

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **4208**



Introduced by **HON. LUIS RAYMUND “LRAY” F. VILLAFUERTE, JR.,**
HON. MIGUEL LUIS R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G.
HORIBATA AND HON. NICOLAS “NICK” C. ENCISO VIII

EXPLANATORY NOTE

To provide a historical perspective to the Cannabis industry, the following backgrounder is herein stated, to wit:

The **Cannabis** plant has been cultivated by humans for 6,000 years and was even a cash crop in the colonial U.S. Doctors and pharmacists prescribed it as medicine up until 1937.

According to *Dr. Jenelle Kim*, Founder & Chief Formulator of *JBK Wellness Labs*: “It is vital to remember that **cannabis** is one of the **50 Fundamental Herbs of Chinese Medicine** and dates back 4000 years in Asia.”

Even while **cannabis** was banned, black-listed, and was the subject of several “fake news” for 81 years, scientists continued to study its healing potential.

Our current knowledge on its pharmacological and medicinal properties is based on studies which have taken place only since the end of the nineteenth century.

The US government granted **US\$4.5 million** over the years to *Dr. Raphael Mechoulam*, an Israeli organic chemist who is the *world’s leading authority* on the science of **Cannabis** and how it can heal the body. The US funded *Dr. Mechoulam’s* research at the *Hebrew University of Jerusalem* as a sort of an offshore laboratory to explore what this plant can really do for our

health. In fact, it was **Dr. Mechoulam** who *discovered* the **CBD** (the medicinal compound in the cannabis plant) **in the first place**. He was *first* to investigate the **medicinal properties** of **cannabis** (hemp and marijuana are species of cannabis plants) since the 1960's. He was the *first* to isolate the **THC compound** in cannabis (compound that is addictive and causes the "high") and the **CBD compound** (that is non-addictive and will *not* cause the "high"; the medicinal compound) in the **cannabis** plant from 1963 to 1964.

Israel is now the **Cannabis Research Capital of the World** (hemp and marijuana are members of the cannabis plant family) due to the work of *Dr. Raphael Mechoulam* who spent his entire career studying the health benefits of **Cannabis**. Israel is now effectively using **Medical Cannabis** to treat cancer, epilepsy, Parkinson's disease and many other serious health conditions.

Dr. Raphael Mechoulam has since *published* **more than 280 scientific articles** exploring how **CBD** and other medicinal compounds found in the **cannabis plant** called **phytocannabinoids** work in the human body.

The Philippines is so very far behind many other countries in harnessing the healing powers of the **medicinal compound** in **cannabis** plants – the **CBD** compound.

The discovery of the **Cannabis compounds** has led to the further discovery of an important *neurotransmitter system* in the human body called the **endocannabinoid system**. This system is widely distributed in the human *brain* and in the human *body*, and is considered to be responsible for numerous significant functions. *Dr. Raphael Mechoulam* research shows that Cannabis offers significant health benefits with minimal risk due to the **human body's own "endocannabinoid system."**

Aside from the research done by *Dr. Raphael Mechoulam* in Israel, researchers at *St. Louis University Medical School* in the US also discovered a signaling network hidden in the brain—and throughout the entire body—that changed the future of **CBD** in America forever.

The most famous doctors in America are not only talking about the **medicinal uses of the CBD** compound from **cannabis** plant . . . they are using it themselves. A US survey in 2014 found that the majority of US physicians – 56 percent (56%) favor nationwide **legalization** of **medical cannabis (CBD)**, with support being highest among oncologists and hematologists. 85% to 95% of Americans are in favor of medical cannabis and more than 60% support complete legalization of **"medical" marijuana** (which should be **differentiated** from the **THC** compound present in high levels in **"recreational" marijuana** which includes: *heroin, LSD and ecstasy*).

