



Tunney's Pasture/Pré Tunney
OTTAWA, Ontario
K1A 0L2

March 12, 1998

le 12 mars 1998

Notification of passage of Schedule

Please be advised that the following Schedule of Amendments was passed by Order-in-Council and appears in the *Canada Gazette*, Part II of:

DATE: April 1, 1998

(Schedule No. 1089)
Industrial Hemp Regulations

REGISTRATION : SOR/98-156

P.C.: 1998-352

amendment to Schedule II of the *Controlled Drugs and Substances Act*

REGISTRATION: SOR/98-157

P.C.: 1998-353

amendment to the Schedule to the *Narcotic Control Regulations*

REGISTRATION: SOR/98-158

P.C.: 1998-354

PASSAGE : March 12, 1998

Avis d'adoption d'une annexe

Veillez prendre note que l'annexe qui suit a été adoptée par décret et apparaît dans la *Gazette du Canada*, Partie II du:

DATE : 1 avril 1998

(Annexe N° 1089)
Règlement sur le chanvre industriel

ENREGISTREMENT: DORS/98-156

P.C.: 1998-352

modification à l'Annexe II de la *Loi réglementant certaines drogues et autres substances*

ENREGISTREMENT: DORS/98-157

P.C.: 1998-353

modification à l'Annexe de la *Règlement sur les stupéfiants*

ENREGISTREMENT: DORS/98-158

P.C.: 1998-354

PASSAGE: 12 mars 1998

o/s

Lauraine Bégin
Policy Division / Division de la politique

Attachments

Pièces jointes

INDUSTRIAL HEMP REGULATIONS

INTERPRETATION

1. The definitions in this section apply in these Regulations.

"Act" means the *Controlled Drugs and Substances Act*. (*Loi*)

"approved cultivar" means any variety of industrial hemp designated by the Minister in accordance with section 39 and set out in the *List of Approved Cultivars* published by the Department of Health, as amended from time to time. (*cultivar approuvé*)

"competent laboratory" means a laboratory that is owned or operated by a person who is a licensed dealer under section 9 of the *Narcotic Control Regulations*, or a laboratory outside Canada that is recognized as a qualified laboratory, for the application of the United Nations' *Single Convention on Narcotic Drugs, 1961*, as amended from time to time, by the competent authorities of the country in which it is located. (*laboratoire compétent*)

"designated drug offence" means

(a) an offence against section 39, 44.2, 44.3, 48, 50.2 or 50.3 of the *Food and Drugs Act*, as those provisions read immediately before May 14, 1997;

(b) an offence against section 4, 5, 6, 19.1 or 19.2 of the *Narcotic Control Act*, as those provisions read immediately before May 14, 1997;

(c) an offence under Part I of the Act, except subsection 4(1); and

(d) a conspiracy or an attempt to commit, being an accessory after the fact in relation to, or any counselling in relation to, an offence referred to in paragraphs (a) to (c). (*infraction désignée en matière de drogue*)

"industrial hemp" means the plants and plant parts of the genera *Cannabis*, the leaves and flowering heads of which do not contain more than 0.3% THC w/w, and includes the derivatives of such plants and plant parts. It also includes the derivatives of non-viable cannabis seed. It does not include plant parts of the genera *Cannabis* that consist of non-viable cannabis seed, other than its derivatives, or of mature cannabis stalks that do not include leaves, flowers, seeds or branches, or of fibre derived from those stalks. (*chanvre industriel*)

"Manual" means the *Industrial Hemp Technical Manual* published by the Department of Health, as amended from time to time. (*Manuel*)

"package" includes a sack, bag, barrel, case or any other container in which seed or viable grain, or their

derivatives, are placed or packed. (*emballage*)

"person" includes a corporation, a cooperative and a partnership. (*personne*)

"plant breeder" means a person who is recognized as a plant breeder pursuant to the circular entitled *Regulations and Procedures for Pedigreed Seed Crop Production*, as amended from time to time, published by the Canadian Seed Growers' Association. (*sélectionneur de plantes*)

