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Draft of a key points paper of the Federal Government on the introduction of controlled dispensing of cannabis to adults for consumption purposes

Attachments: - 3 -

I am sending this draft of a key points paper by the Federal Government on the introduction of controlled dispensing of cannabis to adults for consumption purposes, together with a proposed resolution and a speaking note for the Government Spokesman, with the request that the Federal Government's resolution be included as a regular item on the agenda for the Cabinet meeting on October 26.

The Board of Management is authorized to amend the Articles of Incorporation.

The key points contain essential statements on the introduction of the controlled sale of cannabis to adults for consumption purposes, as agreed in the coalition agreement. Extensive measures to improve health protection for consumers, the protection of children and young people, and information, counseling and prevention services are addressed. A state-controlled supply chain is to ensure health protection and curb organized crime and the black market. The social impact of the law will be evaluated after four years and beyond.

The Federal Ministries of Economics and Climate Protection, of Finance, of the Interior and of Health, the Foreign Office, the Federal Ministries of Justice, Labor and Social Affairs, Defense, Food and Agriculture, Family Affairs, Senior Citizens, Women and Youth, Digital Affairs and Transport, Environment, Nature Conservation, Nuclear Safety and Consumer Protection, Economic Cooperation and Development, and the Federal Government Commissioner for Addiction and Development; the Federal Government Commissioner for Digital Affairs and Transport, the Federal Government Commissioner for Environment, Nature Conservation, Nuclear Safety and Consumer Protection, the Federal Government Commissioner for Economic Cooperation and Development, and the Federal Government Commissioner for Narcotics and Addiction Issues have collaborated on and approved the key issues paper. The other federal ministries were involved and raised no objections.

The representatives of the German government for the interests of patients, for the interests of people with disabilities and for small and medium-sized enterprises were involved and raised no objections.

A handwritten signature in blue ink, consisting of two lines of cursive script. The first line starts with a large, sweeping 'J' and ends with a long horizontal stroke. The second line continues the cursive flow, starting with a smaller 'a' and ending with a similar horizontal stroke.

Proposed resolution

The Federal Government adopts the cornerstone paper submitted by the Federal Minister of Health on the introduction of controlled dispensing of cannabis to adults for consumption purposes.

**Speech note for the government
spokesman**

The federal cabinet today approved the federal government's key points paper presented by the Federal Minister of Health on the introduction of controlled dispensing of cannabis to adults for consumption purposes.

The coalition agreement provides for the controlled distribution of cannabis to adults for consumption purposes in licensed stores. This is intended to control quality, prevent the distribution of unlawful substances and ensure the protection of minors.

Following an intensive exchange with experts and interest groups in a preliminary consultation process led by the Federal Government Commissioner on Narcotic Drugs and Addiction, the Federal Government agreed on the following key points, which are to serve as a basis for the development of legal regulations in the departmental circle.

The goal of the federal government is to improve the protection of minors and the health of consumers through controlled dispensing. This includes in particular:

- state-licensed and controlled commercial cultivation and distribution of recreational cannabis
- Sale exclusively to adults
- Limitation of permissible acquisition and possession up to a maximum quantity of 20 to 30 grams for personal consumption
- Curbing the black market and organized drug crime
- controlled quality
- Examination of the limitation of psychoactive tetrahydrocannabinol (THC) in adults up to the age of 21.
- Sale by specialized stores with special expertise and specific consulting and prevention knowledge as well as offer of a consultation with each purchase
- educational information in the package insert on low-risk consumption, risks of consumption and references to counseling and treatment centers
- Limitation of private cultivation of cannabis to three plants per person of legal age
- Expansion of prevention services on cannabis, nationwide information platform, mass media campaign
- Mandatory early intervention measures for young people who use instead of criminal prosecution.
- general advertising ban
- Introduction of a cannabis tax and
- Evaluate the implementation of controlled dispensing of recreational cannabis to adults after four years, and on an ongoing basis

Cornerstone paper of the federal government on the introduction of controlled dispensing of cannabis to adults for consumption purposes

In the 2021 coalition agreement, the coalition parties agreed to introduce controlled dispensing of cannabis to adults for consumption purposes in licensed stores.

