

## Change in Pharmacy Ownership FAQ

### 1. What is an owner?

An owner is defined in *The Pharmaceutical Act* (the Act) as a person who holds a pharmacy licence of any category and whose name is entered on the register of licensed pharmacies. An owner can be a single proprietorship, limited partnership or corporation for community pharmacies and a Regional Health Authority for hospital pharmacies. Information on the license application must include details on the legal and beneficial shareholders as well as the pharmacist that will be designated as the pharmacy manager. The named owner, upon application, commits that the premises are suitable for the purposes of a pharmacy, that a member will physically be present in the pharmacy at all times and the pharmacy will be operated in accordance with the Act, Pharmaceutical Regulation (Regulation), by-laws, the code of ethics and all The College of Pharmacists of Manitoba (CPhM) Standards of Practice and Practice Directions.

### 2. What is a business name?

The business name is the official name of the entity under which the pharmacy operates; it is the pharmacy's name. For example, the pharmacy may be owned by a numbered corporation e.g., 123456 Manitoba Inc., this is the corporation's name while the pharmacy itself may have a different operating name, e.g., Happylife Drugs.

### 3. What does license holder mean?

The individual or entity that is listed as the owner of the pharmacy is the license holder.

### 4. Why do these changes have to be reported for an owner change or manager change?

CPhM is responsible for issuing pharmacy licenses in Manitoba and therefore has a responsibility to ensure that any pharmacy owner or pharmacy manager meet the criteria outlined in the Act and Regulation, including appropriate assessment of the prospective owner or pharmacy manager for suitability. Reporting of pharmacy ownership and manager changes are required in legislation and allow CPhM to ensure that the individual or entity taking on new ownership, or the pharmacy manager, are all in good standing with CPhM. Notifying CPhM of these changes permits confirmation that the new pharmacy owner or manager meets the requirements established in legislation, as listed below:

Pharmacy licensing requires that:

- a corporation must be in good standing under The Corporations Act,
- the premises are suitable for operating a pharmacy

- that a licensed pharmacist is present at all times required by the standards of practice and relevant practice directions
- the name under which the pharmacy conducts business and that the name does not contravene the code of ethics
- the name of the member who will be the designated pharmacy manager
- that the individual partners or legal and beneficial owners of a corporation, their officers and directors have not been subject to any disciplinary, criminal or administrative sanction which would make it inappropriate for the applicant to operate a pharmacy
- An undertaking that the pharmacy will be operated in accordance with the Act, by-laws, the code of ethics, the standards of practice and all relevant practice directions

**5. I don't know the ownership / structure of my business, what do I do?**

If you are unaware of your ownership / business structure, please reach out to the pharmacy owner/financial manager or other chief operating individual within your company, or the Manitoba Companies Office, to get the details on how your organization is structured. This should be done prior to contacting CPhM. If this is anticipated to cause a delay in your ability to notify CPhM of a change in ownership, please contact CPhM directly at [registration@cphm.ca](mailto:registration@cphm.ca) to discuss these concerns.

**6. I am the manager of a hospital pharmacy, do these requirements apply to me?**

Yes, CPhM is responsible for the licensing of all pharmacies, of any category, in Manitoba; whether it be community or hospital pharmacies. Therefore, the requirements for notification of change in ownership apply to hospital pharmacies as well. Pharmacy managers are responsible for working with hospital administration to ensure that they are aware of the timeframes for renewal of ownership information and notification of changes to ownership.

**7. I am the pharmacy owner and have sold 45% of the shares of my business; do I have to report?**

Both the Act and Regulation state that ownership changes must be reported to CPhM, specifically if the ownership or control of a pharmacy undergoes a change as prescribed in the Regulation. However, in this situation, it will depend on the percentage of shares you owned prior to the sale. If you owned 50% or more shares in the business, then you would have to report. As described further down, all pharmacy license applications, either new or a renewal, will be required to provide a file share summary document from the Manitoba Companies Office that would denote a change in shareholder information. If you are uncertain and have any questions, please contact [registration@cphm.ca](mailto:registration@cphm.ca).

**8. There has been a director or officer change, do I have to report?**

Yes. A change in the pharmacy's directors or officers would be viewed as a change in the control of the pharmacy and must be reported to CPhM within 7 days of the change as per the Act.

**9. What is a signing officer?**

While the Act or Regulation do not discuss a 'signing officer' in any capacity, CPhM has determined that, an owner of a pharmacy's business structure may have a 'signing officer' position that is distinct from an owner, officer or director role. It is the pharmacy owner's responsibility to ensure that this individual is made aware and complies with the requirements of the Act and Regulation. While the signing officer is recognized by CPhM as the individual with authority (for signing corporate documents), any non-compliance would ultimately be the owner's responsibility and liability.

