



**MINISTERIAL STATEMENT
To the Senate**

by

**Senator the Hon. Kathy Lynn Simmons, JP
Attorney-General and Minister of Legal Affairs**

Update on a Medicinal Cannabis Regime

Wednesday, 26th February, 2020

Madame President, I am pleased to update this Honourable Senate on the advancement of the Government's initiative to establish a legislative framework for a regulated medicinal cannabis licensing regime in Bermuda.

Madame President, the proposed medicinal cannabis regime was in keeping with the Government's promise in the 2018 Speech from the Throne *'to advance a regime to permit licenced medical practitioners to prescribe medicinal cannabis to aid in treating pain relief and chronic medical conditions; and to establish a licensing regime to regulate domestic production of medical-grade cannabis products'*.

Madame President, Senators will recall that on December 18th, 2019, a consultative draft Bill entitled "**Medicinal Cannabis Act 2019**" and corresponding Regulations were tabled in the Senate initiating a public consultation exercise which concluded on January 20th, 2020.

Madame President, the draft Bill provided for the establishment of a Medicinal Cannabis Authority, in accordance with international standards, to regulate and oversee domestic cultivation, import for domestic cultivation, export, manufacture, research and development, and transportation of cannabis for medicinal purposes. It also made provision for lawful possession and use (by inhalation) of medicinal cannabis for patients as prescribed by a doctor.

Madame President, public response to the consultative draft Bill was unexpectedly low, with opinions supporting the scheme generally with skepticism expressed about the need for a complex regulatory framework, with its attendant costs. Respondents also queried why the Government was not moving directly to full regulation of the cannabis plant. However, after completing public consultation it was clear that the responses fell in line with existing data which showed public support to further reform cannabis laws. In particular, a 2018 national survey (*published by Bermuda Drug Information Network, BerDIN*) of attitudes towards drugs found that—

- **58.6%** of the public believe that cannabis misuse should result in compulsory education or treatment, rather than legal consequences.
- **55.6%** think that cannabis use should be a non-criminal offence, with the penalty of a fine instead.
- **19%** of the public said that cannabis use should result in no legal or other consequences.
- Only **26.9%** of the public want cannabis use to remain a criminal offence subject to criminal enforcement, criminal penalty and a criminal record.

- By comparison, the public was far more concerned about the harms to the public from drunk driving, with **86.1%** in favour of seeing more severe legal penalties levied against drunk drivers.

Madame President, in addition to the online public consultation process, the Ministry has received a relatively constant flow of expressions of economic interest in the proposed regime, general queries, and offers of technical assistance from persons and organizations both locally and overseas. They were received immediately following the initial announcement of the medicinal cannabis initiative, and prior to public consultation on the draft legislation. There is no doubt, **Madame President**, that the reform of our cannabis laws is both topical and timely.

Madame President, it is important to note the Government embarked on a staged approach to drug policy reform as contained in the Progressive Labour Party election platform manifesto to–

- Decriminalize cannabis possession for amounts under 7 grams to ensure that young people are not prevented from future opportunities due to non-violent drug possession.
- Allow licensed medical practitioners to prescribe their patients medicinal cannabis to address legitimate health issues and establish a regime for domestic medicinal cannabis production.
- Commission a review of Bermuda’s drug policy to examine ways to reduce drug abuse.

Madame President, much progress has been made in delivering on the platform promises as evidenced by the decriminalization of possession of under 7 grams of cannabis and the presentation of the draft Medicinal Cannabis Bill. However, as a result of the public feedback,

the data on public perceptions about cannabis and the benefits of entering the global marketplace at this time, the Ministry reassessed its policy position to expand the scope of the proposed cannabis reforms, with the aim of creating a simplified regulated cannabis framework. The framework will include regulating cannabis use and consumption, permitting personal cultivation and commercial cultivation. It is intended that corresponding economic benefits will be directly available to individuals with respect to commercial cultivation. Thus, instead of limiting the regulatory scheme to medicinal cannabis only, a new scheme is being designed comprising a more-comprehensive regulated cannabis framework that rivals similar schemes in New South Wales (Australia), Canada and parts of the United States.

