

GRUPO PROMOTOR DE LA INDUSTRIA DE CANNABIS REPORT



ICAN Connect
to Cannabis



GPIC Grupo Promotor
de la Industria
de Cannabis

SUPREME COURT APPROVES SECOND EXTENSION TO REGULATE CANNABIS IN MEXICO

[A]

Due to the work suspensions caused by the **COVID-19** outbreak, the Mexican Senate requested the Supreme Court of Justice of the Nation for an extension of the deadline to legislate in favor of cannabis regulation. **This extension is the second that has been granted**; the first was petitioned after the deadline expired in October 2019 and was extended to April 30 of this year.

Senator Monica Fernandez shared the news on her Twitter account. The message included the document issued by the Supreme Court, which grants the extension with a new deadline (December 15th) to address file number 1/2018, regarding the unconstitutionality of the absolute prohibition of cannabis.

The Supreme Court had granted this extension as a **unique and exceptional** situation in October 2019, appealing to the complexity of the issue. However, it again caved to the request on the grounds that nonessential activities have been suspended due to the health crisis, this despite the fact that other parliamentary activities will be carried out such as the discussion of the Amnesty Law.

"I am thankful to the Supreme Court and its president @ArturoZaldivarL for granting the extension so that the Mexican Senate may rule on the Law regarding cannabis regulation."



Mónica Fernández Balboa
@monicaferbal

Agradezco a la @SCJN y a su presidente @ArturoZaldivarL por el acuerdo de ampliación de plazo, para que el @senadomexicano pueda dictaminar la legislación relativa a la regulación de la cannabis.

