



# **Federal Compliance Reporting - Technical Specification**

Revision 2.A

Copyright © 2018 Alberta Gaming & Liquor Commission

No portion of this publication may be reproduced, transmitted, stored in a retrieval system, transmitted into any human or computer language, in any form or by any other means, electronic, mechanical, magnetic, optical, chemical, manual, or otherwise, without prior written consent from the Alberta Gaming & Liquor Commission.

## Table of Contents

Overview .....	1
Retail Store Prerequisites.....	1
Product Categories and Definitions.....	2
Retail Store Reporting Requirements.....	2
Definitions and Contents .....	4
Federal Compliance Report Template .....	7
Reporting Requirements.....	9
Failure to Submit .....	9
Failure to Submit by 10 <sup>th</sup> Day of Calendar Month .....	9



## Overview

As Alberta's designated cannabis regulator, the Alberta Gaming, Liquor and Cannabis Commission (AGLC) is federally mandated by the Government of Canada to submit monthly reports that detail the movement of cannabis across its provincial supply chain. The AGLC is required to track/report/submit:

- Cannabis transactions that occur within the scope of its own retail and distribution operations.
- The operations of all Alberta licenced cannabis retail stores.

Therefore, each Alberta licenced cannabis retail store is required to track and submit data to the AGLC that details the movement of cannabis from distributors-to-retailers-to-consumers on a monthly basis. These reports will be collected and stored by the AGLC in order to:

- perform:
  - audits;
  - inspections;
  - regulatory compliance checks;
- enhance the AGLC's systems/operations;
- send information to Health Canada and Statistics Canada on the retailer's behalf.

This document outlines the responsibilities of retail cannabis store licensees that are necessary to comply with the Canadian Federal Government's requirements for tracking and reporting on cannabis products (Federal Compliance Reporting).

Retailers (licensees) must read and understand the contents of this document before they set up their cannabis retail operations. This is necessary to comply with federal legislation related to the sale and distribution of recreational cannabis and AGLC board policy.

The AGLC will only track and collect data related to **finished inventory** cannabis products<sup>1</sup>. These products are defined in section **Product Categories and Definitions** on page 2.

## Retail Store Prerequisites

In order to meet the Government of Canada's requirements for Federal Compliance Reporting, licensees must ensure they properly track, report, and submit cannabis transactional data to the AGLC on a monthly basis. This report requirement must continue for duration of a cannabis retail store's operations. Licensees are required to:

- **Set up business systems to properly capture and report required data** –Cannabis retail stores must setup their point-of-sale (POS) and perpetual inventory systems in alignment with the data requirements mandated by the AGLC and Government of Canada. Both the POS and perpetual inventory systems must collect, organize, and report data in alignment with the Cannabis Retailer Monthly Federal Compliance Report;
- **Assign staff roles and responsibilities** – Cannabis retail stores will be required to assign a member of their staff to login into the AGLC's **Cannabis Portal** and submit the completed Cannabis Retailer Federal Compliance

---

<sup>1</sup> **Fresh cannabis** is defined as freshly harvested cannabis buds and leaves, but does not include plant material that can be used to propagate cannabis. **Vegetative cannabis** is defined as *finished inventory* by Health Canada. However, neither of these are cannabis types within the scope of cannabis sales within Alberta, at this time.

Reporting Template (refer to the section **Federal Compliance Report Template** on page 7 for more information) by 11:59 pm on the tenth day of the subsequent calendar month;

- **Comply with the report submission process** – Each cannabis retail store will have its own set of credentials needed to access the AGLC Cannabis Retailer Portal (these credentials will be provided as part of the **Welcome Package**). The **Federal Compliance Reporting** page of the **AGLC Cannabis Retailer Portal** is where a user can submit their draft or completed Federal Compliance report. Cannabis retail chains can assign a single user as the person who will submit the Federal Compliance Report on behalf of all stores. Detailed information and instructions on how to submit a draft or completed Cannabis Retailer Monthly Federal Compliance Report can be found in the *Cannabis Retailer Federal Compliance Reporting – User Guide*, included in the **Welcome Package**.

