

# Product Regulatory: Primer and Current Events

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# Agenda

Topic
Product Regulatory Primer
Products in a Direct Sales World
NHP Cost Recovery
International Marketing and Direct Sellers

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# Product Regulatory Primer

- All Direct Selling companies offer products or services to consumers
- Products span a number of different regulated industries:
  - ❖ Food
  - ❖ Natural Health Products
  - ❖ Cosmetics
  - ❖ Telecom and Other Services
  - ❖ All Consumer Products
- **BOTTOM LINE: You must follow the rules.**

# Products in a Direct Sales World



	Foods	NHPs	Cosmetics
Registration Required?	No (with exceptions)	Yes	Yes
Types of Registrations	<ul style="list-style-type: none"><li>Unapproved Food Additives</li><li>Novel Food Ingredients</li><li>Temporary Marketing Authorizations</li></ul>	<ul style="list-style-type: none"><li>Site Licence</li><li>Product Licence</li></ul>	<ul style="list-style-type: none"><li>Cosmetic Notification</li></ul>
What's New	<ul style="list-style-type: none"><li>Supplemented Foods</li><li>Front of Pack labelling</li></ul>	<ul style="list-style-type: none"><li>Cost Recovery</li><li>Plain Language Labelling</li></ul>	<ul style="list-style-type: none"><li>Fragrance Allergen Disclosure</li></ul>

# Key Factors for Direct Sellers

- No False or Misleading Representations
- Multiple Regulators involved
  - ❖ Regulated products can also raise an issue with the Competition Bureau and Provincial regulators
- **NFR – not a loophole for Direct Sales**



# NHP Cost Recovery

- Published on May 12, 2023
  - ❖ Target implementation date: **April 1, 2025**
- Introduce proposed fees for:
  1. NHP Product Licences
  2. NHP Site Licences
  3. Annual Right to Sell
- Industry pushing back on proposed fees



# International Advertising and the Canadian Market

- Court decision introduces concerns with international advertising
- **Key Concerns**
  - ❖ What information is being used to form decisions?
  - ❖ How are the regulators classifying products and how do Direct Sellers comply with regulations?
- Expansion of regulatory authority applies to **all regulated activities**

# Final Thoughts



- Important to monitor regulatory changes so that business can strategically adapt
- Product regulation and direct sales methods are intertwined
- Make your voice heard!
  - ❖ Be in the know with upcoming regulatory consultations and provide feedback
- Regulatory proposals are consistently inconsistent



# Stay in the Know

- Subscribe to Gowling WLG (Canada) LLP newsletters to keep on top of ongoing regulatory updates:
  - ❖ Adbytes Newsletter
  - ❖ Food, Natural Health Products & Cosmetics Law Newsletter



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