

**To:** Manitoba Cannabis Retail Partners  
**From:** Manitoba Liquor & Lotteries, Cannabis Operations  
**Date:** May 18, 2023  
**RE:** Bill 10 update: Repeal of Manitoba's social responsibility fee collection by cannabis retailers

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## Manitoba Social Responsibility Fee (SRF) Update

This week, the government indicated its intention to repeal the annual social responsibility fee (SRF) back to January 1, 2022; this would occur through an amendment to Bill 10 ("The Liquor, Gaming and Cannabis Control Amendment Act – Social responsibility Fee Repealed"). Pending the passage of Bill 10 and this latest amendment, cannabis retailers will no longer be required to submit SRF assessment payments for the 2023 or 2022 calendar years.

As a reminder, last November, Bill 10 was introduced to repeal the legislated collection of the annual Social Responsibility Fee from cannabis retailers in the province. This fee is equivalent to 6% of cannabis retailers' annual gross revenues and is collected by Manitoba Liquor & Lotteries (MBLL) on behalf of the Province of Manitoba.

In January 2023, MBLL initiated the collection process on SRF assessments for the 2022 calendar year. To date, many cannabis retailers have either submitted payment in full or have made payment arrangements to be completed by the deadline of June 30, 2023. The remaining retailers are currently working with MBLL to finalize their outstanding SRF assessments.

Effective immediately, and until the amended legislation is formally passed:

- MBLL will pause the payment withdrawal process for all unpaid SRF assessments that have been approved but not yet processed.
- MBLL will pause efforts to validate the 2022 amounts owing for the remaining cannabis retailers that have not yet had their 2022 SRF assessments finalized and approved.

Please note that while MBLL will also work to prepare to issue refunds to retailers that have already submitted their 2022 SRF assessment payment in part or in full, **these refunds cannot be issued until after Bill 10 has formally passed into law.** MBLL understands the urgency in issuing refunds back to retailers and asks for your patience as our finance and cannabis operations teams confirm repayment methods and reconcile the refund process as quickly as possible.

Manitoba Liquor & Lotteries recognizes the importance of this week's announcement to the financial success and ongoing operation of our cannabis retail partners in the province. We will share additional details regarding the passage of Bill 10 and any pending refunds as more information becomes available in the coming weeks.