**Note:** Each store in a retail chain must submit its own individual Cannabis Retailer Monthly Federal Compliance Report. A retail chain cannot submit a single report that aggregates the data for multiple cannabis retail stores. However, a retail chain may elect to designate a single user to submit a report on a completed report for each of the retail stores on their behalf (i.e., if a retail chain has a total of 10 stores, they can designate a single user to submit 10 reports, each of which correspond to a store within their retail chain).

## Product Categories and Definitions

Alberta cannabis retail stores must track and report on all relevant transactions that fall within the scope of the product categories defined in the following table.

Product Category	Definition
Dried cannabis	Any part of a cannabis plant that has been subjected to a drying process, other than seeds.
Cannabis oil	An oil that contains anything referred to in items 1 and 3 of Schedule 1 to the Act, and that is in liquid phase at a temperature of $22 \pm 2^{\circ}\text{C}$ .
Cannabis seeds	A viable seed from a cannabis plant.

Retailers are not required to track, report, and submit data to the AGLC related to cannabis accessories such as:

- smoking apparatus;
- vaporizers;
- cannabis storage;
- other similar and related cannabis accessories.

## Retail Store Reporting Requirements

The following section details the mandatory requirements for each Alberta licenced cannabis retail store as it pertains to Federal Compliance Reporting. All licensees must:

- Maintain an electronic/software-based perpetual inventory system that tracks all cannabis products purchased, stocked, and sold;
- Be able to track cannabis inventory by lot number;

## Federal Compliance Reporting - Technical Specification

---

- Use a point-of-sale (POS) payment system that is integrated with the electronic/software-based perpetual inventory system which keeps track of cannabis product inventory in near-real time;
- Backup any and all data which flows through their POS and electronic/software-based perpetual inventory system weekly and in a secure manner;
- Use the AGLC provided stock keeping unit (SKU) as a key reference within their electronic/software-based inventory tracking system;
- Track cannabis product data to the AGLC. The product data must span the first day of a calendar month, starting at 12:01am until the very last day of calendar month, finishing at 11:59pm. Cannabis retail establishments **cannot** report in accordance to their own prescribed fiscal or operational monthly durations.
- Complete **Cannabis Retailer Monthly Federal Compliance Reports** for every calendar month, in their entirety and in compliance with the contents of submission detailed in the section **Definitions and Contents** on page 4;
- Complete **Cannabis Retailer Monthly Federal Compliance Report(s)** to reflect the operations of the cannabis retail establishment for the month prior to when the report is submitted. For example, a submission detailing figures and values for the month of January must be submitted between February 1<sup>st</sup> and February 10<sup>th</sup>;
- Submit completed **Cannabis Retailer Monthly Federal Compliance Report** to the AGLC, via the Cannabis Retailer Portal, every month **before 11:59pm** of the **tenth** (10<sup>th</sup>) day of that calendar month;
- Complete the **Cannabis Retailer Monthly Federal Compliance Report** templates per the instructions detailed in the section **Federal Compliance Report Template** on page 7;
- Report products to the AGLC on a per **each**<sup>2</sup> basis;
- Report submissions are required once a cannabis retail license has been activated. Submit a **Cannabis Retailer Monthly Federal Compliance Report**, regardless of whether or not they are in possession of cannabis products;
- Submit a **Cannabis Retailer Monthly Federal Compliance Report** regardless of whether or not there were sales and/or inventory changes that occurred within a calendar month(s);
- Submit a **Cannabis Retailer Monthly Federal Compliance Report**, regardless if their cannabis license is under **suspension**;
- Submit a **Cannabis Retailer Monthly Federal Compliance Report**, as long as license status is **active**;
- Submit a **Cannabis Retailer Monthly Federal Compliance Report** while owning products, even if the license status is **terminated**;
- Submit a separate report for each cannabis retail establishment in operation. This is applicable only to retail-chains which have multiple stores under the same name and/or brand;
- Report losses and/or thefts to the AGLC within **ten** (10) days of detection;
- Comply with all relevant Canadian Federal and Provincial cannabis legislation as it pertains to Federal Compliance Reporting as detailed in the **Reporting Requirements** section on page 9 of this document.

