



Instituto  
**Belisario Domínguez**  
Senado de la República



# International Forum “Experiences on the Cannabis Regulation”: The Canadian Case

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Erick Factor

Executive Chairman of the Board at MYM International Brands Inc

# Outline

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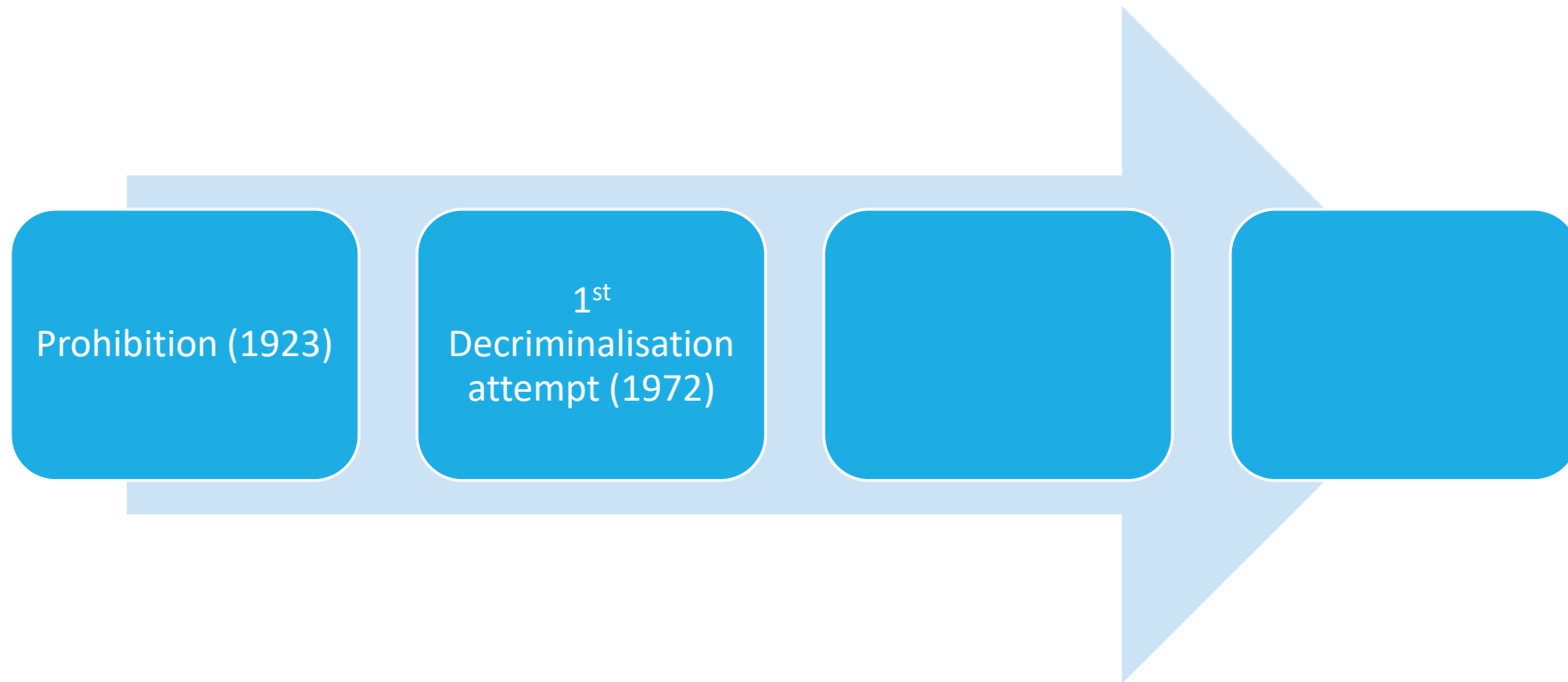
- Background: Cannabis brief regulation history in Canada
- Current situation: Highlights of the Cannabis Act (2018)
- My story in the Cannabis space and regulation
- Expectations vs reality of the regulation I & II
- Social experiences: Our responsibility with people and communities
- Final remarks