"process", in respect of seed, viable grain or non-viable cannabis seed, includes conditioning it, pressing it or, in the case of seed or viable grain, rendering it non-viable. (*transformer*)

"seed" means any part of an industrial hemp plant that is represented, sold or used to grow a plant. (*semence*)

"THC" means Δ^9 -tetrahydrocannabinol ((6aR, 10aR)-6a,7,8,10a-tetrahydro-6,6,9-trimethyl-3-pentyl-6H-dibenzo[b,d]pyran-1-ol). (*THC*)

"variety" has the same meaning as in subsection 2(2) of the *Seeds Regulations*. (*variété*)

"viable grain" means a viable achene of an industrial hemp plant, not represented, sold or used to grow a plant, that is used for processing. (*grain viable*)

APPLICATION

2. (1) These Regulations apply to

(a) the importation, exportation and possession of industrial hemp;

(b) the production, sale, provision, transport, sending or delivering of industrial hemp; and

(c) an offer to do anything mentioned in paragraph (b).

(2) These Regulations do not apply to

(a) the importation, exportation, sale or provision of whole industrial hemp plants, including sprouts, or the leaves, flowers or bracts of those plants;

(b) the importation, exportation, sale, provision or production of any derivative or product made from whole industrial hemp plants, including sprouts, or the leaves, flowers or bracts of those plants; or

(c) the importation, exportation, sale or provision of any derivative of seed, viable grain or non-viable cannabis seed, or product made from that derivative, if the derivative or product contains more than 10 µg/g THC.

3. (1) The Act and these Regulations do not apply to the importation, exportation or wholesale sale of a derivative of seed, viable grain or non-viable cannabis seed, or a product made from that derivative, provided that

(a) the derivative or product was not made from whole

industrial hemp plants, including sprouts, or the leaves, flowers or bracts of those plants;

(b) a representative sample from each lot or batch of the derivative or product being imported or exported, or sold at wholesale, has been found to contain 10 µg/g THC or less when tested at a competent laboratory using analytical procedures set out in the Manual;

(c) in the case of importation or exportation, the shipment is accompanied by a certificate from a competent laboratory in the country of origin of the derivative or product that sets out the concentration of THC in the samples; and

(d) in the case of the wholesale sale of a derivative, the package containing the derivative is labelled, "Contains 10 µg/g THC or less – Contient au plus 10 µg/g de THC".

(2) The Act and these Regulations do not apply to the retail sale, provision, possession, transport, sending or delivering of a derivative of seed, viable grain or non-viable cannabis seed, or a product made from that derivative, whose importation, exportation or wholesale sale has met the requirements set out in subsection (1), as long as the derivative or product is not changed in any way that results in its containing more than 10 µg/g THC.

PROHIBITION

4. No person shall advertise industrial hemp, its derivatives, or any product made from those derivatives to imply that it is psychoactive.

LICENSING AND AUTHORIZATION

5. (1) A person who holds a licence is entitled to engage in any of the following activities that are permitted by the licence:

(a) the importation or exportation of industrial hemp;
or

(b) the production, sale or provision of industrial hemp.

(2) In addition to holding a licence, an importer or exporter shall hold a permit issued under subsection 22(1) or 27(1) for each shipment of industrial hemp that is imported or exported.

(3) A person who holds a licence to engage in an activity in respect of industrial hemp is permitted to possess, transport, send or deliver industrial hemp to the extent necessary to conduct the licensed activity.

(4) A person who holds a licence to sell or provide industrial hemp is permitted to offer to sell or provide it to the extent necessary to conduct the licensed activity.

(5) A person who does not hold a licence is entitled to possess, transport, send or deliver industrial hemp, or offer to engage in that activity, if the person holds an

authorization to engage in that activity.

6. Any person who acts under the direction or control of a person who holds a licence or authorization is entitled to engage in the activity for which the licence or authorization was issued to the same extent as if the person were the holder.

Application

7. To be eligible to hold a licence, permit or authorization, a person must

(a) if the person is an individual, ordinarily reside in Canada or, if the person is a partnership, at least one of its partners is an individual who ordinarily resides in Canada; or

(b) if the person is a corporation or cooperative, have its head office in Canada or operate a branch office in Canada.