---

<sup>2</sup> An each is a term used to describe the base unit of a product. For example, if a product is purchased by a retailer as a case that holds 12 units, that case would have a total of **12 eaches**. When reporting to the AGLC every month, the cannabis retailers must record and submit their inventory figures in accordance with the total number of eaches having a specific stock keeping unit (SKU). Eaches must be entered into the **Units** columns of the **Alberta Cannabis Monthly Federal Compliance Report** form.

## Definitions and Contents

The Cannabis Retailer Monthly Federal Compliance Report is made up of two (2) sets of information that will be submitted separately via the Cannabis Retailer Portal. They are as follows:

- **General Information** (entered and submitted via **Cannabis Retailer Portal** web page) – This refers to data elements that do not directly track the movement of the cannabis inventory. This information is specific to the number of employees employed at the end of the calendar month by the cannabis retail store. Employees are defined as persons who, during the reference period, were employed at the reporting facility, regardless of the number of hours worked. Definitions of the data fields required by the corresponding section of the **Federal Compliance Reporting** page are as follows:

Data Element	Definition
Management	Includes senior and middle management employees.
Administrative	Includes financial, business, administrative, clerical, supervision, and support services employees.
Sales	Includes retail and wholesale sales, and customer service employees.
Production	Includes supervisory, production, and general labour employees.
Other	Includes all other employees.

**Note:** The values submitted for these data fields must correspond to the retail store. In the event a retail chain has an employee working across multiple retail stores, they will need to determine where it is best to assign that resource. This is due to Health Canada not accepting decimals in its submission (i.e., a retailer cannot list a resource to be 0.5 at one location and 0.5 at another location to indicate they work half time at one location and half time at another location).

- **Monthly Product Summary Information (submitted via Excel based template)** – This refers to data elements associated with cannabis product(s) or stock received by, shipped from, or sold by a cannabis retail store. The cannabis product(s) or stock units must have the Canada Revenue Agency (CRA) stamp applied; otherwise, it does not fall within the scope of Federal Compliance Reporting. If a CRA stamp is not found on a product it is not in compliance with Canadian Federal regulations and cannot be sold, stocked, or held in inventory. The table on the following page(s) details the required data elements featured in the Federal Compliance Report in addition to:
  - definitions;
  - field type;
  - formulas;
  - data field/validation requirements.