# Background: Cannabis brief regulation history in Canada

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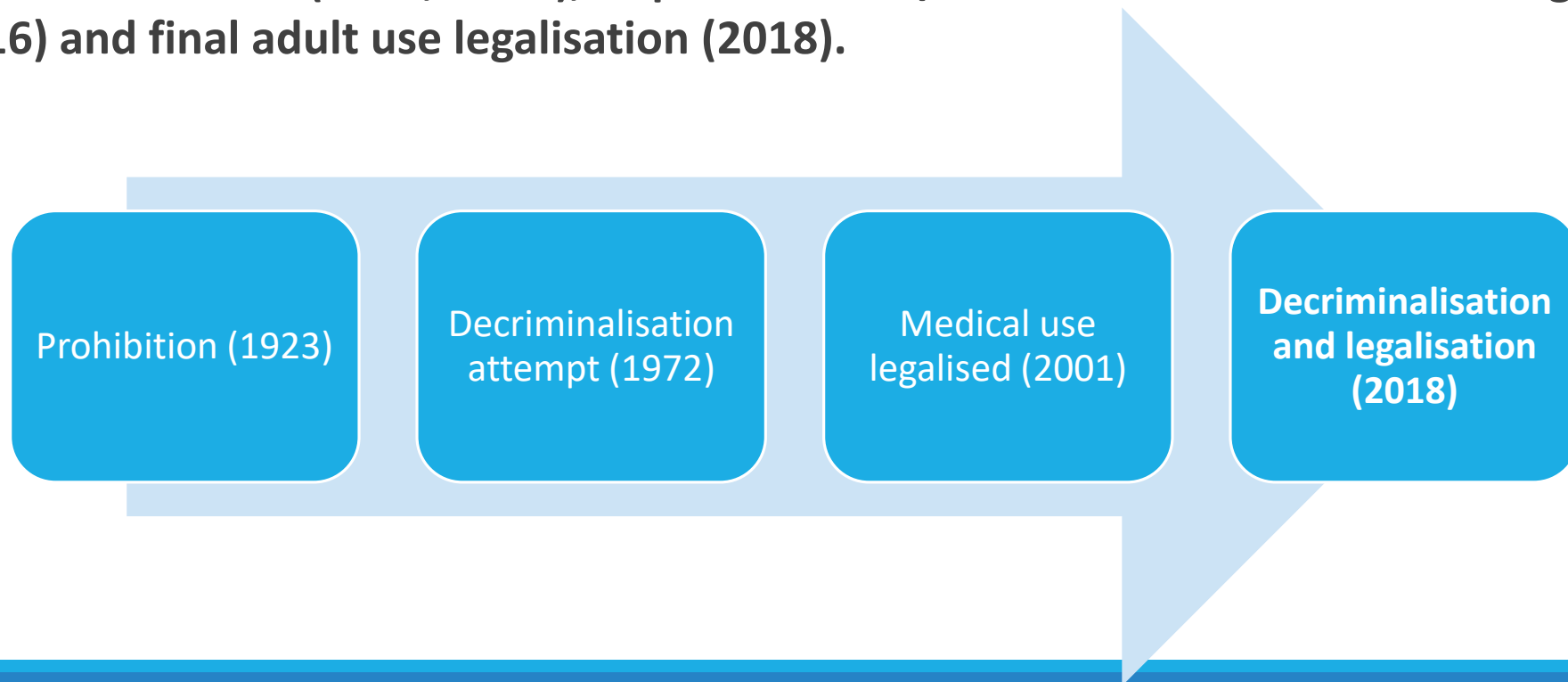
- 1923 Prohibition: *Act to Prohibit the Improper Use of Opium and other Drugs.*
- 1972 1<sup>st</sup> Decriminalisation attempt: Consumption increased in 1960's under the hippie influence, first (unsuccessful) attempt by 1972 *Le Dain Commission.*



# Background: Cannabis brief regulation history in Canada

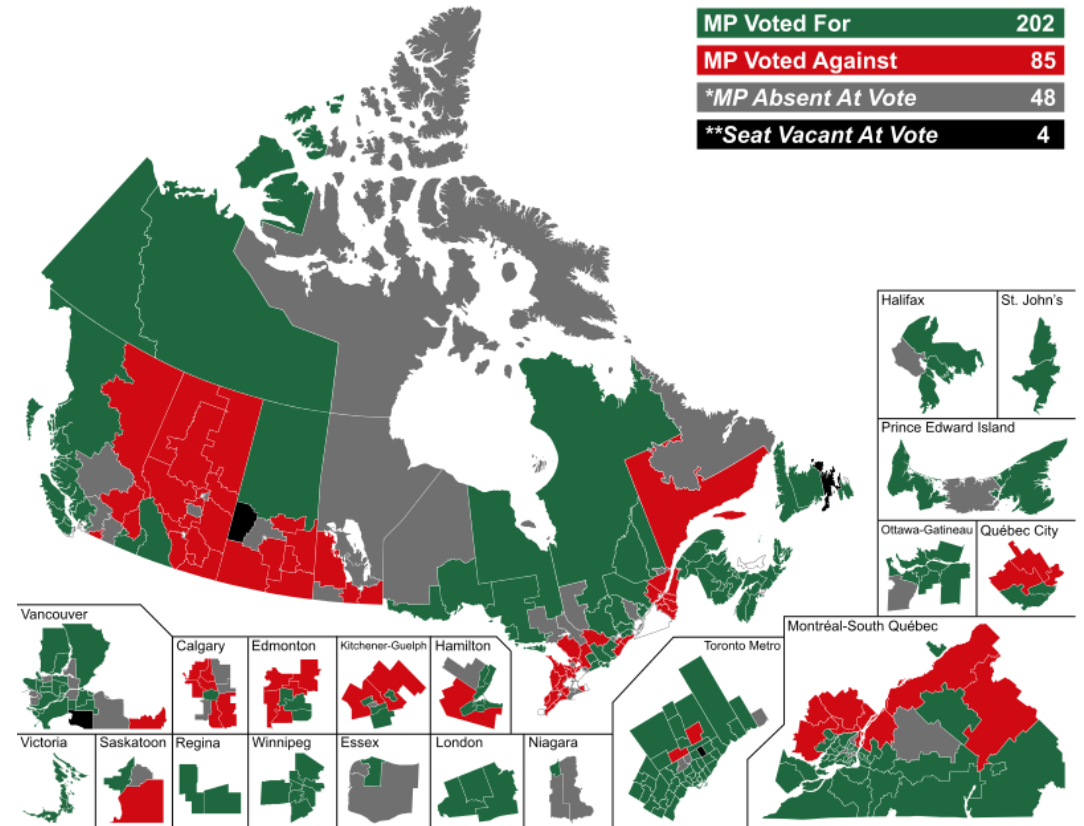
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- 2001 Legalisation for Medical use: Ontario Court of Appeals rules unconstitutional the prohibition of Cannabis for medical use, Health Canada rules legal registered access (2001).
- **2001 to 2018 Decriminalisation and legalisation: including conservative rejections of decriminalisation (2004, 2005), Supreme Court/ State Court favourable rulings (2001-2016) and final adult use legalisation (2018).**



