesting, drying, trimming, and milling of cannabis	No canopy limit; must report to CTS
Micro-Cultivation	Small-scale growing, harvesting, drying, trimming, and milling	Up to 200 m ² total canopy area
Nursery	Propagation of seeds, seedlings, clones, and production of pollen	50 m ² flowering canopy for seed production
Standard Processing	Manufacturing of all cannabis product forms including edibles, extracts, and topicals	No possession limit
Micro-Processing	Small-scale processing of cannabis products	600 kg dried cannabis equivalent
Analytical Testing	Laboratory testing of cannabis for quality assurance purposes	N/A
Research	Scientific research involving cannabis	N/A

Standard vs. Micro Licences

Micro-class licences (cultivation and processing) were introduced to lower barriers to entry for small operators. While micro-licence holders face the same compliance obligations as standard licence holders, they benefit from reduced fees and simplified security requirements in some areas. The March 2025 amendments further streamlined requirements for micro-class licensees.

Provincial & Territorial Requirements

In addition to federal requirements, each province and territory has its own cannabis regulations governing distribution and retail. Licensed producers must comply with both federal and provincial/territorial requirements, including provincial distribution agreements, quality standards, and additional labelling or testing requirements specific to their jurisdiction.

Core Compliance Obligations

1 Good Production Practices (GPP)

All licence holders must implement and maintain GPP standards as set out in Division 2 of the Cannabis Regulations. This includes documented Standard Operating Procedures (SOPs) for every process, comprehensive sanitation and hygiene programs, designation of a qualified Quality Assurance Person (QAP), ongoing staff training and competency records, and regular equipment calibration and maintenance documentation.

2 Record-Keeping

Cannabis Regulations require a minimum 2-year retention period for all records. This encompasses cultivation records (planting dates, plant counts, canopy measurements), harvest records (weights, lot numbers, dates), processing batch records with QAP sign-off, destruction records with witness signatures and reason codes, sales and distribution records, and inventory reconciliation documentation.

3 CTS Monthly Reporting

Licence holders must submit monthly reports to Health Canada's Cannabis Tracking System (CTS) by the 15th of each month. Reports include opening and closing inventory balances, all product category movements (dried, fresh, extracts, edibles, topicals), and production/processing volumes. Event-based reports must also be submitted within required timeframes for incidents such as theft, loss, or unplanned destruction.

4 Physical Security

All licensed facilities must meet Health Canada's physical security requirements, including vault or vault-equivalent storage meeting specified construction standards, perimeter intrusion detection systems, visual recording devices covering all areas where cannabis is present, and personnel security clearances for all individuals with access to cannabis (valid for 5 years, renewable). Access control logs must be maintained at all times.

5 Packaging & Labelling

Cannabis products must meet strict plain packaging requirements: standardized colours, child-resistant closures, and mandatory label elements including THC/CBD content, lot/batch numbers, health warnings, and producer information. All label content must match Certificates of Analysis. The **March 12, 2026 deadline** requires all LPs to transition to the updated label format — non-compliant products cannot be sold after this date.

Health Canada Inspections

Health Canada's inspectors conduct both announced and unannounced site visits to verify compliance with the *Cannabis Act* and *Cannabis Regulations*. Inspections are thorough, covering every aspect of a licence holder's operations from documentation to physical inventory verification.

What Inspectors Examine

- ✓ **Records and documentation** — Cultivation logs, batch records, destruction records, SOPs, training documentation
- ✓ **Physical inventory vs. CTS records** — Reconciliation of on-hand inventory with reported CTS balances
- ✓ **GPP compliance** — Sanitation, hygiene, QAP qualifications, equipment calibration
- ✓ **Security systems** — Vault specifications, perimeter detection, camera coverage, access control
- ✓ **Packaging and labelling** — Compliance with plain packaging, mandatory label elements, child-resistant closures
- ✓ **Staff qualifications** — Personnel security clearances, training records, QAP credentials

Observation Classifications

Critical

Immediate risk to public health or safety. Requires immediate corrective action. May result in licence suspension, product seizure, or criminal referral.

Major

Significant non-compliance that could compromise product quality or public safety. Requires corrective action within a specified timeframe. May result in administrative monetary penalties.

Minor

Low-risk non-compliance that does not directly compromise safety. Requires correction but typically results in a warning or recommendation. May escalate if not addressed.

