Cannabis Legal & Regulatory Update
April - June 2019

The A&O view

It’s been another busy couple of months for the cannabis industry. Following the European Parliament’s resolution earlier this year, a surge in medical cannabis pilot programmes and burgeoning legalisation trend can be observed in European countries (France, Ireland, Romania, Belgium, Switzerland…). Countries that already allowed the therapeutic use of cannabis are seeking to expand access to patients by increasing supply, either through local cultivation (Germany) or increased imports (Italy), while others are called upon to further fine-tune their recent regulations (UK). Less progress has been made in the CBD well-being market, where authorities seem hesitant to issue – much needed – official guidance that is tailored to different product types, exposing the industry to even more legal uncertainty by randomly issuing what often seem to be capricious (and mostly non-binding) statements. National courts (in France, Italy, Czech Republic…) are beginning to pick sides in this complex matter, but it seems that, ultimately, the European Court of Justice (in the pending referral C-663/18) may have to take a clear stance on member states’ margin of manoeuvre in light of the EU’s fundamental free movement of goods.

Meanwhile, interest in the European market is on the rise, and in addition to cannabis-oriented growth companies and funds, multinational corporations, investment banks and major financial institutions across a broad variety of industries are beginning to – carefully – explore this booming sector. As the legal cannabis market is set to be worth billions in the near future, it is hardly surprising that everyone wants a piece of the pie. However, the complete absence of harmonisation and constantly changing regulatory environment – while the law is struggling to keep up with this fast-paced market – make it very challenging for all stakeholders, both companies and investors, to stay on the right side of the law. The deafening silence of financial regulators only adds more ambiguity into the equation. Yet, if there is one thing in this industry that is crystal clear: compliance is key.

We hope this newsletter helps you navigate the fragmented international and European regulatory landscape. Enjoy the read and have a lovely summer!

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1. HIGHLIGHTS

MEDICAL CANNABIS: FRANCE – Health Agency’s Temporary Specialised Scientific Committee (CSST) announces its general recommendations for French medical cannabis pilot project

On 28 June 2019, the CSST issued its recommendations for the French experimental medical cannabis pilot project, which is expected to last for a two-year period (until 2021). Its main objectives are (i) to evaluate, in real life situations, the recommendations of the CSST with respect to the prescribing and dispensing conditions and (ii) to collect the first French safety and efficacy data related to medical cannabis.

*The ANSM press release is available [here](FR)*

MEDICAL CANNABIS: IRELAND – Medical cannabis access programme underway

On 26 June 2019, the Minister of Health signed legislation which will allow for the operation of the Medical Cannabis Access Programme on a pilot basis for five years. The Programme will facilitate access to cannabis-based products for medical use where conventional treatment has failed.

*The Department of Health’s press release is available [here]*

WELL-BEING CANNABIS: EUROPEAN UNION – Cosmetic ingredients database differentiates natural from synthetic CBD

In April 2019, the European Commission’s cosmetic ingredients database – CosIng – was modified and now differentiates (i) natural cannabidiol (CBD) from (ii) synthetic CBD. CBD as such, irrespective of its source, is not listed in the Schedules of the 1961 Single Convention on Narcotic Drugs, but is prohibited from use in cosmetic products (II/306) if it is prepared as an extract or tincture of cannabis (in accordance with the Single Convention). Therefore, such restriction should not apply to synthetic CBD, which is not extracted from the plant.

*The CosIng database is available [here]*

RECREATIONAL CANNABIS: THE NETHERLANDS – The Netherlands first EU country to consider allowing commercial production of recreational cannabis by means of an experiment

On 11 April 2019, the Dutch Government presented to the Lower House of Parliament (Staten-Generaal) a draft bill for an experiment with a cannabis supply chain aimed at controlling the production of recreational cannabis in the country. Under the Dutch plan, a limited number of companies would be allowed to legally grow cannabis to supply coffee shops. While Dutch authorities tolerate the sale of recreational cannabis in such shops under certain conditions, cultivation and wholesale for that market remains illegal to date.

*The Bill is available [here](NL) and an experiment-related article [here]*
2. LATEST LAWS, REGULATORY GUIDANCE AND ENFORCEMENT ACTIONS

2.1. MEDICAL CANNABIS

BELGIUM – Belgian Health Minister receives formal notice to legalise and reimburse medical cannabis

On 6 May 2019, a formal notice was served on the government based on the consideration that the impossibility to legally obtain medical cannabis in Belgium constitutes a violation of the rights to health protection, healthcare, a dignified life and even the right to life. The formal notice set a time limit by which legal proceedings may be initiated if an amicable settlement is not found before.

The formal notice is available here (NL) and a related article here (FR)

BRAZIL – Brazilian health regulator ANVISA approves draft resolutions for home-grown medical cannabis and the creation of a product registration plan

On 11 June 2019, the National Sanitary Surveillance Agency (ANVISA) approved two draft resolutions which, on the one hand, intend to regulate home-grown medical cannabis and, on the other hand, review the registration procedures for medicines containing cannabis (its derivatives or synthetic analogues), possibly allowing the commercialisation of products that have completed Phase II clinical trials only.

The ANVISA press release is available here (PT) and a related article here

CANADA – Health Canada approves first cannabis-related medical device

On 21 March 2019, Health Canada granted the first medical device licence for cannabis use under Canada’s revised regulatory regime: Resolve Digital Health’s smart vaporiser is designed to assist the patient in ensuring consistent and more transparent dosing. Resolve intends to obtain similar certifications elsewhere in the world, starting later this year, especially in the European market.

