

Cannabis Coordination Meeting No 5

1230-1330hrs, Tuesday 2 July 2019

Ecrehous Room, Maritime House

POINTS RAISED & ACTION POINTS

In Attendance

[REDACTED]
[REDACTED]

Dan Houseago, Group Director, Economy & Partnerships, (DH)

[REDACTED]
[REDACTED]

Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)

Scott Meadows, Acting Director Rural Economy and Head of Plant Health (SM)

Apologies

[REDACTED]

Nathan Fox, Assistant Director, Criminal Justice, Community & Constitutional Affairs (NF)

[REDACTED]
[REDACTED]

POINTS RAISED

Item No.	Item
1	Welcome & Introductions
	DH welcomed everyone and introduced KF to the table.
2	Legal – Police DBS Checks
	<p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p> <p>[REDACTED] updated the Group. NF has looked into the above, carried out a provisional assessment on what is required and subsequently handed over to [REDACTED] to progress. [REDACTED] said that the drafting instructions look straight forward, the difficulty is not in writing instructions that can be easily interpreted by the Law Draftsman's Office (LDO), it is the background information that needs some thought as it needs to be signed off by Deputy Len Norman as the Minister for Home Affairs and read so</p>

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that he fully understands what is being asked. SM to send ■ a paragraph from the rural economy stance and PMcC to send ■ a paragraph illustrating the state of play with the current law **(ACTION 1)**.

With regards to a timeframe, ■ advised that the best case scenario would be for him to have the drafting instructions ready to put to Deputy Norman by the end of this week – so he can look at the paperwork before it is put forward to the LDO. The last States sitting before they break for summer recess is 16th July and it is unlikely that the LDO will have a turn-around with instructions to lodge for debate by this date but if Deputy Norman has instructions to sign off by 26th July, we could have a debate by 10th September. If Deputy Norman misses this, we can still lodge by 24th September or early October. ■ added that whether Scrutiny pulls the paperwork in for review in the interim is out of our control.

If Senator Lyndon Farnham (as the Minister for Economic Development) wants this carried out soonest, he would need to get the LDO to by-pass the policy pipeline so that drafting instructions can go straight to the LDO. The issue is, is that it is not the Minister for Economic Development who stands up and asks the assembly for approval, it is the Minister for Home Affairs. It would be simpler if COM approved the drafting instructions in principle and had a resolved position to see if it is right to open the door to this industry. ■ advised that we go to COM first with a paper illustrating the nature of the industry, the scope of the project, risk assessment evaluation and seek COM's endorsement before taking to the Assembly. The last COM meeting before summer recess is 10th July and there is not another one scheduled until September.

■ reiterated the timeline: the Minister for Home Affairs needs to be happy enough to let the instructions go, they can then go to the LDO, ■ will then expect to get something back by the end of July, ■ can then turn them around into a R&P fairly quickly at the end of July / early August.

DH asked that assuming all gets through on 24th September what happens next. PMcC responded by saying that the applicants then have to apply for enhanced DBS checks which will take 3-4 weeks to come through; this is the earliest licences would be issued. PMcC will continue to work with applicants looking at their business cases as a lot of work needs doing in some cases, and then more work will be required to develop facilities involving planning applications etc. There are other barriers that will delay infrastructure development other than DBS delays. PMcC will give an in principle decision to say that if everything is carried out in accordance with the application and the company can confirm this, then they *should* get a licence, at this point the applicant can then approach Planning etc.

■ want to do a range of things, ultimately leading to production; they have been looking into this over the last 12 months and it is evident that they have undertaken comprehensive research. PMcC to forward ■ report to CI **(ACTION 2)**. ■ has applied for hemp production only. ■ want to use controlled parts of hemp to produce CBD; the Health Minister is

	<p>comfortable to permit this using basic DBS checks. There are two companies who are looking to produce high levels of THC and only they will need to undertake advanced DBS checks.</p> <p>SM said that there are other applicants in the offering that he is filtering, a meeting went ahead between PMcC and [REDACTED] on the 3rd where PMcC will elaborate on their licence preparation needs.</p> <p>PMcC said that the Home Office give a minimum of 16 weeks to turn their licencing applications around and that they have a whole department looking at it. SM said that [REDACTED] is being realistic and is looking at a two-year build.</p> <p>PMcC said that he had an email from Senator L Farnham asking about the Poisons (General Provisions) (Jersey) Order 1968; as cannabis is mentioned here and a [REDACTED] was asking questions about this. PMcC has looked into this and because it is on Order rather than a Law we would only require a Ministerial Decision to amend this. However, PMcC would like [REDACTED] to look at it to ensure this is the only course of action needed to be taken. [REDACTED] will ensure reference to cannabis in the Poisons (General Provisions) (Jersey) Order 1968 is noted as part of drafting instructions.</p> <p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] We have until October to sort out the DBS checks. SM said that the enhanced tests will only effect high THC companies not the hemp only companies. SM said that the plan for this year is to get CBD production approved by year end. DH asked if all THC applicants understand this. SM replied yes. SM went on to say that [REDACTED] [REDACTED] [REDACTED] PMcC stated that individuals can import products online into Jersey but need to be compliant with other jurisdictions if wanting to export.</p> <p>[REDACTED] [REDACTED] [REDACTED]</p>	<p>Article 33</p> <p>Article 33</p> <p>Article 33</p>
3	Inward Investment and Partnerships	
	[REDACTED] are carrying on their conversations with local growers and have also met with Locate Jersey to establish how they could set-up in Jersey.	Article 33
4	Business Licensing	
	<p>[REDACTED] has a couple of queries which can hopefully be addressed at the next meeting.</p> <p>With regards to operating as a sole trader PMcC said that in theory applicants can act as a sole trader and will just have to jump through the same hoops as everyone else.</p>	

	<p>SM said that he is about to look at a lab-based testing kit; who would do this testing Natural Environment? PMcC said SM's team could carry out the tests and that there is no harm in trialling it. SM said that hemp crops are tested for THC content within 4-6 weeks of flowering. SM said that the Inspectorate could carry out the sampling. SM said that the kit is approximately £3,000 and that he has the budget to cover this. SM has pre-warned [REDACTED] about testing coming up this year. SM said that we should put a user pays policy in place for tests.</p> <p>PMcC said that the licence fee order is being drafted and is with the LDO. PMcC has met with DH, Senator Farnham and Deputy Richard Renouf (as the Minister for Health and Social Services) to discuss what charge will be given for licences. It has been decided that businesses will be charged £5,000 to cultivate and a subsequent £5,000 to do everything per annum. [REDACTED] commented that this seemed quite low in comparison to what the industry will be making. PMcC said that the proposed fees are broadly similar to current UK fees.</p>	Article 33
5	Waste Disposal	
	<p>SM said although it is early days would waste disposal be a record management security tag bag thing? Can that be the agricultural inspectorate again? PMcC said that waste from plant material itself should be negligible. SM said that the cellulose that will be left will have a THC content that will need to be disposed of. [REDACTED] do this themselves. SM said [REDACTED] is just food for thought at the moment.</p>	Article 33 Article
6	[REDACTED] and [REDACTED]	
	<p>SM and Senator Farnham attended the Cannabis Europa conference in London on 25th June. Senator Farnham agreed that [REDACTED] will check our licensing process and what we are doing as they have helped other processes do this, and to begin discussing a Jersey cannabis forum in the autumn.</p>	Article 33
7	Business case for Assistant Chief Pharmacist and Rural Economy extra hands	
	<p>As per the last minutes the business case has been prepped by [REDACTED] and checked by SM. SM to forward business case to PMcC (ACTION 4).</p>	
8	A.O.B	
	Next Meeting – TBA and to be held before end of July.	

ACTION POINTS

No.	Action	Responsibility
1	<p>Background for law drafting instructions:</p> <p>Send [REDACTED] a paragraph from the rural economy stance.</p> <p>Send [REDACTED] a paragraph illustrating the state of play with the current law.</p>	<p>SM</p> <p>(COMPLETE)</p> <p>PMcC</p>
2	Forward [REDACTED] report to Chris.	PMcC
3	Ask [REDACTED] for a [REDACTED] on quotas.	PMcC
4	SM to forward business case for Assistant Chief Pharmacist and Rural Economy extra hands to PMcC.	<p>SM</p> <p>(COMPLETE)</p>

-Ends-

Cannabis Coordination Meeting No 6

1200-1300hrs, Tuesday 16 July 2019

Ecrehous Room, Maritime House

POINTS RAISED & ACTION POINTS

In Attendance

Dan Houseago, Group Director, Economy & Partnerships, (DH)

Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)

Scott Meadows, Acting Director Rural Economy and Head of Plant Health (SM)

Apologies

POINTS RAISED

Item No.	Item
1	Welcome & Introductions
	<p>DH welcomed everyone and noted Senator Farnham is now aware that we have a properly constituted team to manage the cannabis industry on Jersey. DH noted that it would be good to be able to give Senator Farnham a brief update on progress at his weekly Ministerial meetings; [REDACTED] and SM to put together a brief after each steering group (ACTION 1).</p> <p>[REDACTED] highlighted that planning permission at Crabbe has been passed as was in the media this morning and that cannabis production is increasingly being in the public domain. [REDACTED] said that [REDACTED] is being asked by Strategic Policy and Communications if we need assistance on this matter. DH responded by saying that at the moment the answer is no as Senator Farnham views cannabis developments as BAU in line with policies found in the Rural Economy Strategy (RES) 2017-2021 as endorsed by the Council of Ministers; Policy GSA 2 Supporting business growth and development to deliver productivity-led economic growth in the non-financial services; Policy GSA 24 Agricultural Research and Development to investigate alternative crops to provide product diversity and rotation opportunities in the</p>

	<p>however, the grey area is CBD supplements. ■ to invite ■ from tax to the next meeting (ACTION 4).</p> <p>■ asked for verification if all applicants were Jersey companies. SM responded by saying that ■ is a ■ based company and that ■ e is from ■ said there would only be an issue if employees from companies outside of Jersey came to work in the industry as the business would need to register for licences to work. SM said that he could foresee that these external businesses would want to bring people in and they already have the skills set. ■ noted that Locate Jersey may play a role here. SM said that ■ and ■ have made contact with Locate Jersey.</p> <p>DH asked the Group on what difficulties could be encountered here. PMcC stated that any company wishing to manufacture a cannabis based medicinal product in Jersey will require two things. Firstly they will need a Good Manufacturing Practice (GMP) certificate recognised in the EU. This would need to be granted by one of the EU medicines regulators as Jersey are not recognised as a competent authority in this regard. They would also need a licence under the Medicines (Jersey) Law 1995 as a manufacturer. In order to provide advice to the Health Minister on the suitability of any applicant for a medicines manufacturing licence we would invite the UK medicines regulator (the MHRA) to inspect the applicant's operation and make a recommendation as to whether or not they would satisfy UK standards. PMcC is currently working with the MHRA to develop an MOU covering provision of expert advice to inform local licensing decisions. The MHRA could also potentially issue a GMP certificate.</p> <p>PMcC also highlighted that we need to bear in mind that after Brexit, EU licences and UK recognition of EU licences and vice versa may cause difficulties.</p> <p>6. ■ and ■</p> <p>SM said Senator Farnham has asked ■ for a work proposal to review our progress so far and potentially coordinate a Jersey Cannabis event later in the year.</p> <p>This proposal has now been received as what is envisaged to be a three part project including:</p> <ul style="list-style-type: none"> • Part 1 – a fact finding and preliminary advice piece, 26th and 29th July • Fieldwork - two days' fieldwork in Jersey - Interviews with key stakeholders in the civil service and prospective industry participants • Research - Reviewing and analysing existing regulatory infrastructure and key legislation - Comparing and contrasting issues with international comparators – the majority of this part of the work will be done in Part 2 & 3 • Analysis and report of existing regulatory infrastructure and key legislation • Providing initial findings and recommendations for finding the optimum path to a robust regulatory framework
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	<ul style="list-style-type: none"> • Proposal for further work; a costed and detailed proposal for Part 2 & Part 3 of the proposed engagement • Part 2 – consultancy services to advise on the details of establishing a regulated medical cannabis and hemp industry. • Part 3 – a one day policy summit event to bring together stakeholders with industry experts to identify and solve problems. <p>ACTION POINTS FROM PREVIOUS MEETING</p> <p>Business case for Pharmacist support: SM said he and PMcC have been through the business case and that they are just waiting for [REDACTED] to top and tail.</p> <p>Background for law drafting instructions: [REDACTED]/SM/PMcC have collectively prepped law drafting report and instructions. This is to be presented on the 25th July at 1pm; a meeting for [REDACTED] to brief Connétable Norman on the reasoning behind the DBS law drafting. Senator Farnham, the Health and Social Services Minister and PMcC should also be in attendance. [REDACTED] [REDACTED] [REDACTED]</p> <p>Forward [REDACTED] report to Chris. PMcC needs to forward / scan paper copy to [REDACTED] PMcC said that his concern lies with the operational security and traceability and [REDACTED] concerns come from a Police security perspective. [REDACTED] [REDACTED] [REDACTED] [REDACTED] DH asked for confirmation that PMcC is the relationship manager with the Home Office. PMcC responded yes and stated that what we will be requiring is an annual return from the companies which we can use to report into the Home Office for their records. Quotas are indicative and can be amended by applying to the UK Advisory Council on the Misuse of Drugs (ACMD). [REDACTED] asked if the UK have a quota and an expectation for amounts to be produced per annum. PMcC said that he needs to check the legal view but the main issue is around the Cannabis Agency (the Home Office), DH affirmed that this is a requirement of the Narcotics Convention; effectively an auditing function. [REDACTED] [REDACTED] [REDACTED]. PMcC will send another chaser to the head of licensing at the Home Office (ACTION 5). PMcC said that if he has heard nothing by October, then we will need to turn to External Relations for their assistance.</p> <p>[REDACTED] asked where we are re. the timeline of events. [REDACTED] said that Connétable Norman will not be signing anything off until the 25th July at the earliest and then it will be up to Connétable Norman to fast track or action as he sees fit. A debate could</p>
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4	[REDACTED]	Article 33
	SM noted that [REDACTED] are in Jersey this week meeting various growers.	
5	[REDACTED]	Article 33
	SM noted that this company [REDACTED] are about to patent 5 delivery systems based on medicinal cannabis.	
6	A.O.B	Article 33
	<p>PMcC noted current applications. [REDACTED] are very close to being granted THC production.</p> <p>[REDACTED] have applied for hemp and this application is currently sitting with the Minister and the licence should be issued this week for non-controlled parts.</p> <p>[REDACTED] have applied to use flower for CBD production, to be granted imminently.</p> <p>[REDACTED] have applied for THC and CBD – to be assessed in 6 – 8 weeks SM said that he has a site tour of [REDACTED] next Tuesday 23rd July with [REDACTED] and that Deputy David Johnson will also be attending.</p> <p>[REDACTED] have applied for THC production.</p>	

ACTION POINTS

No.	Action	Responsibility
1	Pull together a brief paragraph on progress to date for DH to pass to Senator Farnham.	SM COMPLETE
2	Invite the Minister for Health and Social Services to the Ministerial meeting on the 25 th July.	PMcC
3	DH to ask the Minister for Economic Development if he wants an information paper to go out to COM.	DH
4	Invite [REDACTED] from Tax to the next Steering Group meeting on the 23 rd July.	[REDACTED]
5	Quotas: send another chaser to the head of licensing at the Home Office.	PMcC
6	Pull together a timeline from the MD stage to obtaining a licence.	[REDACTED]
7	PMcC to have a conversation with the Minister for Health and Social Services re maximum levels.	PMcC
8	PMcC to ask the Minister for Health and Social Services how he wishes to deal with the issue regarding cannabis being regulated as a poison [REDACTED] [REDACTED]	PMcC

-Ends-

Cannabis Coordination Meeting No 7

1230-1330hrs, Tuesday 23 July 2019

Minquiers Room, Maritime House

POINTS RAISED & ACTION POINTS

In Attendance

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)

[REDACTED]

Scott Meadows, Acting Director Rural Economy and Head of Plant Health (SM) - CHAIR

[REDACTED]

Apologies

[REDACTED]
[REDACTED]

Dan Houseago, Group Director, Economy & Partnerships, (DH)

POINTS RAISED

Item No.	Item		
1	Welcome & Introductions		
	[REDACTED] was introduced to the group.		
2	Agree Points Raised & Action Points from previous meeting (additional commentary to previous Actions are in blue type).		
	1	Pull together a brief paragraph on progress to date for DH to pass to Senator Farnham.	SM COMPLETE
	2	Invite the Minister for Health and Social Services to the Ministerial meeting on the 25 th July. [REDACTED] updated the Steering Group (SG). The formal position is that the Minister for Health and Social Services (Richard Renouf) has an invite to a meeting on 25 th July but his attendance is optional. [REDACTED] PMcC, Connétable Norman and Senator Farnham will be in attendance. The aim of the meeting is for [REDACTED] to get a Ministerial Decision with drafting instructions agreed and signed off by Senator	PMcC COMPLETE

		Farnham. If [REDACTED] cannot get the MD tied up then the meeting will serve as pre-brief. In principal Connétable Norman appears comfortable with the MD. The MD is exempt so it will not appear as a public decision. PMcC clarified that this meeting is concerning DBS checks only.		
	3	DH to ask the Minister for Economic Development if he wants an information paper to go out to COM. [REDACTED] said that Senator Farnham made it clear that he has no intention of taking a paper to CoM in the short term.	DH COMPLETE	
	4	Invite [REDACTED] from Tax to the next Steering Group meeting on the 23 rd July.	[REDACTED] COMPLETE	
	5	<p>Quotas: send another chaser to the head of licensing [REDACTED]. PMcC has chased and is awaiting a response. [REDACTED] wanted clarification that [REDACTED] will supported our proposals. PMcC said yes it will but we just need it formalised and want to be clear on the exact reporting that will be required going forward. [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>SM and Senator Farnham met with [REDACTED] of [REDACTED] yesterday along with Deputies Morel and Johnson. PMcC noted that [REDACTED] application was solely to grow EU approved hemp varieties; whereas SM was of the understanding [REDACTED] also wanted to apply for THC. PMcC will liaise with [REDACTED] to clarify what [REDACTED] are wanting to produce. PMcC met with [REDACTED] from [REDACTED] yesterday and PMcC is happy from his position to recommend a licence as long as [REDACTED] stick to the contracted terms. [REDACTED] believes it will take about six months until they are up and running.</p>	PMcC ONGOING	<p>Article 41</p> <p>Article 31</p> <p>Article 33</p>
	6	Pull together a timeline from the MD stage to obtaining a licence.	[REDACTED] COMPLETE	
	7	PMcC to have a conversation with the Minister for Health and Social Services re maximum levels. [REDACTED]	PMcC ONGOING	Article 31
	8	<p>PMcC to ask the Minister for Health and Social Services how he wishes to deal with the issue regarding cannabis being regulated as a poison [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED] PMcC is hoping to see the Minister this week and will discuss with him.</p>	PMcC ONGOING	

3	<p>Businesses licenses for individuals/companies prior to receiving their licence from the Health Minister</p>
	<p>■ said that a number of companies have approached the Business Licensing team for a licence. Business Licensing had advised applicants to obtain a licence from the Health and Social Services Minister and then the Business Licensing team would then grant applicants a business licence to trade and employ staff.</p> <p>However, applicants have said that they have a lot of work to do in order to set themselves up e.g. open bank accounts, etc. and in order to do so they require proof of intended operations. That said, ■ has offered to help applicants set up a business licence and has produced a draft, a copy of which ■ passed to each of the Steering Group for comment.</p> <p>The business licence will allow companies to carry out the administrative side of things such as setting up a bank account but if the business is not granted an operational licence from the Health and Social Services Minister, then the Minister has grounds to revoke the business licence. ■</p> <p>■</p> <p>■ Once applicants have a business licence, the retention of that licence is subject to conditions under the operational licence. PMcC said to include a provision of any potential breaches under the Misuse of Drugs (Jersey) Law 1978. ■</p> <p>■</p> <p>■ PMcC agreed that the Company will be granted a licence under Article 3. ■</p> <p>■</p> <p>PMcC said that licences will probably be renewed on an annual basis, so we could put a condition that any new beneficial owners require a DBS check. ■ said that it would be a good idea to refresh the ownership each year. PMcC went on to say that if we grant the licensing annually (whereby companies have to apply each year for a new licence), they will have to submit who their owners are, if there are not any new beneficial owners, then PMcC suggests that we stipulate a subsequent DBS check is required three years from the date of the original licence. PMcC said that going forward we should have e.g. nine or ten elements in the guidance notes to address these points. ■</p> <p>■ PMcC replied yes.</p> <p>PG to email PMcC and ■ a draft licence for comment (ACTION 4).</p> <p>PG said that when the Business Licensing team receive a business licence application in respect to cannabis then they will collaborate with the Steering Group, or relevant members of the Steering Group. SM asked what process businesses follow when they wish to bring staff into the Island. ■ responded by saying that they would have to go through the application process. ■ can advise on this for potential applicants.</p>

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5	Tax
	<p>SM briefed [REDACTED] on what we are looking to achieve. SM asked in DH's absence what tax need from us. [REDACTED] said that we need to be clear what we need to tax. If we are taxing the processing of CBD that's one thing but if we are taxing cultivation of the plant itself then that is another thing. The Tax Department look to try to define the type of company that we are wanting to tax. If companies are newly formed in Jersey that is good as it means they are clean and may not have other trading activities. Tax would not want to start breaking down income-streams as this can become quite complex. SM asked what would be the recommended method. SM asked that if we tax on profit then can the company reinvest back into the business e.g. maintaining or purchasing infrastructure. [REDACTED] responded by saying that it depends on what the business is wanting to reinvest in. [REDACTED] does not want to make special provisions for new industry. [REDACTED] will discuss with colleagues (ACTION 5).</p> <p>SM asked if there is anything we can provide to help with discussion at this stage. [REDACTED] said that the Tax Department need to know who are applying for licences, how they are structuring their business, and what the Steering Group are wanting to tax e.g. for a grower, they are licenced to grow and once the produce is sold on this is what is taxed. [REDACTED] said that presumably we can put production through a new separate company? PMcC said that the Misuse of Drugs (Jersey) Law 1978 does not apply any restrictions on who applies for a licence, and that it doesn't have to be a company who operates only that activity or a company or sole trader. [REDACTED] said that shared space does not come under any laws administered by Rural Economy. PMcC said that in terms of company structure and tax the Misuse of Drugs (Jersey) Law 1978 does not comment on this. [REDACTED] cannot income stream (i.e. tax part of a business operation) – tax will only apply in the round. PMcC said that all applicants only operate one company under their trading name.</p> <p>[REDACTED] and SM raised the point that if a company is producing hemp and CBD how would this work? PMcC said that there is no requirement to report on the CBD production. [REDACTED] said that Rural Economy administer the Agricultural Returns (Jersey) Law 1947 that requires companies to report on crop production via an annual return.</p> <p>PMcC asked [REDACTED] how the Tax Department would tax e.g. a pharmaceutical company set up to produce products. [REDACTED] said that corporate tax is set at 0%. Financial services and utility companies are taxed in the round at 10% and 20% respectively: the Tax Department do not define their income stream. [REDACTED] said that the UK have announced that they will reduce their corporate tax main rate down to 17% for the financial year beginning April 2020 which is less than the 20% rate suggested for companies engaging in this activity.</p> <p>PMcC explained that [REDACTED] will cultivate and supply hemp to [REDACTED] will then extract the CBD and sell it back to [REDACTED] at no profit (as they are part of the same company). (NB. [REDACTED] is the parent company and [REDACTED] and [REDACTED] the subsidiary companies set up under [REDACTED] PMcC asked in this circumstance,</p>

	<p>would it be [REDACTED] that is taxed? PB said that if we are going down this route then [REDACTED] would need to be an arms-length organisation. [REDACTED] suggested that presumably we wouldn't want to tax the produce that [REDACTED] make? SM said yes we would as the end product will be a high-end retail product. [REDACTED] said that the original information he was approached for advice on was cultivation and processing and did not think the retail end was part of it. SM said so the Tax Department wish to tax growers and producers but not the retail end of things? SM said that we need further advice. [REDACTED] were due to visit the Island this Friday 26th July but the visit has fallen through and that [REDACTED] would have been best placed to advise us. We will need to look at other jurisdictions and what they do. PMcC said that it might be worth chatting to Senator Farnham about his views. [REDACTED] said that if the local cannabis industry is producing by 2020 we need something in place by 2020. PMcC predicts that the companies will not see any returns until March 2021. Therefore, we will not have any figures until then. [REDACTED] said that we have to collect information in terms of their sales licencing: they need to make a declaration when they transact the product under Agricultural Returns (Jersey) Law 1947.</p> <p>PMcC asked for clarification that [REDACTED] do not need to declare what they are exporting, only if they are exporting CBD. [REDACTED] said that if a company is not doing anything that attracts a positive rate of tax then they are taxed at 0%. We need to look at potential profitability of impacted companies in order to estimate the level of tax revenues that this measure will raise for the States. Any tax changes to take effect for the year of assessment 2020 will need to be in the Finance Law which will be lodged by the 15th October. The difficulty is if a company is conducting multiple activities and how we handle this. SM wants to tax on CBD and THC but not on hemp fibres and oil produced etc. [REDACTED] said that it might be difficult to draft something like this. [REDACTED] suggested that we could say cultivation of cannabis and process of THC and processing of CBD and leave out cultivation of hemp potentially but if we have a company that does both, they will be taxed. SM said that [REDACTED] have been made aware of tax implications and are bracing themselves for 20%. [REDACTED] and DH to look at potential profitability figures and produce a paper to forward to [REDACTED] to discuss with his team and then can meet again in a few weeks (ACTION 6).</p>	Article 33
6	A.O.B	
	<p>PMcC said that we need to be clear that the Misuse of Drugs (Jersey) Law 1978 only covers operations; not administration e.g. tax. PMcC said that we could have a scenario whereby we have offshore company buying a Jersey company outright and therefore with no directors based on the Island. [REDACTED] said that the [REDACTED] are set up this way. SM noted we need to guard against this. PMcC stated that licences are granted to companies not an individual unless they are a sole trader. SM asked if licences can be granted to an individual. [REDACTED] said that they would need a significant change of ownership application. Issues can be taken into consideration at the point of change of ownership. [REDACTED] said that a lot of businesses are set up this way. SM asked that this be a discussion point for the next meeting. (ACTION 7).</p>	

ACTION POINTS

No.	Action	Responsibility
1	To continue pressing [REDACTED] as a matter of urgency for a MoU to provide for arrangements between [REDACTED], as the [REDACTED] for the purposes of the [REDACTED], and the Minister for Health, as the licensing authority under the Misuse of Drugs (Jersey) Law 1978 (<i>Action 5 from meeting of 16 July</i>).	PMcC
2	PMcC to have a conversation with the Minister for Health and Social Services re maximum levels (<i>Action 7 from meeting of 16 July</i>).	PMcC
3	To ascertain from the Minister how cannabis should be removed from regulation under the Poisons Law, and provide instructions accordingly to the Legislative Drafting Office (<i>Action 8 from meeting of 16 July</i>).	PMcC
4	Forward draft business licence to [REDACTED] and PMcC for comment.	[REDACTED]
5	Discuss with colleagues how to tax the new cannabis industry.	[REDACTED]
6	Produce a paper on potential profitability of the industry to forward to [REDACTED] and [REDACTED] team for discussions.	[REDACTED] and DH
7	Change of ownership; put on agenda for next meeting.	[REDACTED]

-Ends-

Cannabis Coordination Meeting No 8

1030-1130hrs, Tuesday 20 August 2019

Minquiers Room, Maritime House

POINTS RAISED & ACTION POINTS

In Attendance

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)

Scott Meadows, Acting Director Rural Economy and Head of Plant Health (SM) - CHAIR

[REDACTED]

Apologies

Dan Houseago, Group Director, Economy & Partnerships, (DH)

POINTS RAISED

Item No.	Item
	Welcome
A. Business Arising (rolling business)	
	Agree Points Raised & Action Points from previous meeting
	(These formed the main points of discussion for this meeting; please see commentary on actions below in blue).
B. New Business	
1	Change of ownership (SM) 5 minutes
	Not discussed – still need to clarify whether licences transfer with a business if it is traded
2	[REDACTED] (SM)
	SM mentioned that Senator Farnham wishes to commission [REDACTED] (please refer to Meeting Minutes from 16 th July for further detail) for a gap analysis and local cannabis forum. [REDACTED] were provisionally booked to visit on the 9 th September, however, it has been decided to postpone this visit until we hold an internal Cannabis Workshop

Article 33

	and are closer to gaining the [REDACTED] MOU. [REDACTED] to produce a contract to engage [REDACTED] (ACTION 1).
3	[REDACTED] (meeting request with [REDACTED] and the Chief Pharmacist) (SM) 5 minutes
	SM raised the point of needing a Know Your Client / due diligence type screening process for new entrants (please see item five below).
4	[REDACTED] – GMP accreditation and MHRA sign-off (SM) 5 minutes
	PMcC said that in order to manufacture a medicine, a company needs to be licenced under the <u>Medicines (Jersey) Law 1995</u> . We would need to look to the <u>Medicines and Healthcare products Regulation Agency</u> (MHRA) to provide technical advice (as we do not have the expertise on Jersey) and to bring them across to inspect the end product to ensure it is Good Manufacturing Practice (GMP) compliant. PMcC has a good working relationship with the MHRA. GMP accreditation and MHRA sign-off is in-hand, an MOU is being developed and is with the Director General of Health and Community Services for sign-off.
5	Pre-application form for new business (SM / [REDACTED] 5 minutes
	[REDACTED] showed the group a database [REDACTED] has devised for licencing and managing clients rural economy businesses which could also capture and hold information on Know Your Client / due diligence for cannabis entrants.
6	Draft Rehabilitation of Offenders (Exceptions) (Amendment No.2) (Jersey) Regulations 201- [REDACTED] 15 minutes
	[REDACTED] said that [REDACTED] has 3 comments boxes within the draft Regulation (as circulated). [REDACTED] (ACTION 2).
C. Ending Items	
	AOB
	<ul style="list-style-type: none"> Workshop required detailing process – a dummies guide. SM, [REDACTED] and [REDACTED] to draft agenda and a flowchart depicting process for new applicants for discussion at the workshop. PMcC [REDACTED] [REDACTED] [REDACTED] so try to get a date together beforehand. PMcC has a meeting with [REDACTED] from the Law Draftsman's Office on the 3rd September to discuss the Fees Order.