Hereunder are what some famous US doctors have to say about *medical cannabis*:

According to **Dr. Mark Sircus**, author of the book *“Medical Marijuana”*: **“The pharmaceutical industry has *nothing pharmacologically equal* to cannabinoids (CBD).”**

Dr. Al Sears, a Florida based medical doctor and Founder of *the Sears Institute for Anti-Aging Medicine*, stated that: ***“It is a God-given medicine that threatens to end all of Big Pharma’s monopolies. Even Ivy League researchers are aware of the miracles of hemp (cannabis).”***

Dr. Allan Frankel, a California-based internal medical doctor with 35 years of extensive experience and one of the World's leading authorities on Dosed Cannabis Medicine says, ***“As a short-term life-prolonging medicine and a long-term therapy for chronic conditions, medical marijuana is a miracle drug that is endorsed by countless doctors and nurses, as well as the patients whose lives are dramatically improved by its use”.***

World-renowned integrative medicine expert **Dr. Andrew Weil** says: ***“This cannabis plant is so fascinating ... and so useful. It is hard to imagine a plant that has been more useful to human beings.”***

Dr. Bonni Goldstein, who is one of America’s most experienced physicians when it comes to using this cannabis plant, reports: ***“Used in the right way, [it] is extremely powerful.”***

Dr. Fred Pescatore, Founding Director of Medicine 369 in New York City says: ***“I’ve gained a whole new respect for the many things this little plant can do. It’s safe. It’s effective. And it’s natural.”***

US Surgeon General Vivek Murthy in a recent CBS TV interview in the US acknowledged that ***“Marijuana may be useful for certain medical conditions”***.

CNN’s chief medical correspondent and neurosurgeon **Dr. Sanjay Gupta** made a highly publicized stand in favor of medical marijuana (CBD) after 5 years of studying Cannabis and the production of his two-part TV series entitled: *“Weed”*. Today he calls this plant a “better, safer way” to deal with pain. In fact, he says: ***“Sometimes, it is the only thing that works.”***

The World Health Organization (WHO) published a report confirming ***“CBD exhibits no effects indicative of any abuse or dependence potential ... To date,***

*there is **no evidence of public health related problems associated with the use of pure CBD.***”

Medical Marijuana (**CBD**) is now **legal** in thirty-one (31) States in the USA with nine (9) additional States with pending legislation to legalize Medical Marijuana (**CBD**).

Status of Legalization of Medical Cannabis in Asia:

Public opinion has swung in favor of **medical cannabis legislation** across the vast majority of the Asian region, putting pressure on governments to access and utilize medical cannabis treatments.

South Korea’s legislature passed a medical cannabis law in November 2018 legalizing **medical marijuana** and **other CBD products** but it will be strictly regulated and dispensed only in special government-run facilities.

Thailand’s military government unanimously approved **medical marijuana** use. Thailand, known for its strict narcotics laws and infamous for its harsh penalties on drug users, including death penalty voted to amend their 1979 Narcotics Act on December 26, 2018, legalizing cannabis for medicinal and research uses. Medical marijuana legalization passed the Thai government’s National Legislative Assembly (NLA) with flying colors, in a junta-appointed parliamentary majority vote of 166-0 with 13 abstentions.

Thailand's rich agricultural and culinary history is one place where **cannabis** has its name on the menu. Prior to its ban in 1935, cannabis was used as a spice in Thai boat noodle soup, this traditional soup has historically been seasoned with marijuana.

Cannabis in **Sri Lanka** is legally sold through Ayurveda herbal shops, and can be used for medical and scientific purposes if given a license by the Ministry of Health. Cannabis is *not* criminalized for medical purposes.

Sri Lanka amended their 1961 Ayurveda Act to legalize medical cannabis use in 2013. Sri Lanka already launched in 2017 its first 400 hectare cannabis plantation for domestic medical use and exports to the US. Cannabis plays an important role in the culture of Sri Lanka where it is used to treat a range of conditions and to heighten sexual energy.

China which is the world’s second largest economy now produces more than half of the world’s **cannabis** industrial **hemp**. The **hemp**, which is a member of the **cannabis** plant family contains a **high content of the CBD medicinal compound**. The Chinese government is encouraging medical cannabis research. Cannabis has a long medical history in China as a Chinese herb.

In **Malaysia** - despite its reputation for having a zero-tolerance on drug-trafficking, where drug offenses have long accounted for the largest number of executions, the death penalty has now been abolished and the **medicinal value** of marijuana is being considered by the government and Malaysia is considered the latest country in the region to consider legalizing medical marijuana.

Singapore known for its strict penalties for drug offenses in 2018 announced a program to unlock the therapeutic effects of **cannabinoids** – the medical compound found in the cannabis plant as part of the country's US\$18.2 million synthetic biology and research and development program. This Singapore initiative is aimed at discovering **cannabinoid** genes for the sustainable production of **medicinal cannabinoids** and their derivatives.