The licence details are available here and the company’s press release here

COLOMBIA – Draft decree could introduce major changes to Colombian cannabis regulations

In late May 2019, the Colombian government published a draft decree on the safe and informed access to cannabis use, which was open for public consultation until the end of June. The draft decree seeks to permit export of the whole cannabis plant (i.e. including flowers) under certain conditions (e.g. procurement of corresponding licences, export to free trade zones only) but may also impose stricter controls on the cannabis industry. The timeline for the publication of the final version is uncertain.

A related article is available here

DENMARK – Danish Medicines Agency confirms the safety profile of medicinal cannabis products
On 10 April 2019, the Danish Medicines Agency (Laegemiddelstyrelsen) published a report on the suspected side effects of medicinal cannabis. While dizziness, nausea and concentration problems are some of the suspected side effects, the Danish Medicines Agency did not identify any signs of safety problems. In addition, the reported side effects did not require any risk mitigating measures.

The Danish Medicines Agency’s report is available here (DA) and a press release here.

FRANCE – Health Agency’s Temporary Specialised Scientific Committee (CSST) announces its general recommendations for French medical cannabis pilot project

On 17 April 2019, the CSST organised a second round of hearings with the aim of defining the prescribing and dispensing conditions for the future pilot project which will constitute the first phase of implementing medical cannabis regulations in France.

On 15 May 2019, the third round of CSST hearings focused on the medical cannabis forms and dosages available abroad and on the costs of different treatments. Different leading international cannabis companies from Canada, Colombia, the US and the Netherlands participated in the hearing.

The last meeting of the CSST, which was held on 26 June 2019, focused in particular on the national perspectives on cultivation and supply of medical cannabis. At the end of this session, the CSST presented its final report to the National Agency for Medicines and Health Products Safety (ANSM).

On 28 June 2019, the CSST published its key recommendations for the experimental medical cannabis pilot project, which is expected to last for a two-year period (until 2021). Its main objectives are (i) to evaluate, in real life situations, the recommendations of the CSST with respect to the prescribing and dispensing conditions and (ii) to collect the first French safety and efficacy data related to medical cannabis.

The ANSM press release is available here (FR), the cannabis pilot project here (FR), and the CSST hearings are broadcasted here. Our related blog posts on the A&O Life Sciences Hub are available here and here.

GERMANY – BfArM awards first contracts for the cultivation of cannabis for medical purposes and allows medical cannabis shipments from Latin America for testing

On 17 April 2019, the Federal Institute for Drugs and Medical Devices (BfArM) awarded the first contracts for the cultivation of cannabis for medical purposes in Germany. The tender covers the cultivation of a total of 10,400 kilograms of cannabis over four years divided into thirteen lots of 200 kg (Aurora and Aphria each won five lots and Demecan three).

BfArM’s statements are available here and here (DE) and a related article here.

On 24 April 2019, for the first time in Europe, BfArM allowed Cansativa, a German cannabis distributor and wholesaler, to import Latin American medical cannabis samples for initial testing. The samples will be provided by Clever Leaves, a leading vertically integrated licensed producer of medical cannabis in Colombia, and Fotmer Life Sciences, a leading licensed medical cannabis producer in Uruguay.

Cansativa’s press release is available here.

IRELAND – Medical cannabis access programme underway

On 26 June 2019, the Minister of Health signed legislation which will allow for the operation of the Medical Cannabis Access Programme on a pilot basis for five years. The Programme will
facilitate access to cannabis-based products for medical use where conventional treatment has failed.

_The Department of Health’s press release is available here_

ISRAEL – Health Ministry announces new rules regarding medical cannabis access

In early July, the Health Ministry announced new system rules with regard to medical cannabis that should ease patient’s access thereof. The new rules will mainly aim at supervising pricing of medical cannabis in the country and public doctor visit as well as authorising “prescription split” enabling patients to purchase their prescribed medical cannabis in different pharmacies and ensure a better access thereof.

_A related article is available here_

ITALY – Accelerated public tender for the supply of medical cannabis

On 13 June 2019, the Ministry of Defence published a tender in order to supply 400 kg of cannabis for medical purposes to the responsible authorised entity (the Florence Pharmaceutical Chemical Plant). The tender has been opened under an accelerated procedure and offers had to be submitted by 3 July 2019. It will award three different batches of dried cannabis flowers with different THC content. The tender is open to any entity (also from third countries) which meets the defined requirements (including GMP and GACP).

_The ministerial tender is available here and our blog post on the A&O Life Sciences Hub here_

THE NETHERLANDS – Dutch Health Ministry addresses medical cannabis needs in Q&A

In April 2019, the Dutch Health Ministry answered several questions regarding medical cannabis. While acknowledging that the five available varieties were not sufficient and that the Office of Medicinal Cannabis would therefore analyse new samples of medical cannabis in order to include them in the official medical scheme, the Health Ministry reiterated that home-grown medical cannabis was only permitted under a specific authorisation procedure. Furthermore, the Ministry acknowledged its intention to contract with two parties for the future home production of medical cannabis.

_The Q&As are available here (NL), here (NL) and here (NL)_

THE NETHERLANDS – Advocate General of the Dutch Supreme Court considers non-standard medical cannabis costs deductible on patient’s tax return

On 31 May 2019, whereas a patient – suffering from a serious form of Crohn disease – was denied deduction of the costs for growing prescribed non-standard medical cannabis on her tax return by the tax inspector, the Advocate General of the Supreme Court before which the case is pending expressed his support towards the patient. According to his opinion, the deduction of healthcare costs is intended to compensate the chronically ill and it is therefore appropriate to allow a deduction for the costs of non-standard medical products that have been prescribed by a doctor.