Articles
33 and 41

Article
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Article
31

ACTION POINTS

No.	Action	Responsibility
1	Produce a contract for [REDACTED]	[REDACTED]
2	[REDACTED] [REDACTED] [REDACTED]	[REDACTED]
3	Produce a draft agenda and draft flowchart for the internal workshop.	SM, [REDACTED] & [REDACTED]
4	Seek advice on which officers should attend a meeting with [REDACTED] [REDACTED] ongoing Action from meeting of 16 th and 23 July) To continue pressing [REDACTED] as a matter of urgency for a MoU to provide for arrangements between [REDACTED]	PMcC

Article
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	<p>██████████ for the purposes of the United Nations Single Convention on Narcotic Drugs of 1961, and the Minister for Health, as the licensing authority under the Misuse of Drugs (Jersey) Law 1978 (<i>Action 5 from meeting of 16 July</i>).</p> <p>██████████</p> <p>██████████</p> <p>██████████</p> <p>██████████</p> <p>██████████</p> <p>██████████ flexible as to whether this meeting is held on Jersey or ██████████. PMcC prefers a local agency with close engagement with ██████████, rather than seek permissions from ██████████ is not likely to know the parameters until we have guidance on parity with ██████████</p> <p>██████████ is head of licensing at ██████████ and effectively heads up the ██████████. All controlled licences including cannabis goes through the Agency and they undertake inspections of businesses ██████████ The plan is to have the final version of the MoU by the end of October. Thus no-one is in a position to be licenced for medicinal production this side of Christmas.</p>		Article 41
5	<p>PMcC to have a conversation with the Minister for Health and Social Services re maximum levels (<i>Action 7 from meeting of 16 July</i>). ██████████</p> <p>██████████</p> <p>Also need to remove pharmacy restriction – i.e. anything cannabis related has to be supplied from a pharmacy.</p>	PMcC	Article 31
6	<p>To ascertain from the Minister how cannabis should be removed from regulation under the Poisons Law, and provide instructions accordingly to the Legislative Drafting Office (<i>Action 8 from meeting of 16 July</i>). Cannabis currently restricted under the <u>Poisons (Jersey) Law 1952</u> – this needs to be rectified in the short term by removal of cannabis references, then longer term with a re-jig of the Law – possibly combining with pesticides and biocides legislation.</p>	PMcC	
7	<p>Tax and Licencing</p> <p>DH to brief Senator <u>Farnham</u> on lead-in plans (ACTION 7).</p> <p>PMcC said that it makes sense to aim for taxation from 2020 and put drafting instructions in from early next year. ██████████</p> <p>██████████ asked who will be the instructing officer. ██████████ said it will be tax but the tax policy unit need to know what the policy is and what the tax take may be and what the profitability might be. ██████████ said that ██████████ can ask the Law Draftsman to stand down for this (2020 budget). All agreed. Discussion and lead-in</p>	DH	Article 31

	<p>plans will not be compromised i.e. it will not slow things down. SM said that we have always had a timetable of CBD production to be underway 2019 and for THC end 2020. ■ said that the Minister will be wise to refer to it in the budget for 2021 and made the Steering Group aware that it is mentioned in the current Government Plan.</p> <p>■ said that the message coming back from the Tax Policy Unit is that we need to do something quick and simple. They do not want different taxing rules for different types of industry and want to avoid income streaming as it creates too much complexity. We need to define the type of company we want to tax. Do we want to impose the 20% standard rate or 10% like financial services companies? One question is how to define which companies should be taxed at 20% - is it any company holding a cannabis licence from the Health Minister? SM pointed out that we are not having any THC production for at least another 18 months. ■ said it could be a problem if a company is in the process of establishing themselves but are not yet in production as they will still have outgoings. Large retailers (retail corporate tax is set at 20%), any losses they had prior to introducing the 20% rate they were allowed to bring forward and set off. The licence can capture any definitions. SM said that ■ will have an income already and that they will be extracting by the autumn. PMcC said that ■ costs will go down as they will no longer have to import CBD. ■ said that at this point, the tax position will change, we need to start from 2019 year of assessment but he is conscious of existing companies which have existing accounting year ends. Need to look at what is the impact on that business and what is the licensing rule for them. ■</p> <p>■</p> <p>■</p> <p>■</p> <p>■</p> <p>asked would this be a problem if profits not arising within the year? PMcC and ■ stated that no profits will be made until 2020. ■ said that Tax need to know what the policy is to know whether they come within tax or not. The first thing to decide is what we want to tax. ■</p> <p>■</p> <p>This issue to be discussed at the workshop.</p>	
8	<p>Produce a paper on potential profitability of the industry to forward to ■ and ■ team for discussions (<i>Action from 23rd July</i>). ■ just starting to put figures together now.</p>	■ and DH
9	<p>Change of ownership; put on agenda for next meeting.</p>	■

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-Ends-

Cannabis Coordination Meeting No 9

1430-1600hrs, Tuesday 8 October 2019

Minquiers Room, Maritime House

POINTS RAISED & ACTION POINTS

In Attendance

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)

Scott Meadows, Acting Director Rural Economy and Head of Plant Health (SM) - CHAIR

[REDACTED]

Apologies

[REDACTED]

Dan Houseago, Group Director, Economy & Partnerships, (DH)

POINTS RAISED

A. Business Arising (old business)

Action Points from previous meeting of 20th August and workshop 2019 (ALL)

1. [REDACTED] update and contract (SM and [REDACTED] 5 minutes

- SM has been in communication with [REDACTED] and it has been agreed that he will contact them once the MoU has been signed off to discuss how they can assist us moving forward.
- [REDACTED] have also been advised that the Steering group now think it wise to hold the Cannabis Conference in Easter 2020 to coincide with the first THC licences being granted. SM has updated Senator Farnham who is comfortable with this. [REDACTED] have sent through a contract form and SM will forward it to [REDACTED] to develop.

Article 33

2. **Draft Rehabilitation of Offenders (Exceptions) (Amendment No.2) (Jersey) Regulations 201-** update [REDACTED] and [REDACTED] 5 minutes

- [REDACTED] said that the proposition has been lodged and listed for debate on the 12th November. Prior to this the Education and Home Affairs Scrutiny Panel is expecting to be briefed to a limited degree on these Regulations. This is currently listed for Scrutiny on Monday 14th October. [REDACTED] from [REDACTED] has been asked to attend to cover this off. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] has not been asked to attend the Scrutiny Panel on the 14th October. [REDACTED] stated that the Scrutiny Panel will be a private briefing.

Action 1: [REDACTED] to find out where the Scrutiny Panel are at with their questions and to which Minister they are primarily directing their queries.

3. [REDACTED] /MoU update (PMcC) 10 minutes

- Draft MoU by end of September and final MoU by end of Oct still on track?
- Meeting with [REDACTED] early October?
- MoU emailed to External Relations?

Article 41

- PMcC said that External Relations have a record of the email re the development of the MoU.
- PMcC has not received anything from [REDACTED] as yet but he has just had confirmation that [REDACTED] will be here on Monday 14th October to discuss the issues and agree a framework in order to produce a draft MoU. At this moment in time there is no draft to work with. [REDACTED] have had a recent change [REDACTED] and so have had an absence of support hence the slight delay in proceedings.

Article 41

- [REDACTED] is available to meet [REDACTED] with PMcC and said that it would be useful to have someone from GHE at the meeting. SM will ask DH if he can attend, failing that then SM will attend. [REDACTED] has spoken to [REDACTED] and has explained to [REDACTED] what we are doing.

➤ [REDACTED]
[REDACTED]
[REDACTED]

- PMcC said that [REDACTED] have separate guidance on cultivating and processing. [REDACTED] are looking at licencing controlled and non-controlled parts of the plant and are not looking at THC elements.

Action 4: PMcC, [REDACTED] and SM to clarify [REDACTED] position on and how they apply 'cannabis for special purposes'.

5. To ascertain from the Minister how cannabis should be removed from regulation under the Poisons Law, and provide instructions accordingly to the Legislative Drafting Office (Action 8 from meeting of 16 July) (PMcC) 5 minutes

- Drafting instructions have been submitted and so PMcC is awaiting feedback.

6. Tax and Licencing: brief Senator Farnham on lead-in plans (DH) 10 minutes

- Require update from DH.

7. Produce a paper for the Corporate Strategy Board (CSB) / CoM detailing the progress so far and what is required going forward (DH) 5 minutes

- Require update from DH.

8. Licence applications and initial applicants: set up a meeting with Locate Jersey and Jersey Business re 'on boarding' new enquiries [REDACTED] 5 minutes

- [REDACTED] met with [REDACTED] from Jersey Business. A decision was taken to leave Locate Jersey out of proceedings as they may not be the relevant agency to use for our purposes. [REDACTED] has independently carried out some business case assessments for those involved in the industry. We need to keep [REDACTED] in the loop as and when we develop our licencing policy.
- [REDACTED] talked about setting up a register of parties re those who wish to come to Jersey and those local individuals / bodies who wish to operate. Will not be using greenfield sites; we will be utilising existing buildings / agricultural sites. We know where resources are on the ground so it is a matter of matching up owners of those sites with interested cannabis business owners using a register. [REDACTED] has already engaged with planning but needs to speak to them again regarding other rural economy uses. Sites may not need planning permission as use can be made from existing facilities.
- [REDACTED] said that barriers to entry are pretty high due to availability of sites. Approximately 15 sites available. [REDACTED] looking at eligibility and availability. If you have agricultural conditions on land already have permission just need to change.
- Staff requirements are much lower than potato farming (with a ratio of 20:4).

9. [REDACTED] to be contacted - Best Business Practice Document– this needs to be checked and possibly incorporated into application guidance [REDACTED] 5 minutes

- [REDACTED] is yet to be contacted, however, [REDACTED] has sourced the sound business practice policy from the JFSC. [REDACTED] refers to Table 2 – ‘Activities that pose a potential risk to the reputation of the Island and are not within the scope of Table 1’. ‘Registered, Authorised and/or Supervised Activities’ Whereby cannabis would fall under Table 2. (3) ‘Manufacture, marketing or sale of pharmaceutical goods or devices which are not licensed or have not received marketing authorisation in the jurisdiction where they are manufactured, marketed, sold or supplied’.
- PMC queried the document. [REDACTED] said these documents are normally produced in response to an issue. PMcC that any production of cannabis plant over here will not have marketing authorisations and cannabis products would not fall under this category as aforementioned. [REDACTED] explained that those activities listed under Table 1 are subject to mandatory supervision by the JFSC whereas Table 2 are not but lists those activities that could pose a reputational risk to Jersey.
- [REDACTED] has looked into the [Proceeds of Crime \(Jersey\) Law 1999](#). Which looks at the whole angle of businesses that could be attracted to the Island. [REDACTED] said that [REDACTED] (from Financial Services and Digital Economy) is in charge of this and he is trying to put together guidance for business investors.

[REDACTED]
[REDACTED]

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Action 5: [REDACTED] to speak to [REDACTED] re best practice document. [REDACTED] to contact James Silverston in the first instance.

10. Produce a paper on potential profitability of the industry to forward to [REDACTED] and his team for discussion (JV) 5 minutes

- Currently being worked on; [REDACTED] from Jersey Business will also contribute.

Action 6: [REDACTED] and [REDACTED] to produce a paper on potential profitability of the industry to forward to [REDACTED] and his team for discussion.

11. Non-disclosure agreements (SM) 5 minutes

- SM met with [REDACTED] of [REDACTED] and the Non-Disclosure Agreement was signed by SM on behalf of Senator Farnham so more open conversations can be had going forward. SM recommended to [REDACTED] that [REDACTED] in Jersey.

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12. Cannabis flower THC analysis (SM) 5 minutes

- SM is working towards a formal monitoring system for industrial hemp and THC levels.

13. Cannabis company definition agreed and agree lead to approach LDO (ALL) 10 Minutes

Action 7: ■ to set up a meeting with ■ SM and PMcC to discuss and agree a cannabis company definition for tax purposes.

- ■ needs to prepare a report for the tax policy board detailing the background to the cannabis industry in Jersey and the financials driving it.

Action 8: SM to email ■ the document produced for Senator Farnham.

- ■ has had a conversation with the Tax policy team regarding how to tax the cannabis industry. It was discussed that we could use direct tax on profit or indirect tax on litreage of oil; if this is along the lines of what the Steering Group are thinking of then this is the kind of information tax need. Once Tax have this information, then the Steering Group and the Tax policy team will have to look at what law will be used to regulate this activity. If imposing a levy, this would require a new administrative system using the Tax office or if through excise, then this would need to be administered by Customs.

Action 9: ■ to look at what potential revenues could be generated from the cannabis industry and report back to ■

- SM noted that a couple of key players would be keen to set up an industry board and believes this is a good idea. ■ advised that this should be treated with caution as we do not want the board to be industry driven; there needs to be a balance of members and an impartial chair.
- ■ said that the [Guernsey budget was published today](#) and their Government were asked whether they were of the opinion *inter alia*:-

To extend the company higher rate tax (20%) to:

- (a) Income from the licensed activity of cultivation of cannabis plants, and income from the use of those cultivated cannabis plants or parts of those cultivated cannabis plants for –
 - i. any licensed production of industrial hemp, supplements, cannabidiol, fibre, medicinal products or other products,
 - ii. any licensed processing, or
 - iii. any other licensed activity or use, and

(b) where prescribed by regulations of the Policy & Resources Committee, income from –

- i. the licensed production of controlled drugs, and
- ii. the use of those controlled drugs (produced under license) or parts of those controlled drugs for any licensed activity or use,

and to direct the preparation of such legislation as may be necessary to give effect to this decision with effect from 1 January 2020.

- [REDACTED] explained that this is where we differ as Guernsey look at the activity and what can be applied to that activity (effectively income streaming) and then they tax on net income after deductions. In Jersey we would not income stream, we would tax the entire business, so a company would have to set up a separate company if wanting to engage in an activity different to the activity upon which the business was initially established and then these two companies would be taxed according to the business they carry out.

14. Indicative Project Plan – run through as a group [REDACTED] 5 minutes

- [REDACTED] explained that this did not need to be looked at today as most members of the Steering group have looked at it individually and updated it in the run up to this meeting.

[REDACTED]
[REDACTED]

B. New Business

➤ Updates; 5 minutes

- [REDACTED] medical cannabis expert visit on 2nd October (PMcC / SM)
 - PMcC said that [REDACTED] already produces medicinal products and has two aims;
 1. To partner with a local operation to grow cannabis
 2. To use Jersey as a distribution point for products that his company manufactures in other jurisdictions for onward sale in Europe.
- [REDACTED]
 - SM met with [REDACTED] who are most likely an entity that need to go on the register to be partnered with someone who understands the seed to sale process.
- [REDACTED]
 - SM said that [REDACTED] plan to grow and extract CBD isolate (pure CBD) in Columbia and import it into Jersey and then forward onto wholesale Europe.

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- [REDACTED]
- [REDACTED] - joint venture as mentioned earlier.
- [REDACTED] to act as an intermediary for new UK entrants requiring agricultural land (?) – spoken about already re speed dating
- [REDACTED] specialists in CO2 extraction (speak to SM). Looking to partnering with [REDACTED] setting up an extraction facility here and offering extraction services to other businesses. PMC mentioned something around a company has the kit to do testing potentially. We would want the States Analyst to analyse anything we do to mitigate against any potential mitigation.
- [REDACTED] in the Island next week talking to local players.

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C. Future Business

Rolling Action Points from the workshop to be actioned at a later date

1. Once clarity has been had from [REDACTED], meet to produce an annual return for cannabis growers: most likely to be in a position to do so around November time [REDACTED] and PMcC) – a rolling action noted for approx. Nov-Dec 2019.
2. Need a process map for internal reference and for applicants alike (ALL) - A rolling action noted for approx. Nov – Dec 2019 once all internal administration and processes are in place. PMcC noted that [REDACTED] may prefer we use their online system.
3. Produce a contract for [REDACTED] – a rolling action to TBD in line with [REDACTED] engagement.
4. Keep [REDACTED] in the loop re. cannabis licensing policy developments [REDACTED] - a rolling action as and when developments progress.
5. Continue to work towards a formal monitoring system for industrial hemp and THC levels (SM) - a rolling action in progress.

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C. Ending Items

A.O.B. (ALL)

Next meeting scheduled in calendars for Tuesday 5th November 2019 at 1000-1130hrs in the Ecrehous room, Maritime House.

Cannabis Coordination Meeting No 10

1000-1130hrs, Tuesday 5 November 2019

Ecrehous Room, Maritime House

POINTS RAISED & ACTION POINTS

In Attendance

Dan Houseago, Group Director, Economy & Partnerships, (DH)

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)

Scott Meadows, Acting Director Rural Economy and Head of Plant Health (SM)

[REDACTED]

Apologies

[REDACTED]

POINTS RAISED

A. Business Arising (old business)

Action Points from previous meeting of 8th October (ALL)

1. Draft Rehabilitation of Offenders (Exceptions) (Amendment No.2) (Jersey) Regulations 201- [REDACTED] 5 minutes

- [REDACTED] stated that Scrutiny have two significant questions. 1. Why now; will this potentially open the door to the medicinal cannabis industry. 2. Is there any practical reason why anyone else other than someone from the cannabis sector would be applying for one of these licences now and if so who else?
- PMcC said that no-one is currently on the horizon but if a wholesale supplier wanted to supply cannabis products they would need a licence under the [Medicines \(Jersey\) Law 1995](#) [REDACTED]
[REDACTED]

Article 31

- [REDACTED]
- [REDACTED]
- [REDACTED] is drafting notes for Connétable Norman to make a short introduction.
 - [REDACTED] noted that Jersey has legislation broadly equivalent to the UK but it requires updating, and the update should not be solely attributed to hemp and cannabis producers.
 - [REDACTED] stated that [REDACTED] will be stepping down from this Steering Group role after the Draft Rehabilitation of Offenders (Exceptions) (Amendment No.2) (Jersey) Regulations 201- has gone through.

2. Home Office /MoU update (PMcC / SM / VD) 15 minutes

- PMcC, SM, [REDACTED] and DH met with [REDACTED] and [REDACTED] legal advisor on 14th October.
- An action to arise from this meeting was for [REDACTED] to draft a 'licence statement' template which would state that licences are granted under the auspices of the UK's National Cannabis Agency. We will have to include this strapline into Jersey's cannabis conditions / licence templates.
- [REDACTED] said that [REDACTED] wanted to be involved in inspections prior to granting licences and that these inspections will have cost implications of which [REDACTED] estimated would be £2,000 of [REDACTED] time per inspection to be borne by the company (licence fees are expected to be in the region of £10K in total per application). [REDACTED] proposed a two-stage inspection process:
 1. The first inspection would be in January where we can issue a licence with a condition on that licence stating that cultivation cannot commence until the licensee meets the conditions of the second and final inspection.
 2. The second inspection TBA at a later date.
- PMcC noted that [REDACTED] confirmed that the National Cannabis Agency remit only applies to cultivation under the UN Convention on the control of Narcotics.
- [REDACTED] noted that [REDACTED] had said that the 10-12 licences to cultivate (per site) had been issued in the UK. PMcC suggests we adopt the same protocol; i.e. issue a licence per site (and not per company). [REDACTED] asked for clarification if this would just apply to high THC. PMcC said that irrespective of high or low THC, the licence will cover all areas. Licences are time limited (the two licences that have been issued to two companies in Jersey are due for renewal in March 2021. PMcC went on to state that we will move away from differentiating between low and high THC to whether producers want to use either the controlled or

uncontrolled (seed and fibre) parts of the plant. There will be an annual compliance inspection (effectively an annual re-application for the licence) – that the licensee will have to pass. DH asked if it is the intention to carry out analytic compliance testing. PMcC said that there is no need for this and that each licence will have either a major, moderate or minor action plan with a time restriction to remedy any anomalies.

- ■ noted that in a tax arena, this way of managing a licensee would be quite unusual. DH asked how does the UK tax this type of operation? ■ said that a company is taxed 20% of its profits. ■ asked that if we are looking at a licence per site, how would this work with outdoor fields as it is not unusual on Jersey for agriculturalists to operate on different sites. PMcC said that ■ said that if the fields are next to each other then this can be classed as one site but if fields are dotted around the Island then a company will need a separate licence per site so e.g. if cultivating hemp on 10 fields then this would cost £5,000 (£10,000 for cultivating cannabis). PMcC said that if growing hemp for seed and fibre then growers would not be subject to inspection but would still need a licence (to cultivate and possess) at £500.

- ■ Article 31

- ■ noted that there is a different season for growing for seed and growing for flower and that the licence regime will significantly influence the shape of the industry.

- PMcC stated that it is down to individual businesses to fit into the regulation scheme.

- ■ said that we need to work out with industry as to how they want to coordinate this as you may get cross pollination between two varieties.

- PMcC reiterated that ■ are looking to move away from arbitrary measures i.e. percentages and is moving towards using the terms ‘controlled’ and ‘non-controlled’. Article 41

- ■ PMcC said that is why we specifically left export out of the [Misuse of Drugs \(Miscellaneous Amendments\) \(No.8\) \(Jersey\) Order 2019](#). PMcC said that if someone wants to export controlled drugs we could issue an export licence.

- PMcC will be seeing ■ next Tuesday 12 Nov so will ask ■ where ■ is with the draft licence statement template.

- PMcC stated that the Director General of Health and Community Services (Caroline Landon) has signed the draft MoU with the MHRA. ■ It was

established that External Relations will be consulted after we have the MoU in place.

- PMcC noted that the Home Office said it would not be cost effective to set up our own cannabis agency and in any event we would need permission from the Home Office to do so as the UK are signatory to the Narcotics Convention.
- The Home Office are aware that they have no power to issue licences on Jersey.

Action 1: PMcC to chase [REDACTED] on status of licencing statement template.

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41

3. Poisons Law

- PMcC said that he now has the draft Order back from the Legislative Drafting ' Office. He hopes to draft a Ministerial Decision by the end of next week with a view to the Order being made imminently.

Action 2: PMcC to draft a Ministerial Decision to accompany the Order to remove regulation under the Poisons Law.

- 4. Tax and Licencing: brief Senator Farnham on lead-in plans and**
- 5. Produce a paper for the Corporate Strategy Board (CSB) / CoM detailing the progress so far and what is required going forward (DH) 15 minutes**

- DH stated that once the MoU is finalised we can effectively create a draft briefing paper that can be used as guidance for interested parties. It might be sensible at the very least to give a presentation to the CSB for information purposes only. It would be useful to give them an update as a group on where we are to date, what issues are outstanding; listing potential questions we might get asked and where the industry may be going on generating revenue and income.

Action 3: SM to put together a skeletal draft briefing paper together to disseminate amongst the Steering Group to add to.

- 6. [REDACTED] to be contacted re. Sound Business Practice Policy – this needs to be checked and possibly incorporated into application guidance [REDACTED] 5 minutes**
- Discussion was held around the update on medicinal cannabis below:

Update on Medicinal Cannabis

In essence, the position that emanated from the Sound Business Practice Committee discussion, is that the policy accommodates regulated activity in support of those activities that are legal in Jersey. Where such activities - that would be illegal in Jersey - are conducted legally elsewhere e.g. Canada, then it is up to individual firms to determine that they can manage the prevailing risk of that foreign activity being 'tainted' with other activity, that may be legal in the overseas country, but illegal in Jersey. For example, if a company is cultivating for medicinal and recreational markets in Canada where both elements are legal, the Jersey entity would need to demonstrate that there is no tainting of the activity which would be considered illegal in Jersey.

- DH asked the Group if they were of the opinion that this update covers off people on Jersey who are finding it difficult to set up companies. SM replied yes.
- The Sound Business Practice Policy is saying that it aligns with Government policy on cannabis.
- The JFSC will look to this Government statement to inform decisions as to whether to support a new business activity.
- [REDACTED] Article 31
- DH requested clarification that in order to grant a licence for someone to carry out cannabis cultivation on Jersey that they need to be a Jersey registered company. PMcC confirmed that this is still the case.
- [REDACTED] noted that [REDACTED] met with a London based lawyer specialising in this area who said that there are some entities which have set up in Guernsey that were turned down by the JFSC.
- [REDACTED] Article 31
- It was agreed by all that the last paragraph of the statement on medicinal cannabis may require rewording.

Action 4: [REDACTED] and DH waiting for [REDACTED] to arrange a meeting and to get to clarity on statement.

7. Cannabis company definition agreed and agree lead to approach the Legislative Drafting Office (SM / PMcC / [REDACTED] 10 minutes

- A meeting was held between [REDACTED] SM and PMcC to discuss and agree a cannabis company definition for tax purposes.

- [REDACTED] referred to the table below



[REDACTED]
[REDACTED]
[REDACTED]

- Standard rate for financial companies is 10%, 0% for most other companies and 20% for utility companies, property development, mining, companies importing carbon oils, and development companies.

- **Point 4 (iii) 'Manufacturing any medicines from cannabis plants, parts of cannabis plants or any derivatives of cannabis plants in Jersey under license'.**

[REDACTED] expressed concern over pharmacies. PMcC said that pharmacies will not be licensed to possess raw cannabis material only medicinal products listed in Schedule 2 as defined in the [Misuse of Drugs \(General Provisions\) \(Jersey\) Order 2009](#).

- **Point 4 (iv) 'Manufacturing or producing any products from cannabidiol ("CBD") in Jersey'.**

[REDACTED] asked the Group if this definition captures [REDACTED] recent venture with [REDACTED] to produce hemp-infused rum and [REDACTED] café. SM said that we do not want to capture CBD retail as 20% tax is too high. [REDACTED] said that [REDACTED] has spoken to the industry on this point and that they are comfortable and aware of a potential 20% tax take.

Article 33

- **Point 4 (v) 'A company connected with a processing company which is distributing/selling any products processed by the processing company'.**

[REDACTED] said that if we bring in legislation in next year's budget, it will be taxed the following year and revenue will arrive in the 3rd year. [REDACTED] noted that the industry is looking at 12 months lead in for commercial production, therefore companies will not be taxed until 2022 and that's when Government will benefit.

- We do not wish to tax people selling end products such as [REDACTED] we want to tax the manufacturers, processors, diluters etc.

Article 33

- Point 4 (v), [REDACTED] explained that we can catch wholesale distribution here. We do not want to transfer the profits from the producer to the retailer. [REDACTED]

Article 31

8. Indicative Project Plan – run through as a group [REDACTED] 5 minutes

[REDACTED]
[REDACTED]

B. New Business

➤ Updates; 5 minutes

- [REDACTED] - speculative phone call.
- [REDACTED]
- [REDACTED] and interested in coming to Jersey to set up a GMP facility. SM suggested that [REDACTED] come back and present to Senator Farnham, DH and the Minister for Health and Social Services. DH gave his backing to push forward with this. Article 33
- [REDACTED] to discuss joint venture with Government on Friday 8th November. Article 33
- [REDACTED]
- [REDACTED] are now incorporated in Jersey and partnered with [REDACTED] [REDACTED] hopefully setting [REDACTED] up in an already established [REDACTED] Article 33
- [REDACTED] have helped [REDACTED] with their application. [REDACTED] are a GMP compliant consultancy company [REDACTED] also want to set up [REDACTED] and [REDACTED] have expressed an interest in joining together.
- DH noted that there appears to be two income streams i.e. white label - those who do not wish to get involved in the actual production and analytical - those who wish to set up an industry standard on the Island that can be tested and measured against. These are both areas where economic development analysis has not been undertaken but discussion may be generated in the upcoming conversation with [REDACTED]. SM said to [REDACTED] to look at white label and analytic areas.