8. (1) A person who applies for a licence or authorization shall submit the following information and documents to the Minister, on a form provided by the Department of Health:

(a) the applicant's name, their mailing address and phone number in Canada and, if applicable, their fax number and electronic mail address;

(b) the applicant's date of birth or, in the case of a corporation, cooperative or partnership, the names and dates of birth of its officers, directors and partners, as the case may be;

(c) in the case of a corporation or cooperative, a copy of the certificate of incorporation or other constating instrument, and, in the case of a corporation, cooperative or partnership, a copy of any document registering with a province the name and style under which it operates or intends to operate;

(d) the activity for which the licence or authorization is requested;

(e) the form in which the industrial hemp is to be imported, exported, produced, sold, provided, possessed, transported, sent or delivered, as the case may be;

(f) the address of each place where the industrial hemp is to be stored, sold or provided, indicating for each place the form of the industrial hemp;

(g) in the case of the cultivation of industrial hemp,

(i) the approved cultivar that will be sown, or the variety of industrial hemp if the applicant is a plant breeder,

(ii) the number of hectares to be cultivated for seed or viable grain and the number of hectares to be cultivated for fibre,

(iii) the number of hectares cultivated for industrial hemp, at each site, in each of the previous two years,

(iv) the Global Positioning System coordinates to situate each site to be cultivated and a map showing the location of the site in terms of its legal description,

(v) if any part of the site is to be cultivated for seed or viable grain, the Global Positioning System coordinates to situate that part of the site, and an indication on the map of its location within the site,

(vi) a statement that the applicant is the owner of the land to be used for the cultivation or a statement, signed by the owner of the land, indicating that he or she has consented to that use,

(vii) if the applicant is cultivating for seed, evidence that he or she is a member of the Canadian Seed Growers' Association, and

(viii) if the applicant is cultivating to produce breeder seed or a new variety of industrial hemp, evidence that he or she is a plant breeder;

(h) in the case of the processing of seed, viable grain or non-viable cannabis seed

(i) the address of each place at which the processing will take place, and

(ii) if the application is for conditioning seed or viable grain, a copy of the Certificate of Registration issued under Part IV of the *Seeds Regulations* for the establishment at which the conditioning will take place;

(i) in the case of an importer of seed or viable grain, a copy of the Certificate of Registration issued under Part IV of the *Seeds Regulations* for the establishment at which the imported seed or viable grain will be prepared, and the address of that establishment;

(j) for each establishment mentioned in paragraphs (h) and (i), the name of the individual who is licensed under section 96 of the *Seeds Regulations* as the operator of the establishment and a copy of his or her licence;

(k) in the case of the owner or operator of a laboratory who intends to possess industrial hemp for the purpose of testing for viability, evidence that the laboratory has been designated as an accredited laboratory under section 14 of the *Canada Agricultural Products Act*, and the address of the laboratory;

(l) the address of the place in Canada where the applicant will keep the records, books, electronic data or other documents that are required by these Regulations to be kept;

(m) in respect of the applicant, each officer and director in the case of a corporation or cooperative and each partner in the case of a partnership, a document issued by a Canadian police force setting out for the previous 10 years his or her criminal record in respect of any designated drug offences, or indicating that the person has no such record;

(n) in addition to the document referred to in paragraph (m), for any officer, director or partner who ordinarily resides in a country other than Canada, a document issued by a police force of that country setting out for the previous 10 years his or her criminal record in respect of any offence that if committed in Canada would constitute a designated drug offence, or indicating that the person has no such record; and

(o) a statement that the applicant will meet the security measures required by these Regulations in respect of the activity.

(2) An application shall be signed by the applicant or, in the case of a corporation, cooperative or partnership, one of its officers, directors or partners, as the case may be, and indicate that all information and documents submitted in support of the application are correct and complete to the best of his or her knowledge.