“Health Canada conducted 889 inspections in 2024–2025 — an average of more than 2 inspections every business day.”

Common Compliance Failures

Health Canada inspection reports reveal consistent patterns of non-compliance across the industry. Understanding these common failures helps licence holders prioritize their compliance efforts and avoid costly enforcement actions.



Record-Keeping Gaps

Missing or incomplete records are the most common compliance failure identified during Health Canada inspections. Every cultivation event (planting, transplanting, harvesting), processing step, destruction event, and inventory movement must be documented with dates, quantities, personnel involved, and lot/batch identifiers. Gaps in documentation create a chain-of-custody break that inspectors flag immediately.



CTS Reporting Errors

Late or inaccurate monthly CTS submissions are a frequent trigger for enforcement action. Common errors include missing the 15th-of-the-month deadline, reporting inventory balances that don't match physical counts, omitting product categories, and failing to submit event-based reports for theft, loss, or unplanned destruction within the required timeframes. Ensure data is reconciled before each submission.



Packaging & Labelling Violations

Incorrect THC/CBD figures, missing mandatory label elements, or non-compliant package design can result in product recalls and administrative penalties. Common issues include discrepancies between label values and Certificates of Analysis, missing bilingual health warnings, incorrect standardized cannabis symbol placement, and non-compliant colour schemes. The **March 12, 2026** label format transition deadline affects all LPs — products with non-compliant labels cannot be sold after this date.



Security Deficiencies

Expired personnel security clearances, vaults that don't meet Health Canada's construction specifications, inadequate camera coverage, or breached perimeter controls are common inspection findings. Security clearances are valid for 5 years and must be renewed proactively — operating with expired clearances is a violation. Facility modifications must be reported and approved before implementation. All access logs must be complete and available for inspection.

“The best compliance programs don't just react to inspections — they build compliance into daily operations so that every record, every report, and every process is always audit-ready.”

Compliance Checklist Template

Facility: **GreenLeaf LP** Period: **Q1 2026** Completed By: **Compliance Officer**

Compliance Item	Status	Notes
GPP & Quality Management		
<input checked="" type="checkbox"/> Quality Management System (QMS) documented and current	Compliant	Updated Jan 2026
<input checked="" type="checkbox"/> Standard Operating Procedures (SOPs) in place for all processes	Compliant	42 SOPs active
<input checked="" type="checkbox"/> Quality Assurance Person (QAP) designated and qualified	Compliant	J. Smith, M.Sc.
<input checked="" type="checkbox"/> Staff training records maintained and up to date	Compliant	18 staff trained
<input checked="" type="checkbox"/> Equipment calibration records current	Compliant	Last cal: Feb 2026
Record-Keeping		
<input checked="" type="checkbox"/> Cultivation records complete (planting dates, plant counts, canopy measurements)	Compliant	
<input checked="" type="checkbox"/> Harvest records accurate (weights, lot numbers, dates)	Compliant	
<input checked="" type="checkbox"/> Processing batch records complete with QAP sign-off	Compliant	
<input checked="" type="checkbox"/> Destruction records include witness signatures and reason codes	Compliant	
<input checked="" type="checkbox"/> All records retained for minimum 2 years	Compliant	Since Oct 2024
CTS Monthly Reporting		
<input checked="" type="checkbox"/> Monthly report submitted by the 15th of each month	Compliant	Auto via GrowerIQ
<input checked="" type="checkbox"/> Opening and closing inventory balances reconciled	Compliant	
<input checked="" type="checkbox"/> All product categories reported (dried, fresh, extracts, edibles, topicals)	Compliant	
<input checked="" type="checkbox"/> Event-based reports submitted within required timeframes	Compliant	0 incidents Q1
Physical Security		
<input checked="" type="checkbox"/> Vault security meets Health Canada specifications	Compliant	
<input checked="" type="checkbox"/> Perimeter security system functional and documented	Compliant	Tested monthly
<input checked="" type="checkbox"/> All personnel security clearances current (valid for 5 years)	Compliant	Next renewal: 2028
<input checked="" type="checkbox"/> Access control logs maintained	Compliant	
Packaging & Labelling		
<input checked="" type="checkbox"/> All packaging meets plain packaging requirements	Compliant	
<input checked="" type="checkbox"/> Child-resistant closures functioning on all applicable products	Compliant	
<input checked="" type="checkbox"/> Mandatory label elements present on all products	Compliant	
<input checked="" type="checkbox"/> THC/CBD content accurate and matches COA	Compliant	
<input checked="" type="checkbox"/> Lot/batch number on all packages traceable to production records	Compliant	
<input checked="" type="checkbox"/> Label format updated for March 12, 2026 deadline	In Progress	Due by Mar 12

See blank fillable template on the next page.