## Federal Compliance Reporting - Technical Specification

Data Element	Definition	Field Type	Formula	Data Field / Validation Requirements
<b>Product Stock Keeping Unit (SKU)</b>	This is the unique product identifier assigned to cannabis products purchased from the AGLC. The retailer's system must reference the SKU provided by the AGLC in their perpetual inventory system.	Alpha-numeric	N/A	Alpha-numeric. Matches the pattern: <b>CNB-#####</b>
<b>Opening Inventory (Units)</b>	This is the level of inventory or volume of product, in eaches, of a particular product or SKU at the beginning of a calendar month.	Numeric	$(\text{Opening Inventory}) = (\text{Last Month's Opening Inventory}) + (\text{Last Month's Purchases}) + (\text{Last Month's Returns}) - (\text{Last Month's Returns to AGLC}) - (\text{Last Month's Sales}) - (\text{Last Month's Destructions}) - (\text{Last Month's Theft/Lost Products}) + (\text{Last Month's Other Additions}) - (\text{Last Month's Other Reductions})$	A number ranging from <b>0</b> to <b>1,000,000</b>
<b>Opening Inventory (Value)</b>	This is the total retail value, <b>net of sales tax</b> , of inventory or eaches of a particular product or SKU at the beginning of a calendar month.	Numeric	$(\text{Opening Inventory}) = (\text{Last Month's Opening Inventory}) + (\text{Last Month's Purchases}) + (\text{Last Month's Returns}) - (\text{Last Month's Returns to AGLC}) - (\text{Last Month's Sales}) - (\text{Last Month's Destructions}) - (\text{Last Month's Thefts}) + (\text{Last Month's Other Additions}) - (\text{Last Month's Other Reductions})$	A number ranging from <b>\$0</b> to <b>\$999,999,999</b> with a maximum of <b>two</b> decimal points
<b>Quantity Purchased (Units)</b>	This is the total number of eaches purchased within a calendar month for a given SKU. This figure must not include any inventory maintained or purchased in a prior month(s). It must include only purchases that occurred during the reported month.	Numeric	$(\text{Quantity Purchased}) = (\text{All purchased eaches of a given SKU within the reported calendar month})$  *Any returns/destructions/loss of a product should not be taken into account for this calculation. This includes any purchases from prior months.	A number ranging from <b>0</b> to <b>1,000,000</b>
<b>Quantity Purchased (Value)</b>	This is the total retail value, <b>net of sales tax</b> , of eaches purchased within a calendar month for a SKU. This figure must not include any inventory maintained or purchased in a prior month(s). It must include only purchases that occurred during the reported month.	Numeric	$(\text{Quantity Purchased}) = (\text{The retail value of all purchased eaches of a given product or SKU within the reported calendar month})$  *Any returns/destructions/loss of a product should not be taken into account for this calculation. This includes any purchases from prior months.	A number ranging from <b>\$0</b> to <b>\$999,999,999</b> with a maximum of <b>two</b> decimal points
<b>Returns from Customers (Units)</b>	This is the total number of a SKU returned by retail customers to a retail store in a given calendar month in eaches. This value should only account for customer returns and <b>not</b> returns to the AGLC.	Numeric	$(\text{Returns from Customers}) = (\text{All returned eaches, of a given product, within a calendar month})$  *Any returns to the AGLC should not be accounted for in this calculation and if a return results in a destruction, the initial return must be accounted for in this calculation.	A number ranging from <b>0</b> to <b>1,000,000</b>
<b>Returns from Customers (Value)</b>	This is the total retail value, <b>net of sales tax</b> , of a SKU returned by retail customers to a retail store in a given calendar month. This value should reflect only account for customer returns and <b>not</b> returns to the AGLC.	Numeric	$(\text{Returns from Customers}) = (\text{The retail value of all returned eaches of a given product within a calendar month})$	A number ranging from <b>0</b> to <b>1,000,000</b> with a maximum of <b>two</b> decimal points

			*Any returns to the AGLC should not be accounted for in this calculation and if a return results in a destruction, the initial return must be accounted for in this calculation.	
<b>Other Additions (Units)</b>	The total number of a SKU in eaches added to a cannabis retail establishment's inventory that does <b>not</b> fall within the scope of <b>purchase</b> or <b>return</b> . In this instance, the volume or number of products is above what the cannabis retail establishment purchased and; therefore, cannot be recorded as a purchase as there is no financial transaction to prove it occurred. This could, for example, include products that are delivered to a retail store as a result of an <b>over shipment</b> .	Numeric	(Other Additions) = (All product eaches, of a given cannabis product, which are received by a cannabis retail establishment that are not a purchase or return)	A number ranging from <b>0</b> to <b>1,000,000</b>
<b>Other Additions (Value)</b>	This is the retail value, <b>net of sales tax</b> , of any addition(s) to a retail store's inventory above what they purchased. For example, this may include product that is delivered to a retail store as a result of an <b>over shipment</b> .	Numeric	(Other Additions) = (All eaches, of a given product, which are accounted for at a retail establishment and received via legal means)	A number ranging from <b>\$0</b> to <b>\$999,999,999</b> with a maximum of <b>two</b> decimal points
<b>Quantity Sold (Units)</b>	This is the total number of a SKUs sold by a cannabis retail establishment in a given calendar month to consumers.	Numeric	(Quantity Sold) = (All eaches of a given SKU sold within a calendar month)	A number ranging from <b>0</b> to <b>1,000,000</b>
<b>Quantity Sold (Value)</b>	This is the total retail value, <b>net of sales tax</b> , of a SKU sold by a cannabis retail establishment in a given calendar month to consumers.	Numeric	(Quantity Sold) = (All eaches, of a SKU, recorded in the total number of eaches sold within a calendar month)	A number ranging from <b>\$0</b> to <b>\$999,999,999</b> with a maximum of <b>two</b> decimal points
<b>Quantity Destroyed (Units)</b>	This is the total number of eaches of a SKU that has been: <ul style="list-style-type: none"> <li>returned by consumers and subsequently destroyed;</li> <li>destroyed as a result of being deemed unable to sell;</li> <li>destroyed due to expiry as a result of being used for promotional purposes.</li> </ul> This field should only account for SKUs destroyed on the premise of a cannabis retail establishment and <b>does not</b> include product sent back to the AGLC for destruction.	Numeric	(Quantity Destroyed) = (All eaches of a given product or SKU destroyed on the premises of a cannabis retail establishment within a calendar month)	A number ranging from <b>0</b> to <b>1,000,000</b>
<b>Quantity Destroyed (Value)</b>	This is the total retail value, <b>net of sales tax</b> , of a SKU that has been: <ul style="list-style-type: none"> <li>returned by consumers and subsequently destroyed;</li> <li>destroyed as a result of being deemed unable to sell;</li> <li>destroyed due to expiry as a result of being used for promotional purposes.</li> </ul> This field should only account for SKUs destroyed on the premise of a cannabis retail establishment and <b>does not</b> include product sent back to the AGLC for destruction.	Numeric	(Quantity Destroyed) = (The retail value of all eaches of a given product or SKU destroyed on the premises of a cannabis retail establishment within a calendar month)	A number ranging from <b>\$0</b> to <b>\$999,999,999</b> with a maximum of <b>two</b> decimal points