India - Medical cannabis use may soon become legal in the country. The Council of Scientific and Industrial Research (CSIR) decided to take a lead role in this. India only allows **medical marijuana research** for two organizations, cannabis is still highly controlled in any other situation. While India has already legalized medical marijuana **research** it still outlaws many cannabis-related activities. In the summer of 2017 however, *Maneka Gandhi*, India's Minister for Women and Child Development voiced her support for legal **medical marijuana**.

New Zealand's parliamentarians passed a bill to legalize **medical cannabis** in December 2018. The law would also pave the way for New Zealand companies to manufacture medicinal cannabis products for both the local and international market.

The following is an alphabetical list of the sixty (60) countries as of the year 2018 that have already LEGALIZED/do ALLOW CBD Oil from Cannabis plants:

Argentina, Austria, Belgium, Belize, Brazil, Bulgaria, Canada, Chile, China, Colombia, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, England, Estonia, Finland, France, Georgia, Germany, Greece, Guam, Guatemala, Hong Kong, Hungary, Iceland, India, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Netherlands Antilles, New Zealand, Northern Ireland, Norway, Paraguay, Peru, Poland, Portugal, Puerto Rico, Romania, Russia, Scotland, Slovak Republic, Slovenia, Sri Lanka, South Africa, South Korea, Sweden, Switzerland, Thailand, United States, U.S. Virgin Islands, United Kingdom, Uruguay, Wales.

This clearly demonstrates that more and more countries around the world are now taking a progressive approach to **cannabis reform**. This will take a ripple effect leading to *other* countries toward **cannabis policy change** which will in turn increase patient uptake as more and more people worldwide become more aware and educated of the healing benefits and therapeutic potential of the **medical cannabis plant**. There is now an increasing awareness and the clear separation of the "medical" cannabis

and acknowledgement on the “medicinal” properties of the cannabis plant *versus* the negative effects of the “recreational” side of the cannabis plant.

Germany is also the *first* country in the world to cover the cost of **medical cannabis** – for *any* therapeutic application approved by a physician – through its **national health insurance system**.

Spain has decriminalized both **medicinal** and **recreational** cannabis for personal and private usage, ***provided*** there is **almost no THC** (the psychoactive, addictive compound in cannabis plant that creates the “high” or euphoria feeling in the users) in the products.

The Commercial Opportunities and Market Value in North America, Europe, Asia and Globally of Medical Cannabis

The sale of **CBD** products in the **USA** has exploded into a **US\$390 million per year** industry and is projected to hit **US\$1.3 Billion by 2022**. The entire US market is estimated to be worth **US\$75 Billion by 2030** according to a *Cowan Research Report*.

The **European cannabis market’s** value soared in 2018 with 500 Million Euros invested in European cannabis businesses and Europe’s cannabis market is estimated to be worth up to **Euros 123 Billion by 2028** according to *Prohibition Partners* and the *Davos World Economic Forum*.

The Asian market will challenge and perhaps surpass the North American market in the next 5 to 10 years. The forecast for the **legal medical cannabis market in Asia** is expected to swell to **US\$ 8.5 Billion by 2024** from practically nothing today. According to the San Francisco-based *Grand View Research*, the **global legal medical cannabis market** is expected to reach **US\$55.8 Billion by the end of 2025**.

This Explanatory Note will explain ***why medicinal cannabis*** is such a wonderful plant with great potential for medicinal purposes and that several cannabis research conducted in other countries supports and validates its safety and health benefits. As it is therefore very important for the Philippines to catch up with their western and Asian counterparts in legalizing under prescribed conditions the **cannabis for medical and scientific/research purposes** while at the same time cashing in on its commercial opportunities, economic value and market potential, it is truly a market investing proposition.

WHAT IS CBD:

The term **CBD** is an abbreviation for **cannabidiol**. This is a natural substance that is derived from the whole **cannabis** plants. **CBD** is *extracted* and *separated* from specific strains of **cannabis**.

CBD in Cannabis:

- a) is **non-psychoactive**;
- b) is **non-addictive**;
- c) does **not** produce a "high";
- d) it will **not** alter the user's state of mind in the same way as smoking **THC cannabis**; and,
- e) has **no** or very little side effects.