Issuance

9. (1) Subject to subsection (2), the Minister shall, on receipt of an application containing the information and documents required under section 8, issue a licence or authorization that sets out the following:

(a) the licence or authorization number;

(b) the name of the person to whom the licence or authorization is issued;

(c) the activities that are permitted, and the location at which each activity is permitted;

(d) the address of the place referred to in paragraph 8(1)(f), (h), (i) or (k), or the number of hectares and Global Positioning System coordinates referred to in paragraph 8(1)(g);

(e) the form of industrial hemp for which each activity is permitted;

(f) in the case of a plant breeder, the variety of industrial hemp that may be cultivated; and

(g) any conditions that are necessary to minimize security, public health or safety hazards related to the licensed or authorized activities.

(2) The Minister shall refuse to issue a licence or authorization in the following cases:

(a) if the applicant will have any single area of less than four hectares (10 acres) of industrial hemp under cultivation for viable grain or for fibre;

(b) if the applicant will have any single area of less than 0.4 hectare (1 acre) of industrial hemp under cultivation for seed, unless the applicant is a plant breeder;

(c) if the applicant, in each of the previous two years for which he or she was licensed under these Regulations,

(i) had any single area of less than four hectares (10 acres) of industrial hemp under cultivation for viable grain or for fibre, or

(ii) had any single area of less than 0.4 hectare (1 acre) of industrial hemp under cultivation for seed, unless the applicant is a plant breeder;

(d) if the application is for conditioning or importing seed or viable grain, the applicant does not own or operate an establishment registered under Part IV of the *Seeds Regulations* that will condition or prepare, as the case may be, the seed or viable grain;

(e) if false or misleading information, or false or falsified documents, have been submitted in or with the application;

(f) if in the previous five years the applicant has had a licence or authorization under the Act revoked or, in the case of a corporation, cooperative or partnership, any of its officers, directors or partners, as the case may be, has had such a licence or authorization revoked or has been an officer, director or partner of a corporation, cooperative or partnership, as the case may be, that has had such a licence or authorization revoked, except if the revocation was due to loss or theft of the licence or authorization;

(g) if the applicant or, in the case of a corporation, cooperative or partnership, any of its officers, directors or partners, as the case may be, has a criminal record that includes within the previous 10 years

(i) a designated drug offence, or

(ii) if he or she ordinarily resides in a country other than Canada, an offence that if committed in Canada would constitute a designated drug offence;

(h) if the applicant does not meet the security measures required by these Regulations in respect of the activity; or

(i) if the applicant or, in the case of a corporation, cooperative or partnership, any of its officers, directors or partners, as the case may be, is less than 18 years of age.

(3) The Minister may refuse to issue a licence or authorization if the applicant has not complied with any provision of these Regulations or any condition set out in a previous licence or authorization.

(4) The Minister may not refuse to issue a licence or

authorization unless the Minister

(a) has provided the applicant with a written report setting out the reasons for the proposed refusal;

(b) has given the applicant an opportunity to be heard, either by written or oral representations, in respect of the proposed refusal; and

(c) has sent a notice of refusal to the applicant.

(5) A licence or authorization is valid for the calendar year for which it is issued.

Amendments

10. (1) Where the holder of a licence or authorization requires an amendment to the licence or authorization, he or she may submit a written request to the Minister, together with the licence or authorization. Subject to subsections (2) and (3), on receipt of the request, the Minister shall amend the licence or authorization accordingly.

(2) The Minister shall refuse to amend the licence or authorization if there exists any circumstance that would require its issuance to be refused under subsection 9(2).

(3) The Minister may refuse to amend the licence or authorization if there exists any circumstance that would permit its issuance to be refused under subsection 9(3).

Notification

11. (1) The holder of a licence or authorization shall notify the Minister of the following changes, within 15 days after the change:

(a) in the case of a corporation, cooperative or partnership, the addition or replacement of an officer, director or partner, as the case may be;

(b) a change to the address referred to in paragraph 8(1)(l);

(c) the replacement of an individual referred to in paragraph 8(1)(j);

(d) a change in the mailing address of the holder;

(e) a change in the ownership of the land used to cultivate industrial hemp;

(f) a change to the approved cultivar being sown or, in the case of a plant breeder, to the variety of industrial hemp being sown;

(g) the revocation or expiration of a certificate or licence required to be submitted with the application; and

(h) the revocation or expiration of the licence holder's membership in the Canadian Seed Growers' Association.