The identified "Pharmacy Owner/Signing Officer" will be your organization's designated individual authorized to transact with CPhM regarding pharmacy operations. No other individuals may sign the pharmacy owner field on our forms except for this person. If there are any questions, please contact [registration@cphm.ca](mailto:registration@cphm.ca).

**10. The name of my pharmacy has changed from HappyLife Drugs to HappyLife Drugs and Foods; do I have to report this?**

Yes, this would be considered a business name change and must be reported 30 days in advance of the change taking place, as per the Regulation. The owner must also surrender the license to CPhM. Upon review and approval, a new license will be issued to the owner upon payment of the pharmacy name change fee.

**11. Why am I being asked for additional information (i.e. a file share summary from the Manitoba Companies Office) when I renew the pharmacy license this year?**

As CPhM transitions to its new data management system, declarations/prompts have been added for the pharmacy licence renewal to ensure accurate and current ownership information on record. CPhM has discovered numerous pharmacy owners disclosed an ownership change had occurred but had not reported the change to CPhM within the legislated timeframe. This non-compliance creates risk for CPhM and the public as pharmacy licenses would not have been subject to appropriate review to ensure that the applicant has met all criteria for licensing as set out in the Act and Regulation. This includes appropriate assessment of the prospective owner for suitability. Submission of a current Manitoba Companies Office file summary document upon application for a new licence or licence renewal, permits CPhM to appropriately review pharmacy licence applications prior to approval.

**12. What do I do if there are problems, and I may not be able to comply within the notification timeframe?**

If for any reason you believe you will not be able to provide notification of changes with the prescribed timeframes outlined in the policy document, please notify CPhM by phone at (204) 233.1411 or via email at [registration@cphm.ca](mailto:registration@cphm.ca) **as early as possible** to discuss the issues and how they can be addressed.

**13. Why do I have to report a manager change?**

The pharmacy manager has significant responsibility, primarily to ensure that the pharmacy is operated in accordance with all legislated requirements, the code of ethics and all CPhM Standards of Practice and Practice Directions. CPhM views a change in pharmacy manager as a critical and highly structured process. Therefore, the pharmacy owner is required to report a pharmacy manager change, within seven days, as per the Regulation. Every pharmacy is required to have an active pharmacy manager, and it important to recognize that quite often complaint matters arise from poor pharmacy management and leadership. CPhM reviews every pharmacy manager change to ensure that the incoming pharmacy manager is an individual in good standing and has not been subject to disciplinary, criminal or administrative sanctions in Manitoba or any other jurisdiction, which would make it inappropriate for them to act as a pharmacy manager.

**14. What does notice within 7 days mean?**

Within seven days means that if a pharmacy identified a change for which they are required to notify CPhM, they have seven days starting the day after the change is identified. As an example, if May 2<sup>nd</sup>, 2024 a pharmacy has a change in director, notification to CPhM must occur by 4:30 p.m., May 9<sup>th</sup>, 2024.

**15. When is a manager change ‘effective’?**

A pharmacy must always have a pharmacy manager; this individual is the person on record as being the pharmacy manager at CPhM. When a pharmacy manager change occurs, there must be a seamless transition of responsibility from the outgoing manger to the incoming manager. There should be a joint count of all controlled substances, and the submission to CPhM of a change of pharmacy manager application by the pharmacy owner. This application is reviewed and if approved, CPhM will process the changes to the pharmacy profile and issue an invoice for the manager change fee. Upon payment of the manager change fee, CPhM will issue a new pharmacy license, with the name of the new or approved incoming pharmacy manager.

The effective date of the pharmacy manager change therefore is the date on which CPhM issues the new license. It should be noted this may not be the date on the

outgoing and incoming pharmacy manager application denoting a change. Reasons for this may include the fact that it may take a few business days for CPhM to review and approve the incoming pharmacy manager and at times, there is delay in payment for the manager change application. However, it is important to realize that the current pharmacy manager remains accountable for the supervision and operation of the pharmacy until CPhM approves a new pharmacy manager and issues a new pharmacy licence. It is expected that outgoing pharmacy managers and pharmacy owners work collaboratively and professionally to facilitate a timely change. Should an owner not be able to identify a replacement pharmacy manager, this could result in a permanent closure of the pharmacy.

**16. What if I own the pharmacy but do not live in Manitoba?**

It does not matter where you reside; a non-resident owner must still follow the legislation and regulations of the province of Manitoba for the pharmacy located in the province. Accordingly, any applicable ownership changes or manager changes must be reported to CPhM within the legislated timeframe.