It is important to understand that the **CBD** is **not** the same as the **THC** which stands for: **tetrahydrocannabinol**. While **THC**, the chemical compound also found in the *cannabis* plant responsible for the **psychoactive, addictive** effects that **produces the "high"** THC in large doses - is mostly *illegal* in almost every part of the world, while **CBD** is *fully legal* in many parts of the world.

Cannabis is a complex plant with over 400 chemical entities of which more than 60 of them are **cannabinoid** compounds. **CBD** is only one of the chemical compounds referred to as *cannabinoids*.

Cannabinoids can be separated into several sub classes - *two* of which are the: **THC (tetrahydrocannabinol)** and **CBD (cannabidiol)**. However, **CBD** is the "second most common" compound, with **THC** being the "*most common*". These **two (2) major cannabis compounds** such as the **tetrahydrocannabinol (THC)** and **cannabidiol (CBD)**, have **opposing** effects.

It is important to emphasize the *difference* between the *medicinal virtues* found in the **CBD** compound of the **cannabis** *versus* the *toxicological vices* the **THC** compound of the **cannabis** is known for.

THC and **CBD** are **not** the same thing, so they can **not** be used the same way. The two (2) compounds are **completely separated** and **isolated** within the plant.

In the USA states where **CBD** is becoming widely used, there are also only few known reports of negative social or medical consequences; in fact, as per *Dr. Joseph Mercola* (www.Mercola.com – ranked as the #1 health website), "**CBD has been scientifically shown to provide valuable benefits for those struggling with "opioid addiction" from THC (the compound present in large quantities in the recreational marijuana such as heroin, LSD, ecstasy, etc.)."**

According to the **University of Washington**:

"**CBD** may actually have anti-anxiety effects and **lessen the psychoactive effects of THC**. This means that a plant with a **greater percentage of CBD** may **reduce the intensity of the effects** of the **THC**, which in effect lowers the intensity of the plant."

Dr. Joseph Mercola in his website article dated June 4, 2019 goes on to say:

“Research Study shows that **Cannabis may be an answer to the “Opioid Epidemic”**. While **THC** is “psychoactive” (creates a “high”), **CBD** has been shown to counteract the effects of THC.”

The *New York Times* quoted the same research according to *Dr. Joseph Mercola* and stated that “While **THC** has been shown to **trigger heroin-seeking behavior**; **CBD** has been found to do the **complete opposite** which is why **CBD** is now being investigated as an aid to end addiction to opioids. **CBD** might help recovering opioid addicts avoid relapse, perhaps the greatest challenge they face – and because **CBD is not habit-forming** ... **CBD** might be a badly needed new weapon with which to fight a drug epidemic that claims more than 130 lives daily in the United States.”

The **medicinal effects of the CBD** compound in *cannabis* will be a big help in **President Duterte’s** primary objective in his drug war – and that is, to help as many Filipinos as possible to be *delivered* from the negative and dangerous effects of the illegal use and drug addiction from the large dose of **THC** compound present in “recreational” drugs - causing a great menace in our society by destroying lives and families in many countries of the world.

Difference Between Marijuana And Hemp Which Are Both Part Of The Cannabis Plant Family

It has become increasingly important to understand the *difference* between ***hemp*** and ***marijuana*** and how they relate to **Cannabis**.

Cannabis is a genus of flowering plants in the Cannabaceae family, which consists of three (3) primary **species**: *Cannabis sativa (hemp)*, *Cannabis indica*, (*marijuana*) and *Cannabis ruderalis (sub specie of marijuana)*.

“**Hemp**” is a term used to classify **varieties** of **Cannabis** that contain **0.3% or “less” THC content** (by dry weight).

“**Marijuana**” is a term used to classify **varieties** of **Cannabis** that contain **“more than” 0.3% THC** (by dry weight) and **can induce** *psychotropic* or *euphoric* effects on the user.

Based on the context used to describe **Hemp** and **Marijuana**, the **defining characteristic** between the two is based on a *single factor* — the **amount of THC** in the plant — **or rather whether it will get the user “high”**.

The **defining characteristic** between *hemp* and *marijuana* is the **chemical composition** contained within each plant.

