

Reminder of direct delivery invoicing requirements for eligible licensed producers

November 6, 2023

The BC Liquor Distribution Branch (LDB) has recently received feedback from the Liquor and Cannabis Regulation Branch (LCRB) related to direct delivery invoicing to stores. LCRB inspectors have reported that they sometimes find it difficult to interpret the invoices provided to the stores by licensed producers participating in the direct delivery program.

Please be aware that invoicing requirements for direct delivery are specified in the Licensed Producer Supply Agreement for Non-Medical Cannabis. The latest version of the supply agreement can be found on the direct delivery supplier website: <https://www.bcldbcannabisupdates.com/bcldb-cannabis-direct-delivery>

A brief recap of some key points and mandatory invoice information is as follows:

(Please review the supply agreement for the full details)

Reporting: Applicable retailer invoicing requirements

The licensed producer must not accept any deferred payment terms from applicable retailers as all purchases must be pre-paid. The licensed producer must ensure that all applicable retailers are invoiced such that all amounts are due and payable no later than upon shipment of an order for direct delivery cannabis products, such that in all instances the terms of sale include full pre-payment.

The licensed producer is authorized to, and must, utilize the GST account number of the LDB on all cannabis product invoices provided to applicable retailers. This authorization is expressly limited to this purpose and the GST account information of the LDB cannot be used for any other purpose.

The licensed producer may charge applicable retailers for transportation costs in connection with the delivery of direct delivery cannabis products. If the licensed producer elects to do so, the licensed producer must issue a separate invoice for transportation charges from the direct delivery cannabis products invoice set out at the link in Section 19 below. The licensed producer must utilize its own tax remittance accounts on any such transportation invoice and is responsible solely for the collecting, charging and remittance of any taxes applicable to any shipping charge payable by the applicable retailer.

For all sale transactions of direct delivery cannabis products, the licensed producer must issue invoices to applicable retailers. ***The following information is required for reporting of direct delivery cannabis product sales and each of these fields must be populated in each invoice for the stores:***

Licensed producer legal name and address – the name and address of the licensed producer completing registration for the product and completing the direct delivery sale.

Vendor site ID – This 6-digit number (starting with a '7') is provided by the LDB to identify your account and will remain static as long as your vendor information remains the same. This number is included by the licensed producer on sales reports submitted to the LDB. If a licensed

producer is producing and shipping direct delivery cannabis products from more than one production facility, the licensed producer will have a unique vendor site ID for each facility.

Order date – the date a retailer makes an order for direct delivery cannabis products.

Shipping date – the date the direct delivery cannabis products are shipped to a retailer.

Invoice date – the date the invoice is issued.

Container deposit – if applicable, ensure that a container deposit is reported.

Customer number – the applicable retailer’s license number assigned by the Liquor and Cannabis Regulation Branch, or the unique retail store number provided by the LDB in the case of BC Cannabis Stores (should they participate as applicable retailers).

Customer legal name – the name of the licensed cannabis store purchasing the direct delivery goods.

LDB SKU – a LDB unique product identification number that will provide information to the system of the direct delivery cannabis products being sold or returned.

Selling price – the wholesale price effective on the date of the transaction.

Applicable taxes – the amount of GST or such other similar taxes as may apply from time to time.

LDB GST number – 1245 42945 RT0001

Quantity – sold, in selling units.

Unit price – price per unit.

Product description – a brief description of the product

Please ensure that all mandatory information is present and prominent on the invoices you provide to licensed cannabis stores purchasing direct delivery cannabis products. We appreciate your attention to this matter.

Sincerely,

BC Cannabis Wholesale