3:24 p. m. · 17 abr. 2020 · Twitter for iPhone

79 Retweets 163 Me gusta

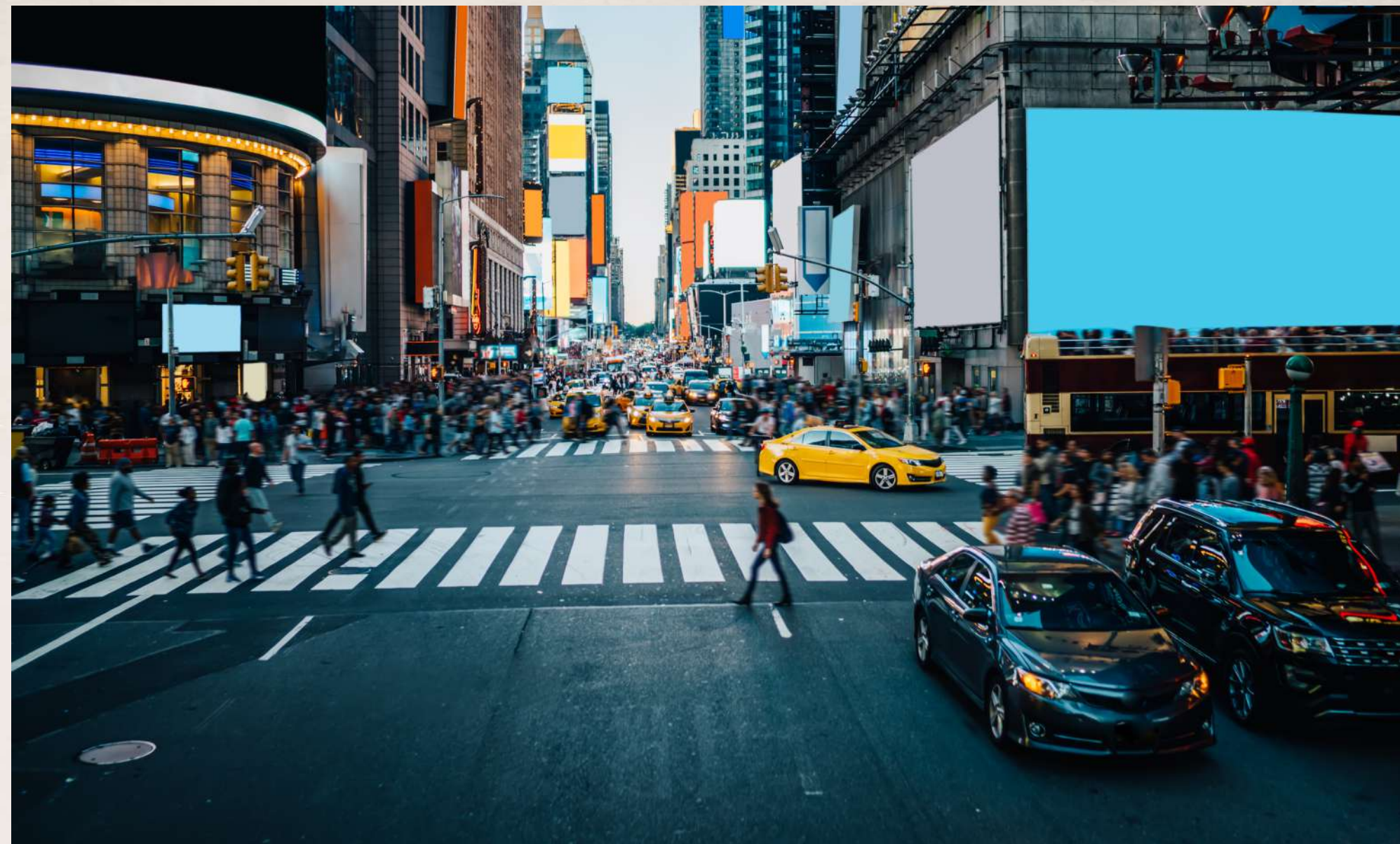
NEWS FROM THE
CANNABIS WORLD

DEA REMOVES CBD PHARMACEUTICAL FROM THE CONTROLLED SUBSTANCES ACT [B]

The U.S. Drug Enforcement Administration (DEA) approved British Pharmaceutical Company *GW Pharmaceuticals'* request to remove the drug *Epidiolex* from the U.S. federal government's list of controlled substances.

The medication contains cannabidiol (CBD), which meant that it was previously listed as a non-medical substance with a high potential for abuse in Schedule I, along with heroin, and was later classified in Schedule V (substances considered safe by the U.S. government are listed in Schedules II, III, IV and V). But now this medication has been completely declassified, making it the first cannabis derivative in the 21st century to do so.

Epidiolex can treat epilepsy and reduce tremors in some cases and has no psychoactive effects. It will now be easier to obtain with a prescription because fewer filters and restrictions will be needed. Even so, each state will have to adapt the new provision to its own lists of controlled substances.



NEW YORK RULES OUT CANNABIS REGULATION IN 2020 [C]

Earlier this year it seemed like New York would be closer to regulating cannabis. However, the city has become the center of the COVID-19 pandemic and has been forced to leave cannabis issues in the background. This was the declaration made by Governor Andrew Cuomo, who had fought for the approval of a cannabis law in prior months.

The governor said that the law is unlikely to pass this year because there is little time left to organize the legislators and debate about the topic. Without anticipating conclusions on the final decision on this matter, he considered that such an important law requires time to be properly implemented. Time must be allowed to figure out how it would work, what the roles of police would be, how licensing would work, how to empower minorities, and the coordinating together with states such as Connecticut and New Jersey.

USERS DEMAND REOPENING CANNABIS CLUBS IN SPAIN [D]

Due to the COVID-19 pandemic, nearly 1,600 cannabis clubs were closed throughout Spain. This has led to thousands of users who use the plant medically to have been left adrift, having to resort to the black market to acquire cannabis.

Associations such as the Patients' Union for Cannabis Regulation (UPRC) demand that the Spanish government allows reopening these clubs, and that cannabis be considered as an essential good for the life of these patients, as countries like the United States have done. For comparison, other businesses such as tobacco and alcohol sales have been considered essential in this country.