The aim is to control quality, prevent the transfer of contaminated substances, and ensure the best possible protection of minors and consumers' health. The social impact of the law is to be evaluated after four years.

Following an intensive exchange with experts and interest groups in the course of a preliminary consultation process led by the Federal Government Commissioner on Narcotic Drugs and Addiction, the Federal Government has agreed on the following key points, which serve as a basis for the development of legal regulations for the introduction of controlled dispensing of cannabis to adults for consumption purposes. The following summary provides an overview of the planned contents:

The introduction of a controlled sale of cannabis to adults aims to improve the protection of minors and the health of consumers and to curb the black market. In implementing the coalition's plan, the German government will take into account the framework of international and European law. To this end, it will issue an interpretative statement on existing international agreements and submit the draft law to the EU Commission for notification. The project can be flanked by Germany's commitment to individual amendments/updates at EU and international law level.

Cannabis and tetrahydrocannabinol (THC) will no longer be legally classified as narcotics. Cannabis for human consumption, medicinal cannabis and commercial hemp will be completely excluded from the scope of application of the Narcotics Act and the respective legal framework will be defined in a separate law.

The production, supply and distribution of recreational cannabis will be permitted within a licensed and state-controlled framework. The purchase and possession of up to a maximum quantity of 20 to 30 grams of cannabis for personal consumption in private and public spaces will be exempt from punishment; private cultivation will be permitted to a limited extent. With the entry into force of the planned new regulation, ongoing investigations and criminal proceedings concerning acts that will then no longer be punishable will be terminated.

The cultivation and distribution of cannabis is subject to strict state control. The distribution of cannabis may take place in licensed stores and, if necessary, pharmacies with age control. Dispensaries must meet requirements in terms of expertise, advice and location. Advertising of cannabis products is prohibited. There are strict requirements for the outer packaging of cannabis products.

For recreational cannabis, dosage forms for smoking and inhalation as well as for nasal and oral intake (capsules, sprays, drops) are permitted. Specifications are set to ensure quality and purity. Synthetically produced cannabinoids are not permitted.

The minimum age limit for the sale and purchase of cannabis is set at 18 years of age. Due to the increased risk of cannabis-related brain damage during adolescence, it is being considered whether an upper limit for the THC content should be set for the sale of cannabis to adults up to the age of 21.

Turnover from the sale of cannabis for human consumption is to be subject to VAT. In addition, the introduction of a special consumption tax ("cannabis tax") is planned.

Cannabis-related education and prevention work as well as target-group-specific counseling and treatment services will be further developed; in particular, it is necessary to introduce low-threshold and area-wide early intervention programs for consumption reflection for consuming adolescents. Evaluation of the social impact is planned after four years.

Among the planned contents in detail:

I. Legal framework for the implementation of the coalition project

International and European legal framework

1. International law focuses on three conventions that clearly limit the use of narcotic drugs such as cannabis. These include, in particular, the UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988. In terms of European law, the Schengen Convention (CISA) and the Council Framework Decision 2004/757/JHA of 25.10.04 must be taken into account. In addition, there are the effects of the three conventions under EU law, especially due to the EU's accession to the UN Convention in 1988 and due to the fundamental binding nature of the

EU Member States to EU negotiating lines for UN Commission on Narcotic Drugs meetings.

Assessment under international and European law

2. The aforementioned legal framework offers limited options for implementing the coalition project. The option of only limited legalization with a focus on personal cultivation for personal consumption and possession would fall short of the mandate of the coalition agreement. Against this background, the German government prefers the option of issuing an interpretative declaration to the other parties to the international conventions and to the international drug control bodies, according to which it declares this implementation of the coalition agreement - under certain narrow conditions of state regulation and improvement of standards in the areas of health and youth protection as well as combating illicit drug trafficking - to be compatible with the purpose and the legal requirements of the conventions.