(2) If the notification is in respect of the addition

or replacement of an officer, director or partner, the holder of the licence or authorization shall provide the Minister with the documents referred to in paragraphs 8(1)(m) and (n) in respect of that person.

(3) If the notification is in respect of a change of ownership referred to in paragraph (1)(e), the holder of the licence or authorization shall provide the Minister with a statement signed by the new owner of the land, indicating that he or she has consented to the land being used to cultivate industrial hemp.

12. The holder of a licence, authorization or permit shall notify the Minister as soon as possible of its loss or theft.

Revocation

13. (1) The Minister shall revoke a licence or authorization at the request of the holder, or on being notified by the holder that the licence or authorization has been lost or stolen.

(2) Subject to subsection (4), the Minister shall revoke a licence or authorization in the following cases:

(a) if false or misleading information, or false or falsified documents, have been submitted in or with the application;

(b) if the Minister has been informed, and has verified, that the holder or, in the case of a corporation, cooperative or partnership, any of its officers, directors or partners, as the case may be, has a criminal record that includes within the previous 10 years

(i) a designated drug offence, or

(ii) if he or she ordinarily resides in a country other than Canada, an offence that if committed in Canada would constitute a designated drug offence;

(c) in the case of a corporation, cooperative or partnership, if any person who is less than 18 years of age is named as an officer, director or partner, as the case may be;

(d) where the holder of a certificate or licence that was required to be submitted with the application no longer holds the certificate or licence;

(e) where a laboratory that has been designated as an accredited laboratory under section 14 of the *Canada Agricultural Products Act* no longer holds that designation; or

(f) in the case of a person who cultivates for seed, he or she is no longer a member of the Canadian Seed Growers' Association.

(3) Subject to subsection (4), the Minister may revoke a licence or authorization, where it is necessary to protect the security, safety or health of the public, if the Minister has reasonable grounds to believe that the holder

has failed to comply with any provision of these Regulations or any condition of the licence or authorization.

(4) The Minister may not revoke a licence or authorization under subsection (2) or (3) unless

(a) the Minister has provided the holder of the licence or authorization with a written report setting out the reasons for the proposed revocation;

(b) the Minister has given the holder an opportunity to be heard, either by written or oral representations, in respect of the proposed revocation;

(c) the holder has not taken any corrective measures that are required by the Minister, within the time specified by the Minister; and

(d) the Minister has sent a notice of revocation to the holder.

CULTIVATION

14. (1) A person who holds a licence to cultivate industrial hemp, other than as a plant breeder, may sow in a region only seed that is an approved cultivar for that region.

(2) A plant breeder may sow only the variety of industrial hemp specified on his or her licence.

(3) On and after January 1, 2000, an approved cultivar referred to in subsection (1) must be of a pedigreed status, as defined in subsection 2(2) of the *Seeds Regulations*.

15. (1) A person who holds a licence to cultivate industrial hemp only for fibre shall harvest the crop before the achenes of 50% of the plants are resistant to compression.

(2) A person who holds a licence to cultivate industrial hemp shall, at the time of harvesting the crop, dispose of the branches, leaves and flowering heads by retting or by otherwise rendering them into a condition such that they cannot be used for any purpose not permitted under the Act.

16. (1) Unless testing is not required for an approved cultivar in a region, as indicated in the *List of Approved Cultivars*, a person who holds a licence to cultivate industrial hemp shall, in order to determine the concentration of THC in the hemp,

(a) have samples of the industrial hemp collected in accordance with the methods set out in the Manual; and

(b) have the samples tested at a competent laboratory using analytical procedures set out in the Manual.

(2) The results of each laboratory test shall be submitted to the Minister within 15 days after the test, together with the name of the approved cultivar to which the test relates.