_The Advocate General’s opinion is available here (NL) and lower courts’ rulings here (NL) and here (NL)_
ROMANIA – Lawmakers submit a proposal for the legalisation of medical cannabis

On 4 July 2019, nearly hundred Romanian Members of Parliament submitted a bill for the legalisation of medical cannabis for patients with chronic terminal illnesses (by means of a “special procedure” which currently exists for morphine prescription). The project bears the name “Victoria,” in memory of a woman who suffered from cancer and passed away earlier this year, whose daughter gathered 20,000 signatures for the legalisation of medical cannabis.

The proposal is available here (RO) and a related article here

SOUTH AFRICA – SAHPRA grants the first batch of medical cannabis cultivation licences

On 2 April 2019, the South African Health Products Regulatory Authority (SAHPRA) issued its first batch of licences for cultivating cannabis for medical purposes (without providing any further details). SAHPRA’s licences should lead to the standardisation and scientific formulation of medical cannabis-based products.

A related article is available here

SOUTH AFRICA – Government reschedules CBD thereby allowing the medical use thereof

On 23 May 2019, the Department of Health rescheduled CBD from Schedule 7 of the Medicines Act (highly controlled substances) to Schedule 4 allowing its prescription and dispensing in pharmacies. Similarly, the department excluded from the scope of the Medicines Act products containing low CBD and traces of THC.

The Government notices are available here

SWITZERLAND – Draft amendment for consultation aims to facilitate access to medical cannabis

On 26 June 2019, the Federal Council published for consultation a draft amendment to the Narcotic Drugs Act that aims to facilitate access to medical cannabis by allowing its prescription by physicians without having to request exceptional authorisation from the Federal office of Public Health (OFSP).

The Government’s communication is available here (FR) and the amendments proposal here (FR)

THAILAND – Thai government provides further requirements for the prescription and preparation of cannabis-containing medicines

On 18 April 2019, deputy director-general of the Department of Thai Traditional and Alternative Medicine (DTAM) stated that only certified alternative-medicine practitioners with special training will be permitted to prepare and prescribe cannabis-containing medicines to patients. Practitioners will have to follow a training session and can only prescribe one of the 16 approved formulas (unless authorised otherwise).

A related article is available here

On 28 May 2019, the Thai Cabinet adopted seven conditions to permit the possession,
production and delivery of medical cannabis (e.g. it must be used for medical purposes; it must be for medical, scientific or drug-related research; it must not undermine narcotics’ crime-suppression work and related international cooperation; patients must be under the care of registered and traditional medical practitioners; etc.).

A related article is available here

UK – Health Ministry and House of Commons’ Committee call for an increase in the number of clinical trials and evidence on medical cannabis

On 9 April 2019, Baroness Blackwood, the Parliamentary Under-Secretary of State of the Department of Health and Social Care, while answering a question on medical cannabis accessibility, underlined that clinical evidence on medical cannabis is essential and necessary when making medical decisions. This need has also been recognised in the Drug Policy report of the Health and Social Committee published on 3 July 2019 which states that “patients could benefit greatly from a swift move to carry out robust research into medicinal cannabis products”.

The Parliamentary statement and discussions are available here and the Committee’s report here

UK – House of Commons calls on the Government to act to ensure availability of medical cannabis

On 20 May 2019, the UK House of Commons, while welcoming the change in the law that allows access to medical cannabis under prescription and noting that only a handful of prescriptions have been issued, called on the Government to act immediately to ensure that medical cannabis is available to patients in need, in particular children suffering from severe intractable epilepsy.

The House of Commons’ discussion is available here

UK – Severely epileptic teenager challenges Northern Irish Health Authority’s interpretation blocking medical cannabis prescription

On 13 June 2019, Billy – the severely epileptic teenager whose case contributed to changing the law in the UK – and his family launched a legal challenge against the NHS and the Department of Health in Northern Ireland over access to his cannabis-based medicine. The Health and Social Care in Northern Ireland (HSCNI) had taken the decision to block Irish GPs from prescribing the medicine under a so-called “shared care arrangement” and the legal challenge aims to clarify this point in law.

A related article is available here

UK – Royal Pharmaceutical Society calls for guidance on THC levels in CBD oil

On 28 June 2019, the Royal Pharmaceutical Society (i.e., the pharmacists professional order) wrote to the home secretary calling for “clear guidance” on the permissible level of psychotropic tetrahydrocannabinol (THC) in cannabidiol (CBD) oil. This letter followed the publication of a report from the Centre for Medical Cannabis which showed that approximately 45% of the CBD oil tested had measurable levels of THC and a mean content of 0.04%.

A related article is available here and the CMC’s report here
UKRAINE – Parliament’s committee supports proposal to legalise medical cannabis

On 15 May 2019, the Ukrainian Parliament’s committee on human rights, national authorities and interethnic relations decided unanimously to register a proposal on the legalisation of the medical use of cannabis. The decision was taken after the committee had considered an electronic petition requesting such legalisation and which gained more than 20,000 votes.

A related article is available here

US – Senators introduce bill to encourage scientific and medical research on cannabis

On 28 June 2019, Senators introduced the Cannabidiol and Marijuana Research Expansion Act, to support and back up valid scientific and clinical research on cannabis and its compounds including cannabidiol (CBD), expand sources of research-grade cannabis and promote the commercial production of FDA-approved medicinal product derived from CBD of other cannabis compound.