This interpretation is made with regard to the German legal system and the BVerfG's jurisprudence¹ and builds on an interpretation declaration² already issued upon ratification of the UN Convention in 1988. For a compatibility with the purpose of the international legal requirements, a narrow state-controlled framework, the cultivation as well as the distribution and consumption of cannabis under improvement of the standards of health protection as well as the fight against international and national drug crime can be cited. In terms of European law, Germany is dependent on the EU Commission and the other Member States, as well as the ECJ, following Germany's interpretative approach and interpreting the CISA and the 2004 EU Framework Decision, as well as any provisions of the 1988 UN Convention that may be applicable under EU law, accordingly.

3. All the ways of implementing the coalition agreement are associated with different risks under international and European law. and European legal risks, which the German government has examined and assessed. In the above-mentioned interpretation, there is a risk of criticism both in international bodies (e.g. the UN Commission on Narcotic Drugs) and from other states. Under European law, close and transparent coordination will be essential to ensure that the EU Commission and member states follow Germany's interpretation approach and to minimize the risk of infringement proceedings and/or state liability claims, which would ultimately have to be decided by the ECJ. The project

¹ The so-called "Cannabis Decision" of the BVerfG from 1994 clarifies on the one hand that for the consumption of cannabis the scope of protection of the general freedom of action according to Art. 2 para. 1 GG is opened, as well as that insofar as the criminal provisions of the BtMG threaten behavior with punishment, which exclusively prepares the occasional personal consumption of small amounts of cannabis and is not associated with danger to others, the prosecution organs, in accordance with the prohibition of excessiveness, shall refrain from prosecution. The criminal prosecution organs have to refrain from prosecution of the offenses described in § 31a BtMG according to the prohibition of excessiveness". (BVerfGE 90, 145)

² When ratifying the 1988 UN Convention, the Federal Republic already made a declaration of interpretation when depositing the instrument of ratification on 30.11.1993: "According to the understanding of the Federal Republic of Germany, the basic features of the legal system referred to in Article 3 para. 2 may be subject to change." (BGBl 1994 II - No. 17 of 27.4.1994 - p. 496).

can be flanked by Germany's commitment to individual changes/updates at EU and international law level.

Notification procedure

4. According to the so-called Transparency Directive (RL (EU) 2015/1535), there is a notification obligation with the European Commission for product-related technical regulations. With the notification of the draft regulation to be prepared, a three-month standstill period begins, during which the regulation may not be adopted and the EU Commission or a Member State may submit a detailed opinion. If this occurs, the standstill period is extended by another 3 months and also requires a reaction. The EU Commission always reserves the right to initiate infringement proceedings at a later point in time if it believes the

The notification can also be made after the regulations have been issued (no standstill). Notification under the Services Directive (Art. 15(7) and Art. 39(5), second and third subparagraphs) can also be made after the regulations have been issued (no standstill period). The timing of the notification is coordinated between the ministries and must take place at the latest before the matter is referred to the Cabinet.

Changes in the national legal framework

Deletion of cannabis and THC from the narcotics law

5. All changes in national law must take into account the goal of a high level of protection for young people and the health of consumers, as well as the effective combating of drug-related crime and the curbing of the black market. Cannabis (plant, cannabis resin) and THC will in future no longer be legally classified as narcotics within the meaning of the Narcotics Act (BtMG). Cannabis for human consumption, medical cannabis and commercial hemp will be completely excluded from the scope of application of the BtMG and the respective legal framework will be defined in a separate law. There is a clear legal demarcation between cannabis for human consumption, medicinal cannabis and commercial hemp with an independent regulatory regime, whereby the existing regulations on medicinal cannabis are not to be adapted in principle. Medical cannabis (plant and plant preparations) can continue to be prescribed as medicinal products under the existing social law requirements.

Special regulations on commercial hemp and cannabidiol (CBD)

6. The maximum THC value for commercial hemp should be set at 0.3 percent, for example, in accordance with the EU law that will apply from January 1, 2023. Special regulations may have to be adopted for the handling of cannabidiol (CBD) products.

