

Cannabis Act passes in Senate with amendments

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After six months of study, Bill C-45, the *Cannabis Act*, passed third reading in the Senate. The Senate voted to adopt the Bill with a total of 46 amendments. While many of these amendments were technical and supported by the government, the Bill is being sent back to the House of Commons with several material changes.

Notwithstanding possible tensions between the Senate and the House that may be created by certain of the amendments, legalizing recreational cannabis this summer remains a priority for the Liberal government. In a recent Bloomberg Businessweek Debrief interview, Prime Minister Justin Trudeau stated that a controlled and legalized framework for cannabis will be in place before the end of the summer. [1] Senior government officials have indicated that Parliament will not adjourn for the summer until the *Cannabis Act* has received Royal Assent.[2]

Material changes

Banning the use of cannabis brand elements on promotional items: One of the more contentious amendments is the prohibition on the display of cannabis branding on promotional items that are not cannabis or cannabis accessories. The amendment deleted sections of the Bill that allowed cannabis companies to display their logos on merchandise such as hats or t-shirts.

The stated motivation behind the amendment is to prevent marketing that may be attractive to youth, but critics warn that the ban will make it more difficult for the emerging legal cannabis industry to compete with the illicit market.[3]

Allowing provinces and territories to ban home-grown cannabis: While Bill C-45 permits home cultivation of up to four cannabis plants, the Senate amendment will permit the provinces and territories to reduce the number of plants that may be home-grown or even ban home cultivation altogether. Québec and Manitoba have already stated they intend to ban home cultivation.[4]

Requiring public disclosure of investors: Bill C-45 was amended to create a public registry of cannabis industry investors and directors. The amendment requires the government to disclose the name of every holder of a licence or permit. If the holder is an organization, the names of its directors, officers and members, any parent corporation or trust, as well as its directors, officers and members must also be disclosed. The names of shareholders of private corporations and shareholders holding more than 5% of any class of shares of public corporations will also be included in the registry.

Requiring regulations to impose a maximum limit on potency: The Senators included an

amendment that requires that the maximum potency for cannabis products be prescribed in the regulations.

Process for cannabis products not contemplated by Bill C-45: The amendments require that cannabis products that are not currently contemplated by Bill C-45 must go through a process requiring that they be addressed by the House of Commons and the Senate. This may delay legal access to products like edibles.

Summary or ticketing offences for young adults sharing cannabis: The Senate approved an amendment to Bill C-45 that creates a summary or ticketing offence for young adults who share five grams or less of cannabis with a minor who can be no more than two years younger than the young adult.

Next steps

The amended Bill has been sent back to the House of Commons. If the House adopts the changes made by the Senate, the bill will receive Royal Assent and become law. Certain amendments—particularly the ban on “swag” and home-growing—may face challenges in the House.^[5]

[1] Greg Quinn & Jen Skerritt, [“Senate Vote on Changes to Marijuana Legalization Bill Looms Amid Resistance,”](#) Toronto Star (June 5, 2018).

[2] *Ibid.*

[3] Mark Rendell, [“Senate ban on marijuana ‘swag’ creates unintended problems, says industry,”](#) *Financial Post* (June 4, 2018).

[4] John Paul Tasker, [“Will the Senate Pass the Cannabis Bill Tonight? No One Knows for Sure,”](#) *CBC News* (June 7, 2018).

[5] Tasker, *supra* note 2.