The press release is available here, the bill here, and the summary here

US – COLORADO – Legislators introduce possibility of replacing opioids with medical cannabis

On 23 May 2019, the Colorado Governor signed a Senate bill concerning the use of medical cannabis for certain disabling medical conditions, and at the same time allowed replacing opioids with medical cannabis.

The bill is available here

US – NEW JERSEY – Governor signs bill that drastically extends access to medical cannabis

On 2 July 2019, the New Jersey Governor signed a bill introducing measures designed to increase licenses and patient access (e.g. creating individual cultivation, manufacturing and dispensary permits; allowing physician assistants and advanced-practice nurses to recommend medical cannabis).

The bill is available here and a related article here

2.2. WELL-BEING CANNABIS

BELGIUM – Finance Ministry clarifies the status of cannabis-based products with low THC content that are intended to be smoked

On 11 April 2019, the Federal Public Service for Finance published an explanatory note specifying the legal status of cannabis-based products containing CBD and with a low THC content. According to the authorities, products based on plants (e.g. cannabis flowers) with a THC content of less than 0.2%, which are intended to be smoked are considered as “other tobacco to be smoked” and must comply with all the relevant regulatory requirements (e.g. with respect to labelling) and will equally be taxed as such.

The Finance Ministry’s note is available here (FR)
CANADA – Health Canada announces new amendments to its cannabis regulations

On 14 June 2019, Health Canada announced that it had finalised amendments to the Cannabis Regulations setting out the rules governing the legal production and sale of edible cannabis, cannabis extracts and cannabis topicals in order to reduce the health risks of these products and displace the illegal market. The amended regulations have been published on 26 June 2019 and will enter into force on 17 October 2019.

Health Canada’s press release is available here and a summary overview of the amendments here

CZECH REPUBLIC – Constitutional Court rules that protective preliminary measures taken against “grow shops” are disproportionate

On 23 April 2019, the Czech Constitutional Court ruled that protective preliminary measures taken in proceedings against owners of so-called “grow shops” were unlawful. The measures taken were disproportionate given the extent of the seizure and given the fact that most of the seized items were only accessories that are necessary for the growing of cannabis.

A related article is available here (CZ)

EUROPEAN UNION – Cosmetic ingredients database differentiates natural from synthetic CBD

In April 2019, the European Commission’s cosmetic ingredients database – CosIng – was modified and now differentiates (i) natural cannabidiol (CBD) from (ii) synthetic CBD. CBD as such, irrespective of its source, is not listed in the Schedules of the 1961 Single Convention on Narcotic Drugs, but is prohibited from use in cosmetic products (II/306) if it is prepared as an extract or tincture of cannabis (in accordance with the Single Convention). Therefore, such restriction should not apply to synthetic CBD, which is not extracted from the plant.

The CosIng database is available here

EUROPEAN UNION – THC limit for European hemp possibly increased post-2020

On 2 April 2019, the European Parliament’s Committee on Agriculture and Rural Development (AGRI Committee) approved the text of the future Common Agricultural Policy (CAP) strategic rules which should include amendments that would raise the THC limit for hemp from 0.2% to 0.3%.

The AGRI Committee’s announcement is available here and the proposal and amendments here

FRANCE – French Supreme Court stays proceedings with respect to hemp-derived products until CJEU issues its preliminary ruling whereas first instance courts are picking sides

On 20 May 2019, the French Supreme Court was to rule on a case related to the trade of hemp and hemp-derived products but decided to stay the proceedings until the Court of Justice of the European Union (CJEU) – which had been seized of a related preliminary question by the Court of Appeal of Aix-en-Provence in November 2018 – issues its ruling in that case (Case C-663/18). The CJEU’s ruling is not expected before the end of 2019.

A related article is available here (FR)
On 6 May 2019, the criminal court of Béziers ordered a cannabis-derived products retailer to be discharged since the retailer was only selling cannabis sativa L, a non-psychotropic variety of cannabis, in the form of tea bags containing less than 0.2% tetrahydrocannabinol (THC). This decision follows several similar decisions from the lower criminal courts in France.

A related article is available here (FR)

GERMANY – Health regulator BfArM clarifies legal status of CBD oil

On 6 May 2019, the German Federal Institute for Drugs and Medical Devices (BfArM) clarified the conditions for the legal sale of CBD oil in Germany. According to BfArM’s statement, it is legal for businesses to sell CBD oil in Germany as long as it is made from European-sourced industrial hemp containing less than 0.2% THC and abuse for intoxication purposes is excluded.

BfArM’s statement is available here (DE) and its translation here

INDIA – State High Court (of Himachal Pradesh) orders the State Government to officially clarify the legal status of cannabis and hemp

On 29 April 2019, the Himachal Pradesh High Court ordered that the State Government take a decision on the licensing of the cultivation of medical cannabis and industrial hemp. The State Government has eight weeks to consider the material that was submitted and to take a decision.

A related article and the order of the Court are available here

ITALY – Government strengthens control over “cannabis light” shops

On 7 May 2019, the Italian Minister of the Interior issued a directive declaring war on “cannabis light” shops. The directive aims at monitoring and mapping “cannabis light” shops located within the Italian territory in order to strengthen its control and it will also set up an “extraordinary prevention programme”. In particular, by the end of May, an important decision by the Unified Divisions of the Italian Supreme Court is expected to settle this controversial matter.

The Ministerial Directive is available here (IT) and a related article here

ITALY – Supreme Court judgment excludes the lawfulness of hemp-derived products if psychotropic

On 30 May 2019, the United Criminal Sections of the Italian Supreme Court ruled that the marketing of hemp and hemp-derived products is not permitted as the legislation only authorises the activity of growing the listed hemp varieties. However, the Court specified that the offense only covers the marketing of products derived from the cultivation of hemp (cannabis sativa L.) unless those products are in practice devoid of a psychotropic effect.