# Current situation: Highlights of the Cannabis Act (2018)

- **Legal Age: 18+** and strict penalties for selling or providing for underage.
- **Possession: 30 g** of legal dried or equivalent, in public.
- **Personal consumption: cultivate up to 4 plants.**
- Edibles, extracts and topicals: Oct 2019, available.
- DUI: Serious criminal offense.
- Cannabis for **medical purposes**: Provided to those authorised by a **Health Practitioner**.
- Different types of **licenses: Cultivation, Processing, Analytical Testing, Sales, Research, Cannabis Drug.**
- **Mixed scheme for production, distribution and use restriction: Public + Private and Federal / Provincial / Territorial.**



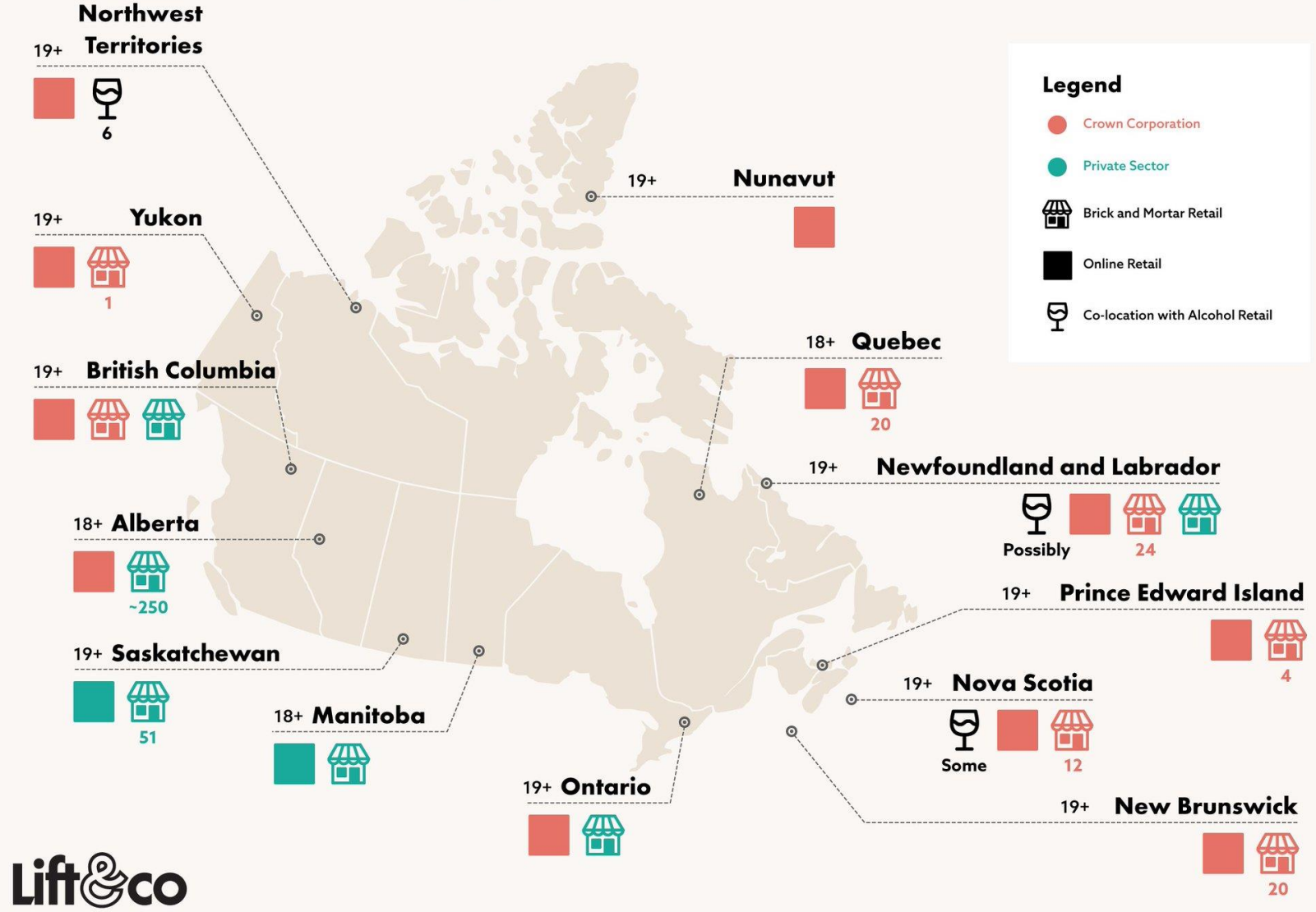
Source: [https://en.wikipedia.org/wiki/Cannabis\\_Act](https://en.wikipedia.org/wiki/Cannabis_Act)