- [REDACTED] Article 31

C. Future Business

Rolling Action Points from the workshop to be actioned at a later date

1. Once clarity has been had from [REDACTED], meet to produce an annual return for cannabis growers: most likely to be in a position to do so around November time [REDACTED] and PMcC) – a rolling action noted for approx. Nov-Dec 2019. Article 41

2. **Need a process map for internal reference and for applicants alike (ALL)** - *A rolling action noted for approx. Nov – Dec 2019 once all internal administration and processes are in place. PMcC noted that [REDACTED] may prefer we use their online system.* Article 41
3. **Produce a contract for [REDACTED]** *a rolling action to TBD in line with [REDACTED] engagement.* Article 33
4. **Produce a paper in conjunction with [REDACTED] on potential profitability of the industry to forward to [REDACTED] and [REDACTED] team for discussions [REDACTED]** - *a rolling action in progress.*
5. **Look at what potential revenues could be generated from the cannabis industry and report back to [REDACTED]** - *a rolling action in progress.*
6. **Keep [REDACTED] in the loop re. cannabis licensing policy developments [REDACTED]** - *a rolling action as and when developments progress.*
7. **Continue to work towards a formal monitoring system for industrial hemp and THC levels (SM)** - *a rolling action in progress.* SM said that [REDACTED] are not processing yet; they are [REDACTED]. SM needs to talk to PMcC about testing logistics. Article 33
8. **A data sharing agreement between GoJ and [REDACTED] is being drafted [REDACTED]** - *a rolling action in progress.* Article 41
9. **Proposal for taxation of cannabis industry: run the major points past Senator Farnham and to get back to [REDACTED] with regards how to begin to instruct the Legislative Drafters (DH)** - *a rolling action.*

C. Ending Items

A.O.B. (ALL)

Next meeting scheduled in calendars for Tuesday 19th November 2019 at 1030-1200hrs in the Minquiers Room, Maritime House.

Cannabis Coordination Meeting No 11

1030-1200hrs, Tuesday 19 November 2019

Ecrehous Room, Maritime House

POINTS RAISED & ACTION POINTS

In Attendance

[REDACTED]
Dan Houseago, Group Director, Economy & Partnerships, (DH)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)

Scott Meadows, Acting Director Rural Economy and Head of Plant Health (SM)

[REDACTED]

POINTS RAISED

A. Business Arising (old business)

Action Points from previous meeting of 5th November (ALL)

1. Draft Rehabilitation of Offenders (Exceptions) (Amendment No.2) (Jersey) Regulations 201- [REDACTED] 10 minutes

- [REDACTED] said that the [Education and Home Affairs Scrutiny Panel](#) have deferred their meeting until tomorrow (Wednesday 20th Nov) and that the scrutiny officer involved believes that the Panel would like to be walked through the technicalities of who will be exposed to enhanced DBS checks and what relationships will trigger enhanced checking. The risk is, is that if the Panel start debating the Draft Rehabilitation of Offenders (Exceptions) (Amendment No.2) (Jersey) Regulations 201- per se then this could potentially lead to broader investigations and therefore stall the process.
- [REDACTED] asked what [REDACTED] thinks the outcome could be. [REDACTED] said that [REDACTED] best guess is potentially a short report.

- Deputy Rob Ward heads up the Panel with Deputies Rowland Huelin and Trevor Pointon.
- PMcC said that anyone with a share of a licenced company equal to or greater than 20% will need to have enhanced checks. [REDACTED] asked for clarification if all Directors of a company will need enhanced checks.

➤ **Action 1: PMcC to confirm what cut off is in UK DBS checks.**

- [REDACTED]
[REDACTED]
[REDACTED]
- [REDACTED]
[REDACTED]
[REDACTED]

Article
31

2. Home Office: status of licencing statement template and MoU (PMcC and [REDACTED] 5 minutes

- [REDACTED] has sent a rough draft of the MoU and a draft licence statement template to PMcC.
- [REDACTED]
[REDACTED]
[REDACTED]
- DH asked if not having these licencing processes in place now could cause issues for those wanting to do THC? SM responded no - companies need to get infrastructure together, build labs etc., so there is a lot involved before licensing formalities can be signed off, however, people should not commit to THC infrastructure expenditure until the [REDACTED] MOU is secured.
- DH asked for clarification on why Jersey cannot have its own cannabis agency.
- PMcC said that the requirement for a cannabis agency relates only to the cultivation of cannabis.
- [REDACTED] has previously said that Jersey would not be permitted to set up its own cannabis agency.
- Guernsey is in the same technical and legal position as Jersey.
- PMcC needs to remodel the licence fee for non-controlled and controlled parts of the plant; looking at £10,000.
- Need to recruit a second pharmacist. Investment Appraisal Board (IAB) has gone forward.

Article 41

➤ **Action 2: [REDACTED] to draft a business case for an Assistant Chief Pharmacist and forward to PMcC.**

➤ **Action 3: [REDACTED] to speak to [REDACTED] to find out if the Investment Appraisal Board (IAB) is the correct route to take to bid for additional funding for a [REDACTED] post.**

3. Cannabis licensing – transfer/sale of licences (SM) 5 minutes

- PMcC will incorporate a condition in the licence to effectively ensure that if people buy a company out, they have enhanced DBS checks, so in essence advanced certification and, at the same time provide Government with the assurance that buyers are fit and proper to resume licencing responsibilities.

➤ **Action 4: PMcC to incorporate a condition in the licence to state that new owners are subject to enhanced DBS checks.**

4. Poisons Law (PMcC) 5 minutes

Action 5: PMcC to draft a Ministerial Decision to accompany the Order created to remove references to cannabis from under the Poisons Law.

In progress.

5. Draft briefing paper for the Corporate Strategy Board (CSB) / CoM detailing the progress so far and what is required going forward (SM) 5 minutes

Action 6: SM to put together a skeletal draft briefing paper together to disseminate amongst the Steering Group for input.

In progress.

6. meeting and clarity on medicinal cannabis statement /DH) 5 minutes

- Need to clarify legal position on companies set up over here but wanting to sell elsewhere. [Misuse of Drugs \(General Provisions\) \(Jersey\) Order 2009](#) states that the cultivation and supply of cannabis is illegal unless a person/company has a licence to do so.
- The activities described in Tables 1 and 2 of the JFSC's Sound Business Practice Policy should not be construed as unlawful; rather they are indicative of activities that the JFSC considers potentially pose reputational risks to Jersey. There is no guarantee that a business can register if it is not licensed; if the business has a licence then it can register with the JFSC.
- DH met with after the last cannabis coordination meeting. Effectively, as long as a company is licensed and its operation is lawful in Jersey then Financial Services are content. There is a bit of grey area around companies registered operating in Jersey that also have an operation elsewhere - where that operation is a legal and licensed activity in the other territory from which it is based but where the same activity would not be licensed in Jersey. Where a licence is permitted by the Minister for Health and Social Services under the Control of Borrowing

(Jersey) Order 1958 (COBO), then the activity is likely to be deemed lawful. DH went on to state that we need to accept that this is ambiguous and that we will make an assessment on a case-by-case basis, and ultimately the onus lies with the companies to satisfy themselves that their operation is lawful and correct.

Action 7: [REDACTED] and DH waiting for [REDACTED] to arrange a meeting and to get to clarity on the JFSC's statement.

7. Indicative Project Plan – run through as a group [REDACTED] 15 minutes

[REDACTED]
[REDACTED]

Action 8: [REDACTED] to seek out officers individually to input into their areas.

B. New Business

1. Toxicology conference [REDACTED] 10 minutes

- The United Kingdom and Ireland Association of Forensic Toxicologists (UKIAFT) is holding their AGM next August at the Radisson, Jersey. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Article
31

C. Future Business

Rolling Action Points from the workshop / previous minutes to be actioned at a later date

- 1. Once clarity has been had from [REDACTED] meet to produce an annual return for cannabis growers: most likely to be in a position to do so around November time [REDACTED] and PMcC) – a rolling action noted for approx. Nov-Dec 2019.**

- 2. Need a process map for internal reference and for applicants alike (ALL) - a rolling action noted for approx. Nov – Dec 2019 once all internal administration and processes are in place. PMcC noted that [REDACTED] may prefer we use their online system.**

Article
41

- 3. Produce a contract for [REDACTED] – a rolling action to TBD in line with [REDACTED] engagement.**

Article 33

4. Produce a paper in conjunction with [REDACTED] on potential profitability of the industry to forward to [REDACTED] and his team for discussions [REDACTED] - a rolling action in progress.
5. Look at what potential revenues could be generated from the cannabis industry and report back to PB [REDACTED] - a rolling action in progress.
6. Continue to work towards a formal monitoring system for industrial hemp and THC levels (SM) - a rolling action in progress. SM said that [REDACTED] are not processing yet; they are [REDACTED] SM needs to talk to PMcC about testing logistics.
7. A data sharing agreement between GoJ and [REDACTED] is being drafted [REDACTED] - a rolling action in progress.
8. Proposal for taxation of cannabis industry: run the major points past Senator Farnham and to get back to [REDACTED] with regards how to begin to instruct the Legislative Drafters (DH) - a rolling action.

Article
33

Article
41

- DH met with Senator Farnham yesterday. DH is to produce a position paper on tax once it has been agreed as a team. Senator Farnham wants to know whether we can make GST more competitive. [REDACTED] to produce a short narrative on why we cannot use GST in this way, that we want to tax above the de minimis, that we have considered that other sectors such as retail is taxed at 20% and this is what our proposition is. [REDACTED] will draft a form of words and email across to DH.

Action 9: [REDACTED] to produce a short narrative on why GST cannot be used to tax the cannabis industry and the tax being proposed.

D. Ending Items

A.O.B. (ALL)

- DH met with [REDACTED] who had been seeking a letter of support. DH has provided this – the letter states that that Government are happy to support the [REDACTED] aspiration to set up a THC production facility in Jersey so long as the operation is legitimate and legal, fitting within the local regulatory framework and [REDACTED] MOU when it is in place.
- DH said that Senator Farnham reiterated [REDACTED] SM and DH to meet [REDACTED] on 26th November to have a conversation with the [REDACTED] to understand their concerns.

Article 33

- ■ asked whether Jersey Water share similar concerns re. water usage. SM replied that water resources for cannabis cultivation are the same as growing tomatoes and that it is up to the grower to ensure that they have sufficient water supplies.
- DH stated that a Non-Disclosure Agreement has been signed between Government and ■ of ■ DH and SM will be meeting with ■ this evening whereby they need to ascertain what ■ wants from Government with regards a joint venture.
- ■ mentioned that ■ has been speaking to a producer from Austria who cultivates 15 hectares for CBD production and that has an indoor facility for THC production. The producer is forecasting that he will be in a position to harvest in the next two years. ■ said that there is an invite here if anyone wants to learn more.
- ■ mentioned that ■ is slightly nervous that a communications issue with regard the cannabis industry may arise at any time. SM is producing a guide and policy for new applicants and a presentation to States Members; so we are horizon scanning.
- Re. Draft Rehabilitation of Offenders (Exceptions) (Amendment No.2) (Jersey) Regulations 201- IC highlighted that scrutiny may well call for officers the first week in December and that they would most likely wish to discuss any questions with PMcC and ■

-Ends-

Next meeting scheduled in calendars for Tuesday 14th January 2020 at 1000-1130hrs in the Minquiers Room, Maritime House.

Cannabis Coordination Meeting No 12

1000-1130hrs, Tuesday 14 January 2020

Minquiers Room, Maritime House

POINTS RAISED & ACTION POINTS

In Attendance

Dan Houseago, Group Director, Economy & Partnerships, (DH) *via telecon*

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)

Scott Meadows, Acting Director Rural Economy and Head of Plant Health (SM)

[REDACTED]

Apologies

[REDACTED]

POINTS RAISED

A. Business Arising (old business)

Action Points from previous meeting of 19th November (ALL)

1. Draft Rehabilitation of Offenders (Exceptions) (Amendment No.2) (Jersey) Regulations 201- [REDACTED]) 10 minutes

- The debate on the Draft Rehabilitation of Offenders (Exceptions) (Amendment No.2) (Jersey) Regulations 201- is now scheduled for Tues 21st January.
- The session with Scrutiny went well and they have now formally commented.
- A potential issue is that a new piece of Exception Regulations is currently being drafted which cover background checks on persons working for the Financial Ombudsman Service; this is a separate piece of work that GHE has commissioned through SPPP3 and which the Minister for Home Affairs will be taking to the States [REDACTED] is unsure of the timetable for this piece of work). If the Draft

Rehabilitation of Offenders (Exceptions) (Amendment No.2) (Jersey) Regulations 201- go through on the 21st January some States Members might ask if the two pieces of separate legislation are fit for purpose and therefore the Draft Rehabilitation of Offenders (Exceptions) (Amendment No.2) (Jersey) Regulations 201- may require a wholesale review.

- DH asked that if the Draft Rehabilitation of Offenders (Exceptions) (Amendment No.2) (Jersey) Regulations 201- does not go through and is put through a review, will this hold up any applicants. PMcC said that the Minister is not minded to grant licences without enhanced DBS checks and therefore, yes it would hold things up.
- ■ said that there will be a written question on the 21st January from Deputy Macon re. the licencing process which is likely to land with the Minister for Health. PMcC advised that it is best to say that this piece of work is a developing process.

2. Poisons Law (PMcC) 5 minutes

Action 1: PMcC to draft a Ministerial Decision to accompany the Order created to remove references to cannabis from under the Poisons Law.

- Now complete: the MD has been drafted and signed off by the Minister. No further action required.

3. Cannabis licensing and the transfer/sale of licences (PMcC) 15 minutes

- PMcC will incorporate a condition into the licence to state that new owners are subject to enhanced DBS checks. He is waiting to hear back from ■■■■■ to ascertain what the cut off is with regards to DBS checking in the UK.
- PMcC clarified that not all directors will be subject to enhanced DBS checking, only those with a share $\geq 20\%$ in the company; again ■■■■■ may provide guidance on this.
- ■ mentioned that JV had suggested that GMP conditionality is worked into the licence to endorse the gold standard that we are aiming for. ■ elaborated by asking should we enforce certain standards on licence holders above and beyond what the legal requirements are.
- PMcC responded by saying that not all cultivators will need to be GMP compliant. All *medicinal* product producers have a legal requirement to be GMP compliant.
- ■ said that there may be some other standard that could be relevant and that we need to look at the way in which the Island wants to position itself in terms of quality.

Article 41

- PMcC said that [REDACTED] are cultivating for the purposes of a food product and it is a question of whether this type of production requires some kind of additional certification. SM said that this is something worth exploring and that we could perhaps look to refer to cannabis food products in the [Export Control \(Jersey\) Law 2009](#).
- PMcC said that he is more concerned about CBD which is not subject to GMP standards. The UK's GMP standards are much higher than North America.

Article
33

Action 2: [REDACTED] to look at quality assurance schemes that could be applied to the cannabis industry.

- DH raised Senator Farnham's concern that he wants to ensure that applicants are clear on the licence renewal process. DH said that we need to strengthen the form of words around this in order to provide comfort around security of investment. PMcC said that we can say a company will be subject to annual inspections, and if passed, can expect their licence to be renewed; failure to comply will result in the suspension of their licence. [REDACTED]
[REDACTED]
[REDACTED] It was agreed that we need an appropriate form of words.

Article
31

Action 3: PMcC to pull together an appropriate form of words to include in the licence renewal process.

4. Home Office: status of licencing statement template and MoU (PMcC) 5 minutes

- PMcC said that he is waiting for the second draft of the MoU from [REDACTED] there was a lot more detail and control from [REDACTED] in the first draft. Jersey welcomes oversight from [REDACTED] but policy and licencing decisions should rest with us. We need acknowledgement from [REDACTED] that our policy may differ from the UK's.
- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Revisions to the draft MOU to reflect Jersey's position will be submitted to [REDACTED]. The draft licence template will be informed by the MOU when finalised. PMcC is in regular contact with [REDACTED]

Article 41

Article 31

5. Recruitment of Assistant Chief Pharmacist (PMcC) 5 minutes

- PMcC said that putting a business case in from Health and Community Services to help this industry is not a top priority for Health. It was argued at a Health and Community Services Senior Management meeting that funding should come from either the Economic or Environment department. Health and Community Services will support a case for funding but the money will not come from them. DH will go back to Senator Farnham to explain that EDD need to fund this.
- We need to look at what is needed in this process beyond the licencing e.g. the Agricultural Inspectorate team will be the section monitoring the production process.
- SM said that liaison with the MHRA and [REDACTED], annual inspections and in season hemp monitoring will be required.
- PMcC envisages that the new role will cover the medicinal aspect of the process, GMP inspections and ongoing monitoring of this. Some jurisdictions limit the licences issued in order to manage this. Jersey has not said that we have an open door.
- PMcC suggested that an option to help fund this post is to charge £20k a licence. [REDACTED] agreed that we need to look at a licencing revenue so the new post could effectively be self-funding.
- DH asked if anything is needed to regulate outside of the Health portfolio. PMcC said that there is no requirement for regulation outside the [Misuse of Drugs \(General Provisions\) \(Jersey\) Order 2009](#).

Article
41

Action 4: [REDACTED] and SM to review the business case to include a couple of paragraphs around regulation of licences and what resources are required for production monitoring and then forward to DH.

Action 5: DH and PMcC need to have a chat about how to take things forward - [REDACTED] to arrange.

6. Prepare a proposal report for the taxation of the cannabis industry [REDACTED]

- [REDACTED] and [REDACTED] have met a couple of times and are starting to share a data plan; putting together a spreadsheet for those known guestimates for the cannabis industry in terms of 3-5 year horizons.
- [REDACTED] said that [REDACTED] requires this information for the end of February 2020 latest in order that [REDACTED] can produce a proposal report for the Treasury Minister.

- ■ needs *inter alia* information on labour, marketing, security and potential profitability and; also an understanding of where the industry are with their production now and where they will be in 3-5 years.
- ■ advised that the report will go to the Treasury Minister then the Tax Policy Board to sanction, after which a Ministerial Decision will be required to enable drafting.
- ■ asked if ■ has benchmarked against other jurisdictions. ■ said yes, Guernsey is taxing the industry at 20% and the UK is taxing at their standard corporate rate of 19%.

Action 6: ■ and ■ to finalise a paper on the potential profitability of the cannabis industry to forward to ■ for inclusion in the tax proposal report.

7. Draft briefing paper for the Corporate Strategy Board (CSB) / CoM detailing the progress so far and what is required going forward (SM/■ 5 minutes)

- SM said that he met with ■ last week to develop the content of this paper.
- DH said that two reasons why we were going to go to CSG was to make sure the Director General's weren't unsighted on areas that might impact on their portfolios. Also CoM and CSB will be approached if we need additional funding. May well be easier for Senator Farnham to direct his spending into this area; the challenge is how do we make this a recurring spend.

Action 7: SM to put together a skeletal draft briefing paper together to disseminate amongst the Steering Group for input.

8. ■ meeting and clarity on medicinal cannabis statement ■/DH) 5 minutes

- DH clarified with ■ the legal position on companies set up over here but wanting to sell elsewhere. In accordance with the [Misuse of Drugs \(General Provisions\) \(Jersey\) Order 2009](#) the cultivation, possession and supply of cannabis is illegal unless a licence has been granted for those purposes.
- The position from ■ is that they are quite comfortable with what we are doing, but not comfortable for businesses to generate monies from income not generated in Jersey. ■ will keep a watching brief on developments. The JFSC said that they would appreciate the ability to contact a member of this

Steering Group to get endorsement / provide a reference for companies wanting to carry out legal activities associated with the cannabis industry.

- [REDACTED] Article 31
[REDACTED]
[REDACTED] Basically anything that would be legal in Jersey could be invested in overseas.
- [REDACTED] Article 31
[REDACTED]
- [REDACTED] Article 31
[REDACTED]
[REDACTED]
[REDACTED]
- [REDACTED] Article 31
[REDACTED]
[REDACTED] PMcC said that [REDACTED] will not licence the production of CBD in the UK for non-medicinal purposes e.g. for food, whereas Jersey has already issued a licence which permits the cultivation of hemp and harvesting of controlled parts of hemp plants i.e. cannabis.
- [REDACTED] Article 31
[REDACTED]
[REDACTED]
[REDACTED]
- DH said that the overarching paper written for CSG/CMB/CoM needs to reiterate the various policy positions held.

B. New Business

None

C. Future Business

Rolling Action Points from the workshop / previous minutes to be actioned at a later date

1. **Indicative Project Plan** – [REDACTED] - *a rolling action in progress.*

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] thanked everyone for their input into the timeline to date. DH asked that this timeline be updated on a weekly basis by Steering Group members.

Action 8: [REDACTED] to set up a recurring task for officers to update the indicative project plan.

2. **A data sharing agreement between GoJ and [REDACTED] is being drafted [REDACTED]** - Article 41
- a rolling action in progress noted for approx. Feb 2020

In draft form but no point in pressing forward until we get more clarity on the MoU.

3. **Once clarity has been had from [REDACTED] meet to produce an annual return for cannabis growers [REDACTED] and PMcC)** – *a rolling action noted for approx. Jan-Mar 2020.* Article 41

4. **Need a process map for internal reference and for applicants alike (ALL)** - *A rolling action noted for approx. Feb 2020 once all internal administration and processes are in place.*

PMcC noted that [REDACTED] may prefer we use their online system.

Article 41

5. **Engage States Analyst so that we can work towards a formal monitoring system for industrial hemp and THC levels (SM)** - *a rolling action in progress.*

SM would like to sit down with PMcC and Nick Hubbard (the States Analyst). Will aim to hold a meeting in the next month or so.

6. **Produce a contract for [REDACTED] – a rolling action to TBD in line with [REDACTED] engagement.** Article 33

➤ DH asked if we have discussed a limit as to how many businesses we want in the Island. SM to ask [REDACTED] is there a limit to licences.

- ■ highlighted the current Island Plan Review (IPR) and that we might need to feed something into the IPR with regards to the cannabis industry. DH mentioned that he is on the programme board for the IPR. ■ will highlight to ■ - one of the lead planning officers on the IPR board. ■ stated that ■ has met with ■ and so is feeding in from the Rural Economy angle.

D. Ending Items

A.O.B. (ALL)

None

-Ends-

Next meeting scheduled in calendars for Tuesday 11th February 2020 at 1400-1530hrs in the Minquiers Room, Maritime House.

Cannabis Coordination Meeting No 13

1400-1530hrs, Tuesday 11 February 2020

Minquiers Room, Maritime House

POINTS RAISED & ACTION POINTS

In Attendance

Dan Houseago, Group Director, Economy & Partnerships, (DH)

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)

[REDACTED]

Apologies

[REDACTED]

Scott Meadows, Acting Director, Rural Economy and Head of Plant Health (SM)

POINTS RAISED

A. Business Arising (old business)

Action Points from previous meeting of 14th January (ALL)

1. Draft Rehabilitation of Offenders (Exceptions) (Amendment No.2) (Jersey) Regulations 201- 5 minutes

■ confirmed that the Rehabilitation of Offenders (Exceptions) (Amendment No.2) (Jersey) Regulations 2020 were made by the States Assembly on 21 January 2020 and came into force on 28 January 2020.

2. Cannabis licensing and the transfer/sale of licences (PMcC and [REDACTED] 15 minutes

- [REDACTED] asked for an additional meeting to look at licence charges. PMcC also said that there needs to be a meeting of the Advisory Council on the Misuse of Drugs subsequent to this. [REDACTED] are indicating that they will charge £2.5K for their services and it is probable that an initial licence will be approximately £10K with annual renewal set at a lower rate.

Article
41

Action 1: [REDACTED] to set up a meeting between PMcC, [REDACTED] and [REDACTED] re licence fees as a precursor to a meeting of the Advisory Council on the Misuse of Drugs.

- [REDACTED] said that the view of [REDACTED] that each separate growing area has to have a licence as each area may have separate conditions imposed upon it, however, it would not necessarily mean £2.5K x 20 for additional fields. PMcC suggested that there could be a smaller fee applied for each subsequent separate area.

Article
41

- [REDACTED] asked what the term of a licence is for industrial hemp (non-THC). PMcC replied three years and that we are looking at charging in the region of £500-£1,000 per licence. PMcC went on to note that Jersey does not need [REDACTED] input on this; it is once the controlled part of the plant is used that you need [REDACTED] on board.

Article
41

- [REDACTED] noted that the Legislative Drafting Office are on standby to put through an Order re. licence fees once the criteria is established.

- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Article
31

- DH asked if an Order would be required under the [Misuse of Drugs \(General Provisions\) \(Jersey\) Order 2009](#) to cover the aforementioned. [REDACTED] is unsure at this stage.

[REDACTED]
[REDACTED]

- PMcC stated that if any enquiries are made regarding the regulation of the industry, he primarily needs to meet with the interested party before other officers.

- [REDACTED]
[REDACTED]
[REDACTED]

■ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

➤ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Article
31

➤ [REDACTED] [Business Practice Policy \(SBPP\)](#) had been amended to give a bit more clarity.

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

➤ [REDACTED]
[REDACTED]. PMcC said that Jersey's legislation around CBD products is different to the UK; Jersey is more lenient. [REDACTED]
[REDACTED] is content we can do things internally in Jersey which is why we still have an export ban on CBD products – a licence would be needed to export them.

Article
31

➤ PMcC suggested that the policy statement should state that we will allow extraction of CBD from hemp and consider the potential for export etc. [REDACTED] agreed that we need a policy that everyone can see and understand. PMcC stated that if anyone exported CBD without a licence then they would be breaking the law.

➤ DH noted that separate to a policy statement, [REDACTED] and [REDACTED] are producing a business case. Once we have got to the position where we can consider licences then these papers can be polished and finessed.

➤ [REDACTED]
[REDACTED]
[REDACTED]

Article
31

➤ PMcC said that a policy statement would need to cover the following three areas:

1. Industrial hemp (producers can only grow strains listed on the EU Hemp Variety database) – low THC strains can be grown in fields and are not a risk to health and these are non-controlled parts of the plant.
2. Cannabis flowers to extract CBD to produce CBD products.
3. Medicinal cannabis.

➤ [REDACTED] Article 31
[REDACTED] DH said that there needs to be agreement on what these policy papers are, what needs to be done in terms of licencing, what the risks and issues are and what will feed into the MoU. [REDACTED] highlighted that the paper for CSG / CoM that SM is producing could incorporate this. DH said that a policy statement would be a separate document and that it is incumbent on a Minister to present a policy to CoM. PMcC said that we also need to be clear in this policy what it will not cover.

➤ [REDACTED] Article 31
[REDACTED]
[REDACTED]
[REDACTED]

➤ DH noted that the only Minister that has not been fully engaged is the Treasury Minister. The Minister for Home Affairs, the Minister for Health and Social Services and the Minister for External Relations are on board. [REDACTED] noted that the proposal report he is producing with input from [REDACTED] and [REDACTED] is for the Treasury Minister.

Action 5: [REDACTED] to coordinate a meeting between PMcC, SM, [REDACTED] and [REDACTED] to initiate the production of a policy statement.

Licence renewal process - PMcC

➤ PMcC has pulled together an appropriate form of words to include in the licence renewal process to provide assurance that applicants are clear on the process and to provide comfort around security of investment.

3. [REDACTED] status of licencing statement template and MoU (PMcC) 5 minutes

[REDACTED] Article 41
[REDACTED]
[REDACTED]
[REDACTED]

4. Recruitment of Assistant Chief Pharmacist (PMcC, DH, SM and ■■■ 5 minutes

DH and PMcC have met to discuss the Recruitment of an Assistant Chief Pharmacist. Senator Farnham will need to decide where the funding for the role will come from.

Action 6: ■■■ and SM to review the business case to support the investment in new staff to include a couple of paragraphs around the regulation of licences and what resources are required for production monitoring and then forward to DH.

5. Prepare a proposal report for the taxation of the cannabis industry ■■■ and ■■■

- In progress and on track to meet the deadline of the end of February.
- ■■■ said that based on four business models, we are looking at a £50 million pound turnover (combined) in 2021 (year three). Three of these four businesses currently have a licence; the fourth is a processor based off-Island looking to work with one of the three licenced companies.
- NS said that the potential GVA per FTE in the local cannabis industry (based on data provided) is projected to be in the region of £300,000 - £600,000 in year 3.
- PMcC noted that CBD can now be prescribed as a medicinal product. PMcC's view is that the market as it stands is likely to change. ■■■ said that the cannabis companies have said that they can foresee this change occurring.
- PMcC reiterated that regulation and business investment needs to remain separate and that one cannot influence the other.

Action 7: ■■■ and ■■■ to finalise a paper on the potential profitability of the cannabis industry to forward to PB for inclusion in the tax proposal report by end of February latest.

6. Draft briefing paper for the Corporate Strategy Board (CSB) / CoM detailing the progress so far and what is required going forward (SM■■■ 5 minutes

Not progressed.

Action 8: SM to put together a skeletal draft briefing paper together to disseminate amongst the Steering Group for input.

B. New Business

1. Northern Leaf and the EU Hemp Variety Database – clarification (PMcC and SM)

5 minutes

■ noted that PMcC and SM had had a conversation re. the above. SM will contact PMcC outside of this meeting to discuss.

C. Future Business

Rolling Action Points from the workshop / previous minutes to be actioned at a later date

1. Indicative Project Plan – (KF) - *a rolling action in progress.*

■
■
■
■

Members of the Steering Group did not receive task entries in their diaries. ■ to re-send to members individually rather than as a group.

Action 9: ■ to re-send the project plan out to members of this Steering Group as a recurring task so that the indicative project plan can be updated bi-weekly.
--

2. A data sharing agreement between GoJ and ■ is being drafted ■ - *a rolling action in progress noted for approx. Q2 2020 once all internal administration and processes are in place. Waiting on the MoU being finalised.*

Article 41

3. Once clarity has been had from ■ meet to produce an annual return for cannabis growers ■ and PMcC) – *a rolling action noted for approx. Q2 2020 once all internal administration and processes are in place. Waiting on the MoU being finalised.*

4. Need a process map for internal reference and for applicants alike (ALL) - *A rolling action noted for approx. Q2 2020 once all internal administration and processes are in place. Waiting on the MoU being finalised.*

5. Regulation Body: engage States Analyst so that we can work towards a formal monitoring system for industrial hemp and THC levels (SM) - *a rolling action in progress.*

6. Produce a contract for [REDACTED] – a rolling action to TBD in line with Article 33 [REDACTED] engagement.

C. Ending Items

A.O.B. (ALL)

[REDACTED] raised concerns previously raised by [REDACTED] re whether minutes could be released into the public domain if subject to a FOI request. PMcC noted that anything to do with licences are confidential. [REDACTED] suggested that we could have an 'A' and 'B' section to to the minutes noting one part as confidential. However, this could prove awkward due to names being referred to throughout the minutes. [REDACTED] to consider.