Both hemp and marijuana can produce high amounts of CBD, the *non-intoxicating cannabis* compound; however, **THC is produced at very different levels**.

While *hemp* can contain **no more than 0.3% THC** by dry weight, *marijuana* can contain **up to 30% THC** content.

When it comes to **CBD** and the case of *hemp* and *marijuana*, we are faced with yet another important subject that must be addressed.

CBD can be “derived” from either hemp or marijuana, however, given the unique characteristics of each plant, one would assume that the CBD derived from each plant is different in some way. *Surprisingly, they aren’t.*

Jeremy Riggle, Ph.D., and Chief Scientist at *Mary’s Nutritionals* says that **“the CBD molecule and its associated pharmacology are the same, whether it was extracted from hemp or from marijuana. CBD is CBD, regardless of where it was originally derived from.”**

If, however, the **CBD is derived from hemp** which contains **no more than 0.3% THC**, it would *not* be regulated as a *controlled substance* and is federally *legal* in the USA. The keyword here is “derived from hemp.”

The 2018 Farm Bill in the US *explicitly* applies to “hemp and hemp-derived products.” *Hemp* (cannabis sativa) can now be grown and sold legally in the US per the 2018 US Farm Bill.

It does *not* include **marijuana-derived CBD**, which remains under the regulation of the US Food and Drug Administration (FDA) as a *controlled substance*.

The discovery of the Cannabis compounds has led to the further discovery of an important *neurotransmitter system* in the human body called the **endocannabinoid system**. This system is widely distributed in the human brain and in the human body, and is considered to be responsible for numerous significant functions. *Dr. Raphael Mechoulam’s* research shows that Cannabis offers significant health benefits with minimal risk due to the **human body’s own “endocannabinoid system.”**

Aside from the research done by *Dr. Raphael Mechoulam* in Israel, researchers at *St. Louis University Medical School* in the US also discovered a signaling network hidden in the brain—and throughout the entire body—that changed the future of **CBD** in America **forever**.

Named the *Endocannabinoid System*, or *ECS*, this network of receptors is **specifically designed** to use CBD and other compounds in the hemp plant.

In fact, the **human brain** has **more** **cannabinoid** receptors than *any other type of receptor*.

To also quote *Dr. Joseph Mercola's* article entitled: "*Marijuana Research Supports Its Safety and Benefits*":

"The fact that there's a plant that acts on **your body's own cannabinoid receptors** is a phenomenon *Dr. Mechoulam* calls a "quirk of nature." He's referring to the fact that we didn't develop these receptors in order to smoke pot—***we have them because we have our own endogenous cannabinoid system***.

Your body makes its own cannabinoids, similar to those found in **marijuana** but present in much smaller amounts. These **endocannabinoids** appear to perform signaling operations similar to your body's neurotransmitters, such as dopamine and serotonin. **Cannabinoid receptors can be found on cell membranes throughout your body** - in fact, scientists now believe they may represent the most widespread receptor system. Two receptor types have been identified:

- **CB1: Cannabinoid** receptors that are extremely prolific in your **brain** (excluding your brain stem), but also present in your **heart, lungs, kidneys, liver, pancreas, and other parts of your body**.
- **CB2: Cannabinoid** receptors primarily found in your **immune system**."

This explains why our human bodies are synergistically made to use this powerful botanical plant.

Medicinal Cannabis (**CBD**) has at least **282 HUGE Potential Healing Benefits!**

In more than **12,797 peer-reviewed studies** on Medicinal Cannabis (**CBD**), the results have been absolutely astonishing.

There are **168 clinical studies** on the Medicinal Cannabis (**CBD**) in progress registered with the **U.S. National Library of Medicine**—with more to come.

Cannabis can have clear and specific **medical benefits** for patients. Patients' stories around the world have been illuminated in mainstream discourse and many people are recognizing that patient groups and research projects have helped mature the conversation around **medical cannabis**.

Below Are Some of What The **Peer-Reviewed Research** Is Saying About **Medical Cannabis (CBD)**:

Fights brain cell inflammation. In a study by the ***Salk Institute***, researchers found hemp targets neural inflammation and removes toxic proteins in neural cells.

93% success for sore joints! In a study published in the ***European Journal of Internal Medicine***, 2,736 elderly patients were given hemp for joint aches. After six months, 93% of patients reported relief.

