

September 30, 2019

MEXICO CANNABIS UPDATE #8



New Cannabis Bills Introduced to Senate

In the past months, additional bills have been introduced in the Mexican Senate with the intention of regulating cannabis and hemp. As of today, a total of 13 initiatives or proposals to amend existing or enact new laws have been filed in the Senate in addition to another number of bills in the lower house of congress. (Click [here](#) to see a note by *Marijuana Business Daily* where Luis Armendariz is quoted on this.)

On July 10, 2019, Mrs. Cora Cecilia Pinedo Alonso, a Labor Party (*Partido del Trabajo*) senator member, filed a bill to enact what would be called the “General Law for the Regulation of Cannabis for Self-Consumption Purposes and for Medical, Scientific, Therapeutic and Cosmetic Use” (*Ley general para regulación de la cannabis con fines de autoconsumo y para uso médico, científico, terapéutico y cosmético*). This bill included proposal to amend the General Health Law (*Ley General de Salud*) and the Federal Criminal Code (*Código Penal Federal*). One of the aspects worth highlighting is its spirit to differentiate industrial hemp from other variations of cannabis and set specific rules for its various uses.

At the moment, Sen. Pinedo’s bill created some confusion as her political party is part of a coalition with MORENA (government official party) formed in order to push for President Lopez Obrador’s political agenda and MORENA had already filed the bill actually being reviewed in the Senate committees.

Then on September 3, 2019 another proposal was filed by MORENA Senators who head the committees overseeing the cannabis bill review which proposed to amend only two provisions of the General Health Law. This caused a backlash from various parties as it was perceived as an attempt to evade the obvious responsibility to promote and approve an integral reform.

Lastly, another bill was introduced on September 2, 2019 by Sen. Miguel Mancera (former mayor of Mexico City). This bill took the initial draft filed by Sen. Olga Sanchez-Cordero and Sen. Ricardo Monreal in November of 2018 (click [here](#) to see our *summary*) and made several adjustments. Our sources have indicated that this draft is the one being reviewed and used as the foundation for the new, upcoming law. Therefore, we highlight some of its main features:

- Scope is enhanced to cover the entire value chain, from the purchase of seeds and plants to the processing, storage, transportation and final sale.

- It introduces a distinction between psycho-active and non-psycho-active cannabis which allows the proposed law to provide different legal treatment to each plant and its derivatives. For example, the 480 grams per year production limit would only apply to adult use.
- A more rigid treatment to adult use plant than industrial use is proposed, avoiding over-regulation for the latter. An actual definition of “non-psycho active cannabis industrial product” which includes products not for human consumption, such as textiles, seeds and oils, biofuels, lubricants, paper cellulose and others.
- Also includes a definition for edibles and pharmaceutical cannabis products.
- For edibles, a 10 mg of THC limit is set, among other restrictions or labeling requirements.
- Sanctions for adulterated cannabis products as well as the express prohibition of synthetic cannabinoids except for those used in pharmaceutical products.

Open Parliament Continues

In the week of September 9th through the 13th The Senate held a series of conferences with guest speakers from various backgrounds, including a former Senator from Colombia, Mr. Juan M. Galan, former Customs and Border Protection commissioner Gil Kerlikowske and Eve & Co.’s Ivan Ross Vrana. Among the topics discussed were the chemical traceability of the plant in order to avoid fraud and adulteration, as well as for taxation purposes, and lessons from experiences in Colombia, Canada and the United States.

In the event’s closing remarks, Sen. Patricia Mercado acknowledged that both COFEPRIS and the legislative power have long exceeded the timeframe to issue both the secondary regulations for authorizations for medicinal and scientific cannabis products and pass the long-awaited new bill, respectively.

On September 30, 2019 a colloquium for cannabis users was organized by the Senate at another site in order to discuss user rights and measures being taken.

ETA for Senate Vote on New Law

On September 13, 2019, Sen. Monreal, MORENA leader at the Senate and chairman of the Political Coordination Board (*Junta de Coordinación Política*), [mentioned to the media](#) that their intention is to pass the bill in October, likely in the third week of the month. It is important to keep in mind that once passed by the Senate, the bill will have to be approved by the chamber of deputies (Mexico’s lower house) and then sent to the President for its execution and publication. Regardless, Senate approval will still be a long-awaited, major development in this legalization process. The last quarter of the year will be a fun one!



LEGAL

Corral, Arzola, Armendariz & Máñez

Participation at the American Bar Association's Cannabis Conference

On September 19 and 20, 2019 the American Bar Association held its first-ever conference on cannabis, titled "[From Regs to Riches: Navigating the Rapidly Emerging Fields of Cannabis and Hemp Law](#)". Our partner, Luis Armendariz, participated at the panel on the topic "The global commoditization of marijuana and hemp: where in the world is cannabis headed?" speaking about the current status of regulation in Mexico and how cannabis and hemp companies can plan for their market entry. Other issues discussed from an international perspective include international trade, customs, intellectual property and chain of value integration.

Please contact us if you would like to receive a copy of the materials Luis prepared for the conference attendees. We thank [Charles Feldmann](#) for the invitation to participate. We also wish to congratulate Michael W. Drumke (Swanson, Martin & Bell, LLP), Lisa L. Pittman (Thomas | Pittman, P.C.) and Christopher D. Strunk (Beveridge & Diamond, PC), program co-chairs.

Lobbying and Market Intelligence Reports

Due to the high response about the announcement of our partnership with [InStrag](#), we want to apologize for any delayed response to your inquiries. Click [here](#) to see the announcement which contains a description about our market intelligence products (the "Initial Cannabis and Hemp in Mexico Report" and the "Biweekly Mexican Cannabis Intelligence Report") and our lobbying services.

If you would like to consult our previous Mexico Cannabis Updates, please click [here](#).

If you're interested in learning more about the Mexican legalization process and what you or your clients can do at this point, please contact us at larmendariz@caamlegal.mx.

Luis Armendariz

