



States Greffe: Scrutiny

Senator Lyndon Farnham  
Minister for Economic Development, Tourism, Sport and Culture  
By email

5th March 2021

Dear Minister

**Economic and International Affairs Scrutiny Panel**

**Medicinal Cannabis**

I write further to the briefing that the Panel received on 25th January 2021 in relation to the work that the Government is doing to diversify the rural economy, through cultivation of the high value cannabis crop, in a well-regulated Jersey medicinal cannabis industry.

In order to further inform the Panel about this Government workstream, we would be grateful if you could provide written responses to the following questions.

Specifically, our questions relate to:

**Licences, Licence holders and the application process**

1. Please can you advise how many companies are registered with a licence to cultivate and manufacture cannabis products?
2. Please can you provide lists of the various licences, along with their cost and the requirements for granting each licence, that will be required for the cultivation and manufacture of cannabis products?
3. Would it be possible for foreign investors to circumvent the Jersey residency requirements by appointing Jersey based legal practices to make applications on their behalf?
4. Please can you advise whether a licence can be issued prior to identification of a suitable site and whether a licence can be revoked if no such site is identified?
5. Please can you explain the rationale for the minimum 20% shareholding in businesses involved in the cultivation and manufacture of cannabis products?

6. Please advise why it is not a requirement for all shareholders to provide their details to ensure transparency, and why not all shareholders are named on the licence application?
7. Please can you explain the process for assessing and granting licences, from the paper application stage to granting a licence etc...?

### **Site Security**

8. Who do you envisage will determine any site security issues from both an application and enforcement perspective, and what levels of site security will be in place?
9. Can you confirm if site security will require any planning permission, and if this will be required prior to the application for a licence?
10. Can you confirm if businesses operating under a licence will need to have any additional record keeping requirements?
11. What levels of due diligence will be carried out on persons operating a licence or employees of persons operating a licence?
12. How will monitoring and enforcement measures be funded and resourced?
13. In the absence of specific provisions relating to the taxation of profits from cannabis cultivation, how will this impact the future tax liability of applicants?
14. Will applicants be able to offset the capital costs of converting premises into facilities for processing cannabis, against future income?

### **Site Planning and Environmental Considerations**

15. Can you confirm if agricultural sites considered for a licence require prior planning permission that accounts for potential light pollution, noise pollution or unwanted smells prior to commencing cannabis cultivation and manufacture?
16. Can you advise what dialogue you have had with the Minister for the Environment, to ensure that applicants are aware of any planning obligations which must be fulfilled prior to commencing cultivation of cannabis?
17. Are you aware of any risks from existing planning obligations, that may negatively impact businesses cultivating and manufacturing cannabis products?
18. Can you advise why production sites are required to be located away from schools or other childcare facilities?

### **Memorandum of Understanding – Home Office**

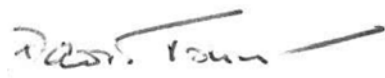
19. Could you explain whether local companies, under the Memorandum of Understanding (MOU), will require a Home Office Licence to cultivate and process cannabis, and if so, at what cost?
20. Could you advise to what extent the UK Drug and Firearms Licensing Unit (DFLU) will be involved in the oversight, monitoring and consultation of cannabis cultivation and processing in Jersey, and what costs might this incur for local businesses and/or the Jersey taxpayer?
21. Could you confirm if you are considering issuing provisional licences, similar to Alcohol Licensing, for businesses wishing to cultivate and process cannabis products?

### **Memorandum of Understanding – DFLU**

22. Could you explain how the MOU will operate in practise, in respect of relations between the DFLU and the Jersey Cannabis Agency?
23. Could you advise what obligations will be placed on the relevant Jersey authorities and the DFLU under the MOU?
24. Could you provide details about the cost implications of the MOU and any means of redress for local businesses wishing to appeal a decision on costs?

Thank you in advance for providing written answers to our questions. It is likely that we will have follow up questions to your responses and so we may need to arrange a further meeting or briefing in order to deal with these.

Yours sincerely



Deputy David Johnson  
Chair  
Economic and International Affairs Scrutiny Panel