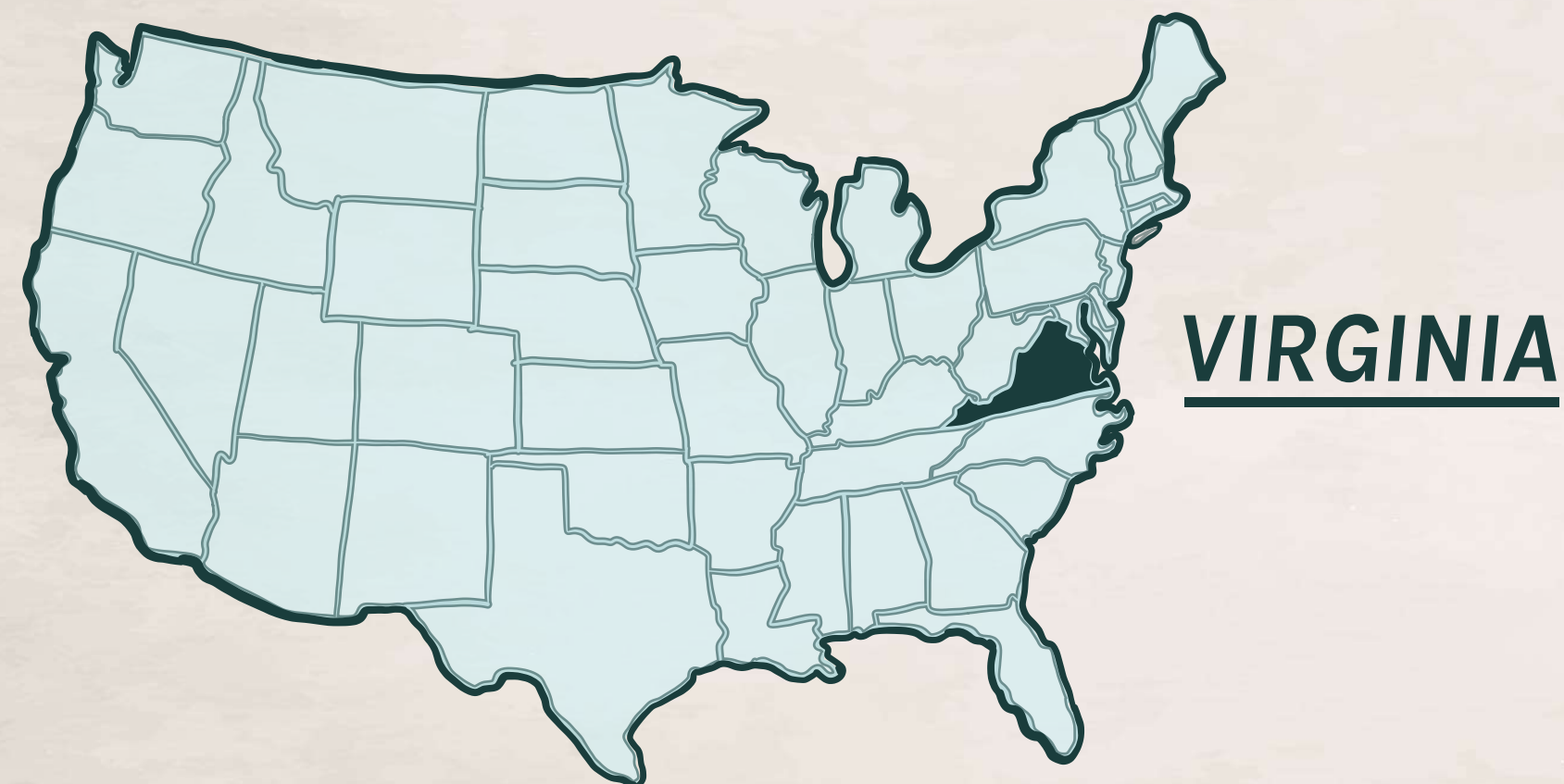
The state of alarm has generated measures that cut off the somewhat regulated routes that exist in Spain to acquire cannabis, as is the case with cannabis clubs. These organizations allowed access to medical cannabis to about 200,000 - 500,000 people in total.

Many patients say they feel desperate because it takes a long time to find cannabis. In the cannabis clubs they could obtain it with some certainty, but now they must expose themselves to the black market without knowing if it will be useful for their ailments and without knowing the quality of the product or whether it has any microbiological contamination. Additionally, they must also disobey the quarantine at the risk of receiving a fine.

VIRGINIA DECRIMINALIZES CANNABIS [E]

On Sunday, April 12, Virginia Governor Ralph Northam announced that he passed a bill that eliminates the penalty for simple possession of cannabis and will only be subjected to a fine. This is not to say that cannabis is fully regulated as only prison time is removed, but sales remain illegal.

Activists consider that, although it is an important step, it is a limited one since plant consumers do not have a legal source to access it yet and criminal organizations will maintain a source of income that sustains their operations. Furthermore, even though fines are less punitive than arrests or imprisonment, they will continue to be enforced under racist postures.



Democratic lawmakers see this bill as a significant advancement after several decades without making any progress on the matter. Furthermore, they approved the start of a study on the risks and advantages of regulation and legalization. Unfortunately, thus far no southern state has fully regulated cannabis.

NFL HAS RELAXED ITS REGULATIONS REGARDING CANNABIS USE [F]



For some time now, several players and former players have been requesting the *National Football League's (NFL)* authorities to be more flexible with the substance abuse policies regarding the use of medical cannabis. Players argue that cannabis is more effective in terms of pain relief and less addictive than conventional legal drugs. Previously, once a player tested positive for cannabis consumption, they were suspended even if their performance was on point.

The new agreement determines that substance abuse testing will be performed two weeks before training seasons, instead of taking place between April and August. The amount of THC allowed will be four times higher than before; and if a player tests positive for cannabis, that player will have to attend a treatment program. If they refuse to attend, they could be suspended up to three matches.

