



# Washington State Liquor and Cannabis Board

Cannabis Producers, Processors, and Retailers  
**Bulletin No 23-01**

**Date:** April 28, 2023  
**To:** Cannabis Industry Members  
**From:** Washington State Liquor and Cannabis Board  
**Subject:** Direct and In-Direct Money's Worth

This bulletin is to clarify what is allowable in financial agreements between cannabis producers, processors, and retailers. [RCW 69.50.328](#) and [WAC 314-55-018](#) prohibit cannabis producers or processors (non-retail licensees) from giving or lending money, or from giving or lending items or services of value to a cannabis retailer. Exceptions to that prohibition are outlined in [RCW 69.50.585](#). These restrictions, referred to as "money's worth," are intended to prohibit actions which influence or attempt to influence the purchasing practices of the retailer with respect to cannabis product.

## **Direct Money's Worth**

Direct money's worth involves a producer or processor giving tangible items such as money or gifts to a licensee or a retailer requiring the producer or processor to engage in prohibited practices as a condition of doing business. This would include loans of money, gifts, or services.

### **Examples of prohibited activities include, but are not limited to:**

- Producer or processor lending or giving money to a retailer
- Gifts beyond nominal value
- Extension of credit
- Volume discounts
- Discount of product to one retailer over another

## **Providing Money's Worth by Indirect Means**

In-direct money's worth is producer or processor activity that could influence the retailer. This includes providing goods or services above nominal value to others, such as the retailer's employees or other third parties, to influence a retailer. Any act of the processor or producer to entice customers into a retailer's store would be considered in-direct money's worth.

### **Examples of prohibited activities include, but are not limited to:**

- Licensees creating a second company to give away items or sell items below true market value to a retailer
- Producer or processor having or sponsoring events for licensees or employees of a retailer
- Incentive programs (swag, prizes, or cash for selling a producer/processor's items)

- Negotiating any discount for customers of a producer/processor's product (rebates, split discounts, custom products, etc.)
- Retailers requiring bulk discounts, rebates, custom products, or services outside of what is allowed in [RCW 69.50.369](#)

## **What Can be Provided?**

Producers and processors can provide some items and services to cannabis retail licensees, but they are limited to items of nominal value, and those items cannot be passed on to retail customers. Producers and processors may also participate in specific retail events, if they follow the parameters outlined in [RCW 69.50.585](#).

### **Examples of what is allowed:**

- Items of nominal value such as branded promotional items (lighters, pencils, apparel, and similar items valued \$30 or less singularly or in the aggregate)
- Educational participation in "vendor day" type events at retail locations
- Listing the locations that carry product on the producer / processor licensee's website

Note: None of these types of allowed activities can be required by either licensee as a condition of business.

### **Relevant RCWs and WAC:**

[RCW 69.50.328](#)

[WAC 314-55-018](#)

[RCW69.50.369](#)

[RCW 69.50.585](#)

**In Summary**, a non-retail entity may not have an interest in, or undue influence over, a retailer. Also, a retailer cannot require non-retail licensees to engage in prohibited practices as a condition of doing business. Undue influence occurs when a non-retail cannabis entity provides money or money's worth items to a retailer. Money's worth encompasses money, items of value, and services supplied either directly or indirectly to a retailer. The money's worth prohibitions are to prevent undue influence over other licensees and ultimately, on consumers.

Please contact your assigned Cannabis Compliance Consultant with any questions.