The Supreme Court’s ruling is available here (IT)

MEXICO – COFEPRIS revokes key cannabis guidelines

On 27 March 2019, the Mexican Federal Commission for the Protection against Sanitary Risks (COFEPRIS) revoked its guidelines setting out health criteria for the marketing,
exporting and importing of low-THC products. The revocation is putting the status of those permits into question, pending a government review.

The COFEPRIS communication is available here (ES) and a related article here

UNITED NATIONS (UN) – Member states of the Commission on Narcotic Drugs (CND) delay the vote of WHO cannabis rescheduling recommendations

On 24 June 2019, during the CND’s 62nd session and inter-sessional meeting the WHO representative presented ECDD’s rescheduling recommendations with regard to cannabis and cannabis-related products (i.e. extracts and tinctures, isomers of THC, CBD preparations, etc.). Despite the presentation of the reasons that led ECDD to draw these recommendations, member states requested more clarifications and details about the consequences of such rescheduling, which will delay the CND vote on the recommendations.

The minutes of the session are available here

US – FDA issues a statement on the potential pathways for cannabis-derived products

On 2 April 2019, the FDA Commissioner Scott Gottlieb issued a statement on new steps to advance the Agency’s continuing evaluation of potential regulatory pathways for cannabis-containing and cannabis-derived products. The new steps will include a public consultation which took place on 31 May 2019, the formation of a high-level internal agency, frequent information updates and an increase in non-compliance warnings.

The FDA’s statement is available here and a hearing-related article here

US – Federal Appeals Court asks DEA to reconsider cannabis’ scheduling

On 30 May 2019, the Second Circuit Court of Appeals recognised that the current scheduling of cannabis allegedly poses a serious, life-or-death threat to their health and that the Court will not order the US Drug Enforcement Administration (DEA) to reconsider the scheduling thereof but would keep that option open if the court was not acting promptly.

Related articles are available here and here

2.3. RECREATIONAL CANNABIS

CANADA – Health Canada tightens cannabis licensing process

On 8 May 2019, Health Canada introduced changes to the cannabis licensing process in order to harmonise cannabis licensing requirements with the licensing requirements for other regulated sectors, such as pharmaceuticals. This means that new applicants for medical cannabis licences are required to have a fully built site that meets all the requirements of the Cannabis Regulations at the time of their application in addition to meeting the other application criteria.

Health Canada’s statement is available here
On 25 March 2019, the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) published an information note regarding the WHO’s letter to the Secretary General of the United Nations (UN) which had recommended, among other things, that cannabis and associated substances be rescheduled in the international drug control framework. EMCDDA noted that the changes were reported to facilitate the trade of these substances for medical and scientific purposes.

The information note is available here and the WHO letter here

On 6 June 2019, the EMCDDA released its 2019 Drug Report covering the latest drug “trends and developments” in Europe. It presents a top-level overview of the drug phenomenon in Europe, covering drug supply, use and public health problems as well as drug policies and responses. Together with the online Statistical Bulletin and 30 Country Drug Reports, it makes up the 2019 European Drug Report package.

The EMCDDA’s report is available here and related documents here

FRANCE – Constitutional Council rejects censure request of lump sum fine for drug use offence

On 21 March 2019, the French Constitutional Council rejected all arguments for the possible censure of the extension of a lump sum fine for the drug use offence. The Council argued that the use of a method of repression outside the courtroom is justified by the requirements of the proper administration of justice and the effective repression of offences.

The Constitutional Council decision is available here (FR) and a related article here (FR)

FRANCE – Government’s economic advisers defend the merits of recreational cannabis legalisation through a report which led several Deputies to submit a proposal for “controlled legalisation”

On 20 June 2019, the French Government’s Economic Analysis Council (CAE) released a note defending the legalisation of recreational cannabis. The CAE, an independent economic body reporting to the French Prime Minister, comprises university economists and recognised researchers. In its conclusions, the CAE stated that a public monopoly would fight organised crime, restrict access for the youngest citizens and develop an economic sector creating jobs and tax revenues.

The CAE’s report is available here (FR)

Deputies from four political groups, including the majority party, recently advocated for the controlled legalisation of recreational cannabis. The debate did not last long as the Government is against such legalisation though the political pressure remains strong (especially since the President of the National Assembly is not hostile to the legalisation proposition).

A related article is available here (FR)

ISRAEL – Cannabis decriminalisation enters into force

On 1 April 2019, the decriminalisation of private cannabis use entered into force in Israel. Under the new guidelines, possession of small amounts of cannabis in private homes will no longer be treated as an offence, criminal or otherwise. In public, the current policy of arrest for criminal prosecution changes to a three-strikes policy: an individual who is caught in
A related article is available here

LUXEMBURG – Justice and Health Ministers learns from Canadian cannabis legalisation experience

From 13 to 15 May 2019, the Justice and Health Ministers conducted a study visit in Canada under the current coalition agreement which provides for the “legalisation, under conditions to be defined, of production on national territory, as well as the purchase, possession and consumption of recreational cannabis.” This visit is part of series of steps, fact findings and analysis to learn from experiences of other countries and avoid mistakes from the outset. According to the Ministers, the Luxembourg model should be based on a global public health approach.