17. A person who holds a licence to cultivate

industrial hemp shall ensure that all equipment that is used to sow or harvest the hemp is thoroughly cleaned after each such use in order to avoid the inadvertent dissemination of industrial hemp.

IMPORTATION

18. A person who is licensed to import seed may import only seed that is of an approved cultivar or, in the case of a plant breeder, seed of a variety of industrial hemp specified on his or her licence.

19. (1) When viable grain is imported, the importer shall ensure that each shipment is accompanied by a document, issued by the competent authorities of a country or an association of countries set out in the *List of Countries Approved for the Importation of Viable Grain* published by the Department of Health, as amended from time to time, that establishes that the viable grain originated from that country or a country that is a member of that association of countries.

(2) The Minister shall add a country or association of countries to that List where the Minister has reasonable grounds to believe that their controls on the production of viable grain meet requirements that

(a) are equivalent to those set out in these Regulations; and

(b) ensure that the viable grain will not produce a plant containing more than 0.3% THC w/w in its leaves and flowering heads.

(3) The Minister shall remove from that List a country or association of countries that no longer meets those requirements.

20. No person shall import seed or viable grain solely for the purpose of conditioning, unless it is of an approved cultivar that will be exported once it has been conditioned.

21. (1) An importer who applies for a permit to import industrial hemp shall submit the following information to the Minister, on a form provided by the Department of Health:

(a) the name and number on the importer's licence;

(b) the name and address of the person from whom the industrial hemp is being purchased;

(c) the port of entry;

(d) the address of the customs office, sufferance warehouse or bonded warehouse, as defined in the *Customs Act*, to which the shipment is to be delivered;

(e) each mode of transportation;

(f) the form in which the industrial hemp is to be imported, the quantity of each form, the variety of industrial hemp, if applicable, the country of origin of each form of the industrial hemp and the countries of transit and transshipment; and

(g) a statement certifying that the package and the contents do not contravene any known requirement of the laws of the country from which the industrial hemp is imported, or any country of transit or transshipment.

(2) An application shall be signed by the applicant or, in the case of a corporation, cooperative or partnership, one of its officers, directors or partners, as the case may be, and indicate that all information submitted in support of the application is correct and complete to the best of his or her knowledge.

22. (1) Subject to subsection (2), on receipt of an application for an import permit, the Minister shall issue the permit.

(2) The Minister shall refuse to issue an import permit if

(a) the applicant does not hold a licence to import industrial hemp or has been notified that a new licence is to be refused under subsection 9(2) or (3);

(b) the applicant has provided false or misleading information in the application; or

(c) the Minister has reasonable grounds to believe that the shipment for which the permit is requested will contravene these Regulations.

(3) An import permit is valid for a maximum of three months, as specified on the permit, or until the permit holder's licence expires, whichever is earlier.

23. A person who is licensed to import industrial hemp shall ensure that the original copy of the import permit is attached to the shipment of the industrial hemp.

24. Within 20 days after the date of release of a shipment in Canada, the importer shall provide the Minister with a declaration that contains the following information:

(a) the name and numbers on the importer's licence and permit;

(b) the date of release of the shipment of industrial hemp;

(c) the quantity of industrial hemp received; and

(d) if the shipment consists of seed,

(i) evidence establishing that the seed is an approved cultivar or, in the case of a plant breeder, that it is a variety of industrial hemp specified on the plant breeder's licence, and

(ii) for shipments released on and after January 1, 2000, evidence establishing that the approved cultivar is of a pedigreed status, as defined in subsection 2(2) of the *Seeds Regulations*.

25. The Minister shall revoke an import permit

(a) at the request of the permit holder;

(b) on being notified by the permit holder that the permit has been lost or stolen;

(c) if the permit holder's licence is revoked; or

(d) if the Minister has reasonable grounds to believe, in respect of a shipment, that the package or the contents contravene any known requirement of the laws of the country from which the industrial hemp is imported, or any country of transit or transshipment.