“APPROVING THE INDUSTRIAL USE OF MARIJUANA WILL HELP REACTIVATE MEXICAN ECONOMY, SAYS THE CANNABIS PROMOTION GROUP.”

[G]

In an interview with *Business Insider*, a business and technology news site, the president of the Cannabis Industry Promoter Group, Erick Ponce, said that cannabis could boost the country's growth after the ongoing economic and health crisis caused by COVID-19:

Business Insider Mexico
march 25, 2020

BUSINESS INSIDER MÉXICO TECNOLOGÍA | NEGOCIOS | ECONOMÍA | ESTRATEGIA MÁS

NEGOCIOS 25/03/2020

Aprobar el uso industrial de la marihuana ayudará a reactivar la economía de México, dice Grupo Promotor de la Cannabis

La industria de la marihuana podría reactivar la economía de México si se aprueba su uso industrial en el Congreso, señaló el Grupo Promotor de la Cannabis.



BUSINESS INSIDER MEXICO

“This new industry has an interesting and rather significant capability to reactivate the economy at this time when additional resources will be needed.”
- Erick Ponce

He pointed out that the medical use of cannabis is already legal in Mexico, but that public agencies have not defined guidelines for the industry. He also noted that the potential value of cosmetics, food and beverages could reach two billion dollars.

CANNABIS DISPENSARIES FACING COVID-19 CRISIS [H]

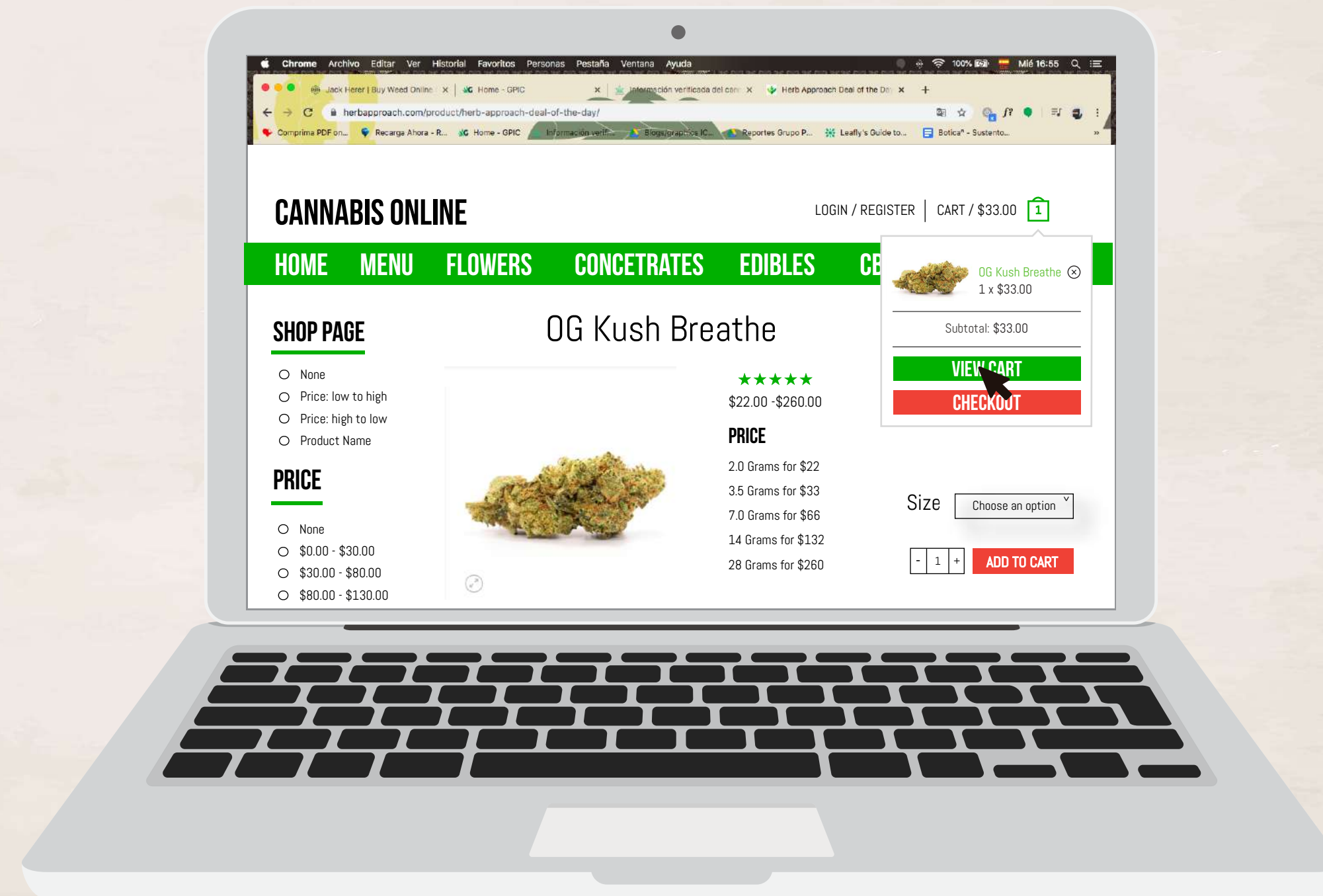
The health crisis derived from the COVID-19 pandemic has disrupted all economic sectors on a global scale. Cannabis industry is not the exception and has had to adapt to new circumstances. For example, Canada, Colombia, the Netherlands, and some U.S. states have temporarily modified the strong regulations on cannabis for adult and medical use.