Significant support for healthy insulin and blood sugar levels. According to a 5-year study from ***Harvard and Beth Israel Deaconess Medical Center***, hemp users saw 16% better insulin levels, 18% better insulin metabolism, smaller waste circumference, and better HDL levels.

A single dose supports healthy blood pressure! An ***Oxford University study*** found just one dose of hemp supports healthier blood pressure in patients and prevents blood pressure spikes in response to physical and mental stress.

Substantial mood and anxiety improvement ... with a single dose. In a study by ***Washington State University***, researchers tracked 1,399 patients. Patients reported 58% better mood and anxiety ratings following hemp use. What's more, patients experienced these results after just a single dose ... reporting improvement 93% of the time.

Supports a younger, healthier brain — in just one month! In a study published in the ***Journal of Alzheimer's Disease***, a dozen aging memory patients were given hemp over the course of four weeks. Researchers reported substantial relief, including a 71% improvement in mood.

Boosts brain stem cells. In a study published in the *Journal of Cellular Biochemistry*, researchers used hemp to generate new neural stem cells in the brain's hippocampus — a process known as neurogenesis.

94% of patients report effective relief for dozens of different health concerns! *University of New Mexico researchers* examined 13,687 patients using hemp and found an average 37% improvement in symptoms — without negative side effects. What's more, 94% of patients reported symptom relief following hemp use!

One dose enhances mood for days. In a study published in the *Journal of Molecular Biology*, researchers treated patients with a single dose and found it boosted mood in just 30 minutes... and 7 days after administered.

100% better inflammation markers in blood sugar patients! In a prestigious *California University* study, researchers tested for the key inflammation marker, C-Reactive Protein, and found average double higher levels in the non-hemp group compared to the hemp group.

Healthy blood sugar support. In a prestigious *California University* study, 10,896 adults were examined for how hemp use impacted their blood sugar. Researchers found hemp users had up to 330% better chance of healthier blood sugar compared to the non-hemp group. That means non-hemp users experienced 3.3x higher rate of blood sugar concerns!

45% improvement in sleep! *University of New Mexico* researchers examined 409 hemp users struggling with sleep concerns. The patients reported an average 45% improvement in sleep scores following use, meaning longer, deeper, and more refreshing sleep — without side effects.

Supports memory retention — with a single small daily dose. In a study published in the journal *Nature*, researchers treated elderly patients with just a single daily dose of hemp. In just a matter of four weeks, the elderly patients performed similar to the younger ones just a third of their age. Even their genetic profile matched that of the younger ones!

Enhances pancreatic b-cell function and supports healthy glucose levels. In a study by *Oxford University*, researchers gave hemp to 125 blood sugar patients. They found it also enhanced the function of pancreatic b-cells, which are essential for healthy insulin production.

Turns off the key enzyme tied to brain aging! In a study from the *Scripps Institute*, researchers used hemp to block a key enzyme tied to brain

aging. Researchers said it works better than “currently anything available to patients.”

Improves inflammation markers in heart patients. In a study by the *National Institutes of Health*, researchers gave to hemp heart patients who saw improved levels of all inflammation markers, better heart function and less risk of a sudden cardiac episode. Researchers said that hemp has “tremendous therapeutic potential” for heart concerns.

Cuts lung cancer tumor growth in half based on a 2007 *Harvard Medical School* Study on medicinal marijuana use.

The list goes on and on.

There’s almost nothing medical cannabis (CBD) can’t do for your body... and no result it can’t deliver...

What the *international news headlines* says about **Medical Cannabis (CBD)**:

CNN declares a “**GLOBAL REVOLUTION**” is underway

The GUARDIAN calls it a “**Miracle compound**”

The Wall Street Journal says “**It’s like the Internet in 1997**”.

TODAY named it: “**The latest health trend ... You’re going to be seeing a lot more of it**”

NEW YORK TIMES even called it... “**The cure for the 21st century**”.

The Function and Role of the Philippine Cannabis Development Authority (PhilCADA)

- I. To Develop a Comprehensive Five (5) Year Medical Cannabis Development Program
- II. To Provide, Implement, Oversee Stringent Quality Control from the Farm to Retail Production and Distribution:
 1. While it seems clear **CBD** can be beneficial for a range of health issues, **quality** and **dosing** are important issues that cannot be overlooked.