Compliance Checklist

Facility: _____ Period: _____ Completed By: _____

Compliance Item	Status	Notes
GPP & Quality Management		
<input type="checkbox"/> Quality Management System (QMS) documented and current		
<input type="checkbox"/> Standard Operating Procedures (SOPs) in place for all processes		
<input type="checkbox"/> Quality Assurance Person (QAP) designated and qualified		
<input type="checkbox"/> Staff training records maintained and up to date		
<input type="checkbox"/> Equipment calibration records current		
Record-Keeping		
<input type="checkbox"/> Cultivation records complete (planting dates, plant counts, canopy measurements)		
<input type="checkbox"/> Harvest records accurate (weights, lot numbers, dates)		
<input type="checkbox"/> Processing batch records complete with QAP sign-off		
<input type="checkbox"/> Destruction records include witness signatures and reason codes		
<input type="checkbox"/> All records retained for minimum 2 years		
CTS Monthly Reporting		
<input type="checkbox"/> Monthly report submitted by the 15th of each month		
<input type="checkbox"/> Opening and closing inventory balances reconciled		
<input type="checkbox"/> All product categories reported (dried, fresh, extracts, edibles, topicals)		
<input type="checkbox"/> Event-based reports submitted within required timeframes (theft, loss, destruction)		
Physical Security		
<input type="checkbox"/> Vault security meets Health Canada specifications		
<input type="checkbox"/> Perimeter security system functional and documented		
<input type="checkbox"/> All personnel security clearances current (valid for 5 years)		
<input type="checkbox"/> Access control logs maintained		
Packaging & Labelling		
<input type="checkbox"/> All packaging meets plain packaging requirements		
<input type="checkbox"/> Child-resistant closures functioning on all applicable products		
<input type="checkbox"/> Mandatory label elements present on all products		
<input type="checkbox"/> THC/CBD content accurate and matches COA		
<input type="checkbox"/> Lot/batch number on all packages traceable to production records		
<input type="checkbox"/> Label format updated for March 12, 2026 deadline		

Instructions: Complete this checklist quarterly (or more frequently) as part of your internal compliance audit program. For each item, mark the checkbox, record the compliance status (Compliant / In Progress / Non-Compliant), and add notes as needed. Retain completed checklists for a minimum of 2 years in accordance with Cannabis Regulations record-keeping requirements.

By connecting GrowerIQ to your compliance workflow, you can monitor and manage all obligations from one interface. Our platform integrates seamlessly with Health Canada's Cannabis Tracking System, automates monthly reporting, and maintains audit-ready records for every cultivation, processing, and distribution event.

GrowerIQ can help you stay compliant and audit-ready!

“GrowerIQ offers us the tools to move along the data-driven path, with the compliance baked right in.”

— 309Lab, Licensed Micro-Cultivator

Compliance Made Easy

GrowerIQ is purpose-built to make cannabis compliance simple, reliable, and automatic. Our seed-to-sale platform replaces spreadsheets, manual logs, and disconnected systems with a single source of truth for every compliance obligation under the *Cannabis Act* and *Cannabis Regulations*.

Key Features

- ✓ **Automated CTS/CTLS Monthly Reports**
Generate and submit CTS reports directly from GrowerIQ. Data is pre-reconciled to eliminate errors and meet the 15th-of-the-month deadline every time.
- ✓ **Lot and Batch Tracking from Seed to Sale**
Complete chain of custody for every plant, lot, and product — from planting through harvest, processing, packaging, and distribution.
- ✓ **Digital GPP Documentation and SOPs**
Create, manage, and version-control all Standard Operating Procedures and quality management documentation within the platform.
- ✓ **Audit-Ready Record Retention**
All records are automatically retained, timestamped, and searchable. Pull any record for any date range in seconds during an inspection.
- ✓ **Inspection Preparation Checklists**
Built-in checklists help you prepare for Health Canada inspections by verifying every compliance area before inspectors arrive.

Ready to simplify compliance?

Book a demo to see GrowerIQ in action.

groweriq.ca/demo

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