Sanctioning

7. The production, supply, and distribution of recreational cannabis within a legalized,

licensed production, supply and distribution chain are generally exempt from punishment. The purchase and possession of up to 20 to 30 grams of cannabis (dried plants) for personal consumption in private and public areas are exempt from punishment, regardless of the specific THC content and origin. In practice, the THC value and the origin of the cannabis can only be determined with a high level of technical laboratory effort. This is expected to reduce the burden on law enforcement authorities with regard to time-consuming and disproportionate laboratory testing of the THC content of cannabis (dried plants). In addition, it is being examined whether a draft law should take into account other general weight or quantity limits for resin or liquids that take into account the possibly different potency.

8. Self-cultivation for personal consumption is permitted to a limited extent and is exempt from punishment, i.e. three female flowering plants per adult, and flanked with special child and youth protection regulations, e.g. plants and yields from self-cultivation are to be protected from access by children and youth. Self-cultivation may be subject to notification. The sale of seeds and seedlings is regulated.
9. For minors, the behaviors that have so far been punishable under criminal law, in particular the cultivation, acquisition and possession of cannabis for human consumption, remain prohibited (administrative prohibition). For reasons of proportionality and with regard to the desired decriminalization, however, actions that are permitted for adults will not be punishable for minors either. An appropriate authority, such as the youth welfare office, can oblige minors in possession to participate in an early intervention or prevention program (see III. Protection of children and young people).
10. Beyond the above-mentioned areas, adults as well as minors are still liable to prosecution, e.g. for trafficking and placing on the market without a license, regardless of the quantity, as well as for acquisition, possession and cultivation above the respective permitted quantities. For the corresponding basic offenses, a range of punishment of imprisonment of up to three years or a fine will apply. Criminal offenses with increased penalties in particularly serious cases and qualification offenses, which are basically based on the system of the BtMG, as well as misdemeanor offenses are introduced. The controlled distribution of cannabis to adults is a reaction to a changed risk assessment, so that lower penalties than in the BtMG are appropriate at all levels. Particularly serious cases include, for example, acts involving a quantity that is not small or acting on a commercial basis, which should be punishable by imprisonment from three months to five years. Offenses with a particularly dangerous potential, especially those that are usually attributed to organized crime and/or that are particularly dangerous to children and young people, are qualified as crimes with a penalty of not less than one year, for example, gang trafficking, trafficking in a quantity that is not small while carrying a weapon, the commercial distribution of cannabis to minors by a person over 21 years of age or the determination of a

Minor to engage in trafficking or the like by a person over 21 years of age.

From the perspective of international and European Union law in particular, it should be examined in the further proceedings whether import and export should be prohibited in general or only if the permissible possession quantity is exceeded; Article 71 (1) to (3) of the CISA and the goal of curbing drug tourism could speak in favor of the former.

Violation of licensing requirements, record-keeping obligations or unauthorized advertising, for example, constitutes an administrative offense and may be punished by a fine (see supplementary item 33).

Law enforcement

11. Prior to the entry into force of the planned new regulations, it is incumbent upon the law enforcement authorities of the Länder to refrain from prosecution and to apply the applicable opportunity regulations (in particular Section 31a BtMG). It is suggested that the Länder coordinate their efforts in this regard.

When the planned new regulation comes into force, ongoing investigation and criminal proceedings will be terminated by the options already provided for in the Code of Criminal Procedure. It remains to be examined whether transitional provisions are required for enforcement measures that have not yet been completed. The details of any procedural regulations will be examined. In addition, account is to be taken of the justified interest of those affected in the removal of the stigma of the conviction. To this end, convictions entered in the Federal Central Register solely for an act for which the law no longer provides a penalty (in particular, possession, acquisition and cultivation of cannabis up to a maximum quantity of 20 to 30 grams or three female flowering plants, see above) are to be erased. The conditions of the eradications upon application are to be determined in a procedure yet to be determined.

Road traffic law

12. Whether the controlled supply of cannabis to adults for consumption purposes has an impact on the applicable limits in road traffic and the exceptional circumstances for the intended use of a drug prescribed for a specific case of illness within the framework of the administrative offense of Section 24a (2) sentence 3 of the Road Traffic Act (driving under the effect of the psychoactive substances listed in the Annex to Section 24a (2) of the Road Traffic Act) can only be determined with the involvement of the relevant expert bodies. The regulations on the permissibility of driving under the effect of psychoactive substances such as cannabis in road traffic are based exclusively on the requirements of road safety. The above statements apply accordingly to the relevant provisions of shipping law, which refer to the limits in road traffic and contain a corresponding exception. In aviation, Section 4a of the Air Traffic Act applies.