# Canada's Cannabis Regulations by Province

Source : Brazeau Seller Law and Groundwork Consulting, as of September 29, 2018

Current situation



# My story in the Cannabis space and regulation

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## **Q: When did I start?**

A: In 2009, it was illegal except if working with donations, under compassion and with doctor prescriptions. Health Canada: cultivate for 1 + 4 people.

## **Q: What did I want to achieve?**

A: **Help people in need! (cancer, arthritis, HIV, epilepsy, seizures, etc.). Generally from vulnerable groups.**

## **Q: How did I start?**

A: Not-for-profit small dispensary, near to BC Cancer Society, Police Department and City Hall. Transparency!

## **Q: How else did I help?**

A: Assisting medical patients to apply with Health Canada to grow themselves or by a designated grower.



# My story in the Cannabis space and regulation

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## **Q: How the system worked?**

A: 1) The designated grower supplied the patients and helped donating the excess to us, 2) we sold the excess to other people that could not grow by themselves, 3) we donated back to the grower to pay the bills.

## **Q: How many people did I help with this system?**

A: Approximately 20,000.

## **Q: When did I go big?**

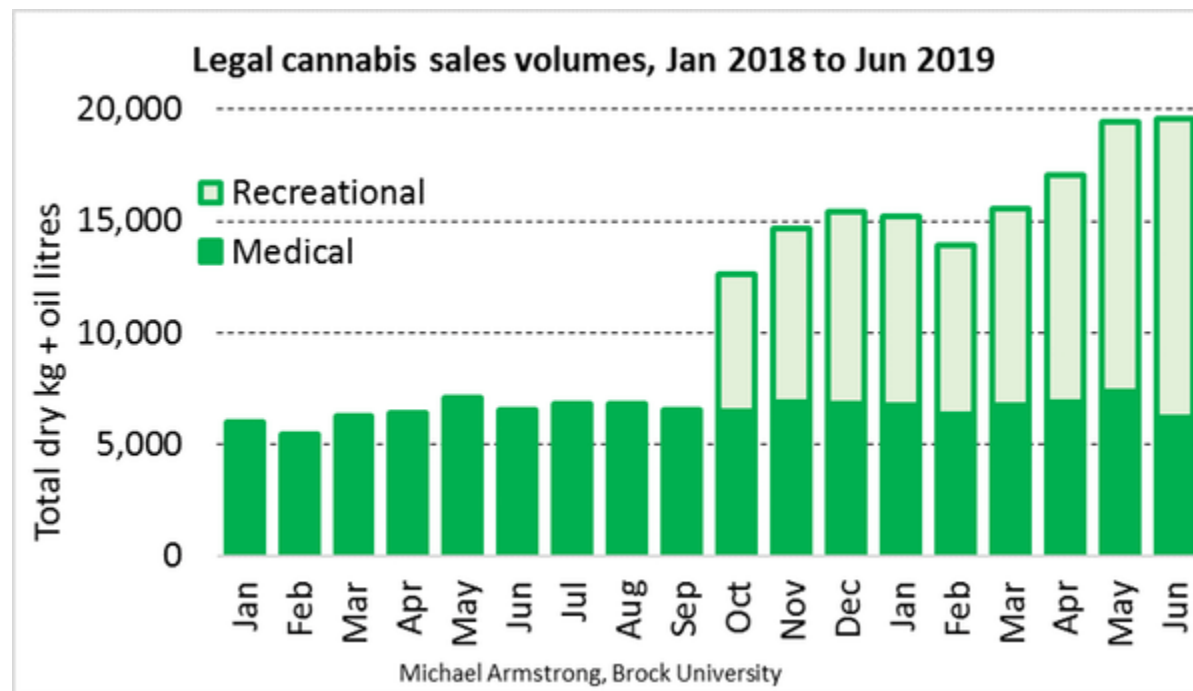
A: In 2014, the regulations already in place allowed me to go public in Canada and Frankfurt, we started giving jobs people with clean records and taking them out from the black market.