-Ends-

Next meeting scheduled in calendars for Wednesday 11th March 2020 at 1130-1300hrs in the Écréhous Room, Maritime House.

Cannabis Coordination Meeting No 14

1130-1300hrs, Wednesday 11 March 2020

Écréhous Room, Maritime House

POINTS RAISED & ACTION POINTS

In Attendance

Dan Houseago, Group Director, Economy & Partnerships, (DH)

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)

[REDACTED]

Apologies

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Scott Meadows, Acting Director, Rural Economy and Head of Plant Health (SM)

POINTS RAISED

Introductions were made and [REDACTED] was welcomed to the table.

A. Business Arising (old business)

Action Points from previous meeting of 11th February (ALL)

1. Cannabis licensing and the transfer/sale of licences (PMcC and [REDACTED] 15 minutes

- PMcC met with [REDACTED] and [REDACTED] as a precursor to a meeting of the Advisory Council on the Misuse of Drugs (TBA) to discuss the appropriate level of fees to charge for licences (and to subsume *inter alia* additional costs arising [REDACTED] inspections).

Article 41

- The conclusion was to simplify and look at if a grower is using controlled parts of the plant then a £10,000 licence fee would apply to incorporate the £2,500 fee from [REDACTED] Article 41
- We would look to charge an annual renewal fee of £7,500. If the grower is solely growing hemp for seed and fibre and *not* using the controlled parts of the plant, then the licence would be set at £1,000 for a three- year period.
- [REDACTED] said that [REDACTED] was considering;

Industrial Hemp Only

Application Fee for 3 year licence	£1,000
<i>plus</i>	
Cultivation annual licence to specific cultivation areas	£25 per HA

Controlled Hemp Substances

Application Fee for 3 year operating period	£2,500
<i>plus</i>	
Cultivation annual licence to specific cultivation areas	£100 per HA
<i>plus</i>	
Possession/Processing/Supply annual licence	£7,500 per registered entity

Action 1: [REDACTED] to email PMcC his suggested fees for growers.

Action 2: PMcC to instruct [REDACTED] at the LDO to update law drafting instructions (ref. licence fees).

Action 3: PMcC to highlight the need to reconvene the Advisory Council on the Misuse of Drugs to the Health Minister and for the Minister to write to the Bailiff / Bailiff's Chamber to expedite this.

- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Article 31
- DH asked for clarification if this legislation is around the granting of licences.

- PMcC said that there are two things to consider here;
 1. Licences to cultivate under the [Misuse of Drugs \(General Provisions\) \(Jersey\) Order 2009](#) and;
 2. Licences to make products which fall under the [Medicines \(Jersey\) Law 1995](#).

➤ [REDACTED] Article 31

- PMcC said that [REDACTED] is content with cannabis products being sold on-Island but not cannabis products being exported to the UK.

Action 4: PMcC to check with [REDACTED] why [REDACTED] only accept DBS certificates from Security Watchdog and whether Jersey would need to make applications through this portal.

Article 41

2. Policy Statement (PMcC, SM, [REDACTED] and [REDACTED] 10 minutes

- DH met with Tom Walker and Megan Mathias (Director General and Group Director of SP3 respectively) regarding the need for a dedicated policy officer. SP3 do not have the resource to offer at the moment so DH said that we will need to buy-in assistance. PMcC said that a policy officer will need to consider the two sides to the industry;

1. CBD extraction for use in food products (which we have issued licences for)
2. Medicinal cannabis, which we are not currently in a position to consider.

➤ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] The FSA have set a deadline of the 31st March 2021 for the CBD industry to submit valid novel food authorisation applications. After that date, only products which have been submitted with a valid application will be allowed to remain on the market. We need to make sure any exports from the Island are compliant with any legislation coming out of the UK post-Brexit.

- PMcC raised the need for controls around the production of food products. ■■■ Article 33
said that the ■■■ have been advised by Trading Standards and Environmental Health not to make medical claims which would be misleading to consumers under the [Consumer Protection \(Unfair Practices\) \(Jersey\) Law 2018](#). PMcC said that under the [Medicines \(Jersey\) Law 1995](#) medicinal products are described as anything defined as treating a disease. If medicinal claims are made with reference to CBD then the claimant is technically breaking the law. ■■■ noted that e.g. if a ■■■ product was found and tested in the UK as containing higher levels than the UK specification then that product would be returned to Jersey to consider under the [Consumer Safety \(Jersey\) Law 2006](#) if the product is safe. The producer would be requested to provide information on the product and due diligence checks completed. ■■■ Article 33

- ■■■ said that vires under the [Agricultural Marketing \(Jersey\) Law 1953](#) enables us to determine the content and quality of food standards. ■■■ noted that with the impact of Brexit, in order to comply with FSA announcement there may be standards in place for goods being exported from the Island. What controls will we have in place if ■■■ begin to export? DH highlighted that we need to factor in the [Specialist Pharmacy Service](#) (SPS). The UK have said that they will not align with EU standards. ■■■ said that in negotiations up to now, there have been no obligations to align with EU standards but at the same time we have brought in a listing to ScoPaff (the [Standing Committee on Plants, Animals, Food and Feed](#)) to comply with EU standards. However, there is no obligation to do so under the Free Trade Agreement. ■■■ went on to say that Jersey's [Draft EU Legislation \(Plant Health\) \(Jersey\) Regulations 202-](#) are going to the States for debate later this month which will align some of our regulatory requirements under plant health checks. DH raised the question; are there any EU standards that we need to follow in our third country application in respect to cannabis. Article 33

Action 5: SM to review Jersey's SCOPAFF application to see if we should be aligning with EU standards in respect to cannabis.

- ■■■ discussed the creation of a Jersey register of plant varieties and how we could go about doing this which could include;

A Register of Hemp Cultivars

Group 1 - <0.2%THC

Group 2 - >0.2% THC

- If established, then we could develop the intellectual property and the genetics in these areas. Is this worth exploring? PMcC responded by saying that we currently use the [EU Plant Variety Database](#) but there is no legal barrier to creating our own. ■■■ Article 31

5. Prepare a proposal report for the taxation of the cannabis industry [REDACTED] and [REDACTED]

- [REDACTED] has received a brief summary. The Treasurer Richard Bell is concerned about the very high tax yield being put forward and wants to delve deeper into the figures to ensure confidence in them before taking the paper to the Revenue Policy Development Board (RPDB). [REDACTED] said that the challenge is that until we get a policy position we cannot determine exactly what the yields will be. [REDACTED] is drafting a paper at the moment looking at scenarios, once complete, then an informed decision can be made. [REDACTED] will take 2-3 weeks to do. The policy position will be based around a plan to establish a Hemp industry for Jersey and will;

1. Establish a biosecurity zone in Jersey for hemp cultivars
2. Create Jersey Register of authorised cultivars : –
 - **Group 1** Hemp <0.2% THC content
 - **Group 2** Hemp > 0.2% THC content
3. **Control** cultivation of 'male' hemp cultivars
4. Permit licenced **indoor and outdoor** cultivation of Group 1 varieties
5. Permit licenced **indoor** cultivation of Group 2 varieties with appropriate **security** arrangements for **medicinal use** only
6. Permit possession/processing/supply of **plant parts** (i.e. a controlled substance) for Group 1 varieties for uses other than 'medicinal' i.e. food supplements
7. Require all cultivations to Global GAP standard
8. Require processing of controlled substances to be carried out in secure facility
9. Establish accredited product testing regime and risk analysis based licence programme
10. Ensure CBD product is compliant with UK/EU/external markets legislation

Action 6: [REDACTED] to draft a paper looking at the different scenarios.
--

- [REDACTED] said that we need to be able to say what we want to tax and how it might be raised. [REDACTED] asked what would be the implication of holding off on the tax report. [REDACTED] the concern is that if we are bringing legislation forward and not raising any money then the question will be asked why are we progressing legislation. If we hold on the report then we cannot tax companies until 2022. [REDACTED] said that from a budget perspective, we need to start taking policies to the RPDB and get law drafting finalised and presented to CoM for approval before we can get it into the Government Plan. We need to have tax policy in place this year to take effect from 2021 i.e. what is produced and profit generated in 2021 will be taxed. [REDACTED] raised the question, do we press ahead or hold off?
- DH said to press on if possible but that we need to highlight the critical path timelines in each area in terms of gathering information for [REDACTED] so that we can evidence that administrative developments may be stalled. If there is no

profitability to tax then [REDACTED] can put this into his paper and state what companies we want to tax and when.

Action 7: ██████ to pull together a critical path timeline of tasks that need to be undertaken in order to meet this year's budget debate and the same to meet next year's budget debate.

- 6. Draft briefing paper for the Corporate Strategy Board (CSB) / CoM detailing the progress so far and what is required going forward (SM 5 minutes**

SM is progressing along with [REDACTED]

B. New Business

- A. Food Standards Agency (FSA) Novel Foods announcement on the CBD industry and how Jersey needs to align (officers from Environmental Health and Trading Standards) 15 minutes**

A horizontal bar chart with 15 bars of varying lengths, all colored black. The bars are arranged in a single column, with the longest bar at the top and the shortest at the bottom. The bars represent data points for different categories, which are labeled with redacted text (black boxes) on the x-axis.

Article 33

Below is a link to the Home Office website ref Cannabis factsheet

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/825872/factsheet-cannabis-cbd-and-cannabinoids-2019.pdf

C. Future Business

Rolling Action Points from the workshop / previous minutes to be actioned at a later date

1. **Indicative Project Plan** – [REDACTED] - a rolling action in progress.
[REDACTED]
[REDACTED]
[REDACTED]
2. **A data sharing agreement between GoJ and [REDACTED] is being drafted [REDACTED]** - Article 41
- a rolling action in progress noted for approx. Q2 2020 once all internal administration and processes are in place. Waiting on the MoU being finalised.
3. **Once clarity has been had from [REDACTED] meet to produce an annual return for cannabis growers [REDACTED] and PMcC)** – a rolling action noted for approx. Q2 2020 once all internal administration and processes are in place. Waiting on the MoU being finalised. Article 41
4. **Need a process map for internal reference and for applicants alike (ALL)** - A rolling action noted for approx. Q2 2020 once all internal administration and processes are in place. Waiting on the MoU being finalised.
5. **Regulation Body: engage States Analyst so that we can work towards a formal monitoring system for industrial hemp and THC levels (SM)** - a rolling action in progress.
6. **Produce a contract for [REDACTED]** – a rolling action to TBD in line with Hanway engagement. Article 33

D. Ending Items

A.O.B. (ALL)

None

-Ends-

Next meeting scheduled in calendars for Tuesday 14th April 2020 at 1000-1130hrs in the Minquiers Room, Maritime House.

Cannabis Coordination Meeting No 15

1000-1130hrs, Tuesday 14 April 2020

Using Microsoft Office 365

POINTS RAISED & ACTION POINTS

In Attendance

Dan Houseago, Group Director, Economy & Partnerships, (DH)

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)

Scott Meadows, Head of Biosecurity, Natural Environment (SM)

[REDACTED]

Apologies

[REDACTED]

POINTS RAISED

Welcomes were made and all acknowledged that while some business can continue, other cannabis work streams may be delayed due to Covid-19 priorities.

Approval of previous meeting minutes of 11th March

All approved.

A. Business Arising (old business)

Action Points from previous meeting of 11th March (ALL)

1. Indicative Project Plan – [REDACTED] - a rolling action in progress.

[REDACTED]
[REDACTED]
[REDACTED]

■ thanked everyone for their input and highlighted the updates to DH.

2. Prepare a proposal report for the taxation of the cannabis industry (PB, ■ and ■)
15 minutes

- ■ said that due to the disruption we have technically missed the deadlines set for completion of some of the tax work. The timelines for the Government Plan will need to be revisited and new timelines for the Government Plan are unknown due to Covid-19 taking precedent, therefore, for the time being the taxation policy is at risk for inclusion in Budget 2021 and it may be that we have to delay the taxation policy until Budget 2022.
- ■ is working on a paper looking at the different scenarios for the cannabis industry. ■ has had meetings with industry start-ups in the last few weeks and has had sight of their business plans, however, the timelines for the rollout of these plans will now be somewhat outdated and will need to be revised in light of Covid-19. ■ added that some of these scenarios are dependent on allowing different varieties to be grown as previously discussed. Work is progressing in the background but is subject to new timelines which are difficult to determine at the moment due to Covid-19.

Action 1: ■ to continue to draft a paper looking at the different scenarios of what a cannabis industry could look like in order to inform the proposal report for the taxation of the cannabis industry.

- ■ has tried to contact ■ line manager to find out what is happening with the Government Plan and the Budget 2021 to see if there is still an opportunity to bring forward the proposal for the taxation of cannabis. However, the big problem is that we cannot determine what the scope of the industry is because we do not know what the MoU is going to state and we do not know what varieties of cannabis are going to be allowed so it is a bit difficult to write a proposal report until we have this policy set. 2022 will probably be a more realistic budget for the tax policy. We need to quantify or estimate if we can what the tax revenues will be and that will very much be driven by the type of cannabis industry we set up over here.
- ■ agreed that it would be difficult to put a tax policy in place without our overall cannabis policy; until decisions are made at a political level and we have political signoff on the policy statement which will outline how we are going to allow the industry to develop, it would be difficult and perhaps presumptuous to come up with a tax policy. ■ and SM agreed.
- SM said that the MoU is the pinch point here and without this we haven't got permission to proceed; we need to see the lie of the land, what the environment looks like and how much freedom we have as a jurisdiction to behave; this all comes from the MoU, thereafter everything will flow from this.

3. Cannabis licensing and the transfer/sale of licences (PMcC and [REDACTED] 15 minutes

Actions rolled over from the meeting of the 11th March 2020 and currently on hold due to Covid-19 priorities

Action 2: PMcC to instruct [REDACTED] at the LDO to update law drafting instructions (ref. licence fees).

Action 3: PMcC to highlight the need to reconvene the Advisory Council on the Misuse of Drugs to the Health Minister and for the Minister to write to the Bailiff / Bailiff's Chamber to expedite this.

Action 4: PMcC to check with [REDACTED] why [REDACTED] only accept DBS certificates from Security Watchdog and whether Jersey would need to make applications through this portal.

Article
41

- SM updated the Group re. the two businesses who currently have licences on-Island; [REDACTED] are operating fine at the moment. [REDACTED] had been having difficulty continuing at their site due to Covid-19 restrictions, but DH has done a lot of work in the last couple of weeks making sure that [REDACTED] development is able to move forward by securing the company a permit to continue.
- SM went on to say that until the MoU has landed, [REDACTED] will operate on a hemp licence, once the MoU is agreed and signed off then they can move to a THC licence. SM stipulated, however, that he cannot see any of this happening this year due to Covid-19 disrupting businesses at the moment.
- [REDACTED] agreed that the MoU is the critical stage in the process that we have to pass and the precursor step to that is having an overall policy paper and approval for the direction of travel. [REDACTED] referred to the draft policy paper posted on Microsoft Teams (please refer to Item 5 of these minutes 'Policy Statement').
- SM said that he is not getting any pressure from anyone about potential licences or application enquiries, those companies who would want to try and establish themselves would be [REDACTED] and [REDACTED] but SM is not getting communications from either party about pursuing licences at the moment.

Article
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Article 33

Article
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4. [REDACTED] status of licencing statement template and MoU ([REDACTED] and PMcC) 10 minutes

- [REDACTED]
[REDACTED]
SM said that this meeting was to discuss the second draft of the MoU but that

Article 41

➤ [REDACTED] [REDACTED] Article 41

➤ [REDACTED] continued to say (in PMcC's absence) that PMcC has been in email contact with [REDACTED] and agreed with [REDACTED] that they will progress as much as Covid-19 allows given that they have other priorities at the moment. PMcC has responded to [REDACTED] email wanting to progress and not wanting it dropped. [REDACTED]

[REDACTED]

[REDACTED]

➤ [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Article 31

Action 5: [REDACTED] to continue MoU drafting and pass back to PMcC so that it can be presented to [REDACTED]

Article 31

➤ *DH joined the meeting here.* SM updated DH and said that operationally [REDACTED] are growing field crops and continuing to extract CBD. The other big pressure that has been brought to bear on the EDTSC Minister and therefore this Group, is from [REDACTED] who hold a licence to produce CBD this year, the crop is in the ground and will take another 12 weeks to grow and then it needs to go through the extraction progress. They haven't got their extraction equipment in yet. SM does not anticipate [REDACTED] even considering planting a THC crop until next year.

Article 31

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 [REDACTED]
 [REDACTED]. In terms of PMcC having discussions with [REDACTED], or anyone else
 speaking to [REDACTED]; the question is, is how far does Jersey want to go beyond what
 has always been common standards emanating from an international convention?

4

[2017-2021](#); 'Policy GSA 24 Agricultural Research and Development' and 'Policy GSA 25 Alternative Crops'. DH agrees that there is something a little bit more sophisticated needed on what we are trying to do from an economic development perspective, and that will justify our position to some extent in the context of the MoU; in that actually what we want to create is a situation that is not like the UK as this *gives* Jersey a USP. The point is, is that it is not just a Health and Social Services Department policy consideration but an Economic Development one too.

Action 6: SM, DH and [REDACTED] to put together some lines on a USP for Jersey.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Article 41

- DH agreed. Until we understand what this policy is, it will be hard to determine where the tension might be. Until we have done the thinking around what it is we are trying to achieve (i.e. the USP and the economic development opportunity), and Jersey's economic development policy requires a different policy to that which is being put in place in the UK, then that's when an interesting conversation starts to happen. Previously we have gone to the UK as effectively our cannabis agency, on the basis that we assumed that this would be the simplest approach. DH is of the thinking that there is an alternative (although he states how feasible or realistic this is, is unknown); that we get permission from [REDACTED] to create our own cannabis agency and whether that would deal with any policy challenges is yet to be seen. Once we get an understanding and agreement on what our internal policies are then this conversation will start to evolve and we can work out where the challenges are there. If we have an economic development policy that says we want to do something different then I agree with [REDACTED] that this could potentially lead to an interesting conversation with the UK but I guess they would understand the need for that. It may be that we need to begin to engage our External Relations colleagues here to start helping us broker some of this if we get into difficult territory.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Article
31

- [REDACTED]
[REDACTED]

Article
31

[REDACTED]
[REDACTED] Other considerations include those of the Minister for Health, who is responsible for licences granted under the Misuse of Drugs legislation, and other stakeholders including Ministers and officers representing Environment, External Relations, Justice and Home Affairs and Treasury.

5. Policy Statement (PMcC, SM, [REDACTED] and [REDACTED] 10 minutes

- Before most colleagues were able to join the meeting and with SM, [REDACTED] and [REDACTED] present, to avoid losing time, [REDACTED] asked SM for progress on the previous meeting action to review Jersey's SCoPAFF (the Standing Committee on Plants, Animals, Food and Feed) application to see if we should be aligning with EU standards in respect to cannabis.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Article
31

Action 7: SM to have a conversation with [REDACTED] and [REDACTED] going forward to look at reviewing Jersey's SCoPAFF application to see if Jersey should be aligning with EU standards in respect to cannabis and the need to include this in the scoping paper.

- SM has drawn up what he calls the 'big paper' which illustrates the beginning of the cannabis industry in Jersey up to now including definitions etc. [REDACTED] is to then use it to draft a scoping paper. [REDACTED] said that [REDACTED] has started work on the scoping paper and that [REDACTED] impression from the outset is that the MoU wasn't at the heart of this but that the parties involved in negotiating the MoU needed the benefit of a policy position to fall back on and to inform those negotiations with UK counterparts. [REDACTED] asked if this is correct.
- [REDACTED] responded yes. [REDACTED] said that this makes sense to him and regards the scoping paper being in the early stages at the moment but has already put a lot of SM's larger document into the scoping paper appendices but in terms of the what, when, who and how you would expect to see in a draft policy statement for testing, there is a little way to go with this yet.

Action 8: Steering Group to view the scoping paper on E-gress and to email comments direct to [REDACTED]

SM said in light of Covid-19 maybe we need to reassess what our timeline is and what we want to achieve now. A lot of the pressure was coming from the EDTSC Minister. The pressure on the EDTSC Minister was coming from [REDACTED] who were only putting pressure on as they were basically halfway through their build and ready to plant. As long as we support [REDACTED] to grow this crop and extract the CBD this year, that gives them the opportunity to generate some revenue and gives us all some breathing space to get through this Covid-19 period and reassess where we are in September. SM asked if this made sense to people. All agreed.

- [REDACTED] said that in terms of prioritisation and how to push on with that recruitment, maybe someone needs to sit down with PMcC and assist him with what the method of recruitment will be. If the post is a priority for resources, PMcC will need a bit more assistance, this might not look like a deputy in the short-term but might be looking at how the licences work and where PMcC has got to in terms of recruitment and what that recruitment will look like. [REDACTED] is of the view that PMcC being a one-man band will probably cause some issues if we want to progress this in the next few months.
- [REDACTED] highlighted (in PMcC's absence) that PMcC had previously said that he took the position of a Deputy Chief Pharmacist to a Health and Community Services Senior Management meeting where it was said that Health and Community Services (HCS) will support a case for funding but the money will not come from them; it was argued that funding should come from either the Economic or Environment Department. [REDACTED] said that considering Covid-19 pressures HCS may now take a different view.
- DH said that Go Chief Executive Charlie Parker (CP) met with PMcC, [REDACTED] and resources were discussed. Effectively, CP said to PMcC that he recognises the need for a Deputy Chief Pharmacist and to progress this new post and that CP would speak to the Health Minister. DH said that there is a danger that this could be batted between departments. DH said that he needs to have a conversation with PMcC and ask what he needs us to do to get him where he needs to get to. CP implied funding should come from the Health and Community Services Department but whether or not this message has reached the Health Minister is yet to be seen but we can look into this.
- DH said that in terms of the policy piece, the EDTSC Minister has commissioned this from his civil service and will expect a policy statement to complete by the end of Covid-19 so we need to manage expectations and cannot afford to not continue the work. PMcC needs to be given some assistance to effectively discuss what needs to be in the policy piece and also how do deal with MoU negotiations once this policy piece is complete.
- DH noted that the final point agreed with the Chief Executive was that Tom Walker (as Director General of SP3) would provide us with a policy officer so that when [REDACTED] gets taken off this cannabis work stream to go back to [REDACTED] official role as [REDACTED] a SP3 policy officer can pick up from here. DH said he is a bit

nervous about thinking we have time to relax and draw some breath as he's not sure that we necessarily do. DH does agree that we do need to properly resource PMcC to ensure he can continue to contribute to this piece of work which he believes the EDTSC Minister sees in the background continuing as BAU.

- ■■■ asks in terms of getting PMcC the assistance to the point where he has a deputy, where does this sit at the moment? DH said that he will try to speak to PMcC in a separate conversation to properly understand where PMcC is at and that DH is happy to speak to the Health Minister via the EDTSC Minister and get the Ministers view as to whether we are continuing the cannabis work stream as BAU or not. This is an important conversation for the EDTSC Minister to have because if the Health Minister says that this needs to be parked due to other priorities then this might be quite helpful for us but they need to agree this; the EDTSC Minister just needs to hear this from his opposite number in the Health Department.

Action 10: DH to speak to PMcC re progressing an Assistant Chief Pharmacist position.

Action 11: DH to facilitate a conversation between the EDTSC Minister and the Health Minister re agreement on continuing the cannabis work stream as BAU and the funding of an Assistant Chief Pharmacist.

B. New Business

None

C. Future Business

Rolling Action Points from the workshop / previous minutes to be actioned at a later date

- 1. A data sharing agreement between GoJ and ■■■ is being drafted ■■■**
- a rolling action in progress noted for approx. Q2 2020 once all internal administration and processes are in place. Waiting on the MoU being finalised.
- 2. Once clarity has been had from ■■■, meet to produce an annual return for cannabis growers ■■■ and PMcC) – a rolling action noted for approx. Q2 2020 once all internal administration and processes are in place. Waiting on the MoU being finalised.**

Article 41

3. **Need a process map for internal reference and for applicants alike (ALL)** - *A rolling action noted for approx. Q2 2020 once all internal administration and processes are in place. Waiting on the MoU being finalised.*
4. **Regulation Body: engage States Analyst so that we can work towards a formal monitoring system for industrial hemp and THC levels (SM)** - *a rolling action in progress.*
5. **Produce a contract for [REDACTED] – a rolling action to TBD in line with [REDACTED] engagement.** Article 33

D. Ending Items

A.O.B. (ALL)

- DH noted we just need to play things by ear and be realistic. The crops are going to be delayed and we will just have to respond as quickly as we can when things become clearer [post Covid-19]. The Government Plan will be a Government Recovery Plan so we need to keep an eye on developments and do the best that we can.
- [REDACTED] asked if going forward we will now move the cannabis portfolio across to Microsoft Teams or will we continue to use [REDACTED]. It was agreed to remain with [REDACTED] until such a time everyone has moved across to [REDACTED] which enables full use of the [REDACTED] facility. Article 42
- [REDACTED] asked to go over a couple of points on the [Single Convention on Narcotic Drugs, 1961](#). (A) Is [REDACTED] correct in thinking that the UK is signatory to the Convention and (B), the Convention was extended to Jersey in the 70's? [REDACTED] said yes the UK is the signatory and the Convention's territorial extent extends to all of the Crown Dependencies.
- [REDACTED] said that all has gone quiet on the business side of things. Local businesses who desired to have a large impact on the cannabis industry have paused and are pulling back. One of the companies that were coming in [REDACTED] [REDACTED] have also gone quiet. Understandably people are currently taking stock. Article 33
- *PMcC joined the meeting here.* PMcC stated that at the current time expediting a Deputy is going to be difficult because any resource will be pointed towards Covid-19 and any resources required at the hospital, so any resource we do get will be used for Covid-19. HCS anticipate it getting busier unfortunately from this point forward and PMcC's time and other pharmacists time will be more consumed with Covid over the coming weeks.

- ■■ briefed PMcC on the earlier conversation re a Deputy Chief Pharmacist. ■■ thinks it is worth having a conversation with DH in the short-term to see the best way of approaching the need for a resource; we all recognise that there are significant challenges of meeting deadlines in terms of Covid-19 and what pressure this will put on PMcC's time. If acquiring a second resource is not possible then we will need to reassess timelines in light of all of this.
- ■■ referred to PMcC's wish to continue as we can as noted in his email to all on 7th April. PMcC said that if we can try and keep things moving particularly with ■■ side of things (even at a slow pace) as this will be one of the rate limiting steps in all of this, it would be good if people can find a bit of time to progress this MoU drafting. ■■ said that ■■ will be doing as such in-between Covid-19 priorities. Article 41
- ■■ briefed PMcC on SM's discussion re licences and that things are rolling on but we are appreciative that things are going to take a backburner re Covid-19. PMcC said that ■■ who submitted an application a while ago have effectively withdrawn. And a local company has sent through some documentation for PMcC to look at. Article 33
- SM highlighted that Government need to begin testing to ensure that what companies are growing are what they say they are growing. SM registered that THC testing needs to be carried out on the crop that was grown by ■■ Article 33
- SM has had communications with PMcC and the States Analyst about how we go about testing. SM has had a look into carrying out the testing himself and has had quotes in the region of £30,000.
- SM understands to some extent that the States Analyst and PMcC will be consumed with Covid-19 issues but at some point needs some advice re testing. PMcC said that all testing re Covid is carried out at the hospital so the States Analyst shouldn't be too impacted.
- SM raised his most recent comms with the States Analyst, where the Analyst asked what percentage of the plants need to be tested (i.e. the flowers) and a few other technical details. SM needs advice from PMcC re. permission to go and collect samples and store etc. to establish a testing regime (a rolling action noted in Part C of these minutes Future Business Item 4 'Regulation Body: engage States Analyst').
- PMcC said that as a States employee SM is able to carry out the testing; PMcC and ■■ have looked into this previously and concluded that SM would be covered. SM believes there is an exemption which covers this. ■■
■■
■■

Action 12: SM will forward email from the States Analyst to PMcC for advice re testing.

Action 13: ■ to look up and forward exemption permitting government employees being in possession of controlled substances to SM.

- ■ ended the meeting by asking ■ if ■ needed any further information re licences.
- ■ asked if we know if any of the licences that have been issued have any conditions on them that say that the licence holder cannot do certain things with the crop until it has been tested.
- PMcC responded by saying that there is nothing in the licences which say they cannot do certain things but that there is a condition in the licences which states that GoJ officers can spot check and take samples for the purposes of testing; if we test and find out that they're not doing what they said they were doing then that would be grounds for cancelling their licence.
- ■ said that the more visibility ■ has on the licensing scheme the better but ■ is aware that there is a document on this area ■ that ■ can refer to.
- ■ asked ■ to run through the meetings actions;

Article 42

Action 1: ■ to continue to draft a paper looking at the different scenarios of what a cannabis industry could look like in order to inform the proposal report for the taxation of the cannabis industry.

Action 2: PMcC to instruct ■ at the LDO to update law drafting instructions (ref. licence fees).