In these countries, the entire cannabis supply chain for adult and medical use, from cultivation to dispensaries (weighing its medical use), was considered as “essential activity” (depending on each locality), although initially not all authorities included dispensaries in this category.

To ensure that consumers can access these products, limit the development of the black market, and ensure the safety of buyers, **these regions have legally allowed online cannabis sales.** This has facilitated the permanence of dispensaries and poses new challenges by having to implement using technologies that facilitate logistics for the distribution of their products through digital platforms.



ONLINE CANNABIS



CANNABIS
DISPENSARIES

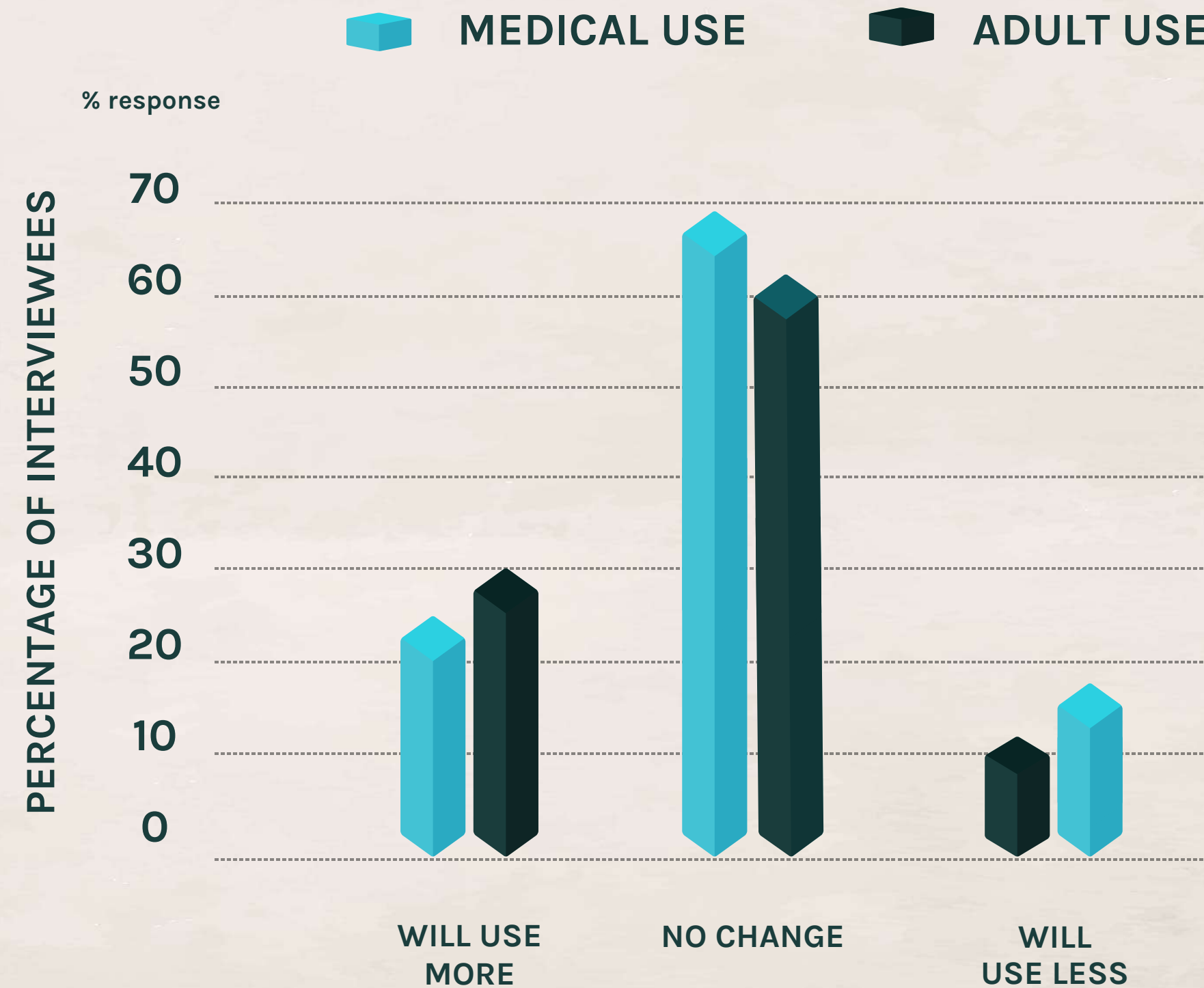


CANNABIS INDUSTRY AMID THE PANDEMIC

According to the market research conducted by *Prohibition Partners*, the majority of consumers in Europe and North America will tend to maintain or increase their cannabis purchases in the coming months (March to June). Medical cannabis users will maintain their consumption, while the behavior will be more irregular among recreational users (some tend to increase and others will not). For *Prohibition Partners*, this indicates that doses of medical cannabis will remain relatively stable, while adult use depends on each lifestyle.

The cannabis industry has proven to be relevant and adaptive, having to modify its business plans in order to speed up deliveries at home or in stores, and applying additional hygiene and distancing measures.

CHANGE IN CONSUMPTION PER USER



Source: prepared by ICAN with information from *Prohibition Partners*



CANADA

