

February 12, 2020

MEXICO CANNABIS UPDATE #13

Senate issues Updated Cannabis Bill



On January 15, 2020, the Senate's Justice and Health's Committee issued an updated draft of the new Law for Cannabis Regulation (*Ley de Regulacion del Cannabis*) and other proposed amendments to related provisions in the General Health Law (*Ley General de Salud* or LGS) and our Federal Criminal Code (*Codigo Penal Federal*). Such bill was circulated to other committees and would be submitted to general vote in the upcoming legislative period starting on February 5, 2020. This new draft is an updated version of bill issued on October 17, 2019 then intended to be voted before said month's end until an extension was granted by the Mexican Supreme Court. If you would like to consult our summary on the previous bill, please click [here](#).

Following is a preliminary overview of what we consider to be the main changes to the abovementioned bill:

- For adult (i.e. recreational) use, the LGS would be amended to increase the maximum possession amount for personal and recreational use from 5 grams to 28 grams. Administrative fines will be applied to those in possession of over 28 but under 200 grams.
- The number of plants allowed for home cultivation for personal use under 4 plants per person and 6 plants per household.
- Product labels and packaging must now contain a “*unique and visible sign of high security controls*” certifying the product's compliance with traceability procedures.
- Medical, pharmaceutical or palliative use of cannabis would not require prior authorization or license anymore.
- A new license is included for investigation purposes.
- The license for cultivation would now be limited to one hectare per licensee if outdoors cultivation, and to 1,000 square meters for indoor grow.
- An exception to the prohibition of vertical integration is included for farming communities or *ejidos*, who could now hold more than one license.
- The restriction on foreign investment would be increased to set at a maximum of 49% (from previous limit of 20%) in the equity of license-holder entities.
- Products for cosmetic use, edibles and beverages would now be allowed provided they do not exceed the 1% THC limit. Edibles and beverages for medical, pharmaceutical or palliative use products would be excepted from this limit.

- Synthetic cannabis is prohibited, except for medical, pharmaceutical or palliative use and investigation procedures.
- A change is made to increase the percentage of cultivation licenses shall be initially granted with preference to farming communities or *ejidos*, from 20% to 40%.
- Personal and recreational users would be required to register seeds, plants and plantations on the 6 months after official law and decree is published.



If you would like an English translation of the proposed law at a discounted price, please reply to this message.

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 start doing to enter the Mexican market, please contact us at larmendariz@caamlegal.mx.