SUPPLEMENT TO THE
GUIDANCE DOCUMENT FOR THE *PRECURSOR CONTROL REGULATIONS*
REQUIREMENTS AND RESPONSIBILITIES OF LICENSED DEALERS FOR CLASS A PRECURSORS

GUIDE TO THE ANNUAL REPORT

Section 87 of the *Precursor Control Regulations* (PCR) requires that a licensed dealer shall make a report to the Minister, within three months after the end of each calendar year, which summarizes all authorized activities pertaining to Class A precursors at the licensed site.

1. WHEN SHOULD THE ANNUAL REPORT BE SUBMITTED?

Licensed dealers should furnish the Annual Report to the Office of Controlled Substances, Health Canada, before March 31 of each calendar year.

2. WHAT TYPE OF INFORMATION IS REQUIRED?

2.1 Licensed dealer information

i. The licence number and company name must be provided on the Annual Report.

2.2 Reporting period

i. From January 1 of the reporting period. (If there was not a valid licence on January 1 of the reporting year, please use the date of the initial inventory count for the specific precursors as indicated as a condition of the new/amended precursor licence).

ii. To December 31 of the year during which activities are being conducted, or to the expiry of the licence if the licence is not renewed.

2.3 Class A precursors

i. Quantities should be reported in kilograms and in pure base form.

(1) If applicable, the quantity of any salt of the precursor should be converted to pure base, using the proper conversion factor included in Table 1 of the Annex.

(2) If applicable, the quantity of any precursor in liquid form should be converted from litre to kilogram, using the proper conversion factor included in Table 2 of the Annex.

ii. The total quantity of ephedrine should include the amount of ephedrine in any plant, if applicable.

iii. The total quantity of safrole should include the amount of safrole in any essential oil(i.e. sassafras oil).

2.4 Activities

Please note that all categories are mutually exclusive. Amounts should be placed in one category only, to avoid double counting. (i.e. Starting inventory + Quantities produced at and taken into the site - Quantities consumed at and sent out from the site = Year end inventory.)

i. Starting inventory
The quantity in stock at the licensed site on January 1 of the reporting period. (If there was not a valid licence on January 1 of the reporting year, please use the initial inventory count as indicated as a condition of the new/amended precursor licence).

ii. Purchased / Received (domestic distribution)
(1) The quantity purchased/received by the licensed dealer from another licensed dealer in Canada.
(2) The quantity of returned products sent by the retailers for destruction.

iii. Produced (raw material)
The quantity of raw material of precursor produced by the licensed dealer by synthesizing, cultivating, propagating or harvesting the precursor or any living thing from which the precursor may be isolated or otherwise obtained.

iv. Produced (mixture / preparation)
The quantity of precursor used for altering the chemical or physical properties of the precursor, i.e. the production of mixture/preparation containing that precursor.
Note: This quantity will not affect the year end inventory

v. Imported (international transaction)
The quantity of raw material and/or mixture/preparation imported by the licensed dealer from a foreign supplier.

vi. Used by the licensed dealer for own purposes including
(1) The quantity of operational loss, such as waster or loss in-process during the production of mixtures or preparations which contain that precursor (i.e. the operational loss of pseudoephedrine raw material during the production of pseudoephedrine preparations)
(2) The quantity of raw material used for production of exempted products under Sections 3 and 4 of the PCR, including the waste or loss in-process (operational loss).
(3) The quantity of raw material used during the manufacturing process of non controlled chemicals, including the waste or loss in-process (operational loss).
(4) The quantity used for quality control testing.

vii. Sold / Provided (domestic distribution)
The quantity of raw material and/or mixture/preparations sold or provided by the licensed dealer to other licensed dealers or end users.

viii. Exported (international transaction)
The quantity of raw material and/or mixture/preparation exported by the licensed dealer to the foreign customer.

ix. Loss / Theft
The lost or stolen quantity reported by the licensed dealer under Section 90 of the PCR during the reporting year.

x. Destroyed
The quantity destroyed by the licensed dealer either on site or off site under Section 47 of the PCR.

xi. Year-End Inventory
The physical inventory of the total quantity of precursor in stock at the licensed site on December 31 of the reporting year.

3. WHERE SHOULD THE ANNUAL REPORT BE SUBMITTED?

The completed report should be sent, in paper with signature (by mail or fax) or electronic form with or without signature in Word or WordPerfect format (by email directly sent by the Senior Person in Charge) to the following address:

Precursor Chemical Section
Licences and Permits Division
Office of Controlled Substances
Drug Strategy and Controlled Substances Programme
Healthy Environments and Consumer Safety Branch
Health Canada
A.L. 3502A
123 Slater Street, 2nd Floor
Ottawa, ON K1A 1B9
Fax: **613-948-3585**
Email: **precursors@hc-sc.gc.ca**