Madame President, it is advantageous to explore the feasibility of advancing a comprehensive regulated cannabis scheme at present, whilst our legislative attention is focused on cannabis reform. Jurisdictions first to the global marketplace can benefit from sustainable economic advantages, market dominance and attractive investment opportunities. The market estimate for CBD, the non-psychoactive cannabinoid, alone is estimated by Forbes Magazine to be worth \$2.1 Billion in global consumer sales in 2020.

Consequently, **Madame President**, following endorsement by the Progressive Labour Party Caucus of a regulated cannabis market, the Cabinet discussed the revised policy direction and the need for further and broader consultation with the view to tabling a revised Bill in May. The revised Bill entitled “**Cannabis (Licensing and Control) Act 2020**” will regulate all aspects of cannabis in accordance with the proposed expanded policy. The object of the Bill will be to provide for a regulatory and licensing regime to regulate the local sale, import, export,

dispensing, possession, cultivation, manufacture, research and development and transport of cannabis and medicinal cannabis for certain purposes.

It is proposed that licences will be available for all of the authorized activities just mentioned, with two tiers of cultivation licence: tier one (1) cultivation licence for personal cultivation of cannabis and tier two (2) cultivation licence for commercial cultivation of cannabis or medicinal cannabis. This new scheme differs from the former Medicinal Cannabis Bill 2019 by also achieving: regulation of cannabis use/consumption (not in public places); controlled access for medicinal cannabis (without the need for a complicated ID card scheme); and a new category of licence for sale of cannabis and/or dispensing of medicinal cannabis.

Madame President, a comprehensive licensing scheme will set stringent requirements for eligibility for licences generally and the specific requirements and conditions for each authorized activity. Provisions for effective monitoring, inspection and enforcement of the scheme by inspectors and police officers will be included in the Bill.

The instruments establishing the Cannabis Authority remain much the same under the new scheme, with the same division of powers between the Minister and the Authority as was presented in the consultation draft Medicinal Cannabis Bill.

Madame President, the Cannabis (Licensing and Control) Bill will also clarify and enhance the law created by the Misuse of Drugs (Decriminalisation of Cannabis) Amendment Act 2017. That 2017 Act made it lawful for persons to possess 7 grams or less of cannabis, but did not permit use of cannabis or any other lawful activities. The proposed Bill will contain provisions to allow

persons to use or consume cannabis within their homes or in certain licenced premises. It is intended that regulated cannabis retail shops will open under licences issued by the Authority.

Madame President, specifics of the regulated cannabis scheme will become available over the coming weeks as we embark on further consultation with key government stakeholders including, the Ministry of Health; the Department of Environment and Natural Resources; the Department of Customs; the Department of Public Prosecutions; the Bermuda Police Service; and the Department of National Drug Control. In addition, town hall meetings and focus groups will be used as sources to both inform and to capture input from representatives of different demographic groups. It is important that we strike the right balance as we liberalize cannabis laws, whilst also protecting the public. Consultation will, therefore, include consideration of age restrictions, offences and penalties, and exclusion zones where any activities relating to cannabis will be prohibited.

Madame President, I also mentioned in December 2019, that it would be unconscionable for the Government to steamroll ahead with a scheme which provides economic opportunities for the few, without considering accessible economic benefits for the many others who would typically be excluded. To this end, I want to reiterate that the new scheme promotes the same economic empowerment provisions and social policy initiatives that underpinned the consultation draft Medicinal Cannabis Bill. The types of licences available, and the associated fees, will open opportunities for small and medium-sized entities and startups with varying capital requirements.

Madame President, a finalized **Cannabis (Licensing and Control) Act 2020** will accomplish an agile regulatory framework that can continue to develop in line with contemporary influences of cannabis regulation schemes globally. In time, we can envisage a Bermuda branded cannabis strain being developed for export; and expansions in our tourism offerings to include cannabis-driven marketing, events and dedicated public spaces for safe cannabis use.

In closing **Madame President**, I intend to keep Senators abreast of the development of this initiative and look forward to fulsome engagement with all sectors of the public to inform the final content of the draft **Cannabis (Licensing and Control) Bill** and corresponding draft **Cannabis (Licensing) Regulations** and **Cannabis (Retail Shops) Regulations**.

Thank you, **Madame President**.