II. Dispensing regulations

Dosage forms, delivery and quality

13. Synthetically produced cannabinoids will not be permitted. Only certain forms of cannabis for consumption purposes are permitted. Forms of administration for smoking, inhalation, nasal and oral ingestion in the form of capsules, sprays and drops are permitted. An extension to so-called edibles (products other than foodstuffs that are offered for oral ingestion) will be examined at the latest as part of the evaluation of the law (see paragraph 40). The federal government will also examine whether a product-related, regional model project can ensure the necessary youth and health protection for consumers.
14. The controlled dispensing of cannabis for consumption purposes takes place in stores licensed and supervised by the authorities, including pharmacies where appropriate. The licensed stores are solely focused on the sale of cannabis and advice on cannabis for pleasure; there is no link with the sale of other stimulants such as tobacco and alcohol. Only a maximum purchase quantity per person corresponding to the maximum personal possession quantity may be dispensed per purchase transaction, and no dispensing may take place for third parties. The operators and sales personnel of the licensed stores are required to provide proof of their expertise and to demonstrate specific advisory and prevention skills. In addition, a contact person for the protection of minors is appointed for each sales outlet. A consultation is offered with every purchase. In addition, when products containing THC are sold, educational information about cannabis, low-risk consumption and the risks of consumption, as well as information about counseling and treatment centers, are provided with the product and can also be accessed via a QR code on the packaging.
15. For recreational cannabis, specifications are set to ensure quality and purity. THC contents must be reported. In addition, specifications are made for pesticides, mycotoxins and microorganisms (e.g. setting maximum limits). Mixtures with tobacco and nicotine as well as the addition of flavors are not permitted.

Advertising, packaging and non-smoker protection

16. There is a general ban on advertising for cannabis for human consumption. Pleasure cannabis is sold in outer packaging (neutral packaging) without advertising design. Promotional purchase suggestions by sales outlets in their external presentation or on the Internet are not permitted. Only factual information is permitted, for example about the location of the controlled dispensary.
17. The following information must be declared on the outer packaging: Manufacturer/An

The package leaflet must contain the following information: cultivator; country of cultivation; weight; harvest date; variety; best before date; THC and CBD content; warnings regarding age limit; no consumption during pregnancy; and no consumption in connection with the (imminent) driving of a vehicle or the operation of machinery. The package leaflet must contain the following information: addiction risks, including a note on possible neurological and health damage in case of consumption under 25 years of age; necessary precautions for the protection of children and adolescents, references to addiction counseling centers, information website of the Federal Government (see section 25); interactions with medications and in case of mixed consumption with other THC-containing products as well as on roadworthiness or operating machines; no consumption during pregnancy and lactation. In addition, reference is made to offers in easy language.

18. The Federal Non-Smoker Protection Act is supplemented by the passage that the regulations also apply when products are smoked in conjunction with cannabis; non-smoker protection going beyond this must be ensured in accordance with the regulations for tobacco.

III. Child and youth protection

19. Only adults are allowed access to licensed outlets. In order to ensure that a consistent age check is carried out as soon as the licensed point of sale is entered (in pharmacies: before dispensing). Violation of the control obligation may result in the loss of the license. The controlled dispensing of cannabis is carried out in child-resistant containers in neutral packaging. Necessary minimum distances from cannabis stores to schools, children's and youth facilities as well as limitation of the area-related density of specialist stores, taking into account the population density, are to be complied with. In the area of schools, daycare centers, playgrounds, public parks and other places where children and adolescents regularly spend time, such as pedestrian zones until 8 p.m., the public consumption of cannabis is prohibited. In addition, the federal states have the option of imposing further restrictions.
20. The minimum age limit for the sale and purchase (cf. item 9) of cannabis for human consumption is set at 18 years of age. Violations of this requirement by licensees will be prosecuted as misdemeanors. Due to the increased risk of cannabis-related brain damage during adolescence, it will be examined whether an upper limit for the THC content should be set for the supply of cannabis to adults up to the age of 21.
21. To protect underage consumers, family court measures pursuant to Section 1666 of the German Civil Code (BGB) are already possible against the custodial parents if the physical, mental or psychological well-being of the child or its property is endangered and the parents are unwilling or unable to avert the danger. Such a measure may also be the obligation of the parents to make use of child and youth welfare services and health care for their child (section 1666 (3) no. 1 of the Civil Code), which also includes the obligation

