

Most relevant issues addressed by the law passed by the Argentine Congress regulating the Industry of Medicinal Cannabis and Industrial Hemp

- The law establishes that its disposition shall be applied in the whole Argentine territory and the activities under its regulation will be subject to federal jurisdiction.
- Cannabis crops and projects authorized under Law 27,350 shall continue to be ruled by this law, not being applicable to them the regulatory framework arising from this new law passed by Congress.
- Hemp, industrial and horticultural hemp, and its derivatives will not be considered narcotic drugs under Argentine criminal law. Likewise, authorized cannabis crops for scientific and medical research regarding the medical, therapeutical and/or palliative use of the cannabis plant and its derivatives, pursuant to Law 27,350, as well as psychoactive cannabis and its derivatives (as established in articles 1, 8, 12 and 25 of the law passed by the Congress), will not be considered narcotic drugs under criminal law if they have the prior governmental authorizations.
- The administrative agency created for enforcing and issuing implementing regulations, will be the *Agencia Regulatoria de la Industria del Cañamo y del Cannabis Medicinal* (ARICCAME). The law establishes that it is an autarchic authority, which would grant it relative independence from the central government. In addition to it, the law instructs the *Instituto Nacional de Semillas* (INASE), to issue implementing regulations establishing tracking schemes of the vegetal products related to cannabis. Furthermore, the law instructs both agencies to issue regulations aimed at protecting the property rights over phyto-genetic creations pursuant to the Seeds and Phyto-genetic Creations Law No. 20,247.
- The import, export, growth, industrial production, manufacturing, commercialization and purchase of cannabis seeds, cannabis, and its derivatives with industrial or medical purposes, require prior administrative authorization from the ARICCAME. The bill establishes that this authority shall especially consider, when deciding to grant the authorization, if the project in question contributes to the development of regional economies and to promote the activity of cooperative entities and small and medium size agricultural producer, and if the project has gender perspective and federal projection.
- As for the penalties in case of infringement, the law sets forth the imposition of administrative penalties, regardless of the penalties that may be imposed under criminal law. Such administrative penalties are: (i) warning, (ii) fine between 100 UF and 300,000 UF (UF is a unit of measure, which value is equivalent to the price of 1lt of gasoil, therefore changing as such price varies); (iii) suspension of the administrative authorization to carry out the activity in question; (iv) termination of the authorization; (v) prohibition to carry out the activity for a given period of time, as set forth in the implementing regulations.