Initially, Canada had excluded dispensaries not considering them essential activities, but few days later the government recanted. Arguing that cannabis businesses employ many people and the risks of the black market growing, they allowed restarting their activity again using digital platforms.



COLOMBIA

The companies of this Latin American country have been training their employees so they can adhere to strict hygiene protocols, in addition to having been provided with psychological support, meals and safe transportation. Additionally, a 'teleconsultation' (remote consultation) system has been implemented so that doctors can maintain the supply of medical cannabis to their patients without either leaving home.



NETHERLANDS

This nation has chosen to keep its coffeeshops open in order to curb black market growth.



U.S.A.



- | | |
|--------------|-----------------|
| 1 COLORADO | 4 DC |
| 2 CALIFORNIA | 5 MASSACHUSETTS |
| 3 ILLINOIS | 6 OHIO |

COLORADO¹

The Governor ordered the temporary flexibilization of legal cannabis regulations. For now, it is not necessary for a patient to get a physical examination to obtain a permit for medical cannabis, and the prohibition on online sales of plant-derived products has been paused to facilitate pickup by consumers. With these "emergency rules", cannabis dispensaries for adult and medical use can accept orders online or by phone.

For now, only medical dispensaries accept payments through digital platforms, those intended for adult use must complete their purchase at the shop.

CALIFORNIA²

In this state, cannabis workers were declared the state's 'essential workforce'. The regulation of online purchases changed in each county, but they have mostly opted for flexibility, so the products could be picked up at the dispensaries or delivered at home.