EXPORTATION

26. (1) An exporter who applies for a permit to export industrial hemp shall submit the following information to the Minister, on a form provided by the Department of Health:

(a) the name and number on the exporter's licence;

(b) the name and address of the person to whom the shipment of industrial hemp is to be consigned;

(c) the port of exit;

(d) the address of the customs office, sufferance warehouse or bonded warehouse, as defined in the *Customs Act*, at which the shipment is presented for exportation;

(e) each mode of transportation;

(f) the form in which the industrial hemp is to be exported, the quantity of each form, the variety of industrial hemp, if applicable, the country of origin of each form of the industrial hemp and the countries of transit and transshipment; and

(g) a statement certifying that the package and the contents do not contravene any known requirement of the laws of the country to which the industrial hemp is or is about to be consigned, or any country of transit or transshipment.

(2) An application shall be signed by the applicant or, in the case of a corporation, cooperative or partnership, one of its officers, directors or partners, as the case may be, and indicate that all information submitted in support of the application is correct and complete to the best of his or her knowledge.

27. (1) Subject to subsection (2), on receipt of an application for an export permit, the Minister shall issue the permit.

(2) The Minister shall refuse to issue an export permit if

(a) the applicant does not hold a licence to export industrial hemp or has been notified that a new licence is to be refused under subsection 9(2) or (3); or

(b) the applicant has provided false or misleading information in the application.

(3) An export permit is valid for a maximum of three months, as specified on the permit or until the permit holder's licence expires, whichever is earlier.

28. A person who is licensed to export industrial hemp shall ensure that the original copy of the export permit is attached to the shipment of the industrial hemp.

29. Within 20 days after the date of exportation, the exporter shall provide the Minister with a declaration that contains the following information:

(a) the name and numbers on the exporter's licence and permit;

(b) the date of exportation of the industrial hemp; and

(c) the quantity of industrial hemp exported.

30. The Minister shall revoke an export permit

(a) at the request of the permit holder;

(b) on being notified by the permit holder that the permit has been lost or stolen;

(c) if the permit holder's licence is revoked; or

(d) if the Minister has reasonable grounds to believe, in respect of a shipment of industrial hemp, that the package or the contents contravene any known requirement of the laws of the country to which it will be exported, or any country of transit or transshipment.

POSSESSION

31. Every person who possesses seed or viable grain for the purpose of rendering it non-viable shall

(a) render it non-viable in accordance with the methods set out in the Manual;

(b) have it tested for viability at a laboratory that is designated as an accredited laboratory under section 14 of the *Canada Agricultural Products Act*; and

(c) keep the records that demonstrate that the rendering process was successful.

GENERAL

32. (1) Seed or viable grain shall be transported and stored in a package that is sealed in a way that makes it impossible to open the package easily without leaving evidence of its having been opened, and that is marked in a manner that is sufficient to identify the package.

(2) No person shall sell viable grain to a person who holds a licence to cultivate industrial hemp unless the holder is also licensed to produce a derivative of industrial hemp.

33. Every licence holder who is required by these Regulations to have the THC concentration in industrial hemp tested, or to maintain records of that testing, shall keep a

representative sample of the industrial hemp tested for at least two years. The sample must be collected in accordance with the Manual.

34. Every person who holds a licence or authorization shall report as soon as possible to the Minister any theft or loss of industrial hemp, specifying the form of the hemp.

35. Every person who holds a licence or authorization shall post in a conspicuous place, at the place where they keep their records, books, electronic data or other documents that are required by these Regulations to be kept,

(a) the original or a copy of their licence or authorization; and

(b) a copy, if any, of their certificate of membership in the Canadian Seed Growers' Association and any certificate or licence required to be submitted with their application.

SECURITY MEASURES

36. No person who holds a licence to cultivate industrial hemp shall cultivate it within one kilometre of any school grounds or any other public place usually frequented by persons under the age of 18 years.

37. Every person who holds a licence or authorization shall, in respect of all industrial hemp that they store, keep it in a locked container or a locked location, or on premises to which only authorized persons have access.