The Government’s press release is available here

THE NETHERLANDS – The Netherlands first EU country to consider allowing commercial production of recreational cannabis by means of an experiment

On 11 April 2019, the Dutch Government presented to the Lower House of Parliament (Staten-Generaal) a draft bill for an experiment with a controlled cannabis supply chain aimed at controlling the production of recreational cannabis in the country. Under the Dutch plan, a limited number of companies would be allowed to legally grow cannabis to supply coffee shops. While Dutch authorities tolerate the sale of recreational cannabis in such shops under certain conditions, cultivation and wholesale for that market remains completely illegal to date.

The Bill is available here (NL) and an experiment-related article here

THE NETHERLANDS – 26 municipalities express their interest in participation in the cannabis cultivation experimentation

On 10 June 2019, i.e., the end of the period for Dutch municipalities to affirm their willingness to participate in the recreational cannabis cultivation experimentation, 26 municipalities had expressed their interest to be involved. Apart from Utrecht, none of the major Dutch cities are willing to participate in this experimentation. Out of these 26 municipalities, only 6 to 10 will be selected on the basis of a consultative opinion of the “Experiment gesloten coffeeshopketen” committee.

The Ministerial statement is available here (NL)

NEW ZEALAND – Government releases details of the 2020 cannabis referendum proposal

On 7 May 2019, the Minister of Justice released a report on the potential process regarding a binding referendum on the legalisation of recreational cannabis. The report sets out options for the nature of the questions to be asked. Three of the questions relate to policy frameworks, with two of these relating to possible legalisation.

The Ministry’s release is available here
US – Cannabis-related SAFE Banking Act advances along legislative pathway

On 7 March 2019, a bill (amended on 6 May 2019) that would provide sought-after clarity to banks across the country willing to do business with the cannabis industry was resoundingly passed by a US Congress committee and should be submitted to Congress for a vote before the August recess.

The amended bill is available here and related articles here

US – Congress votes amendment preventing Department of Justice from interfering with cannabis-related state laws

On 20 June 2019, the House of Representatives approved an amendment that restricts the Department of Justice from interfering with the states that have legalised cannabis for recreational use. This amendment, which also covers adult recreational use, is a significant expansion of the current laws which only protect medical cannabis laws from federal interference.

A related article is available here

US – NEW YORK CITY – NYC Council votes and bans cannabis testing on job applicants

On 9 April 2019, the NYC Council passed a bill which prohibits NYC employers from requiring a prospective employee to submit to testing for the presence of any tetrahydrocannabinols (THC). However, exceptions are provided for safety and security sensitive jobs, and those tied to a federal or state contract or grant.

The Bill is available here

3. INDUSTRY AND MARKET NEWS

• Business News

Tilray Imports Medical Cannabis to U.K. After Barriers Lifted – 25/06/2019 – Bloomberg: Tilray Inc. has imported its first bulk supply of medical cannabis oil into the U.K., after controversy over the confiscation of one of the Canadian company’s products led to an easing of restrictions...

Syqe Medical Receives Regulatory Approval to Release World’s First Drug Delivery Device for Precise Dosing of Cannabis – 20/06/2019 – CISION: Syqe Medical, a leading pharma-tech company, today announced the launch of the world’s first pharmaceutical-grade metered-dose cannabis inhaler in Israel, empowering physicians to prescribe precise dosages meeting pharmaceutical standards...

Toronto firm to launch ‘Uber Eats-style’ cannabis platform – 20/06/2019 – Marijuana Business Daily: A company operating Canada’s first mobile app marketplace for alcohol is extending its reach to the nation’s regulated adult-use cannabis industry.

45 marijuana firms join forces to set industry wide environmental, ethical goals – 19/06/2019 – Marijuana Business Daily: An alliance of 45 large marijuana businesses wants the public to know they’re good corporate citizens. The Global Cannabis Partnership, which includes Canada’s Canopy Growth Corp., issued guidelines aimed at minimizing greenhouse gas emissions and promoting ethical conduct and responsible cannabis use…
Shoppers Drug Mart to use blockchain technology to trace medical cannabis – 18/06/2019 – CTV News: Canada’s biggest drug store chain said Monday it plans to use blockchain technology to trace the source of the cannabis it distributes, as part of an effort to set standards for the flourishing industry.

Billionaire-backed Chinese firm plans Asia’s first e-commerce CBD platform – 13/06/2019 – Marijuana Business Daily: A company backed by United Kingdom billionaire Jim Mellon and Nuuvera co-founder Lorne Abony plans to establish what they say will be Asia’s first e-commerce platform focusing on CBD-infused products.

EMMAC Life Sciences Ltd Announces Acquisition of French Wellness Company, GreenLeaf – 11/06/2019 – BusinessWire: EMMAC Life Sciences Ltd, the European independent medical cannabis company, is pleased to announce the acquisition of GreenLeaf, a French hemp-based wellness company...

Google bans marijuana delivery companies from selling weed directly through their apps – 29/05/2019 – The Verge: Google has added a rule banning apps that “facilitate” the sale of marijuana – whether they’re operating legally or not – but the company says it’s not trying to drive pot-related services off the Google Play Store...

Weed producer Canopy moves into skincare with £43m This Works buy – 22/05/2019 – Financial Time: Canopy Growth is buying UK skincare brand This Works for £43m ($54.4m), in an all-cash deal that would add beauty and sleep products to the Canadian weed producer’s existing portfolio of cannabis oil, hemp and medicinal offerings...

ECH makes moves toward facilitating medical cannabis importation in UK, EU – 21/05/2019 – Pharmatimes: European Cannabis Holdings (ECH) has announced plans to launch a new platform to facilitate the licensed import of medical cannabis across Europe. The new platform, dubbed Astral Health, will act as a gateway to the European cannabis market, providing a system for the licenced import and distribution of approved medical cannabis products...