Action 3: PMcC to highlight the need to reconvene the Advisory Council on the Misuse of Drugs to the Health Minister and for the Minister to write to the Bailiff / Bailiff's Chamber to expedite this.

Action 4: PMcC to check with ■ why ■ only accept DBS certificates from Security Watchdog and whether Jersey would need to make applications through this portal.

Article 41

Action 5: ■ to continue MoU drafting (if Covid-19 priorities allow) and pass back to PMcC so that it can be presented to ■

Article 41

Action 6: SM, DH and ■ to put together some lines on a USP for Jersey and forward to IC for his scoping document.

Action 7: SM to have a conversation with ■ and ■ going forward to look at reviewing Jersey's SCoPAFF application to see if Jersey should be aligning with EU standards in respect to cannabis and the need to include this in the scoping paper.

Action 8: Steering Group to view the scoping paper on E-gress and to email comments direct to [REDACTED]

Action 9: [REDACTED] to forward business figures onto [REDACTED] to include in the scoping paper.

Action 10: DH to speak to PMcC re progressing an Assistant Chief Pharmacist position.

Action 11: DH to facilitate a conversation between the EDTSC Minister and the Health Minister re agreement on continuing the cannabis work stream as BAU and the funding of an Assistant Chief Pharmacist.

Action 12: SM will forward email from the States Analyst to PMcC for advice re testing.

[REDACTED]
[REDACTED]

-Ends-

***Next meeting scheduled in calendars for Tuesday 12th May at 1100-1230hrs
using Microsoft Teams***

Cannabis Coordination Meeting No. 16

1100-1230hrs, Tuesday 12 May 2020

via Microsoft Teams

POINTS RAISED & ACTION POINTS

In Attendance

Dan Houseago, Group Director, Economy & Partnerships, (DH)

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)
[REDACTED]

Apologies

[REDACTED]
[REDACTED]
[REDACTED]

Scott Meadows, Head of Biosecurity, Natural Environment (SM)

POINTS RAISED

Welcome

Approval of previous meeting minutes of 14th April

Approved.

A. Business Arising (old business)

Action Points from previous meeting of 14th April (ALL)

1. Indicative Project Plan – [REDACTED] - a rolling action in progress, 5 minutes

[REDACTED]
[REDACTED]
[REDACTED]

- ■ noted that ■ will update the project timetable with actions from each meeting where appropriate and will ask the Steering Group to review intermittently when updates are requested by the Ministers.

2. Recruitment of Assistant Chief Pharmacist (DH and PMcC) 10 minutes

Update;

- DH said that there has been a slight change in urgency.
- PMcC expanded by saying that due to the restrictions on social distancing and current workload there is scope during the next few months to clear existing applications and review work needed to push on with ■ MoU. PMcC added that recruiting a new pharmacist is near impossible now so we may need to rethink this.

Action 1: PMcC will have a discussion with DH outside of this meeting re. the need to recruit an Assistant Chief Pharmacist.

3. Scoping paper to feed Policy Statement ■ 15 minutes

Update;

In progress but the below actions are yet to be finalised.

Action 2: SM, DH and ■ to put together some lines on a USP for Jersey and forward to ■ for ■ inclusion in the scoping paper.

Action 3: ■ to forward business figures onto ■ to include in the scoping paper.

Action 4: ■ will go back to ■ with comments on the scoping paper.

- ■
■
■
- ■ is broadly content with the scoping paper but is aware that there are parties within Government that are waiting for an opportunity to engage on a draft policy e.g. public health. In addition, those developing the [Draft Food Safety \(Jersey\) Law 201-](#) may end up having a regulatory role in this industry.
- PMcC noted that there needs to be a decision locally whether we are going to treat CBD products as foods (it would be unlawful to use as a medicine); there needs to be a clear steer how products are going to be used and regulated in the Island. The [Misuse of Drugs \(General Provisions\) \(Jersey\) Order 2009](#) does not state how products can be regulated and used in Jersey.
- ■ is of the understanding that the UK is following the EU and Jersey will be looking for equivalents.

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED] views the scoping paper as a starting point, the next step to change it into a policy paper would be to collaborate with a number of internal stakeholders.
- DH said that the scoping document serves as a broad overview and tries to identify from this Steering Groups perspective who needs to be involved and that the first job is to make sure everyone who wants to comment has done so.
- [REDACTED] has started the process of talking to stakeholders and understanding the implication of various commercial options that can be taken.
- PMcC sees the scoping paper raising a number of questions that need to be answered further along the process.
- [REDACTED] asked if it would be worth a representative from SP3 sitting on the Steering Group going forward. [REDACTED] said that SP3 colleagues in terms of the scoping paper have been approached but they do not want to be exclusively involved; it is only when the draft policy is drawn up would they want to engage.

Action 5: [REDACTED] to approach SP3 to confirm their level of involvement in the cannabis policy.

- An action from the last meeting was for SM to have a conversation with [REDACTED] and [REDACTED] going forward to look at reviewing Jersey's SCoPAFF (the Standing Committee on Plants, Animals, Food and Feed) application to see if Jersey should be aligning with EU standards in respect to cannabis and the need to include any information in the scoping paper. [REDACTED] contacted [REDACTED] and [REDACTED] said that there are currently no SPS requirements so it may be a customs issue rather than a Defra issue. [REDACTED] is happy to look into this if it helps, although is equally happy for SM to take forward using his contacts.

4. [REDACTED]: status of licencing statement template and MoU (PMcC) 10 minutes

- PMcC said that since having had input from [REDACTED] has changed [REDACTED] position slightly; Firstly, [REDACTED] acknowledged that any operational issues could be removed from the main body of the MoU and perhaps included as an annex. This would make the main thrust of the MoU which is primarily around the requirement for a National Cannabis Agency much clearer. It would also perhaps enable the annex to be more easily amended if required without impacting on the main agreement;

- Secondly, [REDACTED] mentioned the possibility of [REDACTED] designating a Jersey Cannabis Agency – the [Single Convention on Narcotic Drugs, 1961](#) provides for a State Party to have one or more Cannabis Agencies. There may therefore be a possibility for us to develop something locally under the umbrella of [REDACTED] with [REDACTED] providing arm's length cover. PMcC is unsure at this stage what a local agency would look like or what powers it would have. [REDACTED] said a local cannabis industry would be preferable.
- DH highlighted that the challenge is that we must generate an industry. DH said we need to get some pace into this project as investment and market opportunities are time limited.

Article
41

Action 6: PMcC to go through [REDACTED] comments on the MoU, add in a few lines suggesting Jersey's interest in pursuing a local cannabis agency and then forward onto [REDACTED] for consideration.

Article
41

5. Cannabis licensing and the transfer/sale of licences (PMcC and [REDACTED] 5 minutes

Update re amending and new Orders on;

- Action: (1) Licence fees PMcC to instruct [REDACTED] at the LDO to update law drafting instructions. PMC to do
- (2) The extent to which cannabis has been legalised; and
- (3) Restrictions on cannabis arising from being listed in the Misuse of Drugs (Designation) (Jersey) Order 1989.

Action 7: PMcC to instruct [REDACTED] at the LDO to update law drafting instructions (ref. licence fees).

- [REDACTED]
[REDACTED]
[REDACTED]

Article
31

Action 8: PMcC to produce a draft paper for the MDAC on the requirements to generate a local cannabis industry so that it can be considered in advance of their next meeting and to run points by [REDACTED]

Action 9: [REDACTED] to chase up [REDACTED] (who is dealing with the appointments to the Advisory Council on the Misuse of Drugs) to check progress.

Action 10: PMcC to highlight the need to reconvene the Advisory Council on the Misuse of Drugs to the Health Minister and for the Minister to write to the Bailiff / Bailiff's Chamber to expedite this.

6. **Regulation Body: engage States Analyst so that we can work towards a formal monitoring system for industrial hemp and THC levels (SM) 5 minutes**



[REDACTED]
[REDACTED]
[REDACTED]

Article 31

Action 11: [REDACTED] will follow up with an email to PMcC and SM to initiate.

Action 12: PMcC needs to discuss support for a regulation scheme with DH and how inspections fit in with this.

B. New Business

None

C. Future Business

Rolling Action Points from the workshop / previous minutes to be actioned at a later date 5 minutes

- 1. Prepare a proposal report for the taxation of the cannabis industry (PB, [REDACTED] and [REDACTED])**
Approx Q2 2020 - cannot be finalised until policy statement / position is drawn up and agreed.
- 2. Continue to draft a paper looking at the different scenarios of what a cannabis industry could look like in order to inform the proposal report for the taxation of the cannabis industry [REDACTED]**
Approx Q2 2020 - cannot be finalised until policy statement / position is drawn up and agreed.
- 3. Licences: DBS Certificates and [REDACTED] application portal (PMcC)**
PMcC to check with [REDACTED] why [REDACTED] only accept DBS certificates from Security Watchdog and whether Jersey would need to make applications through this portal. *Position may change due to the suggestion of a local cannabis agency and so would negate the need for this action – review at next meeting.*
- 4. A data sharing agreement between GoJ and [REDACTED] is being drafted [REDACTED]**
- a rolling action in progress noted for approx. Q2 2020 once all internal administration and processes are in place. Waiting on the MoU being finalised.

Article 41

Article 41

5. **Once clarity has been had from [REDACTED] meet to produce an annual return for cannabis growers [REDACTED] and PMcC)** – a rolling action noted for approx. Q2 2020 once all internal administration and processes are in place. Waiting on the MoU being finalised. Article 41
6. **Need a process map for internal reference and for applicants alike (ALL)** - A rolling action noted for approx. Q2 2020 once all internal administration and processes are in place. Waiting on the MoU being finalised.
7. **Produce a contract for [REDACTED]** – a rolling action to TBD in line with Article 33
[REDACTED] engagement.

D. Ending Items

A.O.B. (ALL) 5 minutes

***Next meeting scheduled in calendars for Tuesday 9th June at 1115-1245hrs
using Microsoft Teams***

Cannabis Coordination Meeting No. 17

1115-1245hrs, Tuesday 7 July 2020

via Microsoft Teams

POINTS RAISED & ACTION POINTS

In Attendance

Dan Houseago, Group Director, Economy & Partnerships, (DH)

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)

Scott Meadows, Head of Biosecurity, Natural Environment (SM)

[REDACTED]

Apologies

[REDACTED]
[REDACTED]

POINTS RAISED

Welcome

- [REDACTED] asked if each item under Parts A-D of the agenda could be scrutinised during the meeting with a view to removing those items no longer valid.

- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Article 31

Approval of previous meeting minutes of 12th May

Approved.

A. Business Arising (old business)

Action Points from previous meeting of 12th May (ALL)

1. Indicative Project Plan – [REDACTED] - a standing item and rolling action in progress



- [REDACTED] noted that [REDACTED] will update the project timetable with actions from each meeting where appropriate and will ask the Steering Group to review intermittently when updates are requested by the Ministers.

2. Recruitment of Assistant Chief Pharmacist (DH and PMcC)

PMcC advised that this item is no longer justified at present and can be removed from the agenda going forward.

3. Scoping paper to feed Policy Statement [REDACTED]

Update;

- The scoping paper as it stands has responded to comments made to date within previous minutes.
- No further input to the scoping paper has been provided since 8th June, when further input was received from [REDACTED].
- Priority has since moved from the scoping paper to the practicalities of delivering a licencing regime by the end of August.
- DH said that it is clear that there is policy development required in some areas. We have a scoping document, but two things have put this on the back burner;

1. Capacity: it is yet TBD who will take these policy pieces forward
2. Getting the MoU approved before the end of August.

Once the two points above are resolved then we can look at how to deliver the agreed position.

- [REDACTED] noted that the scoping paper was to inform the MoU. How do we make sure the approach we take with the MoU is consistent with [REDACTED] approach and has the benefit of this settled policy?
- DH appreciates the policy challenges e.g. that our policy position on CBD is different to the cannabis agency in the UK. The broader conversation to be had with [REDACTED] is the level of policy deviation the UK would consider acceptable.

Article 31

Article
41

Senator Farnham has raised this with [REDACTED] who is going to raise it with [REDACTED] so it should be expedited going forward.

- There is soon to be a collective meeting with Charlie Parker to make sure he is content with policy progress. Keeping the policy paper in good shape is important between now and the 30th July.
- DH said that we need to get a collective view of where we are on work stream areas.

Action 1: All to provide input to the Cannabis Interim update July 2020 document [REDACTED] by the 21st July.

Article
42

4. [REDACTED] status of licencing statement template and MoU (PMcC)

- PMcC has a meeting with [REDACTED] tomorrow.
- [REDACTED] asked what is the position going into the meeting tomorrow?
- PMcC said that he needs to push [REDACTED] along as he has had no response back from comments forwarded in early May. PMcC has informed [REDACTED] that we are keen to explore the possibilities of a Jersey cannabis agency and could [REDACTED] look to draft the next version of the MoU in this context.
- DH said that he and Kate Nutt (Group Director, External Relations) were on a call with Senator Farnham, [REDACTED] and Senator Gorst, the follow up to which was that KN will liaise with [REDACTED] specialist advisor and Senator Farnham will follow up in a closed letter to [REDACTED] asking [REDACTED] to encourage [REDACTED] to prioritise cannabis policy development for Jersey.
- PMcC pointed out that he has also pursued opportunities through the Jersey London Office and so is trying all avenues.

Article 41

5. Cannabis licensing and the transfer/sale of licences (PMcC and [REDACTED])

Update re amending and new Orders on;

- Action: (1) Licence fees PMcC to instruct [REDACTED] at the LDO to update law drafting instructions. PMC to do
 - (2) The extent to which cannabis has been legalised; and
 - (3) Restrictions on cannabis arising from being listed in the Misuse of Drugs (Designation) (Jersey) Order 1989.
- PMcC needs to go back to [REDACTED] at the LDO.
 - The Health Minister accepted the cannabis position at the recently convened meeting of the Medical Development Advisory Council (MDAC) but concerns were raised at the levels of fees so we need to think again how we would licence hemp cultivation over several sites across the Island.
 - [REDACTED] said that an area levy could be based on an inspection charge related to services rendered rather than a tax.
 - SM suggested that we follow the narcissus industry policy i.e. licence fees / charges are related to the area inspected. SM commented that the American model is also

based on area and efforts/service provided, so not a land tax as per [REDACTED] has suggested.

- PMcC asked the Group if there is there any problem in principle with having a fee structure based on the area cultivated.
- [REDACTED] responded by saying not if the precedent is already set in another industry (e.g. narcissus).
- DH asked PMcC if we need to go back to the MDAC in terms of licences issued and is a timetable in train for this.
- PMcC said that the Chair [REDACTED] is content that this Cannabis Coordination Group finalise the fee structure and circulate the final Order amongst the MDAC for their information.
- SM noted that in respect to inspections/licences/fees we need to be cognisant that we will have two types of sites: an enclosed high tech site (which [REDACTED] will inspect) and then hemp production (inspections of which can be carried out by government officers; about six visits each crop). So, there are two types of licencing we need to think about. PMcC added that [REDACTED] may want to inspect hemp sites too.
- PMcC said that we need to understand from [REDACTED] what we can do with and without them.
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- PMcC said that he needs information from SM around what would be justifiable fees to apply and then PMcC can draw something up and a draft fee structure can be sent around this Group for review; basically a 2-tier fee structure.

Article 41

Article 31

Action 2: SM to forward information to PMcC on narcissus licencing.
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6. Regulation Body: engage States Analyst so that we can work towards a formal monitoring system for industrial hemp and THC levels (SM)

- SM is now authorised to take samples under the Misuse of Drugs (General Provisions) (Jersey) Order 2009. SM said that it is Governments responsibility to monitor the hemp industry. Samples were submitted to the States Analysts department on the 5th May, but SM is yet to receive the results. SM is aware that we need to push on with this. SM asked PMcC that if the States Analyst is unable to turnaround results within a certain timeframe if samples can be analysed off-Island (SM has found a laboratory that can do 3-day turnaround).
- PMcC said that it must be made clear that we are not analysing for the purpose of business but for the purpose of regulation from a government perspective. Having

samples analysed off-Island is not a problem from an import / export licensing perspective.

- [REDACTED]
- [REDACTED]
- [REDACTED]
- SM said that he needs guidance from this Group of what the best course of action should be, and would it be a sensible approach to make off-Island arrangements.
- [REDACTED] noted that [REDACTED] does make arrangements for off-Island testing.
- DH said the broader policy piece in this is in what we need to monitor – we need to explore this properly.

B. New Business

1. Point to point transport – Jersey Customs and Immigration Service (JCIS) and UK Customs involvement (SM)

- SM has confirmed with JCIS that point to point transport of cannabis (e.g. Jersey to Germany) does not have to be cleared with UK Customs.
- PMcC said that if producers wanted to export cannabis to Germany, it would simply be an issue of getting an export licence and a corresponding import licence. PMcC said we wouldn't issue an export licence until the receiving jurisdiction has issued an import licence.

2. Track and Trace (SM)

- SM noted that [REDACTED] will use [REDACTED] for gram for gram traceability – demo'd to and approved by PMcC.
- [REDACTED] has talked about writing their own bespoke software for track and trace. Article 33
- As a licensing authority should we insist on industry using a standard government approved programme? – this may make life easier?
- PMcC said that the regulations will say what they need to do but will not stipulate and he is not concerned with *how* they do it.

3. Waste Disposal - biomass and liquid THC (SM)

- SM asked the Group if we should be monitoring/regulating/prescribing waste disposal methods more strongly as the industry develops. Some ethanol extraction waste contains traces of THC – how and who checks this is being monitored properly/disposed of? Should we be asking Police/[REDACTED] to check for improper behaviour/guerrilla gardening at licenced sites e.g. [REDACTED] on a regular basis? Article 33
- DH said that we need a monitoring framework of sorts – SM volunteered to work up a framework

Action 3: SM to put together a monitoring framework for the cannabis industry.

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- PMcC will confirm tomorrow at his meeting with [REDACTED] and iron out policy issues going forward.
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Article 31

4. Local THC/CBD capabilities (SM)

Please refer to minutes under 'A. Business Arising Item 6 Regulation Body: engage States Analyst so that we can work towards a formal monitoring system for industrial hemp and THC levels'.

5. Update for CP (DH)

- DH requires an update for Charlie Parker. Dan has explained to CP that there are good reasons for delays which mainly rest with the MoU and [REDACTED]. DH asked if officers could provide a paragraph on each work stream with a corresponding rag rating a week before 30th July – his meeting with CP.

Action 4: All to input 1-2 sentences on work stream progress into [REDACTED] 'Cannabis Interim Update July 2020' with a rag rating by 21st July.

Article
42

C. Future Business

Rolling Action Points from the workshop / previous minutes to be actioned at a later date 5 minutes

1. Draft a paper looking at the different scenarios of what a cannabis industry could look like in order to inform the proposal report for the taxation of the cannabis industry [REDACTED]

Approx Q3 2020 – in progress although cannot be finalised until policy statement / position is drawn up and agreed.

- DH said that the MoU will heavily influence this. We have a non-disclosure agreement with [REDACTED], DH has the figures that [REDACTED] needs to be sighted on.

Action 5: DH to pass non-disclosure agreement data to [REDACTED]

- SM noted that some people with influence believe that no one is concerned about CBD but SM stresses that it should not be discounted; if anything, it is an easier route to revenue and will be governed by novel foods in March 2021.

2. Prepare a proposal report for the taxation of the cannabis industry [REDACTED] and [REDACTED]

Approx Q4 2020 – in progress although cannot be finalised until policy statement / position is drawn up and agreed.

- DH has said to the Treasury depending on the negotiations with the MoU, the industry may well generate tax from CBD for 2021.
- [REDACTED] said that we have now missed the deadline to be included in the budget. Normally budget legislation goes in at the end of the year and everything comes into force at the beginning of January. [REDACTED] noted that [REDACTED] suggested proposals would need to be finalised by mid-March 2021 in order to go forward in budget 2022 with money coming in for 2023.

3. Licences: DBS Certificates and [REDACTED] application portal (PMcC)

PMcC to check with [REDACTED] why [REDACTED] only accept DBS certificates from Security Watchdog and whether Jersey would need to make applications through this portal. *Position may change due to the suggestion of a local cannabis agency and so would negate the need for this action – keep under review.*

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- PMcC said that there is no problem Jersey using [REDACTED], however, we will provide our own enhanced DBS certificates.

Article 33

4. A data sharing agreement between GoJ and [REDACTED] is being drafted [REDACTED]

- a rolling action in progress noted for approx. Q3 2020 once all internal administration and processes are in place. Waiting on the MoU being finalised.

- [REDACTED]
[REDACTED]
[REDACTED]

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5. Need a process map for internal reference and for applicants alike (ALL) - A rolling action noted for approx. Q3-Q4 2020 once all internal administration and processes are in place. Waiting on the MoU being finalised.

6. Once clarity has been had from [REDACTED] ice, meet to produce an annual return for cannabis growers [REDACTED] and PMcC) – a rolling action noted for approx. Q4 2020 once all internal administration and processes are in place. Waiting on the MoU being finalised.

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7. Produce a contract for [REDACTED] – a rolling action to TBD in line with [REDACTED] engagement.

Article 33

D. Ending Items

A.O.B. (ALL)

- SM said that he has had brief comms from [REDACTED] still expressing there want to be involved.
- [REDACTED] said that we would need to put any project proposal out to tender for procurement purposes. Article 33
- DH said that he has thought about this and there may be a justification in terms of presentation and a third-party endorsement. Businesses like [REDACTED] can help promote this politically.
- [REDACTED] noted that one thing that is becoming apparent is that we could perhaps do with additional capacity to analyse the complication of the industry e.g. the defective crop SM raised at a previous meeting.
- PMcC said that when he meets with [REDACTED] he will ask how they handle these kinds of situations. SM also would like sight of the general UK monitoring framework from [REDACTED] so that we can build our framework around this; SM stated that the cannabis industry is calling for this. Article 41
- DH noted that disclosure of information might be better through non-disclosure agreements. We need to think if the role of government is as a competent authority or, a Public Private Partnership is better established where we run an agency at arm's length. The fear is that if government gets involved then this opens the door for government getting involved in other joint ventures. In addition, there is an Intellectual Property development opportunity through Research and Development.
- PMcC agreed that we need to think about this in detail as government overseas the licences and effectively regulates.
- DH asked how do we move to a position from what the [Single Convention on Narcotic Drugs, 1961](#) was created to do to present day activity. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Article 31
- [REDACTED] asked for a scrutiny update. DH has responded to scrutiny and has said that the clarity around licensing needs to be taken up with the health department. DH gave a null return saying that scrutiny was asking the wrong department, however, Senator Farnham would still like to respond. [REDACTED] said that it would be useful to have copy of any response if and when it goes out. DH said a response will go out to panel once Senator Farnham has agreed a form of words.
- [REDACTED] notified the Group that [REDACTED] has pulled out of what would have been a significant site [REDACTED]. Article 33

Next meeting scheduled in calendars for Tuesday 11th August at 1000-1130hrs using Microsoft Teams

Cannabis Coordination Meeting No. 18

1030-1200hrs, Tuesday 25 August 2020

via Microsoft Teams

In Attendance

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Dan Houseago, Group Director, Financial Services and Digital Economy, (DH) -CHAIR

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)

Scott Meadows, Head of Biosecurity, Natural Environment (SM)

[REDACTED]

Apologies

[REDACTED]

George Pearmain, Director of Financial Crime Strategy, Financial Services and Digital Economy (GP)

[REDACTED]
[REDACTED]

KEY POINTS RAISED

- DH cited key timeline issues as being legislative development, anti-money laundering / proceeds of crime (POC) and resource requirements. Regarding POC, this would be to allow for investment in cannabis industries/funds where lawful in the country of production.
- An 'Economic Development Framework for Cannabis in Jersey' policy paper is being prepared by George Pearmain, for the Council of Ministers to consider imminently.
- [REDACTED] advised that an economic analysis has not been prepared by [REDACTED] section due to higher priorities. [REDACTED] provisional thoughts include questioning how Jersey could compete without economies of scale. DH explained the Island should be well placed as a first-mover and with a focus on quality.
- Other economic analysis to support the COM paper is being considered by [REDACTED] although it has been difficult to develop on account of the limited availability of industry data, though some data had been acquired as a consequence of Government having signed a non-disclosure agreement with one applicant for a licence.
- Progress regarding the MoU [REDACTED] is ongoing. Reciprocal data sharing arrangements were included in the draft MoU reviewed by the LOD in July

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2020. PMcC advised that [REDACTED] legal team have not responded and want to run the MoU past [REDACTED] colleagues. The MoU would provide for the licensing of cannabis cultivation for medicinal purposes only. It was anticipated that a signed MoU would be a precursor to licensing, though there might be scope to accelerate licensing in Jersey with [REDACTED] permission.

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- PMcC will write to [REDACTED], if assistance is required to progress the MoU.
- [REDACTED] site visits have been scheduled for 5th-6th October 2020.
- Licensing fee structures were discussed. Consideration was having to be given to the quantum and nature of physical inspections required (e.g. walking fields mid-season) in addition to administrative costs. **ACTION SM agreed to re-send information to PMcC regarding the manpower costs of similar arrangements where fields have to be walked for monitoring purposes.**
- PMcC advised that the person to be appointed to assist him (expected by the end of 2020) would have responsibility for monitoring compliance with licensing conditions, on behalf of HCS. It was queried whether HCS would assign a new resource for this purpose, and whether that person would have the expertise that the Environment Department rely on when performing this function. While it was understood that [REDACTED] it was anticipated that further thinking on compliance arrangements including an in-crop testing programme, would be needed.
- It was queried whether [REDACTED] when undertaking risk assessments and compliance arrangements is sharing that information with senior officers in the SoJP, and the cost of any such compliance regime. **ACTION DH said he would check with [REDACTED] and also raise policing implications with Julian Blazeby, Director General, Justice and Home Affairs.**
- SM raised the need for cross-governmental assessment of licence applications to mitigate the risk of crop cross-contamination through geographical controls on cultivation sites and the use of exclusion zones to avoid pollen pollution. Consideration was also given to whether a limit might need to be imposed on the total number of licences to be issued, recognising the planning / land use and infrastructure implications that the industry might generate.
- On taxation, [REDACTED] advised that Ministers were keen to introduce tax measures but the Government Plan would be going to Scrutiny on 28 September 2020 and therefore any new measures needed to be settled before that date. PMcC explained that [REDACTED] is expected to be the first to achieve GMP compliance in mid-2021 and there is little expectation of licensed businesses being able to generate significant profits from cultivation prior to mid-2021. PMcC said two of the applicants for licences need to build facilities. **ACTION DH said he would meet with [REDACTED] separately regarding tax.**
- [REDACTED] advised that rolling action point no.3 re data sharing agreement could be deleted: as above, provision for reciprocal data sharing is included in the draft MoU.
- SM advised that rolling action point no.6 re track and trace could be removed.
- A contract for [REDACTED], as per rolling action point no.7, is now viewed as something that is possibly unnecessary, and therefore could be removed as an action point, but progressed if needed after the MoU has been agreed.

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- Date of next meeting to be determined -

Cannabis Coordination Meeting No. 19 (*as amended*)

1030-1200hrs, Monday 12 Oct 2020

Council of Ministers Meeting Room, 1st Floor, Broad Street

POINTS RAISED & ACTION POINTS

In Attendance

[REDACTED]

[REDACTED]

[REDACTED]

Dan Houseago, Group Director, Economy, FSDE (DH)

George Pearmain, Director of Financial Crime Strategy, FSDE (GP)

[REDACTED]

James Silverston, Director of Financial Services, FSDE (JS)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)

Scott Meadows, Head of Biosecurity, Natural Environment (SM)

[REDACTED]

POINTS RAISED

Welcome

Approved key points from meeting of Tuesday 25 Aug 2020

A. Business Arising (old business)

1. **Indicative Project Plan** [REDACTED] - a rolling action in progress, 5 minutes

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] confirmed that the project plan is up to date and will include any updates from today's meeting. Once updated [REDACTED] will circulate to All to review their areas.

2. **COM Paper; 'Economic Development Framework for Cannabis in Jersey' (GP and DH) 15 minutes**

- GP gave the Group a brief overview on the COM paper: a document approving policy for the cannabis industry and seeking ministerial approval from the Ministers for H&SS, EDTSC and ER. JS has been looking at legislative change requirements

from a financial services perspective and [REDACTED] has been looking at how to amend the [Proceeds of Crime \(Jersey\) Law 1999](#) to allow for the definition of proceeds of crime to be changed to incorporate a definition of cannabis. The paper needs to be top and tailed by Economy to outline why it is in Jersey's economic interest to develop this industry.

- [REDACTED] is pulling together draft text from the Economy perspective to include in the Paper.
- The process needs to be approved by COM and an informal scrutiny briefing with Deputy Kirsten Morel needs to be held (Chair of the Economic Affairs Scrutiny Panel) to ensure scrutiny are supportive.
- To Paper is likely to be put forward to the Extended Leadership Team (ELT) within the next week so that it can be presented to COM as soon as possible. GP will be asked questions by the Assembly on matters relevant to this and it will be a good opportunity for Members to have these discussions.
- DH said that Senator Farnham is happy to front the COM paper. Scrutiny can be engaged informally, with a paper to ELT this week, then look at zero draft and make sure it is ready to go next week. Assuming Richard Corrigan will front the paper, it should be ready to go the last week in October. DH, GP and JS will go to ELT to present the Paper and then hopefully it can then go to COM.