may include having the child participate in an early intervention or prevention program or similar.

22. In addition, on the basis of Article 74 (1) no. 7 of the Basic Law in conjunction with Article 72 (2) of the Basic Law, binding measures for the protection of minors are introduced. Article 72 (2) of the Basic Law, binding measures for the protection of minors are introduced directly for minors, such as participation in early intervention and prevention programs in the event of acquisition or possession prohibited for minors (to compensate for the discontinuation of criminal law instruments resulting from the abandonment of criminal liability if the corresponding prohibition regulations are retained).
23. Follow-up measures with regard to the future exemption from punishment of minors must also be regulated by law, e.g. preventive seizure and confiscation of cannabis.
24. Acts that are particularly harmful to minors, e.g. dispensing, administering and transferring cannabis to minors, are punishable by an increased range of penalties punishable (see section 10).

IV. Information, advice and prevention

Information

25. A uniform platform will be set up nationwide to bundle information on the law and existing offers for prevention, counseling, treatment, effects, risks, and safer use. The cannabis-related education and prevention work at the BZgA will be further developed. Cannabis-related research, including on the possible effects of the controlled release of cannabis on road traffic, will be expanded. The German government will provide media and communication support for the controlled distribution of cannabis, even before it enters the legislative process. The focus should be on the reasons for regulation, i.e. the best possible protection of minors and the health of consumers, as well as aspects of road safety.

Early intervention for adolescents who use

26. Low-threshold, nationwide early intervention services are introduced for young people who use cannabis to reflect on their use, if possible with the involvement of their parents or guardians. In addition, target group-specific counseling and treatment services, especially for adolescent cannabis users, will be further developed and expanded with the involvement of parents or guardians.

Prevention

27. Universal, selective and indicated prevention in living environments will be expanded, especially in schools, vocational schools, on the Internet and social media, in child and youth welfare institutions, in institutions working with cognitively impaired persons, in sports clubs, and in the

Working environment (especially in the case of direct risks when handling machines or vehicles).

Preventive measures within the framework of educational child and youth protection in the context of child and youth welfare are expanded and ensured.

28. In addition, information, prevention and training services for adult target groups (people who are inexperienced consumers, frequent consumers, legal guardians, educators, youth welfare services, (school) social work, pregnant women, road users, older people who consume drugs, etc.) are being expanded.
29. The financing and design of the new measures will be ensured within the framework of constitutional responsibilities.

V. Cultivation, distribution, licensing, control and taxation

Cultivation

30. Suitable criteria for production are being developed to ensure high-quality cultivation in compliance with the sustainability goals of the German government. Permissible cultivation methods include, in particular, indoor cultivation under artificial light and cultivation in greenhouses in order to ensure appropriate quality control.

Licensing and control

31. Cultivation and distribution are subject to strict state supervision through licensing and control. A state-controlled supply chain ensures health protection and curbs organized crime. To prevent goods from the black market from entering the legal supply chain - and vice versa - strict state control is required at all stages. The entire supply and trade chain (cultivation, processing, transport, wholesaling, retailing) must be subject to a control system (track and trace) that includes documentation of the individual steps in the chain.
32. The production, processing, storage, transportation, and sale of recreational cannabis should only be permitted if a licensee has obtained a right (license) from the licensor to engage in the activity.
33. Licensors are federal or state authorities. A fee is charged for the granting of licenses. The licensor or another body appointed by him has the right to inspect all links in the supply chain to ensure that they comply with his requirements. Violations of licensing requirements constitute a misdemeanor and may be punished by a fine. In the event of repeated irregular behavior, this may be prosecuted and the license may be revoked.
34. Licensees can be individuals or legal entities that meet the following requirements:

- Proof of the required reliability; a license would at least be denied if the applicant or the person in charge of the business has been convicted of a felony or a relevant misdemeanor by a final court decision within the last five years prior to the filing of the application (the details will be examined in the further proceedings),
- Demonstrate the requisite reliability of persons having access to cannabis plants or products derived therefrom,
- Proof of the required expertise of the applicant or the person responsible for managing the business,
- Proof of entry of the beneficial owner in an EU company register,
- Evidence of sufficient financial standing in relation to the scope of license requested.

Licensees are obligated to provide the licensor, or entities authorized by the licensor, with insight into all aspects of their activities related to cannabis for human consumption.
grant.

35. For the individual elements of the supply chain, it is possible to acquire a separate license for each. In detail, these are production of cannabis flowers etc. including drying and processing of the raw material, trimming of the flowers including drying, transport, processing and storage, wholesale, retail, quality analyses, seed production and/or cutting propagation as well as research. The term of the license is limited in time and may be renewed several times upon application. The extension may be refused if the licensor has reasons to doubt the proper performance of the activities specified in the license. A volume limit is established for the license. Nut cannabis shall be protected from unauthorized access by third parties at all stages of the supply chain. In order to prevent damage, in particular through theft or fraud, it must be examined whether a protection concept is to be developed for the granting of the license, which must be submitted with the application for the license and implemented before the start of production.

Distribution

36. According to a preliminary assessment, international trade in cannabis for recreational purposes is not possible on the basis of or in accordance with existing international frameworks. The international framework only allows trade of drugs for medical or scientific purposes and this only under strict conditions. Irrespective of this, the applicable Union customs law would have to be observed in the case of an intended import, export or transit (submission of customs declarations, etc.). According to this preliminary assessment, national demand would have to be met by production in Germany.
37. The distribution of pleasure cannabis takes place in licensed specialized stores. It is examined whether additional

It would also be advisable to allow specialized stores with the possibility of consumption. In order to achieve a high level of protection by expert staff on the one hand and a rapid and widespread distribution of legal outlets on the other, it could make sense to permit both specialized stores and sales in pharmacies. In this way, the black market could be suppressed more effectively because of the broader supply, especially in rural areas.

38. Whether and to what extent online or mail-order sales to private individuals by stores licensed by the authorities should be permitted requires further examination, at the latest in the course of the evaluation (cf. item 40). The review must take into account, in particular, aspects of the protection of minors, the fight against the black market, but also the supply of rural regions and persons with mobility barriers. The aim must be to ensure that online and mail-order retailing offers a level of security comparable to that of bricks-and-mortar retailing and that the law enforcement authorities have comparable control options.

Taxation

39. In the event of legalization, turnover from the sale of cannabis/cannabis-containing goods will be subject to VAT. In addition, the introduction of a special consumption tax ("cannabis tax") is planned. The tax rate is to be selected in such a way that the health policy incentive effect is achieved. A tax assessment based on the THC content seems appropriate. The highest possible tax rate, which is applied to products with higher THC content, must also lead to a retail price (including sales tax) that is close to the black market price. A linear taxation based on the THC-content (x Euro per gram THC-content) shall be introduced. This will create a clear and easily comprehensible basis for taxation with a pronounced steering effect. The linear taxation can be designed proportionally or progressively. In any case, compatibility with EU law, in particular the EU Excise Directive and the Tobacco Tax Directive, must be ensured.

VI. Evaluation

40. The social impact of the law - including on health, child and youth protection and road safety - is to be evaluated after four years and beyond. The BMG has commissioned the collection of indicators required for the evaluation. In addition, this commission will identify which data are already available and which data still need to be collected. A baseline survey is to be conducted before the law enters into force.
41. The measures taken as a result of changes in national law that result in financial burdens or additional personnel requirements are subject to a general budget reservation. Budget negotiations are not prejudiced in this respect.

