

Cannabis Law



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Biggest changes

We've been acting for large licensed producers for years, and now, on top of advising these issuers on cannabis matters, we're assisting them in making their respective businesses larger. They're fine-tuning their models for what they're acquiring and for building out their brands. We're seeing a large rise in M&A transactions as the industry consolidates. Before recreational cannabis was legalized, clients who had been in the business's medical sphere for a significant time were preparing for that new market. The recreational market is here now, and issuers already have large market caps, the largest ones in the billions of dollars. Now they're becoming senior issuers, looking at policies and taking corporate governance seriously. It's well known that we represent Aurora Cannabis (a leader in the industry) and acted on all of their major acquisitions last year, including the two largest M&A transactions: CanniMed and MedReleaf. Our Cannabis Practice Group had a very strong year in 2018.

B.C.'s hybrid retail model: points of failure

The B.C. model hasn't been effective for a number of reasons. Acting as a warehouse, the government buys cannabis from licensed producers and then sells it to certain retail stores. The government has its own stores and has not been quick to open them. Vancouver had a prolific culture of having dispensaries; many of those are still open, but it's unclear to the public what is legal and what is not. That's a point of failure on the B.C. government. Another is the few stores open in B.C. that are privately owned. One of the best ways to meet the federal government's key policy objective of keeping profits out of the hands of criminals is to involve in the industry those people who have excellent knowledge of what consumers actually want to buy and how they will consume it. In my mind, that's not government; that's private industry.