# Expectations vs reality of the regulation I

- Expectation: Amongst others, two purposes of the Cannabis Act were to **“(c) provide for the licit production of cannabis to reduce illicit activities in relation to cannabis [and] (f) provide access to a quality-controlled supply of cannabis”** (*Cannabis Act, also known as Bill C-45, 2018*)



# Expectations vs reality of the regulation I

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- But in reality...

“Health Canada has added significant **resources to attempt to shorten the approval process**, but the backlog is significant”  
*Forbes, January 8<sup>th</sup> 2019*

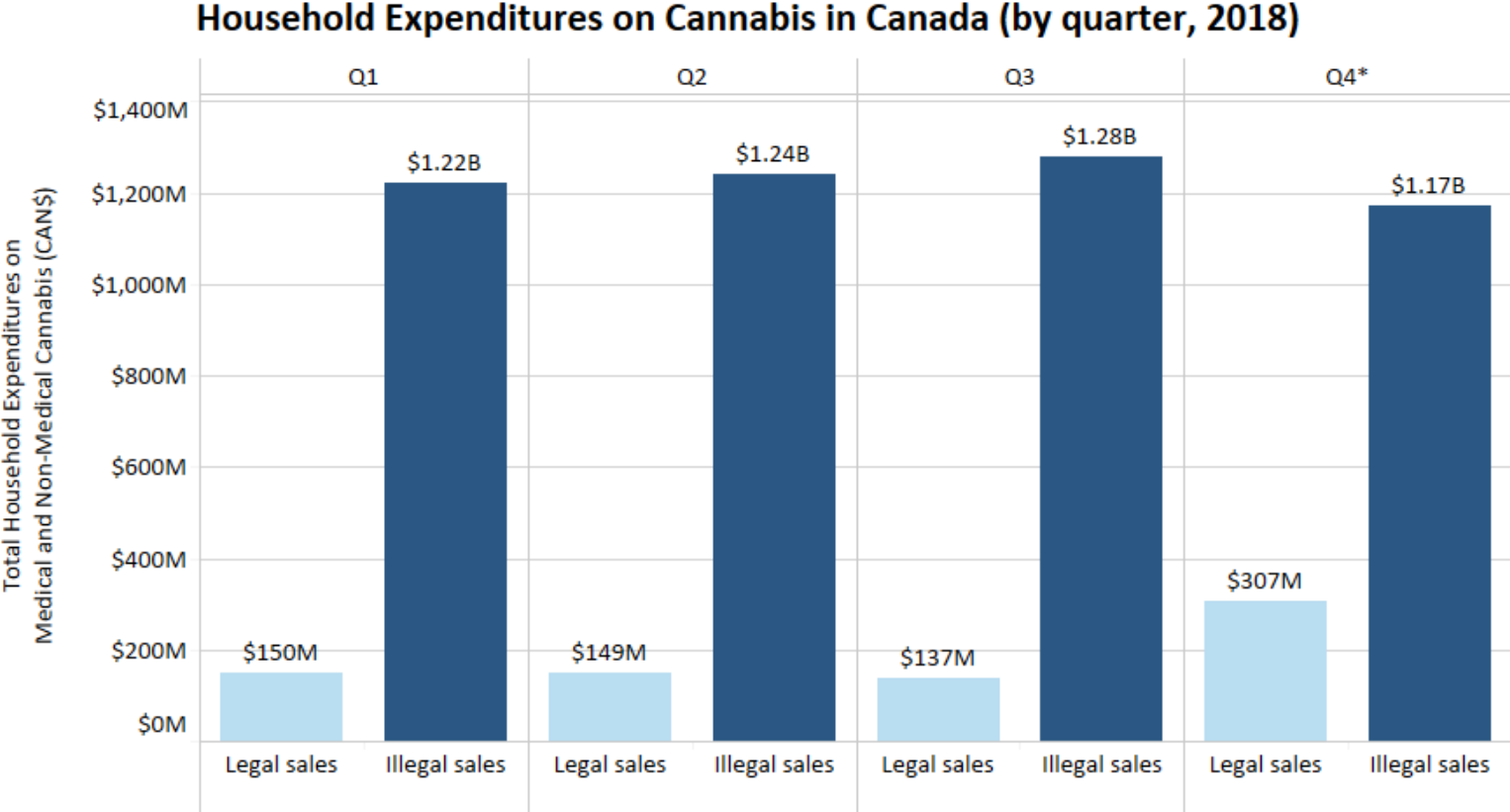
“**A shortage of marijuana in Canada threatens to undermine one aim of legalization**: to tame an illegal trade estimated at about 5.3 billion Canadian dollars annually. **Angry consumers say they are returning to their illegal dealers.**” *New York Times World, November 7<sup>th</sup> 2018*

“One reason legal sales haven’t done better is a lack of retailers in some regions. [...] Product shortages have posed bigger problems [...] legal foods, drinks, vapes and lotions aren’t yet available. [...] **Those shortages are predictable side effects of the government’s legalization strategy.** It chose a regulated pharmaceutical approach, rather than the more hands-off approach many U.S. states have used.” *The Conversation, September 26<sup>th</sup> 2019*



# Expectations vs reality of the regulation I

- But in reality...