German medical cannabis market led by older patients; 750 kilograms of flower imported in Q1 – 17/05/2019 – Marijuana Business Daily: More than 750 kilograms of medical cannabis flower was imported into Germany in the first quarter of this year, putting the country on pace to import about the same amount in 2019 as it did last year – 3,000 kilograms...

Canopy acquires German cannabis company C3 for $253 million – 02/05/2019 – Marijuana Business Daily: Canadian marijuana giant Canopy Growth has acquired Germany-based C3 Cannabinoid Compound Company from Bionorica in an all-cash deal for 226 million euros ($253 million). The deal is one of the largest cannabis acquisitions in the European market to date...

Moosehead, Sproutly Canada to launch cannabis-infused beverages – 30/04/2019 – Marijuana Business Daily: Moosehead, the largest fully Canadian-owned brewery, is partnering with Sproutly Canada to make non-alcoholic, cannabis-infused beverages – marking the latest major brewery to make a splash in the marijuana sector. Moosehead and Sproutly entered into a definitive agreement to form a joint venture...

Canopy Growth Expands European Footprint, Acquires Spanish Licensed Cannabis Producer Cafina – 16/04/2019 – Newswire: Canopy Growth Corporation is pleased to announce that it has completed an all-cash acquisition of Spain-based licensed cannabis producer Cáñamo y Fibras Naturales, S.L. ...

Canadian cannabis extracts industry set to ‘explode this fall’ – 10/04/2019 – Marijuana Business Daily: The marijuana extraction sector in Canada is still in “the early innings” and poised for significant growth after the federal government legalizes concentrates and edibles later this year, according to a market analyst...

Marijuana firm Cresco Labs inks landmark $823 million acquisition of Origin House – 01/04/2019 – Marijuana Business Daily: Chicago-based Cresco Labs, a multistate cannabis company, has agreed to acquire Origin House – a Canadian firm with massive portfolio of
Bedrocan is returning to Canada and South America early – 28/03/2019 – Bedrocan: An arbitration tribunal rules that the Dutch medicinal cannabis producer Bedrocan International (“Bedrocan”) is allowed to resume commercial activities in Canada as of September 11, 2019, and allowed to engage the same in South America (retroactively) as of March 14, 2019...

Canadian medical cannabis exports tripled last year, as race for European market position intensifies – 21/03/2019 – Marijuana Business Daily: Exports of medical cannabis from Canada soared last year as the country’s biggest licensed cannabis companies continued to establish beachheads in new medical markets overseas...

• Financial Markets

Weekly Deal Watch: Infused products and extracts sector a major focus for cannabis capital raises – 20/06/2019 – Marijuana Business Daily: Investments in the infused products and extracts sector have nearly tripled in 2019, making it one of the fastest-growing areas for raising cannabis capital. The sector has raised $390.29 million through the week ended June 14, most of that ($322.28 million) through equity deals...

Deloitte: Canada on verge of CA$2.7 billion infused cannabis market – 03/06/2019 – Marijuana Business Daily: Canada is on the cusp of prying open a market for edibles and alternative cannabis products valued at 2.7 billion Canadian dollars ($2 billion), but sales will begin as “a slow burn” come October before gaining momentum, Deloitte estimates...

Norway’s sovereign fund will no longer own stakes in cannabis firms – 24/05/2019 – Reuters: Norway’s sovereign wealth fund will no longer own stakes in companies with direct exposure to the cannabis industry, a spokesman for the fund’s manager, Norges Bank Investment Management (NBIM), said on Friday...

Asia’s medical cannabis market could eclipse US$5.8 billion by 2024, report says – 13/05/2019 – SCMP: The medical cannabis market in Asia could exceed US$5.8 billion by 2024 if it is legalised across the region, but further legalisation is not likely in China and Hong Kong in the near future, according to a new research report...

Legalising cannabis could generate up to 144 million euros for Belgium – 29/04/2019 – The Brussels Times: Groupe du Vendredi has estimated public spending - money spent by the state - on activities related to cannabis to be €223.9 million per year. The think tank carried out an analysis of the current situation in Belgium, called Cannaconomics...

Swedish state-owned pension fund invests in Aurora Cannabis, Canopy – 08/04/2019 – Marijuana Business Daily: A Swedish state-owned pension fund has invested in cannabis companies for the first time. More government-run pension funds are dipping into large-cap cannabis stocks, a sign that such investments are going more mainstream...

Canadian marijuana market to hit CA$11 billion, pivot from combustibles, study shows – 28/03/2019 – Marijuana Business Daily: Canada’s direct cannabis market will double to 11 billion Canadian dollars ($8.2 billion) in the next six years, and flower market share will halve as consumption shifts toward non-combustible methods, according to research by Ernst & Young...

Mainstream Companies Back Marijuana Banking – 26/03/2019 – The Wall Street Journal: Mainstream businesses such as fertilizer and beverage companies have joined financial firms in pressing Congress to make it easier for marijuana companies to use banks. The lobbying comes as lawmakers consider legislation to bring more pot transactions into the financial system...
Africa’s legal cannabis market could generate $7.1 billion each year by 2023 – 25/03/2019 – Pharmafile: Africa’s legal cannabis market could generate more than $7.1 billion each year by 2023, according to a report from market intelligence firm Prohibition Partners…

Cannabis Investors Eye Uruguay in Global Weed Export Push – 19/03/2019 – Bloomberg: Serious marijuana money is starting to show up in Uruguay. Almost six years after the South American country of 3.4 million people legalised cannabis, investors are betting Uruguay can become an export hub for medical marijuana as the industry expands around the world…