3. [REDACTED] status of licencing statement template and MoU (DH/PMcC) 20 minutes

- PMcC and DH met with [REDACTED] week beginning 5th October. The MoU is now signed by both parties. [REDACTED] have visited and inspected and will provide written reports for each applicant in order to inform any licensing decision by the Health Minister. Any decision to grant a licence rests with the Health Minister. Article 41
- [REDACTED] and [REDACTED] are producing for the medicinal cannabis market; initially for export, however, all three would like to be licenced under medicines legislation to produce medicinal products on the Island in future. [REDACTED] asked if medicinal production will come at a later date. PMcC advised that as legislation varies across jurisdictions, the level of legislation in other countries may vary, although all three will need to be Good Manufacturing Practice (GMP) compliant. [REDACTED] asked if the three companies will be in a position to grow a crop in 2021 or 2022. [REDACTED] will have a crop for sale next year, the other two applicants will be crop ready in 2022. Article 33
- JS asked what the policy is if people want to grow recreational for export. PMcC stated that we will not authorise licences to produce cannabis for recreational use. [REDACTED] asked how will this be checked? PMcC explained that an importation licence is authorised by the authorities in the receiving jurisdiction before we issue an export licence, so this way we are assured it is a *bona fide* manufacturer / distributor of medicinal products. [REDACTED] asked if a company was licenced for both could they be in a position to sell to both the recreational and medicinal markets? PMcC noted that if the industry looks to export outside of the medicinal market, we would have to scrutinise this, PMcC is not aware of anyone in the US or Canada that has an EU licence to grow for the medicinal market that also grows recreationally.

- DH noted that we need to give some thought around this assurance and be aware of this fusion; manufacturing standards in North America tend to be less than those in Europe.

4. Bilateral Non-Disclosure Agreement with [REDACTED] (SM) 10 minutes

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Securing genetics for non-medicinal cannabis. SM is of the opinion that there are no registration systems, so he is asking [REDACTED] to confirm this. We have an NDA signed with [REDACTED] and SM has a call with them next Wednesday. Commodity codes are required for these products.

5. Cannabis licensing and fee structure (PMcC) 5 minutes
Update

Law drafting instructions to update licence fee areas are currently sitting with [REDACTED] at the LDO. An update on progress will be given at the next meeting.

6. Monitoring and compliance system for industrial hemp and THC levels (SM and DH) 10 minutes
Update

- SM stated that there have been concerns from Home Affairs middle management if we were managing the policing aspect adequately and that the police are carrying out their own spot checks.
- PMcC said that [REDACTED] do not routinely check out fields; it is third parties that try to make use of fields *not* the licence holders themselves.

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7. Tax measures [REDACTED] 5 minutes
Update

- A provision in the Income Tax law will allow tax to bring in legislation to tax the industry if we need to. We still need to evaluate the size of the industry we are going to be taxing. It has been bottomed out what we want to tax but we need to figure out how much we can raise. If [REDACTED] can get a crop to market in 2021 then we need to get something in place ASAP.
- DH said that now we have a signed MoU we can move forward. We are in the process of signing Non-Disclosure Agreements with people growing cannabis for non-medicinal purposes, this will allow us to get a better look at what income they can generate and what they want to get to market. Need to be mindful of tax rate but need to sit down with Senator Farnham and walk him through this paper to understand what this starting position may look like and possibly with Richard Bell.

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33

Action 1: [REDACTED] to set up a meeting in the next few weeks between DH, [REDACTED] RB and Senator Farnham

- Guernsey do not have an MoU at present to licence. DH working with industry and some independent advice might be the way forward.
- GP highlighted that we need to have an economic impact assessment carried out by the economist or someone externally. This economic opportunity will inform ministers how they wish to tax the industry. A decision needs to be made whether to engage [REDACTED] and his team or an alternative.

Action 2: DH to speak to [REDACTED] to see whether [REDACTED] team can provide input.

- [REDACTED] noted that [REDACTED] has looked at other jurisdictions in the EU and internationally and data available is either outdated or not readily available.
- GP expects there to be constructive challenge around the table in COM on what this is likely to bring to Jersey. GP noted that it is worth ensuring we have continued engagement with the economists so that the report has more detail on this.
- Both GP and DH referred to the setting up of an industry liaison group to ensure parallel and continued dialogue.
- PMcC estimated that potentially £30 million could be generated.
- [REDACTED] said that from the rural economy perspective, once the NDAs are in place, we can get more security around this area.
- PMcC noted this information can be triangulated. We need to know growing capacity and quality control amongst those crops as not all might be saleable but significant sums of money are involved for medicinal purposes.
- SM explained that yield can vary so any extrapolation of growth needs to be tempered with yield expectation. DH agreed we need to triangulate all this information for the Paper before it goes to ELT. DH noted that a grower needs to run three cycles before a viable product can be produced to the required consistency; this needs to also be factored in. [REDACTED] questioned this and when profit can be made. PMcC affirmed medicinal producers need to produce the same product 2-3 times in order to provide the data to prove to the medicinal regulator that a product can be consistently grown. [REDACTED] asked how long the cycles are. PMcC said approximately 16 weeks per cycle. [REDACTED] asked if it would be 2022 before a viable product can be sold. PMcC yes late 2021 early 2022.
- [REDACTED] asked how the tax system would be able to capture this. [REDACTED] said that [REDACTED] team are looking at taxing the import / export businesses which do not particularly require a licence to produce cannabis or CBD. PMcC said that any distributor looking to establish themselves to import and export would be subject to distributing as an exporter under the medicines legislation.

B. New Business

1. Establishing an Industry Panel (DH) 5 minutes

DH said that it would be useful to have open discussions with industry. Senator Farnham is keen to promote engagement with an industry forum as currently there is no representative body for the local cannabis industry.

C. Future Business

Rolling Action Points from workshop / previous meetings to be actioned at a later date 5 minutes

- 1. Prepare a proposal report for the taxation of the cannabis industry** [REDACTED]
Approx. Q4 2020 - cannot be finalised until policy statement / position is drawn up and agreed.
- 2. Continue to draft a paper looking at the different scenarios of what a cannabis industry could look like in order to inform the proposal report for the taxation of the cannabis industry** [REDACTED]
Approx. Q4 2020 - cannot be finalised until policy statement / position is drawn up and agreed.
- 3. Once clarity has been had from [REDACTED] meet to produce an annual return for cannabis growers [REDACTED] and PMcC) – a rolling action noted for approx. Q1 2021 once all internal administration and processes are in place. Waiting on the MoU being finalised.**
- 4. Need a process map for internal reference and for applicants alike (ALL) - A rolling action noted for approx. Q1 2021 once all internal administration and processes are in place. Waiting on the MoU being finalised.**

D. Ending Items

A.O.B. (ALL)

DH said that we need to start thinking about how we present to people wanting to invest in cannabis cultivation and the point at which we start to present this to the outside world. May need something glossy in terms of website development

Action 3: [REDACTED] to liaise with DH on a communications strategy for those wanting to invest in the cannabis industry

***Next meeting scheduled in calendars for 5 November @ 1000-1130
using Microsoft Teams***

Cannabis Coordination Meeting No. 20

1000-1130hrs, Thursday 5 Nov 2020

via Microsoft Teams

POINTS RAISED & ACTION POINTS

In Attendance

[REDACTED]
[REDACTED]

Dan Houseago, Group Director, Economy, FSDE (DH)

George Pearmain, Director of Financial Crime Strategy, FSDE (GP) *joined at 1045hrs*

[REDACTED]
[REDACTED]

Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)

Scott Meadows, Head of Biosecurity, Natural Environment (SM)

[REDACTED]

Apologies

[REDACTED]

James Silverston, Director of Financial Services, FSDE (JS)

[REDACTED]
[REDACTED]
[REDACTED]

POINTS RAISED

Welcome

- Key points from the meeting of Monday 12 Oct 2020 were approved. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

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- It was noted that Guernsey's approach to this new industry is to have all cannabis related issues dealt with by their Environmental Health team.

Business Arising (old business)

1. **Indicative Project Plan** [REDACTED] - a rolling action in progress, 5 minutes



[REDACTED] confirmed that the project plan is up to date she just needs to converse with PMcC on a couple of points.

2. **COM Paper; 'Economic Development Framework for Cannabis in Jersey' (GP and DH) 15 minutes**

- GP and [REDACTED] will meet next week to finalise the ELT paper before GP takes it to the Minister for External Relations for sign off. If the Minister is comfortable with the content, including the amendments to the [Proceeds of Crime \(Jersey\) Law 1999](#), we can move quite quickly with the proposal to ELT and COM.
- [REDACTED] gave an update on the paper from the economy section which presents the cannabis cultivation opportunity. The paper now includes an analysis of the potential revenues in medicinal cannabis based on a current live applicant. DH stated we need to provide a bit more thinking around what the financial services piece needs to have in it such as revenue inputs if is generating significant income for the Island. We need to think about the structure looking at the processes that can support this industry similar to e.g. Jersey Finance Limited and the JFSC, and as soon as we get the proceeds of crime legislation through, how we can support this structure moving forward, how we communicate with industry on an ongoing basis and what a commercial processing facility would look like.
- DH said that due to a full schedule there will be no input from Government economists beyond a final read through of the paper, however, in terms of an economic assessment, we can speculate from the rural economy perspective but we do not have the financial projections on the relocation and value of a subsidiary company being set up on Jersey and perhaps this is a question for James Silverstone.

Action 1: GP to pick up with JS and Jersey Finance the value of subsidiary companies (cannabis) setting up in Jersey.
--

Action 2: DH to forward GP economic contribution to Extended Leadership Paper.

3. [REDACTED] status of licencing statement template and MoU (DH/PMcC) Article 41
It was agreed to remove this Item from the minutes going forward. Actions [REDACTED]
[REDACTED] can be noted as and when they arise.

4. Cannabis licensing and fee structure (PMcC)

- PMcC said the final version of the licence fee order has been drawn up and now a Ministerial Decision needs to be produced for the Minister to sign and bring into effect.
- A full licence fee will be £7,500 with an annual renewal charged at £3,750.

Action 3: PMC to email licence fees draft order to [REDACTED]

- SM asked the question if someone puts in an application for 20 sites across the Island would this serve as one licence application? PMcC replied not necessarily; [REDACTED] view is that the fee is per site, [REDACTED] potentially licence a farm or landowner as one site and we need to take a view on this (this would apply for CBD extraction, if growing for seed and fibre production then we would not need this).
- SM mentioned that Jersey is declared as one site for nematicide application on land (to combat Potato Cyst Nematode (PCN)). PMcC to revisit with DH.

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41

Action 4: PMcC and DH to take a view on licences; whether one licence per business or per holding.

- [REDACTED]
- PMcC responded that the Fees Order will suffice for current activity but that the Order would need to be redrafted if we take a different view on controlled parts of the plant for medicinal use. Currently, as in the case of [REDACTED], any site where the plant is processed i.e. [REDACTED] will be £7,500 but in review of CBD for foods generally, we will have to take a view; the view could be we don't licence anymore.
- DH stated that there is a balance required between needing to have a strong regulatory regime whilst at the same time allowing for businesses to take advantage of commercial activities at the right pace to and this is where the economic view and regulatory view could in theory diverge a little bit. It's about balance and creating the right conditions for success. It is difficult for us as individuals to take a view that is slightly partisan. DH proposed a second senior legal opinion is sought here, maybe Counsel?
- DH said we could e.g. ask the applicant what would they do in the CBD and THC space if they were not confined by the [Single Convention on Narcotic Drugs, 1961](#) and their answer could inform our policy position. This would then lead to some political discussion based on sound legal advice.
- PMcC noted that production of CBD for medicinal use is not the concern as the [Convention](#) covers this but we need to find out what types of activity operators may want to undertake in the food arena. We need to seek advice on how this may

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or may not sit within the confines of the [Convention](#) and then we can take advice on how we go forward. The agreement is to maintain status quo until we have a senior legal opinion.

- DH asked [REDACTED] how we go about procuring counsel advice. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

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Action 5: DH to provide [REDACTED] with an outline of what advice we need [REDACTED]

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Action 6: DH and PMcC to hold discussions with potential licencees to ascertain what they are trying to achieve and how do they see themselves achieving it (TBA in approx. 4 weeks' time).

Action 7: Meeting to be organised between [REDACTED] DH and PMcC to discuss [REDACTED] [REDACTED] (TBA in approx. 4 weeks' time).

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Action 8: DH to confirm which budget line counsel advice will come from.

- SM agrees [REDACTED]. It was asked where the National Institute of Agricultural Botany Trust (NIAB) stand on this. SM explained that NIAB does not provide legal advice but is an advisory trade body on the registration of seed varieties. SM is about to task NIAB for a piece of work on how EU varieties on hemp works.

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- [REDACTED]
[REDACTED]
- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Article 31

- PMcC advised that as we now have the MoU [REDACTED] we need to be careful that we do and not put the UK in breach of their obligations under the Convention as we may scupper future plans.

Article 41

4. Tax measures [REDACTED] & DH)

- KF noted in PB's absence that an action from the previous meeting was for a meeting to be set up between DH, [REDACTED] RB and Senator Farnham to discuss taxation of the cannabis industry once the policy position has been agreed.
- DH confirmed this meeting still needs to be held including the consideration of the licence fee and industry energy requirements (e.g. [REDACTED] has stated that

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they will be needing to spend approx. £1.5 million on their energy usage). The ELT paper will be picking up on some of these issues from the economy perspective.

5. Research and development update (SM)

SM is using the Plant Health Laboratory budget to start purchasing equipment for a growing room to carry out hemp and THC profiling.

6. Locate Jersey and industry marketing (SM)

- The Group were to discuss [REDACTED] on those outside the Island wanting to consider investing in the cannabis industry (circulated via email on 2nd Nov).
- [REDACTED] highlighted [REDACTED] (circulated by [REDACTED] on 5th Nov) has raised some very valid points that need to be addressed in detail and as this meeting was coming to a close asked the table if this could be looked at in detail at the next meeting. All agreed.

B. New Business

None

C. Future Business

Rolling Action Points from workshop / previous meetings to be actioned at a later date 5 minutes

- 1. Prepare a proposal report for the taxation of the cannabis industry [REDACTED]**
Approx. Q4 2020 - cannot be finalised until policy statement / position is drawn up and agreed.
- 2. Continue to draft a paper looking at the different scenarios of what a cannabis industry could look like in order to inform the proposal report for the taxation of the cannabis industry [REDACTED]**
Approx. Q4 2020 - cannot be finalised until policy statement / position is drawn up and agreed.
- 3. Develop a communications strategy for those wanting to invest in the cannabis industry [REDACTED] and DH)**
- 4. Need a process map for internal reference and for applicants alike (ALL) - A rolling action noted for approx. Q1 2021 once all internal administration and processes are in place.**

5. **Meet to produce an annual return for cannabis growers** [REDACTED] **and PMcC)** – *a rolling action noted for approx. Q1 2021 once all internal administration and processes are in place.*

D. Ending Items

A.O.B. (ALL)

- [REDACTED] to confirm how far in advance he wants paper to ELT for ELT meeting on 24th November.

- [REDACTED]
[REDACTED]
[REDACTED] [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Article
31

Action 9: [REDACTED] to draft Terms of Reference for an advisory panel to the Minister (re licensing applications).

*Next meeting scheduled in calendars for Wednesday 9 December @ 1030hrs
using Microsoft Teams*

Cannabis Coordination Meeting No. 21

1200-1310hrs, Monday 14 Dec 2020

via Microsoft Teams

POINTS RAISED & ACTION POINTS

In Attendance

[REDACTED]

[REDACTED]

Dan Houseago, Group Director, Economy, FSDE (DH)

James Silverston, Director of Financial Services, FSDE (JS)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)

Scott Meadows, Head of Biosecurity, Natural Environment (SM)

[REDACTED]

Apologies

George Pearmain, Director of Financial Crime Strategy, FSDE (GP)

[REDACTED]

[REDACTED]

POINTS RAISED

Welcome

Minutes from the meeting of Thursday 5 November were approved.

Business Arising (old business)

1. Indicative Project Plan [REDACTED] - a rolling action in progress, 5 minutes

[REDACTED]

KF thanked those who have made updates in line with current progress to their areas.

Action 1: [REDACTED] to liaise with PMcC on a couple of points within the project plan.

2. COM Paper; 'Economic Development Framework for Cannabis in Jersey' (DH)

- DH updated the Group on the paper that went to the Extended Leadership Team (ELT) on the 24 November. The Investment framework has two key parts;
 - i. Licensing
 - ii. Making amendments to the [Proceeds of Crime \(Jersey\) Law 1999](#).
- The paper that was presented to the ELT considered *inter alia* reputational damage, tax and communications. ELT are keen to push on with this project. Charlie Parker does not think it sensible to push the paper through to COM until we have confirmation of the types and number of licences being provided. It would be ideal to go to COM in Q1 of next year with an intermediary conversation between Senator Gorst and Senator Farnham to glean support. JS, GP and [REDACTED] are involved in preparing the ground for this. An engagement strategy will need to be produced in parallel.
- [REDACTED] Article 25
[REDACTED] it would be pertinent to catch up with DH for what he has planned in terms of engagement.
- JS noted that his team are aiming to bring together a financial services industry brief once COM are engaged and on board.

3. Cannabis licensing and fee structure (PMcC)

- PMcC said that the [Misuse of Drugs \(Licence Fees\) \(Jersey\) Order 2020](#) has now been made by the Minister for Health and Social Services.
- PMcC noted that a view has now been taken on licences. One licence per processing site will be required i.e. the licence will be for the processing site only, additional licences are not required for multiple fields used for production e.g. [REDACTED] will pay the same licence fee as [REDACTED] Article 33
- As licences have now been granted PMcC said that there is no urgency for the advisory panel to be established (*an Action to draft ToR for an advisory panel has been moved into Section C 'Future Business'*).
- This item as it stands is now complete and will be removed from the Agenda going forward.

4. Counsel advice (DH & [REDACTED])

- PMcC and DH need to contact licensees and those with an interest in developing the cannabis market to understand what their intentions are and then test this against legal opinion on the [Single Convention on Narcotic Drugs, 1961](#). [REDACTED] Article 31
[REDACTED]
[REDACTED]
- DH confirmed that the Economy Department will be the budget provider for counsel advice.

Action 2: DH and PMcC to hold discussions with potential licencees to ascertain what they are trying to achieve and how do they do this.

Action 3: DH to

Action 4: Meeting to be organised between DH and PMcC to discuss

Article
31

5. Tax measures (DH &)

- said that the Tax Department are putting something in primary law to bring forward regulations to provide for enabling legislation to tax the cannabis industry when required. This will be brought into force in the next couple of days. We still need to work out how much we want to tax and how much this might raise.
- DH suggested that we need political opinion on this and some clarity about when we might see a tax take. DH cannot see there being a tax take until 2022.
- noted that in the budget speech, tax were originally thinking about 20% and so to cover this they have inserted a 'positive rate of tax' (i.e. the tax take does not have to be 20%, it could be higher or could be lower) in the [Finance \(2021 Budget\) \(Jersey\) Law 202-](#). DH will pick up discussions with Senator Farnham early next year.
- advised that we need to be conscious that COM want to raise as much tax as possible so if they can get 20% that is what they will want to do.

Action 5: DH and to meet mid-January to discuss the level of tax take from the industry.

6. Locate Jersey and industry marketing (ALL)

- The Group discussed two informal documents circulated to aid discussion on cannabis industry branding and marketing to those outside the Island wanting to consider investing in the local cannabis industry

■
■

- DH asked for PMcC's view on advertising.
- PMcC said that do not explicitly advertise because they are dealing with a medicinal product and an active substance. We need to be cautious as *this needs careful consideration*. From a regulatory point of view, we first need to define what the regulatory process is and update those guidance notes accordingly. This can then go with a front page aimed at companies wanting to go forward with this business stating Government policy. We want to encourage businesses who are serious about getting into the medicinal market.

Article
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- PMcC suggested that we also need to consider that many countries limit the amount of licences issued and that technically, in the UK, the product is [REDACTED] until it reaches point of sale.
- [REDACTED] suggests we do need something that is professionally written and to produce a landing page for those wanting to invest.
- [REDACTED] said that we need a marketing plan that supports the business plan. The marketing plan needs to define what success looks like and who we are trying to attract etc, without this clarity it is going to be hard to determine what channels we go down.
- [REDACTED] understands deciding what we want to brand is a lot harder to define and this again comes from who we are targeting and what we are saying. In terms of the marketing plan, Locate Jersey is probably the most obvious channel - having gone through the process for a consumer who we are seeking to attract and what their journey is into the industry and via which channels. Central Government have an 'OASIS' plan; a framework for a communications plan (see below).
- [REDACTED] suggested that an initial OASIS plan is presented to COM alongside the other elements. This will give them comfort in the strategy and mean that any subsequent comms/marketing activity won't be a surprise. It also gives a reasonable timeline. If there is a need for something in the interim, then it can be caveated with the information that Government approval is in the pipeline and more substantial information for potential customers will be available then.

Action 6: [REDACTED] to circulate the Communications Department OASIS documents.



OASIS-Guide.pdf



- [REDACTED] noted that the Central Communications team need to have first refusal on branding design etc. the purpose of this is to ensure zero outlay outside of Government.
- SM referred to previous meetings where we had collectively agreed that we didn't want to go all out on marketing but did talk about a repository page e.g. on Locate Jersey / Jersey business website for interested parties that wasn't broadly advertised.
- AM noted that Jersey has channels such as Locate and Digital Jersey and that we could use these channels to initially attract people.
- DH doesn't want to focus too much on cannabis here.
- [REDACTED] highlighted that Locate Jersey are getting requests for information on the industry and need something to point to.
- DH said that we need to remember that we wish to develop a biotech industry here, not just cannabis. As there is a wide range of biotech possibilities, we can afford to be quieter on the cannabis side of things; DH is trying to get Senator Farnham to advocate biotech. DH said that now we have issued some licences, we need to know how to start to professionalise what our offer is. DH has asked [REDACTED] from Locate Jersey to tell us the answer as to where go from here.

- [REDACTED]
- [REDACTED] said that the way into the industry at present is still a bit fragmented and not as professional as it needs to be; people are making enquiries and there is an expectation from premium people of what should be provided in terms of advice to cover all aspects of setting up on Jersey. We need to have a brand and be joined up in how we manage entrants.
- DH takes [REDACTED] point but thinks that the challenge is is that if we don't get innovation and R&D to play a significant part how do we get stabilisation of other cannabinoids that can give us a USP. Some of the companies that are due to invest heavily next year are looking to innovate immediately.
- DH said that [REDACTED] is going to make some suggestions on how we can tidy this up and [REDACTED] team can then go forward and make suggestions.

Action 7: [REDACTED] and [REDACTED] to meet in the New Year to discuss the way forward in terms of branding and marketing.

- DH said that there are three bodies that are in the formation stage to better support the industry; the establishment of a Jersey Cannabis Agency, a licensing panel yet to be determined and Senator Farnham [REDACTED] the latter is chaired by [REDACTED] who is heavily involved in the UK biotech arena. This group has two key players, DH and a few suggested others. This industry group may want to consider a structure similar to a financial services body; with a regulator etc.

B. New Business

None

C. Future Business

Rolling Action Points from workshop / previous meetings to be actioned at a later date 5 minutes

1. **Prepare a proposal report for the taxation of the cannabis industry for the Revenue Policy Development Board [REDACTED]**
Approx. Q1 2021 - cannot be finalised until policy statement / position is drawn up and agreed.
2. **Continue to draft a paper looking at the different scenarios of what a cannabis industry could look like in order to inform the proposal report for the taxation of the cannabis industry [REDACTED]**
Approx. Q1 2021 - cannot be finalised until policy statement / position is drawn up and agreed.

- 3. Develop a communications strategy for those wanting to invest in the cannabis industry [REDACTED] and DH)**
Approx. Q1 2021 - cannot be finalised until policy statement / position is drawn up and agreed.
- 4. Terms of Reference to be drafted for an advisory panel to the Minister (re licensing future successful applicants).** *In hand, non urgent.*
- 5. Need a process map for internal reference and for applicants alike (ALL) - A rolling action noted for approx. Q1 2021 once all internal administration and processes are in place.**
- 6. Meet to produce an annual return for cannabis growers [REDACTED] and PMcC) – a rolling action noted for approx. Q1 2021 once all internal administration and processes are in place.**

D. Ending Items

A.O.B. (ALL)

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| ➤ | Re Brexit, DH has engaged with the Jersey London Office which is trying to ascertain if there are any challenges presented by Brexit and if potential exporters need commodity codes. The advice to date is that commodity codes are not needed for medicinal cannabis. There is still some work to do here but bearing in mind we will not be exporting for at least a year we have time to let Brexit bed-in before we pick up any potential challenges. | | |

Action 8: DH to have a conversation with the new Chief of Police to get a definitive view on whether the Police should be providing a core security function.

- SM has submitted a paper to the National Institute of Agricultural Botany Trust (NIAB) asking them to explore potential genetics. [REDACTED] want to push through a hemp variety; this will be an interesting test case for Jersey to see if Jersey's [Intellectual Property \(Plant Varieties\) \(Jersey\) Law 2016](#) can hold this up as it is yet to be tested.
- [REDACTED] asked about the potential assistant post for PMcC mentioned in previous meetings.
- In PMcC's absence, [REDACTED] responded by saying that to her knowledge in a prior meeting (No. 17 held on the 7th July) PMcC advised that this item was no longer justified at present and could be removed from the agenda going forward. However, in Meeting No. 18 (25th Aug) PMcC advised that the person to be appointed to assist him (expected by the end of 2020) would have responsibility for monitoring compliance with licensing conditions, on behalf of HCS. This will be picked up at the next Steering Group meeting in January for PMcC to update.
- The implications of Brexit for this industry: EU tariffs quotas etc also needs to be discussed at our next meeting.

Article 33

***Next meeting scheduled in calendars for Monday 25 January
@ 1100hrs using Microsoft Teams***

Cannabis Coordination Meeting No. 22 *(as amended)*

1100-1230hrs, Monday 25 Jan 2021

via Microsoft Teams

POINTS RAISED & ACTION POINTS

In Attendance

[REDACTED]

[REDACTED]

Dan Houseago, Group Director, Economy, FSDE (DH)

George Pearmain, Director of Financial Crime Strategy, FSDE (GP)

[REDACTED]

[REDACTED]

James Silverston, Director of Financial Services, FSDE (JS)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)

Scott Meadows, Head of Biosecurity, Natural Environment (SM)

[REDACTED]

POINTS RAISED

Welcome

Minutes from the meeting of Monday 14 December 2020 were approved.

- [REDACTED] acknowledged that the issue of security was raised at the last meeting but due to a full agenda and the main focus of today on industry marketing, security will be picked up at the next meeting.

- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Article 42

- [REDACTED]
[REDACTED]
[REDACTED]

Article 33

- [REDACTED]
[REDACTED]
[REDACTED]

Article 42

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Article 42

Action 1: [REDACTED]
[REDACTED]

Article
31

Business Arising (old business)

1. Indicative Project Plan [REDACTED]

[REDACTED] said that the indicative project plan was an ongoing action, it is updated post-meeting and can be made available to anyone who wishes to view it; however, it will no longer be an agenda item going forward.

2. Industry marketing (ALL)

- [REDACTED] expressed the need for this to be a sub-project and a ½ day workshop may be required. Discussions in previous meetings had suggested a discreet webpage is built where interested parties can look at what Jersey has to offer, it has also been suggested that channels such as Jersey Business, Locate Jersey and Digital Jersey could be used to attract people to the industry. [REDACTED] handed over to [REDACTED] who was asked by DH to investigate this.
- [REDACTED] shared two lists [REDACTED] had drawn up to enable discussion; one on background and one on questions to help build a picture of the industry:

[REDACTED]
[REDACTED]

- PMcC clarified that this is not a biotech industry (the term 'biotech' has different connotations within the medicinal marketplace).
- PMcC noted that the majority of [REDACTED] questions are regulatory based and so probably sit with PMcC, areas need to be split into the medicinal market and the food supplement market.

Action 2: [REDACTED] to forward questions posed to PMcC for review.

- PMcC will also update potential guidance for applicants as having had a steer from the Home Office we now have quite a clear line of process.

- The use of the term biotech was discussed. PMcC highlighted the danger of using biotech as a catch all term. SM noted it is used in biology to make something useful. PMcC does not dispute this but in the world of medicine 'biotech' has a different connotation. We need to be clear that medicinal cannabis is not a biotechnology intervention.
- [REDACTED] noted that although we now have a regulatory structure in place, we are yet to formalise the objectives of what we are trying to achieve, who we are trying to reach and what the political objectives are. [REDACTED] suggested that if [REDACTED] can scope out [REDACTED] initial questions, then a flowchart and the user experience of how someone would go about getting a licence, becoming an intrinsic part of Jersey's economy and what success would look like can be dealt with.
- [REDACTED] thinks we need to look at what we've got (SM agrees) and although important to get the policy position nailed down there is also a need to push on with a starting point for interested parties.
- [REDACTED] said that Locate Jersey spend a lot of time talking to incoming businesses about what they can and can't do in Jersey. Locate Jersey do this already by managing people's expectations.
- [REDACTED]
- SM highlighted (as in previous meetings) that Jersey does not have economies of scale for big business and that infrastructure is not a problem as existing sites are being used but the main question is how hard do, we need to advertise?
- PMcC agrees with SM; we now have two licences granted and a third applicant is working through their paperwork. There is more scope for developing the industry by supporting these businesses with research and analytics. SM added including ancillary services such as a diagnostics lab. We need to refine what we have before we go out promoting. PMcC agrees.
- PMcC noted with reference to an analytic lab that the Government of Jersey cannot be seen to be endorsing medicinal products. PMcC stressed the need to split the industry into two sectors: medicinal and food supplements.
- SM was looking from the viewpoint of raw substance analysis - analytics lab in Government or an alternative (excluding medicinal).
- SM asked PMcC if he believed that there was space in Jersey to raise a Jersey gold standard for marketing purposes only *not medicinal* i.e. growers produce cannabis flower that exceeds European GMP and then Jersey puts a gold stamp on it.
- PMcC noted that once the raw material is analysed, whilst it may get assurance, PMcC will still have to carry out tests on it, so whether or not a certificate of analysis produced by Government could be seen as gold standard, it would be certified from the Government of Jersey. Certification won't make a difference in the medicinal space, but it could in the marketing space.
- DH pointed out that any action cannot contravene what PMcC needs to do as the regulator.