RECORDS, BOOKS, ELECTRONIC DATA AND OTHER DOCUMENTS

38. (1) Every person who holds a licence or authorization shall keep, at the place referred to in paragraph 8(1)(1), the records, books, electronic data or other documents that contain the following information:

(a) the form in which the industrial hemp is imported, purchased or sold, and the variety of industrial hemp, if applicable;

(b) the quantity of each form of industrial hemp imported, purchased or sold;

(c) in the case of a person who holds a licence to cultivate industrial hemp, the quantity of seed of each approved cultivar that is sown, or of each variety of industrial hemp if the person is a plant breeder, the quantity of seed or viable grain harvested and the date of harvest;

(d) the source of the industrial hemp imported or purchased, namely the name and address of the person who exported or sold it and the country of origin, if applicable;

(e) the destination of the industrial hemp that is sold, namely, the name and address of the purchaser and the country to which it is exported, if applicable;

(f) the date that each shipment of industrial hemp is sent or received;

(g) in the case of a person who ships industrial hemp, the name of the carrier; and

(h) the results of any tests required by these Regulations.

(2) Every person who holds a licence to provide, sell or import seed or viable grain shall also keep records, books, electronic data or other documents that contain the following information:

(a) the name, address and licence number of the person to whom the seed or viable grain is delivered;

(b) the date of each shipment;

(c) the quantity shipped;

(d) the identifying mark referred to in subsection 32(1); and

(e) if applicable, the name and licence number of the person from whom the seed or viable grain was purchased, the date it was purchased, the quantity purchased and the identifying mark referred to in subsection 32(1).

(3) The information specified in subsections (1) and (2) shall be kept for at least two years after it was obtained.

(4) A person who holds a licence or authorization shall provide to an inspector, on request, any of the records, books, electronic data or other documents required to be kept under subsections (1) and (2), in order that the inspector may verify whether the person has complied with the Act and these Regulations.

APPROVED CULTIVARS

39. (1) The Minister shall designate a variety of industrial hemp as an approved cultivar for a region if

(a) it is a variety of hemp that is recognized by the Canadian Seed Growers' Association, the Canadian Food Inspection Agency or the Organisation for Economic Co-operation and Development; and

(b) the Minister has reasonable grounds to believe that the cultivar is likely to produce a plant that will contain 0.3% THC w/w or less in its leaves and flowering heads when it is cultivated in the region of Canada for which it is to be designated.

(2) Where the Minister has reasonable grounds to believe, based on the results of tests conducted in accordance with section 16, that hemp of an approved cultivar consistently contains 0.3% THC w/w or less when it is cultivated in a region, the Minister shall indicate in the *List of Approved Cultivars* that further testing under that section is not required for that cultivar in that region.

(3) The Minister shall revoke the designation of a variety of industrial hemp for a region if that variety

(a) is no longer recognized as a variety of hemp by the Canadian Seed Growers' Association, the Canadian Food Inspection Agency or the Organisation for Economic Co-operation and Development; or

(b) when tested by a competent laboratory using analytical procedures set out in the Manual, does not produce results demonstrating that it consistently produces a plant that contains 0.3% THC w/w or less in its leaves and flowering heads when it is cultivated

(i) in a country or a part of a country with growing conditions that are similar to the region of Canada for which it is designated, or

(ii) in the region of Canada for which it is designated.

COMING INTO FORCE

40. These Regulations come into force on March 12, 1998.

ORDER AMENDING SCHEDULE II TO THE CONTROLLED DRUGS AND SUBSTANCES
ACT

AMENDMENT

1. Subitem 1(8) of Schedule II of the *Controlled Drugs and Substances Act* is replaced by the following: (8) Non-viable Cannabis seed, with the exception of its derivatives

COMING INTO FORCE

2. This Order comes into force on March 12, 1998.

REGULATIONS AMENDING THE NARCOTIC CONTROL REGULATIONS

AMENDMENT

1. Subitem 17(8)* of the schedule to the *Narcotic Control Regulations* is replaced by the following:**

- (8) Non-viable Cannabis seed, with the exception of its derivatives

COMING INTO FORCE

2. These Regulations come into force on March 12, 1998.

* SOR/97-227

** C.R.C., c. 1041