ILLINOIS 3

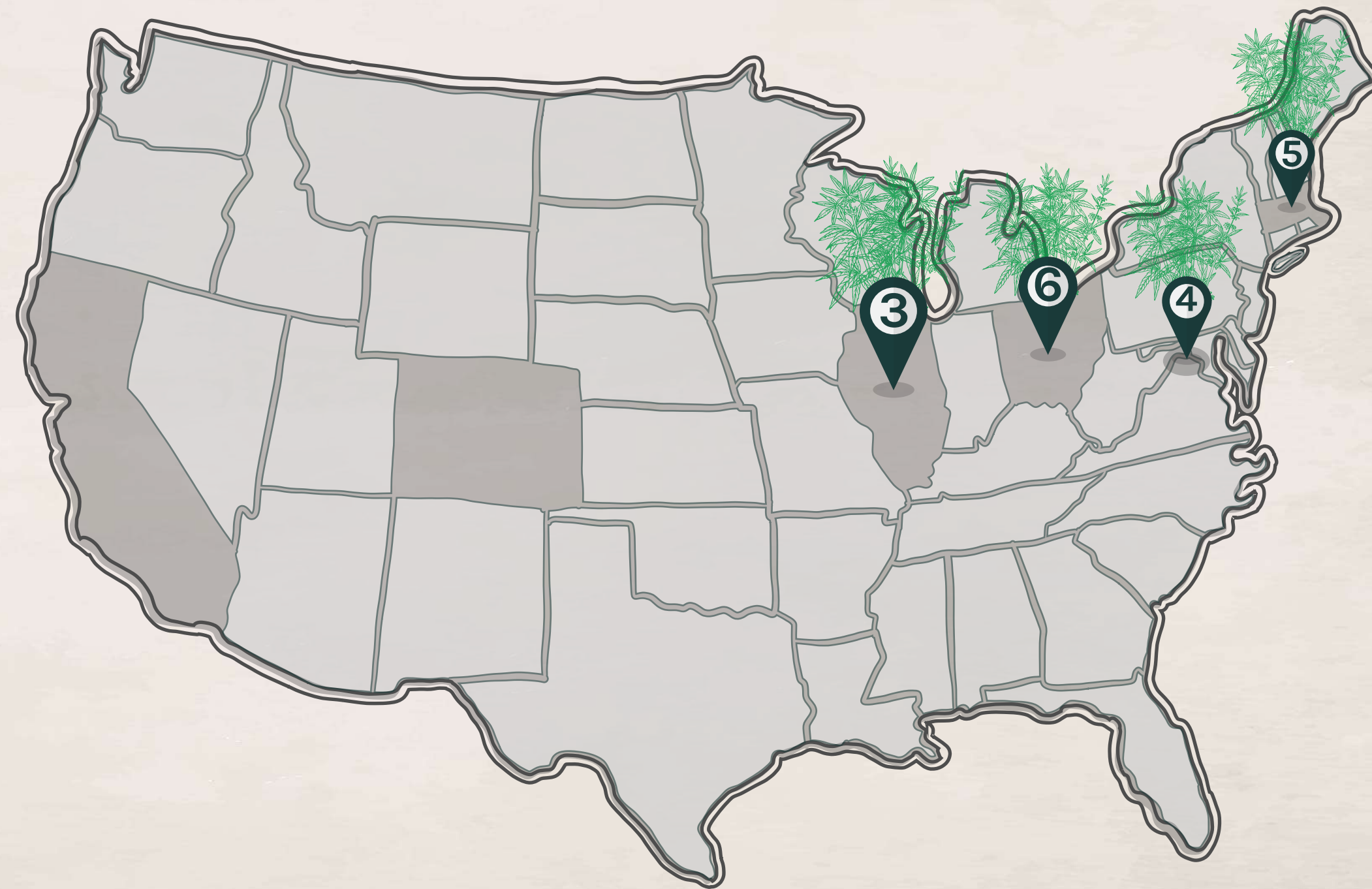
Illinois is one of the least flexible states. Although it is easier to pick up the products outside the dispensaries for medical cannabis, the payment still has to be done physically. Home delivery and online sales are still prohibited. Also, dispensaries must follow specific protocols for deliveries, such as implementing measures to disinfect customers and apply social distancing in the queues.

DISTRICT OF COLUMBIA 4

The Health Department released a temporary guide that allows health professionals to make remote consultations to make recommendations for medical cannabis. Suppliers must be authorized by the state and cannot make recommendations when there is a conflict of interest about a dispensary, cultivation center or testing laboratory.

MASSACHUSETTS AND OHIO 5 & 6

Both states have also authorized remote consultations for the prescription of medical cannabis.



THE ORIGINS OF "4:20"



The term 420, 4:20 or 4/20 refers to cannabis consumption. In the cannabis culture, this code was used to name anything regarding the plant specially to those who smoke it, who say that 4:20 p.m. is the best time to enjoy a cannabis cigarette. The term is also used by activists campaigning for the regulation of adult and medical use.

The International Day of Cannabis takes place every April 20th (4/20), and a lot of countries hold rallies and protests to demand its regulation and the right to consume it. This year's 4/20 happens on a peculiar date, since April is the 4th month of the year 2020, making the entire month 4/20 too. Several organizations, enterprises and individuals had foreseen joining the whole-month celebration, but multiple conferences and festivals had to be canceled due to the COVID 19 pandemic.