Article 31

3. Council of Ministers (DH/JS/GP [REDACTED])

- DH said a COM meeting scheduled for 2nd February will be looking at cannabis. A paper did go to ELT. GP and DH met with Senator Gorst and Senator Farnham to discuss whether the External Relations Minister was prepared to endorse necessary changes to the [Proceeds of Crime \(Jersey\) Law 1999](#). Senator Gorst was happy to go ahead.
- GP said that the COM meeting on 2nd February is to seek broader approval from COM if they wish the economic framework to be published or go to States debate; the latter lending itself to democratic scrutiny. After this an industry group will be taken forward led by [REDACTED] looking to explain changes to the proceeds of crime legislation with the aim of hopefully achieving financial services support for anyone wanting to invest in the future.
- DH said that [REDACTED]
[REDACTED] Beyond this, the needs of the market are unknown, so we need people who are engaged in a different way with this sector. The industry group is chaired by [REDACTED] Appointment to chair this group is informal.

4. Counsel Advice (DH/PMcC/[REDACTED])

- [REDACTED] Article 31
[REDACTED]
[REDACTED]

Action 3: DH and PMcC to hold discussions with potential licencees to ascertain what they are trying to achieve in the food supplement and CBD area.

Action 4: [REDACTED]
[REDACTED]

Article 31

Action 5: [REDACTED]
[REDACTED]

Article 31

- PMcC said that at a recent meeting with [REDACTED], it was noted that the UK are coming up with likely legislative change to enable a lawful CBD food supplement market; there is a movement in the UK for its permissible control. A letter from the Minister of State for Crime and Policing to the Chair of the Advisory Council on the Misuse of Drugs (ACMD) referring to this was published on the HO webpages on 25 January:
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/955153/Letter from Kit Malthouse to ACMD chair.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/955153/Letter_from_Kit_Malthouse_to_ACMD_chair.pdf)

5. Tax Measures (DH & [REDACTED])

- DH had a recent meeting with Senator Farnham and Senator Gorst who wish to fast track tax considerations.
- Tax take should not come online until 2022.
- ■■■ stated that the tax proposal will have to go to the revenue tax policy board for approval a meeting of which is scheduled for late February.

Action 6: DH and ■■■ to sit down with Senator Farnham and Senator Gorst in the next few weeks and run through all their questions.

6. Implication of Brexit (ALL)

It was raised that Brexit may require more work on commodity codes and exports. Someone needs to pick up and double check this. SM said he and ■■■ looked at this and couldn't see anything but will revisit to double check. SM suggested that it might be best to let Brexit bed-in and get official controls established on other goods before looking at cannabis.

7. Assistance for the Chief Pharmacist (PMcC)

JD has been finalised and recruiting process is in progress.

B. New Business

None.

C. Future Business

Rolling Action Points from workshop / previous meetings to be actioned at a later date

1. **Prepare a proposal report for the taxation of the cannabis industry for the Revenue Policy Development Board ■■■**
Approx. Q1 2021 - cannot be finalised until policy statement / position is drawn up and agreed.

2. **Continue to draft a paper looking at the different scenarios of what a cannabis industry could look like in order to inform the proposal report for the taxation of the cannabis industry** [REDACTED]
Approx. Q1 2021 - cannot be finalised until policy statement / position is drawn up and agreed.
3. **Develop a communications strategy for those wanting to invest in the cannabis industry** [REDACTED] **and DH)**
Approx. Q1 2021 - cannot be finalised until policy statement / position is drawn up and agreed.
4. **Terms of Reference to be drafted for an advisory panel to the Minister (re licensing future successful applicants).** *In hand, non-urgent.*
5. **Need a process map for internal reference and for applicants alike (ALL)** - *A rolling action noted for approx. Q1 2021 once all internal administration and processes are in place.*
6. **Meet to produce an annual return for cannabis growers** [REDACTED] **and PMcC)** – *a rolling action noted for approx. Q1 2021 once all internal administration and processes are in place.*

D. Ending Items

None

***Next meeting scheduled in calendars for Monday 22 February @ 1100-1230hrs
using Microsoft Teams***

Cannabis Coordination Meeting No. 23

1100-1230hrs, Monday 22 February 2021

via Microsoft Teams

POINTS RAISED & ACTION POINTS

In Attendance

[REDACTED]

[REDACTED]

Dan Houseago, Group Director, Economy, FSDE (DH)

[REDACTED]

James Silverston, Director of Financial Services, FSDE (JS)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)

Scott Meadows, Head of Biosecurity, Natural Environment (SM)

[REDACTED]

[REDACTED]

Apologies

George Pearmain, Director of Financial Crime Strategy, FSDE (GP)

[REDACTED]

Welcomes and introductions were made.

DH gave a synopsis on the project from inception to date to bring [REDACTED] up to speed;

- Research began in 2016 in alternative non-food crops, a policy embedded in the Rural Economy Strategy 2017-2021. Considerations have so far included *inter alia* licencing, liaisons with [REDACTED] decriminalisation in investments for facilities and cultivation in Jersey.
- Historically, the States of Jersey Police (SOJP) were involved early on with a view to looking a security. The conversation has since moved on and security has fallen to PMcC and his Minister.
- A MoU [REDACTED] was signed last year, with first licences granted in December 2020. Currently there are three major industry players but so far only one with the physical infrastructure in place to operate.

The order of the meeting's agenda was amended to reflect fluent discussion.

POINTS RAISED

A. Business Arising (old business)

1. Security (ALL)

- DH noted that officers are working with [REDACTED] on guidance around security. [REDACTED]
- [REDACTED] Article 31
- [REDACTED] Article 31
- [REDACTED] Article 42
- [REDACTED] Article 31

Action 1: [REDACTED] to paraphrase contents of MoU and forward to [REDACTED]

- PMcC said that [REDACTED] was involved in hemp in early discussions but understands SOJP will not be significantly involved going forward.
- [REDACTED] asked if there is a timeline for applicants so that [REDACTED] can better understand the different stages of licence applications.
- DH noted that we can provide timelines up to the point of [REDACTED] inspection but have no control over the timescale [REDACTED] Article 41

Action 2: PMcC to discuss the licence process with [REDACTED]

- DH said he needs to be clear around roles and responsibilities. Security guidelines we are using are from [REDACTED] but is it PMcC or the SOJP that would then sign this off.
- PMcC responded that it is not that we would provide sign off on industry security arrangements in isolation, security is considered in the round with the entire licence, looking at what they are looking to achieve etc., we want to work together with the SOJP and [REDACTED] so that if a licence is granted everything that is considered reasonable is in place.
- [REDACTED] Article 31

➤ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Article 31

- SM noted that the Jersey situation is a little different to the UK and the [REDACTED] filter might need to be altered slightly.

2. Council of Ministers (DH/JS)

- DH summarised the paper that was presented to COM: an economic framework for cannabis in Jersey. Part A covers licensing and Part B covers alterations to the Proceeds of Crime (Jersey) Law 1999. Ministers have approved proposed amendments to allow investment in this area. [REDACTED] has been pulling together law drafting instructions and noted that drafting instructions are with the Minister for External Relations, sign-off is hoped for today or tomorrow and so will be submitted to the Legislative Drafting Office this week.
- [REDACTED] stated that [REDACTED] has requested a COMS slot mid-March to present how [REDACTED] and JS are looking at introducing these amendments to the legislation to the finance sector.

3. Counsel Advice (DH/PMcC [REDACTED])

- PMcC has been in discussion with [REDACTED] and they have outlined some key questions they would like answers to. PMcC, DH and [REDACTED] are meeting later today.
- DH has had informal conversations with various applicants; the grey areas are around CBD.
- SM added that questions raised by [REDACTED] have been sent to the Minister.

Article 33

4. Tax Measures

- DH said that [REDACTED] has made some amendments to the proposal report for the taxation of the cannabis industry (seeking approval from the Revenue Policy Development Board [RPDB]) which was forwarded to Senator Gorst and Senator Farnham for their comment prior to it going to the RPDB.

Action 3: DH to chase up the Ministers for their feedback on the proposal report for the Revenue Policy Development Board.

- There are calls from industry to look at <20% tax take. Ministers need to determine whether they are content not to incentivise it and go for a flat rate tax.

Action 4: [REDACTED] PMcC and DH to meet to double check tax and if it covers the range of cannabis businesses involved.

- PB noted he has a meeting scheduled for the 4th March between DH, Richard Summersgill and couple of other colleagues. A few cannabis related questions have been raised in the States recently, so it is a topic of interest. We may struggle to

have <20% rate. ■ suggested that it would be prudent to start working out what we are expecting to raise in the new few years.

5. Implication of Brexit (ALL)

Questions around commodity codes post Brexit have been raised in previous meetings. SM has had feedback from [REDACTED] who has been looking into Brexit implications from an environmental goods perspective and she is not concerned about this area. It has been suggested that it might be best to let Brexit bed-in and get official controls established on other goods and then we can revisit cannabis.

6. Industry marketing

- [REDACTED] talked through [REDACTED] draft industry proposition paper.

Action 5: All to provide general feedback with specific comments on points from PMcC and SM.

- [REDACTED] said we need to decide and agree on a name for the industry and create a process map.
- DH noted we need to make a commitment as to how quick we turn around applicants queries and what the market expects.

➤ [REDACTED]

[REDACTED]

A horizontal bar chart titled 'Percentage of respondents who have been in a romantic relationship in the last 12 months, broken down by gender and age group'. The y-axis lists age groups: 18-24, 25-34, 35-44, 45-54, 55-64, 65-74, 75-84, and 85+. The x-axis represents the percentage from 0 to 100. For each age group, there are two bars: a blue bar for 'Male' and a red bar for 'Female'. The data shows that in the 18-24 age group, 85% of males and 80% of females have been in a romantic relationship. This percentage generally decreases as age increases, with the lowest rates seen in the 85+ age group (15% for males and 10% for females).

Age Group	Male (%)	Female (%)
18-24	85	80
25-34	80	75
35-44	75	70
45-54	70	65
55-64	65	60
65-74	60	55
75-84	55	50
85+	15	10

-
- A horizontal bar chart with the title "U.S. should take action to address climate change". The y-axis lists "Male" and "Female". The x-axis represents percentages from 0 to 100. The bar for "Male" is blue and extends to approximately 85%. The bar for "Female" is red and extends to approximately 90%.
- | Gender | Percentage |
|--------|------------|
| Male | 85% |
| Female | 90% |

- PMcC made reference to [REDACTED] paper. He is revisiting some applications and may be able to provide appendices to the draft paper which will aid understanding.

- SM noted that the States Analyst is interested in this line work, but they don't have the capacity to commit to delivering it. Their concerns are that if they are carrying out enforcement work for the SOJP they do not wish to contaminate with monitoring work.
- PMcC said that the Minister is currently considering an application from a locally based laboratory.
- PMcC said a lab needs to be thought about in terms of the medicinal side (the requirement here is for an ISO accredited lab) and the food supplement side. We may potentially end up with more than one lab operating in Jersey.
- SM said that Government need to have a lever on this lab.
- [REDACTED] highlighted that regardless of whether the States Analyst or some other commercial testing facility are used, if officers find a person with a product then the only mechanism they can apply is seizure under the Misuse of Drugs (General Provisions) (Jersey) Order 2009. The SOJP do not want to be seizing unnecessarily so how this looks in real terms needs consideration.
- PMcC noted that one of the things that will help is the requirement for CBD products to be registered as novel foods and depicted as such on labelling.
- DH said that it would be useful to get an update on where we are with our own legislation that would support this.

B. New Business

None

C. Future Business

Rolling Action Points from workshop / previous meetings to be actioned at a later date
5 minutes

- 1. Prepare a proposal report for the taxation of the cannabis industry for the Revenue Policy Development Board [REDACTED]**
Approx. Q1 2021 - cannot be finalised until policy statement / position is drawn up and agreed.
- 2. Continue to draft a paper looking at the different scenarios of what a cannabis industry could look like in order to inform the proposal report for the taxation of the cannabis industry [REDACTED]**
Approx. Q1 2021 - cannot be finalised until policy statement / position is drawn up and agreed.

3. **Develop a communications strategy for those wanting to invest in the cannabis industry [REDACTED] and DH)**
Approx. Q1 2021 - cannot be finalised until policy statement / position is drawn up and agreed.
4. **Terms of Reference to be drafted for an advisory panel to the Minister (re licensing future successful applicants). In hand, non-urgent.**
5. **Meet to produce an annual return for cannabis growers [REDACTED] and PMcC) – a rolling action noted for approx. Q1 2021 once all internal administration and processes are in place.**

D. Ending Items

A.O.B.

None

***Next meeting scheduled in calendars for Monday 22 March @ 1100-1230hrs
using Microsoft Teams***

Cannabis Coordination Meeting No. 24

1100-1230hrs, Monday 22 March 2021

via Microsoft Teams

POINTS RAISED & ACTION POINTS

In Attendance

[REDACTED]
[REDACTED]
[REDACTED]

George Pearmain, Director of Financial Crime Strategy, FSDE (GP)

[REDACTED]

James Silverston, Director of Financial Services, FSDE (JS)

[REDACTED]

[REDACTED]

[REDACTED]

Mark Coxshall, Detective Chief Inspector, Director of Intelligence J&HA (MC)

[REDACTED]

Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)

Scott Meadows, Head of Biosecurity, Natural Environment (SM)

[REDACTED]

[REDACTED]

Apologies

Dan Houseago, Group Director, Economy, FSDE (DH)

Welcomes and introductions were made.

Key points from meeting of Monday 22 February 2021 were approved.

POINTS RAISED

A. Business Arising (old business)

1. Council of Ministers [REDACTED]/DH/GP)

[REDACTED] asked [REDACTED] to run through the presentation made to COM on Tuesday 16th March.

- [REDACTED] stated that the Council Of Ministers had requested a communications piece on the cannabis industry that would give them comfort before Proceeds of Crime (Jersey) Law 1999 amendments were lodged.

- [REDACTED] GP and DH were in attendance. DH led on the presentation briefing ministers on the background and current position. DH talked through the rationale for private investment with a phased development approach: -

Phase 1: Establishment of a Jersey Cannabis Agency under a MoU [REDACTED]

[REDACTED] allowing licences to be issued (completed October 2020)

Phase 2: Amendments to Proceeds of Crime (Jersey) Law 1999

Phase 3: Establishment of a Research & Development programme

Article
41

Action 1: [REDACTED] to circulate presentation given to COM and OASIS Communications Plan to the Steering Group. For ease, documents can also be found here:



- [REDACTED] informed COM that the industry's communications plan is flexible in line with changes and outlined what communication activities might look like.

Key communication issues are: -

- Negative perception (seen as biggest issue)
- Impact on neighbours and the use of supplementary planning guidelines
- Potential threats to existing rural industries (COM were reminded of cannabis industry policy acceptance in the Rural Economy Strategy 2017-2021)
- Relationship with the UK and the perception of our jurisdiction
- View of potential investors: to be proactive and proportionate
- Engagement with the financial services industry

- GP stated that the proposed amendments to the Proceeds of Crime (Jersey) Law have been finalised. The amendments provide for an exemption of the cultivation, production and sale of cannabis from the definition of criminal conduct. It is hoped that the amendments will help local producers to secure banking facilities, however, it remains to be seen whether this sector is within the risk appetite of banking providers. Furthermore, the amendments will specify in order by the Minister for External Relations and Financial Services a list of jurisdictions which will benefit from the same exemption as Jersey. The initial list of jurisdictions was provided by the Economy Department and has been checked against the JFSC's list of "Equivalent Countries and Territories". On that basis, North Macedonia and Croatia have been excluded from the Ministerial list. The JFSC's list represents jurisdictions that are considered by the Commission to have set requirements for measures to be taken by their domestic financial institutions and designated non-financial businesses and professions to forestall and prevent money laundering and the financing of terrorism that are consistent with those in the FATF ([Financial Action Task Force](#)) Recommendations and are hence considered to be within the risk appetite of Jersey for this particular purpose. The proposed amendments have also been shared with selected members of the finance industry with a request for comments.

- [REDACTED] noted that the response from industry has so far been supportive.

- [REDACTED] asked if [REDACTED] is on the list. GP responded it is unlikely.

Article 31

Action 2: [REDACTED] to circulate countries listed on the Financial Action Task Force re cannabis cultivation and sales.

- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- PMcC said that the medicinal product is produced by [REDACTED] under General Medical Practice (GMP) equivalent guidelines.
- PMcC to confirm if [REDACTED] based and if both cultivation and processing methods are carried out [REDACTED]

Article
33

Action 3: PMcC to meet with GP, [REDACTED] and SM to discuss [REDACTED] set-up.

- [REDACTED] ran through the communications plan presented to COM in detail.
- GP noted that in the presentation they used 'medicinal' as shorthand, but it is not just 'medicinal' they are referring to it is those who legally cultivate cannabis and are noted on the FAFT list.
- [REDACTED] mentioned that the communications plan includes how the industry, once firmly established, will be run as BAU.
- The overall feedback from COM was supportive [REDACTED]
[REDACTED]
- GP stated that no ongoing reporting to COM is required so follow-up can be led from the Economy Team and eventually updated in BAU. [REDACTED] communications plan takes us through to the end of this year and then DH is ultimately responsible for monitoring the impact of providers coming online and how we demonstrate the value to the Island.

2. Industry Proposition and Process Mapping [REDACTED]

- [REDACTED] noted that there are still outstanding issues that need resolving before [REDACTED] document is circulated for wider comment including those around phytosanitary certificates discussed under 'C. New Business' at this meeting.
- [REDACTED] said that internal comments are still required. The document is split by activity and legislative and regulatory requirements around these activities. The next stage is to produce a more specific process map.

Action 4: [REDACTED] chase those who are to provide specific detail to the industry proposition and once worked in, will then share with the Steering Group for wider feedback.

3. [REDACTED] [REDACTED] [REDACTED]

Action 5: [REDACTED]

Article
31

4. Tax Measures (DH & [REDACTED])

- [REDACTED] noted that a Revenue Policy Development Board (RPDB) meeting is to be held next Tuesday 23rd March. [REDACTED] asked if Tax is still looking for a 20% tax take, [REDACTED] confirmed yes.
- [REDACTED] Article 31
- PMcC suggested that if there is going to be a tax take on a finished product consideration needs to be given to if a company sets up distribution lines outside of the cannabis space but in the controlled drugs arena i.e. thought needs to be given to the distribution of all medicinal products not just to cannabis. Ultimately this will be finished products and in medical terms there is no difference between any medical product be it e.g. codeine or cannabis.
- [REDACTED] asked what is the benefit to the Island in facilitating something like this?
- PMcC said that it is overseen and regulated by the [Medical Healthcare Regulatory Agency](#) (MHRA) and requires a GMP certificate and so will be regulated the same way as any wholesaler distributing medicinal products. From a medicinal point of view, [REDACTED] will be distributing a legal medicinal product in terms of medicines legislation. [REDACTED] sole focus is medicinal product distribution. Article 33
- [REDACTED] Article 31
- [REDACTED] Article 31
- PMcC agreed that this needs to be cleared up as there appears to be some misinformation out there. [REDACTED] will not be shipping raw products they will be distributing a high end finished product. Article 33
- SM noted that having the synergies of a company already used to distribution practices [REDACTED] could reap benefits.
- [REDACTED] Article 31

- #### 5. [REDACTED]
- [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED] Article 42
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]

- PMcC said that in the application guidance it does not state an approved list but stipulates a security report is required from an independent security advisor, so it is up to the applicant to engage whoever they see fit and then a view will be taken on this in the round.
- MC noted all with a caveat that it gets agreement from the SOJP Senior Management Team.
- ■■■ said that it would be helpful to get MC feedback on additional messaging the SOJP Senior Management Team would want and welcomes contributions from this Steering group.
- MC noted that there is crossover here with other things playing out in the medicinal world which continue to be addressed by the Misuse of Drugs Advisory Council (MDAC).

B. New Business

1. Phytosanitary Certificates ■■■

- ■■■ from the Plant Health Inspectorate briefed the Group on the Inspectorate's role re the importation of seed and live plant products to Jersey.
- The [Plant Health Regulation \(EU 2016/2031\)](#) and then Brexit had a major impact on local plant health legislation.
- A professional operator importing regulated material would have to be registered with the Plant Health Inspectorate (the competent authority for Plant Health matters).
- Importers would have to pre-notify the Inspectorate of a regulated import. Administration process is still being worked through post Brexit. Imports can be put through CAESAR (i.e. Jersey Customs general website for the importation of all goods and services) or by emailing the team. Consignment arrives and is subject to an identity and physical check. Once conditions are met then consignment can be released.
- ■■■ noted that fresh cut flowers would likely be caught by plant health regulations but can verify if required. ■■■ asked how this fits into regulatory requirements for businesses. SM stated that the term 'cut flowers' in the cannabis world referred to flowers that were processed in some way (such as being dried). ■■■ said products that are processed are outside of the Inspectorate realm. SM added for clarity and from a biosecurity point of view that when looking at dried dehydrated and packed flowers this is where the inspectorate jurisdiction ends.
- PMcC asked would tissue culture be caught. ■■■ unsure. SM stated that tissue cultures have been considered e.g. with orchids. Such products need to meet regulations of landing point, but tissue is generally regarded as being sterile and free from media (bark, spoil etc.).

Action 6: ■■■ to circulate information on Phytosanitary Certificates to the Steering Group.

2. Licensing of imports/exports of controlled drugs for the purposes of the cannabis industry, by the Minister for Health & Social Services (PMcC)

- ■ asked for an update of activity to-date regarding import/exports and what is anticipated going forward.
- PMcC stated that some individual patients or pharmacies have an import licence to import finished medicinal products where the product has been prescribed and dispensed in the UK and then shipped to Jersey.
- There is yet to be an application from ■ to export.
- The UK follows Good Distribution Practice (GDP, similar to GMP), ■ have been pointed in this direction as they would be required to follow GDP guidance before Jersey would consider actions from their side. ■ have only just engaged with the [Medicines and Healthcare products Regulatory Agency](#) (MHRA) so there is a bit of a process to go yet.
- PMcC noted that Jersey should be able to issue a whole distribution authorisation to a GDP certified operator. PMcC has flagged this up with an overall medicines review which sits with the Health Executive team and requires some support from SPPP as it will be a major piece of work.
- Once wholesale authorisation has been granted, operators will then need a licence to supply under the [Misuse of Drugs \(General Provisions\) \(Jersey\) Order 2009](#), once they have this then they will be in a position to apply for an import / export licence at £100 each time. ■ asked if this is an appropriate figure when looking at a multi-million-pound industry? PMcC noted that it is more than the ■ charge.

Article
33

C. Future Business

Rolling Action Points from workshop / previous meetings to be actioned at a later date

■ noted that Points 2 and 3 can be removed from this section going forward as they have been merged into actions being dealt with under Section A 'Business Arising'.

1. Prepare a proposal report for the taxation of the cannabis industry for the Revenue Policy Development Board ■

Approx. Q1 2021 - cannot be finalised until policy statement / position is drawn up and agreed.

2. Continue to draft a paper looking at the different scenarios of what a cannabis industry could look like in order to inform the proposal report for the taxation of the cannabis industry ■

Approx. Q1 2021 - cannot be finalised until policy statement / position is drawn up and agreed.

3. Develop a communications strategy for those wanting to invest in the cannabis industry ■ and DH)

Approx. Q1 2021 - cannot be finalised until policy statement / position is drawn up and agreed.

4. **Terms of Reference to be drafted for an advisory panel to the Minister (re licensing future successful applicants).** *In hand, non-urgent.*
5. **Meet to produce an annual return for cannabis growers [REDACTED] and PMcC)** – *a rolling action noted for approx. Q1 2021 once all internal administration and processes are in place.*

D. Ending Items

A.O.B. (ALL)

None.

***Next meeting scheduled in calendars for Monday 26 April @ 1100-1230hrs
using Microsoft Teams***

Cannabis Coordination Meeting No. 25 *(as amended)*

1100-1230hrs, Monday 26 April 2021

via Microsoft Teams

In Attendance

[REDACTED]

[REDACTED]

Dan Houseago, Group Director, Economy, FSDE (DH)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Scott Meadows, Head of Biosecurity, Natural Environment (SM)

[REDACTED]

[REDACTED]

Apologies

George Pearmain, Director of Financial Crime Strategy, FSDE (GP)

James Silverston, Director of Financial Services, FSDE (JS)

Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)

POINTS RAISED & ACTION POINTS

Welcomes and introductions were made.

Key points from meeting of Monday 22 March 2021 were approved.

A. Business Arising

1. JMCC / Green Island Growers [REDACTED]

- [REDACTED] explained the financial crime team have put together Proceeds of Crime (POC) amendments to manage financial crime risks that may come out of those jurisdictions placed on the JFSC's list of "Equivalent Countries and Territories". *Any proceeds (monies) linked to or deriving from the production, supply, use, export or import of cannabis or any of its derivatives in a jurisdiction not on that list would remain the proceeds of crime, so the handling of such monies would remain an offence under the POC Law.*

Amended government policy is being put forward in the following areas:

1. Draft Proceeds of Crime (Amendment of Law) (No.2) (Jersey) Regulations 202-
2. Draft Proceeds of Crime (Cannabis Exemption – List of Jurisdictions) (Jersey) Order 202-.

- [REDACTED]
[REDACTED]
[REDACTED] Article 31
[REDACTED]
[REDACTED]
[REDACTED]
- DH has a meeting with PMcC this week to get some clarification around communication to ensure everyone knows what the actual rules are.

Action 1: DH to speak to [REDACTED] so that they understand where current Government thinking is (POC legislation) with the activities they are proposing.	Article 33
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- DH noted that the concerns of import and export are not just with POC but with quality of product. COM acknowledge that the cannabis portfolio has a three-fold framework;
1. Memorandum of Understanding [REDACTED] Article 41
 2. Appropriate amendments to proceeds of crime which are pending but in flight
 3. What Government's position is on cannabis related activities.
- DH highlighted to Senator Farnham that the [REDACTED] product may undermine local businesses trying to cultivate; this conversation is currently running. The Minister would like to see a free market economy in this space but there is more to discuss in this area. Article 33
- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Article 31
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- [REDACTED] said that they are looking at POC amendments from a financial crime perspective and where proceeds are coming from. [REDACTED] agrees with DH and [REDACTED] that country regimes are applied across the board.

- ■ raised two points:
 1. Are we happy that COM sign off the communication strategy bearing in mind this commits us to deliver a States Members briefing ahead of the lodging of the POC amendments scheduled for mid-May?
 2. Scrutiny will raise questions. ■ called for more information for the industry briefing pack from those who have been approached. There is some information that remains unclear e.g. how do we know that licences are being granted in line with POC amendments. ■ gave the Steering Group a heads up that these questions may be raised soon.
- DH said that the communication strategy presented to ministers was clear and tried not to conflate things.
- The States Members briefing will be around what the implications of POC are rather than an analysis of the whole cannabis project. We will need to provide context in this meeting but could confuse members if we deviate. We need to focus on POC for the States Members briefing.
- DH said he had received recent correspondence from scrutiny. This is a positive opportunity to clarify to backbenchers what we are trying to achieve. The policy and ambition are clear; we take good advice from ■ around licences for cultivation and other issues around policy that are in development. Article 41
- DH advises that we stick to the POC States Assembly briefing initially and that the broader Oasis plan is activated only once we have an agreed POC framework and have ironed out the licence formalities, after which we can press forward on how we want this presented to applicants.
- SM noted that he has been called to an [Environment, Housing and Infrastructure Scrutiny Panel](#) meeting tomorrow morning re light, indoor / outdoor measures. Director of Planning Peter Le Gresley will also be present.

Action 2: ■ to put scrutiny on the agenda for the next meeting.

Action 3: SM action to send around bullets from this meeting.

2. Due Diligence / Know Your Client (SM ■)

- ■ noted that SM and ■ would like to bottom out due diligence procedures and establish what is in place and by whom.
- SM said that his role is first point of contact and to establish whether those enquiring have the technical prowess to proceed. SM then makes introductions to ■ but at some stage in this process we do need a dedicated due diligence check.
- ■ noted that as part of the work that Locate Jersey carry out, they have a subscription to a due diligence service called ■ which is used to assess high net worth applicants and allows Locate to look at beneficial owners of companies and any shareholders etc. Any company that does not have a local connection is put through this due diligence process. However, ■ does not involve POC elements, this would need firming up with the States Police. DH asked that this is carried out retrospectively and that KLeB has a conversation with PMcC.

