Canada's Historic Bill C-45 Breaks Ground for the Cannabis Industry

June 21, 2018

On Tuesday, June 19, 2018, Canada's Senate passed a historic bill — Bill C-45 — making Canada the second country in the world and the first G7 nation to legalize and federally regulate commercial production and sale of cannabis outside of medical use. An adult-use market for cannabis will operate alongside Canada's medical and industrial hemp markets. All three markets will be primarily regulated under the *Cannabis Act*. Two key aspects of the *Cannabis Act* are the provincial regulation of adult-use cannabis storefronts, and in late 2019, increased diversity in saleable classes of cannabis.

Industry participants can also expect greater clarity around advertising, promotional and informational materials than in the current medical market. The current patchwork of the *Food and Drugs Act* and the *Narcotic Control Regulations* were drafted without consideration of a medical market regulated under the *Access to Cannabis for Medical Purposes Regulations*. Regulations specific to cannabis will reduce uncertainty around compliant public communications in the medical market and will define compliance in the adult-use market.

The *Cannabis Act* will also lower the barrier to entry for entities interested in participating in the industry and provide for more specialized licences. Licences specific to cultivation, and to downstream activities such as packaging dried cannabis, extraction of cannabis resin, formulation and encapsulation of cannabis oil, and experimentation with classes of cannabis that are not yet regulated for sale will be more accessible. Licences restricted to research and development are also expected to be an option, which will simplify education that includes handling and learning about cannabis plants or products.

Canada's stepwise regulation will see new classes of cannabis regulated by late 2019: concentrates and edibles. New classes of cannabis and new dosage forms within those classes will play significant roles in the future of both the adult-use and medical markets, and to a great extent, will define the public face of those markets. Unexpected regulatory challenges and opportunities are sure to follow as the industry expands in size and in the ways to participate. Canada's global leadership in this social policy experiment and newly-regulated industry demands that we regulate responsibly — the world is watching.

This historical bill is expected to come into force on October 17, 2018.

Contact Us

BLG is committed to playing an active role in helping domestic and foreign clients effectively and responsibly navigate the Canadian cannabis industry. BLG is at the forefront of Canadian law firms acting as counsel on corporate transactions, and providing ongoing legal advice and intellectual property agency services to a wide variety of industry participants.

To find out how BLG's Cannabis Industry Focus Group can assist you, please contact one of the authors listed below.

By

Katherine (Kate) J. Menear, David Wood

BLG | Canada's Law Firm

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 800 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

blg.com

BLG Offices

Calgary

Centennial Place, East Tower
520 3rd Avenue S.W.
Calgary, AB, Canada
T2P 0R3

T 403.232.9500
F 403.266.1395

Ottawa

World Exchange Plaza
100 Queen Street
Ottawa, ON, Canada
K1P 1J9

T 613.237.5160
F 613.230.8842

Vancouver

1200 Waterfront Centre
200 Burrard Street
Vancouver, BC, Canada
V7X 1T2

T 604.687.5744
F 604.687.1415

Montréal

1000 De La Gauchetière Street West
Suite 900
Montréal, QC, Canada
H3B 5H4

T 514.954.2555
F 514.879.9015

Toronto

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada
M5H 4E3

T 416.367.6000
F 416.367.6749

The information contained herein is of a general nature and is not intended to constitute legal advice, a complete statement of the law, or an opinion on any subject. No one should act upon it or refrain from acting without a thorough examination of the law after the facts of a specific situation are considered. You are urged to consult your legal adviser in cases of specific questions or concerns. BLG does not warrant or guarantee the accuracy, currency or completeness of this publication. No part of this publication may be reproduced without prior written permission of Borden Ladner Gervais LLP. If this publication was sent to you by BLG and you do not wish to receive further publications from BLG, you may ask to remove your contact information from our mailing lists by emailing unsubscribe@blg.com or manage your subscription

preferences at blg.com/MyPreferences. If you feel you have received this message in error please contact communications@blg.com. BLG's privacy policy for publications may be found at blg.com/en/privacy.

© 2026 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.