History of 420

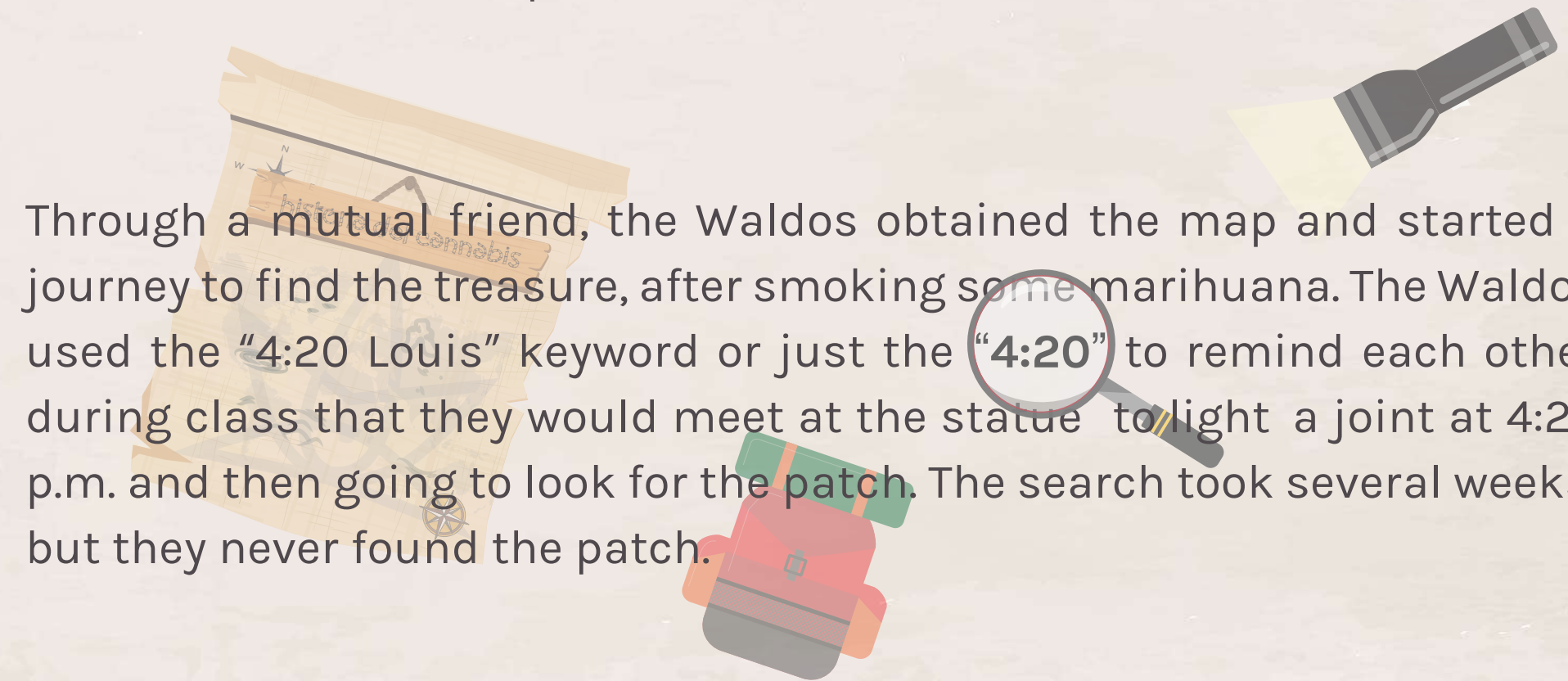
The origin of "420" is controversial and there are multiple versions of its story, but there is one version that is more widely accepted than the others. It dates back to 1971, in San Rafael High School, California, where a group of five students nicknamed "the Waldos" used to gather by the statue of chemist Louis Pasteur at 4:20 p.m., just after their track practice.



The initial purpose of those reunions was to look for a patch of hidden cannabis somewhere in the coast of the Punta Reyes peninsula, where one member of the U.S. coast guard had supposedly grown cannabis. The coast guard didn't want to be caught by his superiors so he chose to abandon the idea. However, he didn't want to waste the cannabis patch, so he drew a "treasure map" and gave permission to whoever found it to collect the buds in the patch.



Through a mutual friend, the Waldos obtained the map and started a journey to find the treasure, after smoking some marihuana. The Waldos used the "4:20 Louis" keyword or just the "4:20" to remind each other during class that they would meet at the statue to light a joint at 4:20 p.m. and then going to look for the patch. The search took several weeks, but they never found the patch.



Even so, the Waldos continued using the new code to refer to the time to smoke marihuana or anything else related to it. At first, it was only used by a small group of people, but it got bigger because of a great network of friends linked to the California music scene. The code "4:20" got as far as the High Times' publisher (a specialized cannabis culture magazine) that began to use the term in the nineties, and it took off from there.



THE ORIGINS OF "4:20"

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<https://gpic.mx>

OUR MISSION:

TO PROMOTE RESEARCH, DEVELOPMENT AND DISSEMINATION OF KNOWLEDGE ABOUT THE BENEFITS OF CANNABIS IN AN ENVIRONMENT OF WELLNESS.

GOAL:

TO ASSIST THE DEVELOPMENT OF A REGULATED MARKET, WHICH GUARANTEES QUALITY AND INNOVATION STANDARDS AMONG ITS PARTICIPANTS AND BENEFITS MEXICO'S ECONOMIC GROWTH.



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