First Arab Medical Cannabis Law (Lebanon)

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On 20 April 2020, the Lebanese Parliament passed a law permitting the cultivation, trade, research, and use of medical cannabis. The Lebanese government began first studying the legalizing of medical cannabis in 2018 where projected government revenue was expected to amount to USD 1 billion per annum.

Lebanon is not the first country in the extended region to legalize cannabis for medical use. Turkey passed laws in 2016 permitting doctors to prescribe certain cannabis-based medicine, and regulated cannabis cultivation in 19 out of its 81 provinces for medical and scientific purposes. In 2019, President Erdogan announced that soon all Turkish provinces should be allowed to cultivate cannabis for industrial use, i.e. for manufacturing textiles, foods, paper, personal care products, plastics, and building materials.

The passing of the law by Lebanon creates an opportunity for leading medical cannabis companies, such as those in the US and Canada, that have globalized their business in the past years.

For example, the legalization of medical cannabis in Germany resulted in substantial market entry to the German local cannabis cultivation market by Canadian companies controlling substantial market share.

In this brief, we focus on the highlights of Lebanon’s recent medical cannabis legislation.

How is cannabis defined?

Cannabis is defined in the law as a controlled plant that has psychoactive properties. It includes the fertilized or unfertilized buds and the seeds of the hemp plant, for medical and industrial use, that contains tetrahydrocannabinol (THC) by a percentage not exceeding 1% of its content and other medicinal materials other than the anesthetic of the cannabinoids in different proportions including the cannabidiol (CBD).

The percentages and contents of the plant are identified pursuant to the methods approved by the Authority.

Cannabis products are defined as every product including fibers for industrial use, and oils, extracts and compounds used for medical and pharmaceutical purposes

Overseeing authority?

The law establishes an authority named the Regulatory Authority for the Cultivation of Cannabis Plants for Medical and Industrial Use (the "Authority").

The Authority is responsible for issuing licenses, and among other things:

- Entering into agreements with public authorities, or private sector entities, whether domestic or foreign, for the execution of the provisions of the law, including for purposes of knowledge transfer.
- Identifying the geographic parameters where cultivation of cannabis may take place, and other details such as soil types, investment, light accessibility, and so on.
- Identifying the permitted percentage of THC and CBD in industrial, medical, pharmaceutical products.
- Overseeing research and development centers, and laboratories, that are renowned and have the professional and academic skillsets for cannabis

cultivation for the permitted uses.

- Establishing rules on production waste and the administrative and security measures to avoid illicit use of waste including that of cannabis stems or any other illicit activity resulting from cannabis cultivation waste management.
- Establishment of central test facilities or contracting with a private sector test facility to ensure compliance with the law.
- Ensuring anti-dumping and anti-trust compliance.

A committee is also established pursuant to the law responsible for the review of licensing applications and compliance with the law and any instructions by the Authority.

Licenses

There are nine licenses that shall be available as follows:

1. License to import seeds and seedlings
2. License to establish a cannabis plantation
3. Cannabis harvesting operations license
4. Manufacturing license
5. Research centers and laboratories license
6. Export license
7. Transport and storage license
8. Sales and distribution license
9. License to import related chemicals

There are six classes of applicants:

1. Foreign companies licensed in their home jurisdiction.
2. Renowned research and development centers, laboratories, and academic institutions.
3. Lebanese companies approved for the manufacture of medicines by the Ministry of Public Health.
4. Lebanese companies approved for industrial activities by

the Ministry of Industry.
5. Lebanese agricultural cooperatives.
6. Lebanese natural persons.

Globally

The law clearly addresses the globalization of medical cannabis trade and industry. In addition to Lebanon, countries that have legalized the medical use of cannabis include Australia, Brazil, Canada, Chile, Colombia, Croatia, Cyprus, Czech Republic, Finland, Germany, Greece, Italy, Jamaica, Luxembourg, North Macedonia, Malta, the Netherlands, New Zealand, Peru, Poland, Portugal, Sri Lanka, Thailand, the United Kingdom, and Uruguay.

In the United States, the use of cannabis for medical purposes is legal over 30 states and the District of Columbia, and although medical use of cannabis has not been legalized at a Federal level, prosecuting individuals acting in accordance with state medical cannabis laws is prohibited.

As for international law governing global medical cannabis trade and industry, Schedule IV of the United Nations' Single Convention on Narcotic Drugs addresses cannabis making it subject to special restrictions. Article 2 of Schedule IV provides as follows:

"A Party shall, if in its opinion the prevailing conditions in its country render it the most appropriate means of protecting the public health and welfare, prohibit the production, manufacture, export and import of, trade in, possession or use of any such drug except for amounts which may be necessary for medical and scientific research only, including clinical trials therewith to be conducted under or subject to the direct supervision and control of the Party."

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