## Federal Compliance Reporting - Technical Specification

<b>Quantity Lost / Theft (Units)</b>	This is the number of eaches of a SKU that is subject to criminal theft or is lost within a calendar month.	Numeric	(Quantity Lost / Theft) = (The retail value of eaches of a given product or SKU subject to criminal theft within a calendar month) + (Eaches of a given product or SKU that is lost within a calendar month)	A number ranging from <b>0</b> to <b>1,000,000</b>
<b>Quantity Lost/Theft (Value)</b>	The retail value, <b>net of sales tax</b> , of a SKU that is subject to criminal theft or is lost within a calendar month.	Numeric	(Quantity Lost / Theft) = (The retail value of eaches of a given product or SKU subject to criminal theft within a calendar month) + (Eaches of a given product or SKU that is lost within a calendar month)	A number ranging from <b>\$0</b> to <b>\$999,999,999</b> with a maximum of <b>two</b> decimal points
<b>Returns to AGLC (Units)</b>	The total number of a SKU of a given product returned to the AGLC, recorded numerically as eaches, by a cannabis retail establishment within a calendar month.	Numeric	(Returns) = (Total number of eaches of a SKU returned to a cannabis retail establishment, with in a calendar month)  *This calculation should take into account all returns which arrive at the store. In the event that a return is destroyed by the AGLC, it should still be accounted for in this calculation.	A number ranging from <b>0</b> to <b>1,000,000</b>
<b>Returns to AGLC (Value)</b>	The total retail value, <b>net of sales tax</b> , of a SKU of a given product returned to the AGLC by a cannabis retail establishment within a calendar month.	Numeric	(Returns) = (Product eaches of a given product or SKU returned to a cannabis retail establishment)  *This calculation should take into account all returns which arrive at the store. In the event that a return is destroyed by the AGLC, it should still be accounted for in this figure.	A number ranging from <b>\$0</b> to <b>\$999,999,999</b> with a maximum of <b>two</b> decimal points
<b>Other Reductions (Units)</b>	Any reduction(s) to a retail store's product inventory (i.e., SKUs), accounted for numerically in eaches, which are no longer accounted for by a cannabis retail establishment due to unforeseen reasons.	Numeric	(Other Reductions) = (All eaches of a given product which are unaccounted for at a retail establishment within a calendar month)	A number ranging from <b>0</b> to <b>1,000,000</b>
<b>Other Reductions (Value)</b>	The retail value, <b>net of sales tax</b> , of any reduction(s) to a retail store's SKU of a given product which are no longer accounted for by a cannabis retail establishment due to unforeseen reasons.	Numeric	(Other Reductions) = (The total retail value of all eaches of a given product which are unaccounted for at a retail establishment within a calendar month)	A number ranging from <b>\$0</b> to <b>\$999,999,999</b> with a maximum of <b>two</b> decimal points

## Federal Compliance Report Template

A downloadable copy of the **Cannabis Retailer Monthly Federal Compliance Report** template is available via the **AGLC Cannabis Portal**. Figure 1 on page 8 shows the **Cannabis Retailer Monthly Federal Compliance Report** template, including all columns that must be completed by a cannabis retail establishment.



