

Standing Committee on Health Approves Amendments to Bill C-45 Regarding Cannabis Edibles and Concentrates

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On Tuesday, October 3, 2017 the Standing Committee on Health (the HESA) approved a number of amendments to Bill C-45, the *Cannabis Act* (the Act).¹ Two specific amendments will likely have a considerable impact on the recreational cannabis market:

- Schedule 4 – “Classes of Cannabis That an Authorized Person May Sell” was amended to include edibles containing cannabis and cannabis concentrates; and
- Section 226 – “Coming into Force” was amended to provide that the Government of Canada will implement a regulatory framework for cannabis edibles and cannabis concentrates within 12 months of the Act coming into force.

In conjunction with the amendments to Bill C-45, Canadian licensed producers have begun to develop a broader selection of cannabis products. On June 19, 2017 Tweed Inc., an LP, announced the introduction of softgel cannabis capsules.² And, just one day after the HESA approved the above amendments, MedReleaf Corp., another LP, announced the launch of a topical cannabis cream.³ The topical cream mixes and integrates with cannabis oil and can be directly applied to the skin.

The amendments to the Act and the product advancements by existing licensed producers represent an important turning point in the Canadian recreational cannabis market. Together, they indicate a divergence from traditional dried cannabis flower and cannabis oil products. In addition, it suggests that additional product offerings from other licensed producers may follow suit as competitors develop new products that broaden the scope of current offerings.

In jurisdictions where cannabis edibles and cannabis concentrates are already legal for recreational use, there are a wide range of products available to the consumer. In Colorado and California, for example, consumers have access to many cannabis-infused products, including:

- concentrates, such as e-pens, droplets, tinctures, and tablets;
- beverages, such as soda, coffee, and tea;
- edibles, such as candy, chocolate, and cookies; and
- bath and body products, such as shampoos, toothpastes, and bath salts.

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Although the Canadian market may differ in its approach to edibles and concentrates due to the government's commitment to rigorous quality control standards and its emphasis on public health and safety, the next logical step is for licensed producers to develop alternative product offerings and seek the necessary approvals to bring these alternatives to market. The developments earlier this month are positive signs for the growth of the Canadian cannabis industry and the recognition that consumer demand will necessitate a variety of cannabis consumption methods, including cannabis edible and cannabis concentrate products. As the market for these products advances, we anticipate that licensed producers and other industry participants will invest significant resources into R&D as well as technological and extraction advancements in order to provide consumers with value-add product options.

We can help

For more information about how Cassels can assist your business, please contact Jonathan Sherman, Rowan Groenewald or another member of our firm's cross-disciplinary Cannabis Group.

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¹ <http://www.parl.ca/DocumentViewer/en/42-1/bill/C-45/second-reading>

² https://cdn.shopify.com/s/files/1/0994/1238/files/June14_Omnibus_NR.pdf?8195995568152699887

³ <https://investors.medreleaf.com/press-releases/press-release-details/2017/MedReleaf-launches-topical-cannabis-cream/default.aspx>

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