CREEL GARCÍA-CUÉLLAR AIZA Y ENRÍQUEZ

The Chamber of Deputies approved in general and particular terms, the Ruling with a Decree Project that issues the Federal Law for the Regulation of Cannabis and amends and adds various provisions of the General Health Law and the Federal Criminal Code

On March 11, 2021, the Chamber of Deputies approved in general and particular terms the previously mentioned Ruling, which modifies the proposal approved by the Mexican Senate last November; This Ruling must be returned to the Senate for approval before it is published by the Executive branch of government in the Official Gazette.

Should this Ruling be published in the same terms, it will complement the provisions for the medicinal use of cannabis, which entered into force last January.

Key Highlights:

- The Ruling sets forth rules and regulations for the production and commercialization of cannabis and its derivatives.
- Allowed uses of cannabis include recreational use, investigation purposes and industrial use of cannabis hemp.
- The Ruling identifies as the object of the Law the regulation of the following activities related to the allowed uses for cannabis: storing or warehousing, seizing, marketing, consumption, harvesting, growing, distributing, packaging, labelling, exporting, importing, investigating, sponsoring, planting, carrying, having, preparing, producing, promoting, advertising, sowing, transforming, transporting, supplying, selling, and acquiring or purchasing under any title.
- It provides the National Commission against Addictions with powers to: regulate activities related to the productive chain involved with psychoactive cannabis and its derivatives; to grant permits and licenses; to enforce compliance with the Law, including the imposition of administrative sanctions; promote and carry out investigation; to collect and systematize statistical information related to cannabis; issue and publish general administrative rulings related to the Law and its Regulations.
- The Ministry of Agriculture (SADER) will have powers to gran licenses for the industrial use of cannabis hemp.
- The Law establishes a licensing regime to be carried out by the competent authorities, which includes the granting of the following:
    - Production Licenses.
    - Distribution Licenses.
    - Sale Licenses (end consumer).
    - Licenses for the Production or Commercialization of derived products of cannabis.
    - Licenses for Investigation purposes.
    - Licenses for the Industrial Use of Cannabis Hemp (SADER).

- It could be argued that the most relevant change from previous projects is that related to the possibility of obtaining an Integral License, which would allow holder to carry out all of the activities comprised in the cannabis and its derivates' productive chain: from growing until the marketing, commercialization, and final sale to end consumer (Vertical Integration).
- Regarding the regulation of adult personal consumption of cannabis it sets forth the following: the possibility to carry up to 28 grams for personal consumption without sanction, the possibility of growing

for personal consumption in private individual or association's domiciles; it bans consumption of psychoactive cannabis in work related areas (public or private).

The preceding information is intended as a timely update on the relevant laws. This content is informational only and does not constitute legal or professional advice. To obtain such advice or a deeper summary of the legal developments addressed in this document, please do not hesitate to contact our partner Begoña Cancino (begona.cancino@creel.mx) or our Counsel Guillermo Govela (guillermo.govela@creel.mx).

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