Alberta Cannabis Retailer Federal Compliance Report - Template

Product SKU	Opening Inventory - Units	Opening Inventory - Value	Quantity Purchased - Units	Quantity Purchased - Value	Returns from Customers - Units	Returns from Customers - Value	Other Additions - Units	Other Additions - Value	Quantity Sold - Units	Quantity Sold - Value	Quantity Destroyed - Units	Quantity Destroyed - Value	Quantity Lost/Theft - Units	Quantity Lost/Theft - Value	Returns to AGLC - Units	Returns to AGLC - Value	Other Reductions - Units	Other Reductions - Value

Figure 1 – Cannabis Retailer Monthly Federal Compliance Report Template

Cannabis retail establishments must note and account for the following when completing the template:

- Do not modify the top rows four (4) rows of the template. Do not delete rows, modify the language used in the template, change the order of any columns, add rows to the first four rows, merge cells, or any modifications;
- Columns and rows may be widened or shrunk; however, they cannot be merged or reordered;
- Additional rows may be added after row thirty three (33) in the event that they are needed to account for additional product SKUs. Blank rows will be ignored and; therefore, do not need to be removed;
- When entering data into the form, special characters (dollar signs, commas, decimal points) may be used in the **value** related columns but not in the **units** columns;
- If there is no value to report for a given field, enter a zero (0) value;
- Only report as per the requirements of the template. Do not add additional fields, comments, or report on metrics that are not explicitly required.

## Reporting Requirements

The guidelines listed below must be followed when calculating values submitted on the monthly **Cannabis Retailer Monthly Federal Compliance Report**:

- Cannabis products purchased during a calendar month, but not physically received by the retailer until the following month, can only be reported when the product is signed for and physically received into a cannabis retail store's inventory;
- Cannabis products returned to the distributor (i.e., AGLC) are the responsibility of and owned by the cannabis retailer until the distributor physically receives them. If a cannabis retail store returns cannabis products to a distributor, and the distributor does not receive them before the end of the calendar month, the cannabis retail store must account for those products in the following month's opening inventory;
- Cannabis products must be reported to the AGLC in the same quantity and measurement of each(es) in which they were purchased. For example, if 10 eaches of a product were purchased from the AGLC and the individual product each weighed 3.5 grams, the product cannot be reported back as 35 eaches of 1 gram each, nor can it be reported as 1 each, weighing 35 grams. It **must** be reported back to the AGLC as 10 eaches, weighing 3.5 grams per each;
- In the event that a cannabis retail store does not have a figure to input into the report, they should input a value of **zero (0)** into the cell. For example, a cannabis retail store did not have any consumer product returns in a given calendar month. In this instance there is no value to report, so the value input into the appropriate returns column is **zero (0)**;
- A retailer may submit a complete **Cannabis Retailer Monthly Federal Compliance Report** to the AGLC up to one month in advance of the submission date. A cannabis retail store may have reason to do this in order to account for a planned store closure, or another event in which their inventory will be held constant for a specified duration, and they will be unable to submit a completed report for that calendar month;
- A retailer is **only** required to report and submit information of cannabis products or SKUs that it has in its inventory within the given calendar month. It is not required to report on all cannabis products or SKUs that it has ever purchased over the history of its operations, every month.

## Failure to Submit

Licensees are required submit accurately completed Cannabis Retailer Monthly Federal Compliance Report to the AGLC prior to 11:59 pm on the tenth (10<sup>th</sup>) day of the calendar month.

Non-compliance will be enforced by using sanctions that can range from warning letters, through monetary penalties, to suspension or revocation of the retailer's licences.

## Failure to Submit by 10<sup>th</sup> Day of Calendar Month

Should a licensee fail to submit an accurately completed Cannabis Retailer Monthly Federal Compliance Report to the AGLC prior to 11:59 pm on the tenth (10<sup>th</sup>) day of the calendar month, an incident report will be issued by Regulatory Services Division and the licensee may be subject to an administrative sanction up to and including suspension or cancellation of their licence.