Article
33

- [REDACTED] said that the due diligence caveat is already done, and Locate Jersey have a local representative supporting them.
- [REDACTED] said that the checks the Police would carry out requires a conversation with the [REDACTED] the Police would need to look at what is required. Article 31
- [REDACTED]
- SM suggested that part of the process should be to pass details onto [REDACTED]
- [REDACTED] highlighted that a new licence application is soon to be submitted and hopes that due diligence can be ironed out shortly. From a Government of Jersey perspective, Government need to retain a copy on file. An outside company brings a second level of comfort. [REDACTED] produces a report on company directors, ascertains if there is any footprint of criminal conduct and if there is any negative media in relation to them as individuals or as a company. Article 33
- DH said effectively there needs to be an application form which contains a flow chart of the process, not just due diligence.
- SM asked if the due diligence process would also review proposed projects. DH said that PMcC does this second bit and that a conversation with PMcC is required.
- [REDACTED] stressed that the screening process does not tease out any technical capability.

Action 4: [REDACTED] SM, PMcC and [REDACTED] to meet up to discuss due diligence procedures.

3. Licensing (DH)

3.1 Applications for licences granted; refused; and being considered

[REDACTED] noted in PMcC's absence and on his behalf, that two licences have been granted by the Minister and one application refused. PMcC has also recently received an application from another company which has yet to be considered.

3.2 Scrutiny review being undertaken by the Economic and International Affairs Panel titled [‘Regulations for the licensing, production and export of Medicinal Cannabis in Jersey’](#).

- DH previously mentioned at this meeting that he has been sent a letter from the Economic and International Affairs Panel calling for information.
- DH raised concern that there is a risk that we lose sight of what we are doing this for which is to diversify the rural economy and generate fiscal receipts, increase productivity etc.

Action 5: DH to email scrutiny letter to individuals for a response from their respective areas.

4. Tax Measures / Scrutiny review of proposals [REDACTED]

- As per [REDACTED] email to this Steering Group on the 7th April the Revenue Policy Development Board (RPDB) met on 30th March and two decisions were made with regard to the proposal to tax companies in the cannabis industry:
 1. That a 20% rate should be applied to companies within scope; and
 2. That the calculation of profits should follow normal tax principles
- With the above decisions made, Regulations regarding tax can now start being drafted.
- [REDACTED] also informed the table that at the same meeting, Deputy David Johnson confirmed that the Economic Affairs and International Affairs Scrutiny Panel would be reviewing the tax proposals.
- DH said that one of the questions we need to keep under review is how CBD will be treated in the future i.e. to provide CBD for non-medicinal uses. Currently the position is not to provide CBD for non-medicinal purposes, however, this arena is moving worldwide, and the UK is starting to reposition itself around CBD regulation and CBD products in the non-medicinal market, therefore, the definition of what we tax may need to change.
- [REDACTED] said that he is currently tasked with drafting instructions and it has become apparent that some areas will need to be teased out. The drafting process so far has led to approximately seven questions.

Action 6: [REDACTED] to circulate drafting instructions to the Steering Group for comments.
--

- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- Article
31

5. [REDACTED]

- [REDACTED]
[REDACTED]
 - [REDACTED]
[REDACTED]
[REDACTED]
 - [REDACTED]
[REDACTED]
[REDACTED]
 - [REDACTED]
[REDACTED]
- Article
31

6. Update Industry Proposition and Process Mapping [REDACTED] Update

[REDACTED] still some questions need to be thrashed out. Can be looked at in aforementioned proposed meetings.

B. Future Business

Rolling Action Points from workshop / previous meetings to be actioned at a later date
5 minutes

1. Terms of Reference to be drafted for an advisory panel to the Minister (re licensing future successful applicants). *In hand, non-urgent.*

- [REDACTED] will push on this and get together with PMcC and DH to begin to press this forward. We need to look at what stage a panel would become involved. DH will put something in the diary early next week.

Action 7: DH to set up a meeting between himself, [REDACTED] and PMcC to draft ToR for an advisory panel and to discuss the tying in of EIAs into the licence application process.

- SM wants to understand the gravity of Environmental Impact Assessments (EIAs) –

[REDACTED]
[REDACTED]

Article 31

- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

- [REDACTED] DH will pick this up with [REDACTED] and PMcC.

- [REDACTED]
[REDACTED]

Article 31

2. Meet to produce an annual return for cannabis growers [REDACTED] and PMcC) – a rolling action noted for approx. Q2 2021 once all internal administration and processes are in place.

C. Ending Items

A.O.B. (ALL) None.

-Ends-

Cannabis Coordination Meeting No. 26

1100-1230hrs, Monday 24 May 2021

via Microsoft Teams

In Attendance

Age Group	Percentage Vaccinated
18-24	65%
25-34	90%
35-44	75%
45-54	85%
55-64	90%
65-74	95%
75-84	100%
85+	65%
Don't know	85%

Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)

Scott Meadows, Head of Biosecurity, Natural Environment (SM)

Apologies

Dan Houseago, Group Director, Economy, FSDE (DH)

George Pearmain, Director of Financial Crime Strategy, FSDE (GP)

POINTS RAISED & ACTION POINTS

Welcomes and introductions were made.

Key points from meeting of Monday 26 April 2021 were approved.

A. Business Arising

1. [REDACTED] (ALL)

Article 33

- As per [REDACTED] email of 21st May, the Draft Proceeds Of Crime (Amendment of Law) (Jersey) Regulations 202- has been lodged au Greffe last week and is due for debate on 29 June 2021 as Proposition 45.
- There will also be a briefing of States Members before the 29 June, exact date TBC.
- “The Proceeds of Crime (Amendment of Law) (No. 2) (Jersey) Regulations 202- (the “draft Regulations”) amend the definition of criminal conduct of Article 1(1) in the Proceeds of Crime (Jersey) Law 1999 (the “1999 Law”). The States make these Regulations under Article 1(9) of the Proceeds of Crime (Jersey) Law 1999.

██████████ as they would be impacted when looking to export products for distribution into Europe.

- ■ is happy to provide technical input if support is needed.
- ■ said it is important not to conflate the situation. POC amendments are only in respect to proceeds of crime. Any reference to the import and export of products points to the licensing regime so we need to be clear what we are talking about.
- Please refer to ■ email of 21 May to this Steering Group whereby ■ states that:

‘The draft Regulations are focussed on the position outside of Jersey because it is not necessary to clarify the status of the proceeds of the production and supply of cannabis or cannabis derivatives within Jersey. In Jersey those activities are undertaken lawfully pursuant to licences under the Misuse of Drugs (Jersey) Law 1978 and other legislation relating to the supply of medicines. It is already sufficiently clear that proceeds generated from appropriately licenced production and supply of cannabis and cannabis derivatives within Jersey are not generated from criminal conduct and thus cannot constitute proceeds of crime under the 1999 Law’.

- [REDACTED] asked if there is a list or summary of what licensing applications are in train, and what applicants have been told in terms of managing expectations.
- PMcC noted that [REDACTED] looking to progress a licence for import of medicinal products. To meet the requirements for a licence, [REDACTED] would need to have an inspection and certification from the Medicines and Healthcare products Regulatory Agency (MHRA) to distribute medicinal products produced under Good Manufacturing Practice (GMP) and Good Distribution Practice (GDP) guidelines. Article 33
- [REDACTED] [REDACTED] would like to distribute to local pharmacies too [REDACTED] Article 31
[REDACTED] Article 33
- PMcC said the fundamental question is, is the product lawful in the eyes of medicines legislation.
- [REDACTED] agrees with [REDACTED] we need to ensure POC is appropriate in the licensing of any activities of a cannabis company.
- PMcC said that it would be helpful to have a simple guide of what activities would fall foul of the POC.
- [REDACTED] noted a key point is that if cannabis products pass through a company from a country not on the Financial Action Task Force (FATF) list, then proceeds could be tainted and therefore fall foul of POC.
- [REDACTED] states that the POC amendments '*cannabis or any of its derivatives*' definition should cover everything. There is not a differentiation in terms of activities but two things need to be considered;
- i. [REDACTED] is conduct lawful where it occurs (e.g. [REDACTED] this could fall foul of POC). Article 33
- ii. [REDACTED] is [REDACTED] on the List that the Minister will then prescribe in the Order.

█████ stated that if a company sells products which have an association to being produced █████ then this would be a breach of POC legislation. This view was agreed weeks ago and there needs to be a common approach applied. Article 33

2. Scrutiny (ALL)

- At the last meeting, SM noted that he had been called to an Environment, Housing and Infrastructure Scrutiny Panel meeting re light, indoor / outdoor measures. Director of Planning Peter Le Gresley was also be present. The Steering Group were informed via email that the outcome was largely supportive.
- █████ have been brought in as an independent advisor to Scrutiny and will likely produce a scrutiny report. █████ said as a result we may have more contact in addition to what has already been proposed. █████ noted that it looks like the report will be a jurisdictional comparison. Article 33
- As per the previous meeting there is a Scrutiny review being undertaken by the Economic and International Affairs Panel entitled '[Regulations for the licensing, production and export of Medicinal Cannabis in Jersey](#)'. There was a call from Scrutiny for information via DH. DH since responded to their request with input from members of the Steering Group.

3. Environment Impact Assessments (EIAs) and █████ Article 33

- █████
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█████
█████ Article 31

4. Due Diligence / Know Your Client █████

- █████ noted that the Police vetting team cannot be involved in fit and proper person vetting as this doesn't fall within Home Affairs legislation.
- █████ will update the due diligence / KYC document noting where the █████ report goes to and then will recirculate. Article 33

5. Licensing (DH)

Was covered off under Item 2 Scrutiny.

6. Tax Measures [REDACTED]

- [REDACTED] circulated draft policy questions to PMcC, [REDACTED] and DH. DH needs to input so may have to extend deadline. [REDACTED] so will hand over to [REDACTED] manager [REDACTED] should any enquiries arise in the interim.
- [REDACTED] asked could there be an opportunity to raise the tax take from 20% to 21% on the premise that the cannabis initiative has derived from policies agreed within the [Rural Economy Strategy 2017-2021](#) and year on year there is an expectation to decrease rural economic subsidy when in fact we need to increase it to better support and innovate the industry. The suggestion arose from a recent meeting between Kirsten Morel, [REDACTED] and [REDACTED]. Was thinking along the lines of akin to percentage for art required on new developments could we build in something for the cannabis industry to input back into our rural economy?
- [REDACTED] replied that there is no higher rate than 20% - on Jersey, however, hypothecation is possible.

Article
25

Action 4: [REDACTED] to draft a proposal to set-aside a % of the cannabis tax take to support the Island's rural economy.

7. Proposed advisory panel – terms of reference [REDACTED] & PMcC)

- Initially Minister for Health wanting comfort before signing off on licence applications.
- May be useful to have a conversation with [REDACTED] on how they go about considering applications, who is involved and at what stage. [REDACTED] PMcC Article 31 suggested that applications being considered outside of an advisory panel could be the way forward. PMcC has a meeting with [REDACTED] tomorrow so can raise these points then.
- [REDACTED]
- [REDACTED]
- [REDACTED] recommends that an independent expert reviews security measures put forward by cannabis industry members.
- PMcC suggested that what could be workable would be to share security reports when the licence application is shared.

Article 31

Article 31

8. [REDACTED]

- [REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Article
31

Action 5: PMcC to email a response to [REDACTED] re the industrial process of extracting CBD.

9. Update Industry Proposition and Process Mapping (KLeB)

- [REDACTED] PMcC will have a think as to how this could be re-phrased.
- [REDACTED] asked if colleagues could double check the documents [REDACTED] sent out a few weeks previous and get back to [REDACTED] with any amends.

Article 31

B. Future Business

Rolling Action Points from workshop / previous meetings to be actioned at a later date
5 minutes

1. Terms of Reference to be drafted for an advisory panel to the Minister (re licensing future successful applicants).

This was covered off under Item 7 and could be fleshed out when PMcC speaks to [REDACTED]

Article 41

C. Ending Items

A.O.B.

- ■ highlighted that the SOJP have had several enquiries re the permitted use of medicinal cannabis in public. Who can the Police talk to in relation to what to advise security firms and licensees? PMcC said he had a similar enquiry and couldn't advise. It is probably an item for discussion at the next meeting of the Misuse of Drugs Advisory Council (MDAC).
- ■ Dr Susan Turnbull's successor, Professor Peter Bradley is starting in July. In the interim Cynthia Folarin is acting Director of Public Health. ■ can arrange to put an Item on the MDAC agenda for the next meeting (date TBA). Peter Bradley will also be in charge of the drug and alcohol strategy currently being developed under Julian Blazeby (Home Affairs). Article 31
- ■
■
■
■

Action 6: ■ to put above information in an email to ■ re cannabis use in public.

Next meeting to be held Monday 21 June so we have time to convene and discuss with DH before we potentially have an extraordinary meeting with ■

Action 7: ■ to put time aside for a meeting on Thursday 24 June location TBC.

-Ends-

Cannabis Coordination Meeting No. 27

1100-1230hrs, Monday 21 June 2021

via Microsoft Teams

In Attendance

[REDACTED]
[REDACTED]
Dan Houseago, Group Director, Economy, FSDE (DH)
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)
Scott Meadows, Head of Biosecurity, Natural Environment (SM)
[REDACTED]

Apologies

George Pearmain, Director of Financial Crime Strategy, FSDE (GP)

POINTS RAISED & ACTION POINTS

Welcomes and introductions were made.

Key points from meeting of Monday 24 May 2021 were approved.

A. Business Arising

1. Proceeds of Crime / [REDACTED] (DH)

[REDACTED]
[REDACTED]

Action 1: SM to get a contact for DH from [REDACTED]

Action 2: PMcC to get a contact for DH from [REDACTED]
[REDACTED]

Article
33

Action 3: [REDACTED]
[REDACTED]

- [REDACTED] Article 31
- [REDACTED] stated due diligence dictates that [REDACTED] licenced in Jersey.
- PMcC noted that the Medicines and Healthcare Products Regulatory Agency's (MHRA) view is that [REDACTED] Article 33

2. States Members briefing / Scrutiny (ALL)

- [REDACTED] asked that as there has been recent scrutiny panel activity held in regard to the industry and with another panel meeting scheduled for this afternoon could respective officer(s) who were in attendance give a synopsis of their panel meeting.
- SM stated that the [Economic and International Affairs Scrutiny Panel \(Witness: The Minister for the Environment\)](#) went quite well, however, there was confusion whether the States of Jersey Police (SOJP) were offering security advice. Planning issues and their backlog were mentioned. Cannabis projects re. retro fitting and need were also discussed. Noise, light pollution and Environment Impact Assessments (EIAs) were discussed at the Environment Scrutiny Panel hearing.
- PMcC stated that the [Economic and International Affairs Scrutiny Panel \(Witness: The Minister for the Health and Social Services\)](#) were questioning the working relationship with [REDACTED] the MoU and EIAs. The Health Minister is keen to have EIAs applied. SM suggested the term 'operational impact' on the environment might be a better term of words. Article 41
- PMcC was asked at Scrutiny about having a single set of rules around licensing and providing clarity for applicants. PMcC suggested that perhaps a separate Order could contain these rules. The Scrutiny Panel asked what was the aspiration of the industry and at which point the process becomes industrialised. There was confusion re. how many licences had been issued and it was clarified that two licences have been granted and one is pending with interest expressed from other parties but nothing official submitted at this stage. The question was raised that if there were to be a dispute between Jersey Government and [REDACTED] what the resolution would be. [REDACTED] Article 41
[REDACTED] in attendance but didn't ask many Article 33 questions.
- SM raised concern over the confidentiality with [REDACTED] has already posed this question as [REDACTED]. Senator Farnham Article 33
has raised potential conflict in a letter to Scrutiny.
- PMcC, SM and DH have been called upon to attend an Economic and International Affairs scrutiny panel hearing this afternoon.
- PMcC suggested that we may potentially make an amendment to [REDACTED] if [REDACTED] Article 41
agree that cultivating or producing cannabis flowers for non-medicinal use is permissible under the [Single Convention on Narcotic Drugs, 1961](#). [REDACTED] will draft something that will permit us to do this. [REDACTED] will reiterate that UK policy is not to authorise this, but that Jersey can have a different policy position.

- SM queried in regard to cultivation for CBD are we talking about staying on the EU permitted list or staying off it? It was decided to add this as an item on the agenda for the next meeting.
 - DH suggested that once those with current licences are fully established, on maturity they could potentially generate approximately £30mn in turnover. [REDACTED]
- [REDACTED]
- [REDACTED] the Cannabis Services Advisory Group has procured an American and UK cannabis company in the recreational and wellness space. We are on the cusp of getting companies to recognise Jersey as a centre of excellence and to allow those domiciled in Jersey to operate in this emerging industry.
- [REDACTED] said that the Revenue are considering whether to amend vires in their legislation to tax entities that are not companies. [REDACTED] asked is there a reason why we are only looking at companies at the moment? [REDACTED] questioned if the vires needs to be amended if we do not have anything other than corporate vehicles (i.e. as opposed to partnerships and sole traders).
 - [REDACTED]
- [REDACTED]
- [REDACTED]
- DH is suggesting to Senator Farnham this is an issue for Treasury. Cannabis businesses will be taxed in line with business principles i.e. will get allowances for capital outlay and will be treated as normal businesses in line with capital expenditure. At this stage we are not looking to tax retail, only the producers of the products.
 - [REDACTED]
- [REDACTED]
- [REDACTED] responded that we definitely need to ensure the right activities are caught but is unsure in this situation and will double check. The Regulations will include taxation of activities that import and then export specified products but need more detail about how the distribution centre works.
 - [REDACTED] raised [REDACTED] point of what is being covered in draft tax Regulations. PMcC says we need to go outside of CBD. SM noted that we have previously talked about using the phrase 'cannabis derivative' to catch all cannabinoids.

Article 25

Article
31

Article 31

Action 4: [REDACTED] to await information about whether relevant non-corporate entities are currently active.

Action 5: [REDACTED] to clarify scope of draft Regulations. [REDACTED] and DH to give view on whether they will extend to the operation of the distribution centre.

3. Proposed advisory panel – terms of reference (DH, [REDACTED] & PMcC)

- Since the last meeting, DH, [REDACTED] and PMcC have met to discuss the need for an advisory panel and the tying in of EIAs into the licence application process. The conclusion was to give PMcC a lot more support in terms of licence requests coming in. It was suggested that first point of contact should be someone from the Economy Department.

- [REDACTED]

Article
31

- PMcC suggested that if the opportunity presents itself, we can note that some consideration has been given to this sort of framework and ask Scrutiny if they can contribute to this. In regard to security, [REDACTED] can help to a degree.

Article
41

4. [REDACTED]

- [REDACTED]
- [REDACTED]

Article
31

5. Environment Impact Assessments (EIAs) and [REDACTED] ALL)

Article
33

- At the last meeting the issue was raised to ascertain if proceeding with proposed amendments to the [Planning and Building \(Environmental Impact\) \(Jersey\) Order 2006](#) were necessary to provide for cannabis activity.

- [REDACTED]

Article
31

- PMcC is of the opinion that the Minister of Health would be happy with this single process of leaving it with Planning.
- DH said that he has approached Planning and Peter Le Gresley has agreed to sit on this group. DH thinks there is a policy debate to be had around this. [REDACTED]

[REDACTED]

- [REDACTED]
- SM noted that it needs to be recognised that supplementary lighting, water usage etc already occurs in farm production. We need to make sure we don't single out cannabis to the detriment of other businesses, similar issues highlighted with a new cannabis holding are also issues for organisations such as the zoo and other large establishments.

6. Licensing (ALL)

It was decided by All that this item did not need to be addressed; licence issues were resolved at the previous meeting.

B. Future Business

Rolling Action Points from workshop / previous meetings to be actioned at a later date

1. **Meet to produce an annual return for cannabis growers [REDACTED] & PMcC) – a rolling action noted for approx. Q2 2021 once all internal administration and processes are in place.**

C. Ending Items

A.O.B. (ALL)

- DH asked for the ETA of the process flow chart and proposition document and sign off.
- [REDACTED] is happy to provide this to Scrutiny. DH said that we need clarity on what the position is rather than promoting it.
- [REDACTED]
- DH asked if it is just the Medicines Law that needs updating or if there are any other needs in the context of legislation and if so, what the batting order may look like.
- [REDACTED] responded that there is a list of updates required: Medicines Law, [Poisons \(Jersey\) Law 1952](#).

Article
31

Action 6: [REDACTED] to resend legislative updates required to DH. DH will act on this and find some way of getting a resource to facilitate movement.

- SM [Intellectual Property \(Plant Varieties\) \(Jersey\) Law 2016](#) also needs to be put on this list. At the moment there is no internal register for cannabis varieties. However, this is an action for the future and not now.

Cannabis Services Advisory Group

- DH said that the Cannabis Services Advisory Group is recognised by Senator Farnham as an independent industry body to provide Government support around a strong regulatory environment. The Group also provides market intelligence. The Group is not funded by Government. Currently the Group consists of [REDACTED] and representatives from the two other companies that have been given a licence to cultivate.
- Meetings have been set up between the Cannabis Services Advisory Group and PMcC, Senator Farnham, [REDACTED] and [REDACTED]. Hopefully [REDACTED] can also meet with [REDACTED] and [REDACTED]. The Group has only met once before and that was to appoint a chairman.
- DH will suggest the Cannabis Services Advisory Group either share with us their minutes of their second meeting or write an official letter to this Steering Group outlining their Terms of Reference.
- [REDACTED] asked the Steering Group if we need to review how these meetings are held, could they be delivered more effectively, or do we continue as we are until all administrative processes are ironed out. It was agreed to continue as is.

Next meeting to be held Monday 26 July @1100-1230hrs

-Ends-

Cannabis Coordination Meeting No. 28

1100-1200hrs, Monday 26 July 2021

via Microsoft Teams

In Attendance

[REDACTED]
[REDACTED]
Dan Houseago, Group Director, Economy (DH)
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Apologies

George Pearmain, Director of Financial Crime Strategy, Economy (GP)

[REDACTED]
[REDACTED]

Paul McCabe, Chief Pharmacist, Health & Social Services (PMcC)

Peter Le Gresley, Head of Development and Land, Regulation (PLeG)

Scott Meadows, Head of Biosecurity, Natural Environment (SM)

POINTS RAISED & ACTION POINTS

A. Business Arising

- 1. Welcome, introductions and apologies were made.**
- 2. Key points from the meeting of Monday 21 June 2021 were approved.**
 - [REDACTED] noted that as some officers were unable to attend today, discussions arising from the meeting of the 21 June regarding Environmental Impact Assessments and an update on [REDACTED] discussions will be carried over to the following meeting.
 - At the meeting of the 21 June, it was raised that [REDACTED]
[REDACTED]
[REDACTED]

Article 33

Contacts have been established and a meeting has been set up between DH, SM and the [REDACTED] for 3 August.

3. [Economic and International Affairs Scrutiny Panel update from hearing of 21 June \(DH\)](#)

[REDACTED] asked DH to update the table on the various Scrutiny hearings notably the most recent quarterly public hearing of the [Economic and International Affairs Scrutiny Panel - Regulations for the licensing, production and export of Medicinal Cannabis in Jersey \(Minister for Economic Development, Tourism, Sport & Culture\) Monday 21 June 2021](#) which took place after the last steering group meeting.

- DH stated that three key ministries have so far been through a formal hearing. It is difficult to get an idea of the conclusion the Scrutiny Panel will come to but there is a sense of tension of where industry is in terms of regulation and that it is not adequate.
- DH and colleagues made the point that the industry is highly regulated and that we accept that we do need to have a plan on how we deliver further revisions and updates required.

Action 1: DH to bring together a plan / acquire a resource to facilitate movement on regulation.

- Scrutiny raised concerns around the planning element in particular fences being erected, the issue of security has been conflated up to the States of Jersey Police (SOJP). DH has spoken to Robin Smith, Chief Officer of the SOJP and will have a meeting with [REDACTED] and colleagues going forward. DH stressed that guidance is from [REDACTED] and that locally we do not have guidance developed in this space. We do have some markers for security, and at this stage they are adequate, although security needs to be considered in the wider context of development of this industry as other businesses come into it.
- DH stated that in consequence of these ongoing concerns DH has invited Peter Le Gresley, Head of Development and Land to sit on this group. A broader group of people to licence this industry still needs to be bottomed out.
- Overall, the hearings were quite positive. [REDACTED] and GP have worked with Senator Gorst to get Proceeds of Crime (POC) legislative amendments over the line.
- Current challenges are coming from [REDACTED] so DH will offer a 1:1 meeting with [REDACTED] to alleviate concerns.

Article 25

4. States Members briefing (DH and [REDACTED])

- DH noted that Senator Farnham is keen to have a States Members briefing as soon as possible and that COM wants a comms / OASIS plan. A briefing is scheduled in for

this Thursday and there will be a requirement for key individuals to be available. [REDACTED] has circulated a document on the Cannabis [REDACTED] for review.

Article
42

- AM explained that the origins of the need for a briefing was to allay States Members fears before the debate on the Proceeds of Crime (POC) amendments. The original briefing wasn't needed in the end, so going forward the briefings purpose has changed slightly to address any points of concern arising from the Scrutiny hearings including any impact from the industry on the Island.
- There is a proposed framework for the States briefing but it is likely discussion will move into technical issues quite quickly. Hence, it is worthwhile advising Senator Farnham that the briefing is a way of informing States Members what the state of play is with the industry and what they can practically expect in the future.
- [REDACTED] has noted in the link those officers who need to add to the document. [REDACTED] needs to determine from those people if there is enough time between now and this Thursday.

Action 2: [REDACTED] to coordinate and meet with [REDACTED] and DH by close of play today.

5. [REDACTED] visit / Cannabis services advisory Group (DH)

- DH explained that the Jersey Cannabis Services Advisory Group (JCSAG - an external industry body), currently consists of [REDACTED] and [REDACTED].
[REDACTED]
[REDACTED]
- Two meetings have been held so far. The latter meeting determined the role and function of JCSAG. [REDACTED]
[REDACTED]
[REDACTED] agreed to come over once a month and help us with appropriate promotion of the cannabis sector including going out to parishes and other bodies to reassure people that the cannabis industry is wanting to do the right thing by community. [REDACTED] will write to Senator Farnham in terms of what advice [REDACTED] has for the local cannabis industry. DH recommended to [REDACTED] that [REDACTED] share this advice with this Steering group.

Article
33

6. Tax [REDACTED]

- KF noted that [REDACTED] (who stood in for [REDACTED] at the last meeting) has provided an update to [REDACTED] actions arising;
 - Instructions have been sent to the Law Drafters to extend the scope of the vires to allow taxation of non-corporates.
 - The scope of the draft regulations cover: - 'Manufacturing or producing any products from CBD or including CBD or importation of CBD into Jersey and subsequent exportation of the CBD out of Jersey'.

- [REDACTED] affirmed that the above instructions have been sent to the drafter.
- [REDACTED] talked to the 'Taxation of cannabis – drafting questions table' which was shared [REDACTED] in the meeting.

Article 42

[REDACTED]
[REDACTED]

- [REDACTED] inherited this brief from [REDACTED] and DH and [REDACTED] considered the document back in April.
- [REDACTED] now needs to have this document tied up and approved by DH, [REDACTED] and PMcC before it can be submitted.
- As far as the regulations go, we do not have to worry about royal ascent but the fact that the States are now sitting every three weeks, their agendas appear to be very full. [REDACTED] wants to ensure that the Treasury Minister is briefed, and regulations are pulled together in good time.
- [REDACTED] feels a conversation with [REDACTED] and DH is required to bottom out these instructions rather than involving the wider group.

Article 25

- [REDACTED]
- In terms of putting together tax regulations it needs to be as future proofed as possible. The difficulty we have is that we do not have a dedicated policy officer to oversee these types of issues. PMcC is mostly involved in licensing and through his sight of the documentation with SM and possibly [REDACTED] they may have a much better understanding of the scope the tax regulations need to cover.

Article 31

Action 3: Meeting required between, DH, PMcC, [REDACTED] SM and [REDACTED] to cover off the Taxation of cannabis drafting table.

- What is needed is to have a meeting with a group of people as to what this industry is going to look like going forward. One of the big issues (bearing in mind at its initiation, the local cannabis industry was purely focussed on medicinal cannabis) is the expansion into CBD production, where does this leave [REDACTED]? There are big issues regarding compliance with the Single Convention on Narcotic Drugs, 1961 which [REDACTED] has referred back to PMcC. PMcC was expecting an update from [REDACTED] by the end of June that would touch on this point of using cannabis for non-medicinal purposes. Nothing has come back from the HO to support the position that has been taken.

Article
33

Article
41

B. Future Business

1. Freedom of information [REDACTED]

- [REDACTED] mentioned potential FOI requests concerning minutes of these meetings and how these should be handled. [REDACTED] to check within her Department as to who assists with this type of exercise.

- ■ suggested that at the next meeting it would be opportune to have an update on the regulation of CBD products via local food legislation and an update on Environmental Impact Assessments.

Rolling Action Points from workshop / previous meetings to be actioned at a later date

1. **Meet to produce an annual return for cannabis growers ■ & PMcC) – a rolling action noted for approx. Q4 2021 once all internal administration and processes are in place.**

C. Ending Items

A.O.B. (ALL)

- highlighted the growing interest in the CBG market.
- asked for clarity on CBG. ■ will send ■ a link for further information.

Next meeting to be held 13th September @1100-1230hrs

-Ends-