Insurance-covered cannabis in Germany tops 70 million euros in 2018 – 19/03/2019 – Marijuana Business Daily: Statutory health insurers in Germany covered 73.7 million euros ($83.7 million) worth of medical cannabis products in 2018, according to new data published by German health insurance agency GKV-Spitzenverband…

Industrial cannabis is booming in China – 04/03/2019 – The Economist: China grows nearly half the world's legal hemp. In 2018 sales, mostly of textile fibre made from the plant's stalk, totalled $1.2bn. Now global demand for its seeds, leaves and flowers is surging…

• Regulatory and Enforcement News

Canada's 257 cannabis inspections yield 3 'noncompliant' ratings, 65 health/diversion-related deficiencies – 02/07/2019 – Marijuana Business Daily: Health Canada handed out three noncompliant ratings to cannabis producers from the nearly 260 inspections the federal regulator conducted in the last fiscal year, according to its recently released compliance report…

Greece: 10 additional medical cannabis production licences granted (FR) – 03/07/2019 – Newsweed: Since November 2018, the Greek government has granted 14 licences for the production of medical cannabis. The General Secretariat for Industry and the Ministry of Economy and Development have just granted 10 new licences for an estimated total investment of EUR 359 million…

Affiliate of Canadian firm Hexo wins Greek cannabis license – 13/06/2019 – Marijuana Business Daily: An affiliate of Quebec-based cannabis producer Hexo has received a license allowing it to establish cultivation, processing and manufacturing facilities in Greece, the company announced Thursday…

Despite Italy's ‘cannabis light' court ruling, low-THC business continues as usual – 07/06/2019 – Marijuana Business Daily: The obituary for Italy's thriving “cannabis light” industry — stemming from an apparently unfavourable court decision — was highly premature, local industry leaders told Marijuana Business Daily…

This EU country has become the first to allow free sale of CBD – 23/05/2019 – Forbes: Bulgaria has issued its first authorization for a company to sell hemp-derived cannabidiol, or CBD, products freely, in open markets…

EU-GMP: TerrAscend achieves milestone; first in a 'new wave' for exporters? – 13/05/2019 – Marijuana Business Daily: Canadian cannabis license holder TerrAscend has received EU-Good Manufacturing Practice (GMP) certification, a requirement for any business looking to sell its medical marijuana products in the European Union…

Canadian industry groups call for CBD to be removed from prescription drug list – 08/05/2019 – Canadian Business: Health food and hemp industry groups are calling on Ottawa to change the regulations for CBD to treat the cannabinoid as a natural health product rather than a drug…

Operators of hemp shops fear for their existence after raid in Munich (DE) – 06/05/2019 –
Süddeutsche Zeitung: On 11 April 2019, several raids in Munich against operators of hemp shops took place. Around 180 Munich police officers and, among others, eleven public prosecutors searched a total of eight shops and stores as well as nine private apartments, most of them in the city of Munich...

Health Canada receives 117 complaints about cannabis promotions – 11/04/2019 – Marijuana Business Daily: Canadian marijuana businesses are still getting a handle on marketing and branding their products without breaching the country’s strict laws on cannabis promotions. Nearly six months in to the nation’s newly regulated marijuana sector, Health Canada said it has received 117 complaints regarding promotional activities of cannabis companies...

Cannabis Trade Group Threatens FSA With Legal Action As CBD Novel Food Row Intensifies – 09/04/2018 – HBW Insight: Cannabis trade association CannaPro is threatening legal action against the UK’s Food Standards Agency for its response to moves by EU regulators to classify CBD as a novel Food. The FSA’s handling of the situation is negatively impacting business, states CannaPro, which has warned the agency it will sue for damages...

In New York, confusion reigns in the emerging CBD edibles business – 09/04/2019 – Reuters: New York state officials told food growers and processors in mid-December that they had the state’s blessing to produce and sell tea and chocolates laced with CBD, the cannabis derivative reputed to ease anxiety and other ills without marijuana’s high...

Police across the UK are given green light to let cannabis users off scot-free and suggest they get treatment instead of punishment – 08/04/2019 – Daily Mail: Police forces across the country were yesterday given the green light to stop arresting cannabis users. Individual chief constables can now decide whether to arrest and charge, caution or warn those caught with the drug – or simply let them go...

Report: 380 Israeli cannabis cultivators pass early licensing test – 03/04/2019 – Marijuana Business Daily: Nearly 400 medical marijuana cultivators made it through the first round of testing in Israel’s licensing process, demonstrating the high level of interest in the country’s burgeoning medical cannabis industry just three months after exports won cabinet’s approval...

Data breach exposes diagnosis data of 34,000 medical marijuana patients – 29/03/2019 – ZDNet: A data breach at Canada’s Natural Health Services (NHS) has exposed personal information belonging to roughly 34,000 medical marijuana users. As reported by the Canadian Press, an electronic medical record system used by both NHS and its parent company Sunniva was at the heart of the breach.

Canada clamps down on ‘one-click’ age checks for marijuana promotions – 22/03/2019 – Marijuana Business Daily: One-click authentications of a website user’s age are not enough to ensure cannabis promotions cannot be accessed by young people, according to Health Canada, and the agency expects regulated parties to take corrective steps “in the coming weeks”...

New cannabis-amnesty bill could pardon 10,000 people, Ottawa says – 20/03/2019 – The Globe and Mail: Ottawa estimates roughly 10,000 Canadians will apply to get free pardons for their cannabis-possession convictions if the government passes a bill that gives redress to those left with criminal records from the decades of prohibition of the drug...

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