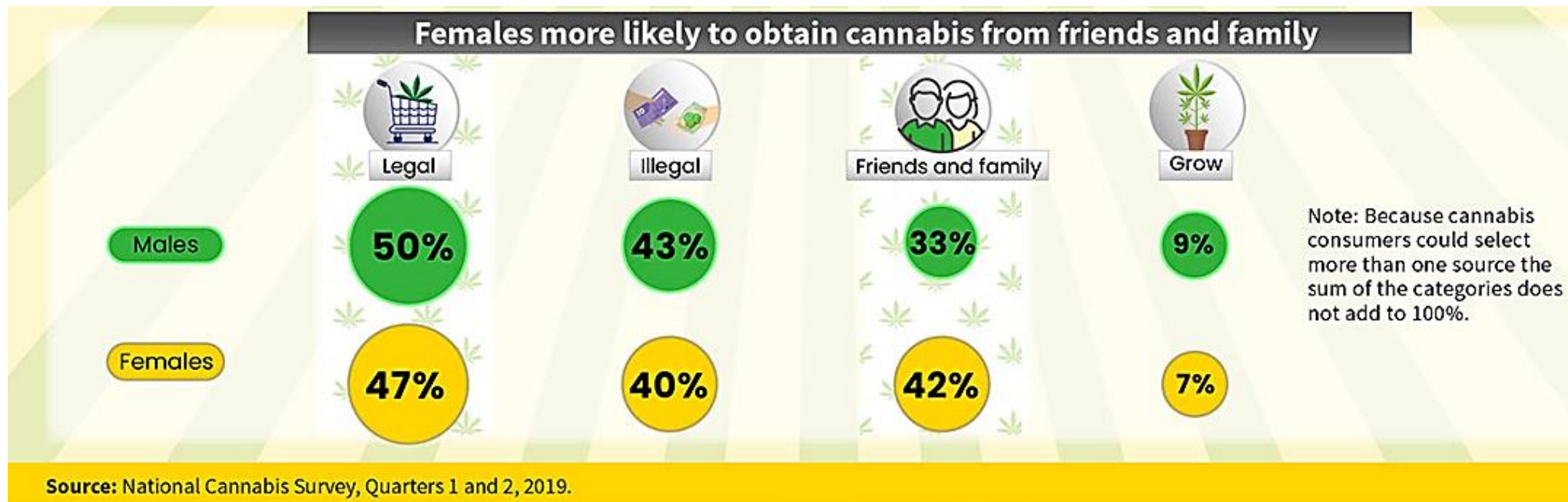


\*Canada legalized adult-use cannabis Oct. 17, 2018  
Source: Statistics Canada  
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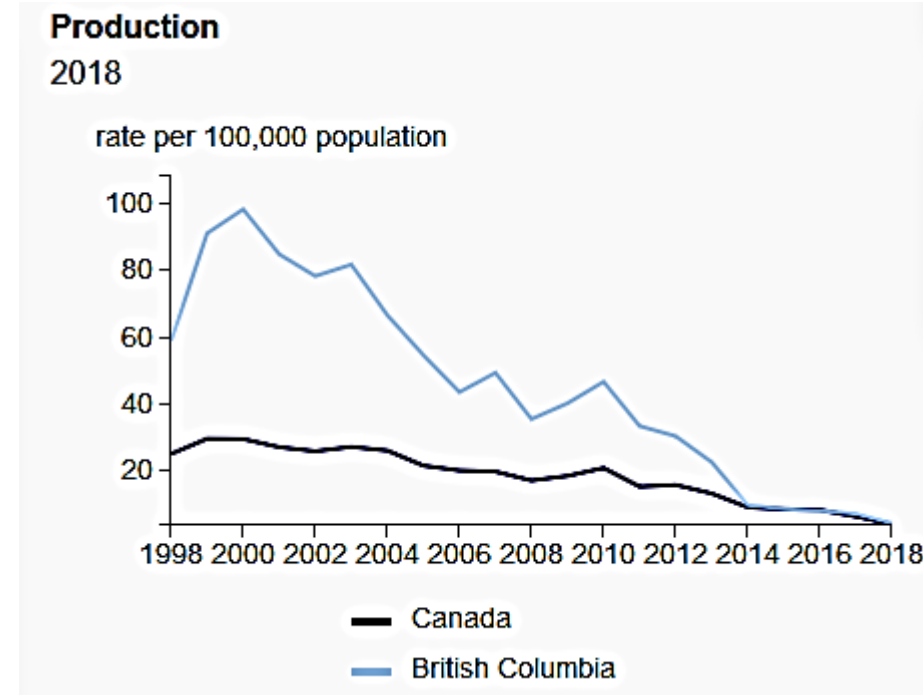
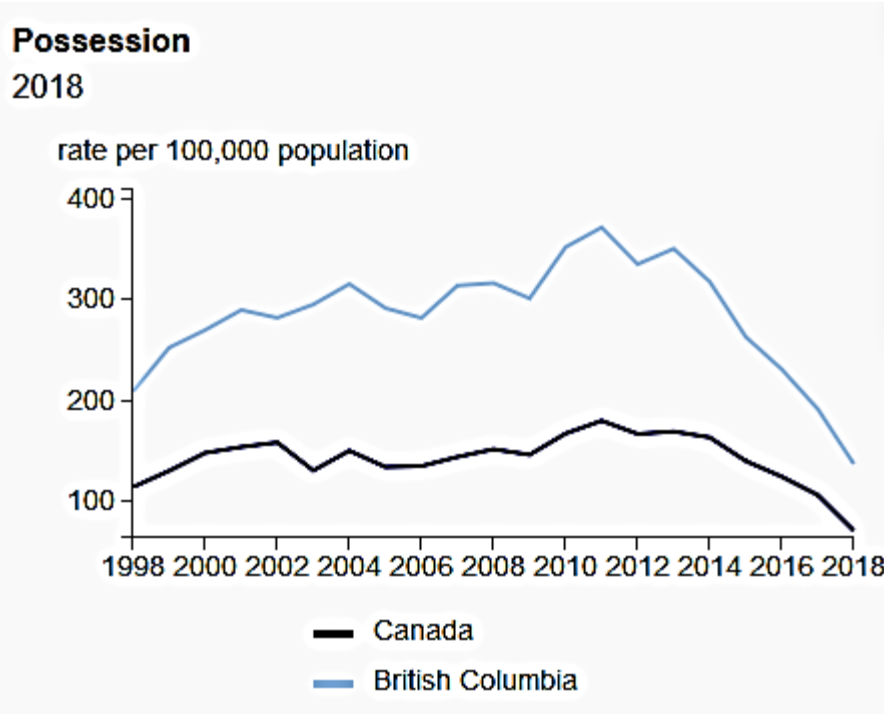
# Expectations vs reality of the regulation I

- But in reality...



# Expectations vs reality of the regulation II

- Expectation: Also, the Cannabis Act intended to “ (d) deter illicit activities in relation to cannabis through appropriate sanctions and enforcement measures [and] (e) reduce the burden on the criminal justice system in relation to cannabis ” (*Cannabis Act, also known as Bill C-45, 2018*)

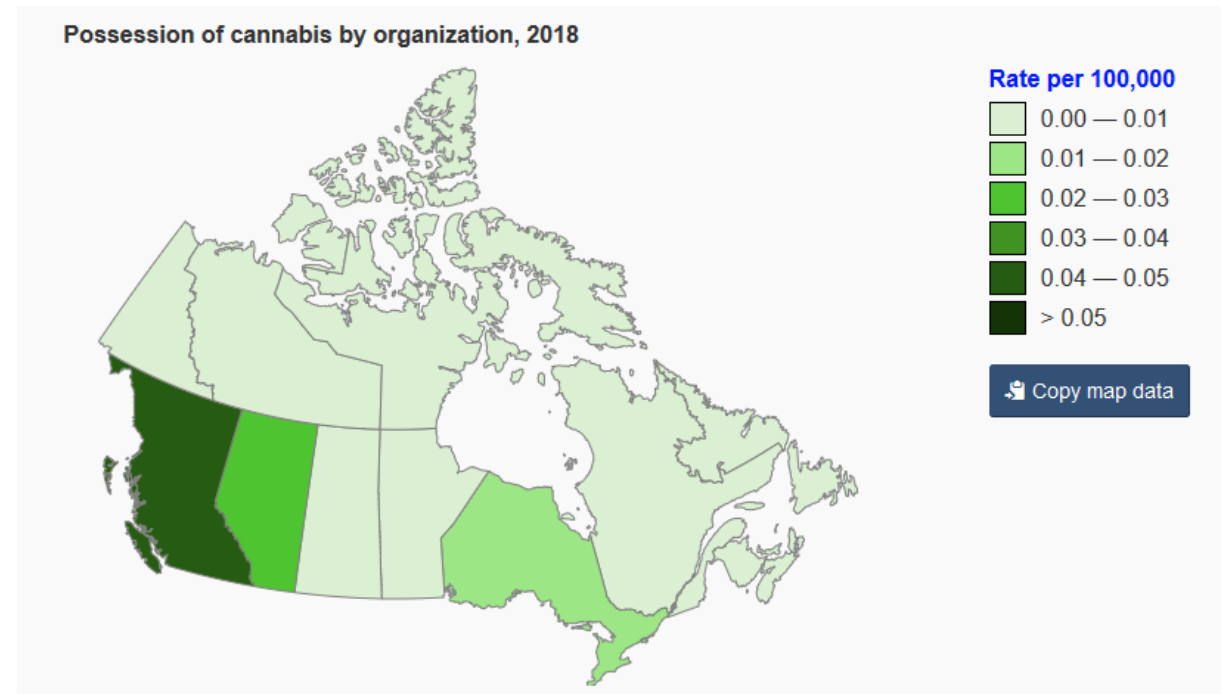
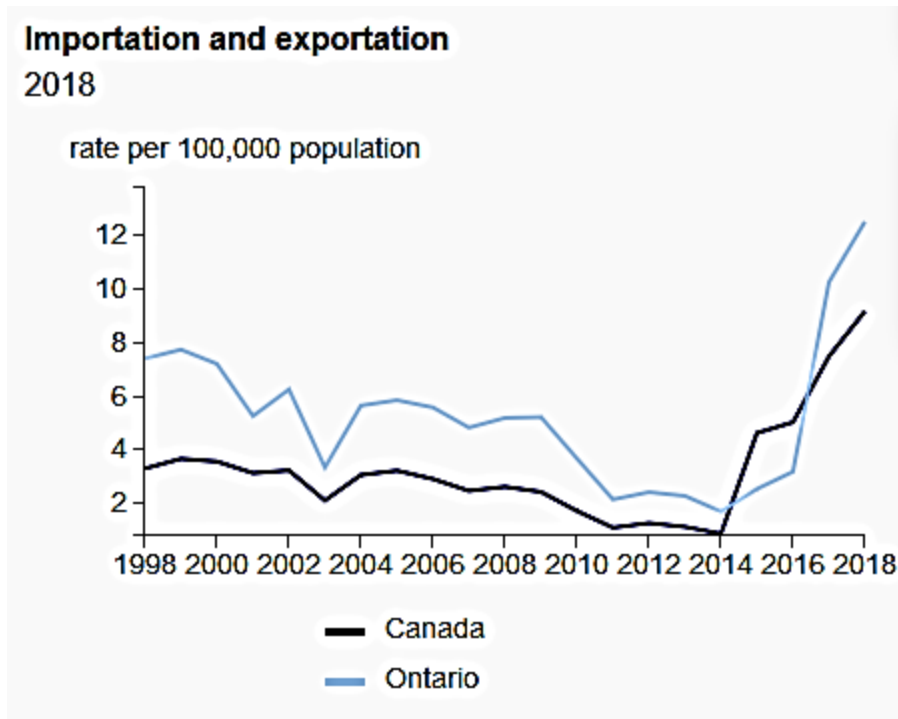


Source: Statistics Canada, Cannabis Stats Hub, 2019



# Expectations vs reality of the regulation II

- But the strong regulations and the shortage of supply have also...



Source: Statistics Canada, Cannabis Stats Hub, 2019



# Social experiences: Our responsibility with people and communities

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**“ [...] thousands of Canadians end up with criminal records for non-violent minor cannabis offences each year. A majority of Canadians no longer believe that simple possession of small amounts of cannabis should be subject to harsh criminal sanctions, which can have lifelong impacts for individuals and take up precious resources in our criminal justice system. Our government agrees that there is a better approach.”**

*Hon. Jody Wilson-Raybould, Sponsor of the Cannabis Act, speech at Second reading.*



# Social experiences: Our responsibility with people and communities

- Under the law = Good people is protected! Get jobs, social security, start their own business, join the legal market and pay taxes (as I did).
- Consumers have safer and better affordable products (**theory vs red tape**).
- **MyM Inc. is creating MyM Org. = charitable wing, give back to the countries or communities where we have operations.**



 **Westcoast Medicann Society**  
HAPPY VALENTINE'S! Sending warm fuzzies out to all of you wherever you may be 😊 come on in and see us on your stroll through the CAMBIE VILLAGE





# Final remarks

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- **The regulated space protected people, weakened black market, allowed the creation of business and brought social justice. However, red tape and strong regulations are creating a shortage of Cannabis, keeping or bringing consumers back to the illegal market. Illegal activities are worse in provinces where regulations are stronger.**
- The current regulation **controls all of the general aspects** related to Cannabis (legal age, possession, personal consumption, offenses, etc.) **and gives licenses** for Cultivation, Processing, Analytical Testing, Sales, Research, Cannabis Drug. **There is a mixed scheme for production and distribution: public + private; federal/provincial/territorial.**
- Canada moved from a criminal prohibition system (1923) to a regulated market (2018). The most important part: **decriminalisation and legalisation 2001-2018.**



# Five final messages!

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- **You can be the worldwide example**
- **Get taxes, let the business be done properly**
- **Integrate people to the legal side**
- **We want to be part of that success**
- **Where many countries have failed, you can succeed!**





# Muchas gracias

Erick Factor

Executive Chairman of the Board at MYM International Brands Inc

Questions or comments?

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