Because medical cannabis is recommended for specific health conditions, regulation and quality assurance are needed. It is an important goal to produce high quality CBD extracts with **very precise quality controls** to be able to effectively safeguard the quality, potency and purity at every step until the final product.

2. Quality Controls need to be in place if **CBD** in certain situations can prevent counter-indications with other pharmaceutical drugs or synthetic-based medications.
3. Accurate Labeling is required of the **CBD** and **THC** content on bottles/packageaging. It can **not** be **underlabeled** or **overlabeled**. According to the University of Pennsylvania 70% of CBD Oils on the US market are **mislabeled**.

Time Magazine published alarming research from the Journal of the American Medical Association showing that **7 out of 10 CBD products do not contain what they claim on the label**.

CBD oils and by products are proposed by this Act to be **legal** to possess **if they contain no more than 0.3 percent THC**, a component in marijuana that, like hemp, also is derived from the cannabis plant. This being a **maximum as a legal limit**. Depending upon the medical condition to be treated, the legal limit may be **reduced to lower than 0.3% or even reduced to zero (0) THC**.

4. Quality controls should include **testing** for **microbes**, **pesticides** and **heavy metals**. Heavy metal testing is particularly important for hemp-based CBD products, as the plant is known to extract heavy metals from the soil as it must be grown in clean soil.

As a general rule, **it is recommended to make it mandatory that all CBD products be certified organic** (from internationally certified Organic Certifiers) from farm level to packaging to ensure the ***least amount*** of contamination with pesticides and other harmful and toxic agricultural contaminants such as *lead*, *cadmium* and *mould*. It is very important to educate growers/ farmers. There must be **no residue** of toxic solvents. Volatile organic solvents should **not** be allowed to avoid contaminants of *hexane*, *butane*, and *isopropanol*.

China has **flooded** the U.S. market with CBD. Some were discovered to be soaked with horrific pesticides ... and might even be **100% fake**. While some products are even highly contaminated with THC.

The goal is to produce **medical grade cannabis** so the plants **must be free of hazardous contents and safe to use**.

Also - **organic-certified** CBD oils and other cannabis by-products will have more **value added for export** as compared with those that are **non- organic certified**.

5. Medical cannabis should be overseen by an agency responsible for making sure all the products from the farm all the way to the finished products are pharmaceutical grade. Medical grade CBD oils, sprays, patches, lozenges, etc. should be precisely measured and regulated. Medical cannabis from the farm to the finished product should be held to the highest level of standards and traceability.

A special panel of technical experts organized by the Philippine Cannabis Development Authority (PhilCADA), as proposed to be established under this Bill needs to be set up to monitor cannabis farms, processing/ manufacturing of cannabis products and its use that may be authorized by PhilCADA under this Bill.

6. All **CBD** products or by-products should be verified by laboratories of PhilCADA or independent third parties authorized and licensed by PhilCADA.
7. The PhilCADA is tasked to implement rigorous quality control guidelines.

III. To Oversee, Manage, Handle Cultivation Planting and Harvesting of Cannabis Plants

1. Cultivation must be approved and operated under the direct supervision and control of the PhilCADA.
2. Only PhilCADA authorized or sponsored State Universities of Agriculture will be allowed during the experimental period to grow and cultivate specific cannabis species for a prescribed period before private enterprises can be allowed to grow and cultivate cannabis plants.
3. Designate strategically located and highly secured government-monitored and controlled Medical Cannabis Farms.
4. PhilCADA shall select **cannabis species or varieties** for research because the oil extracts will be used for different ailments/health issues.
5. Select cannabis seeds from abroad that are already **graded** and have **passed the process of improving plant cultivars**. The **seeds must be of good quality**.
6. Organize and set up laboratories and processing/ manufacturing facility in a restricted zone that will be the initial legal **medical cannabis** farm(s); lab and processing facilities in the Philippines.

IV. To Organize And Conduct Monitoring/ Training

1. All medical doctors, pharmacists, dentists, medical practitioners **needs to undergo training** on the application, usage, dosing and any contra-indications of medical cannabis before being issued an **Authorization** by PhilCADA to prescribe the medical cannabis products or by-products to patients.
 2. To set-up a monitoring and reporting system of patients prescribed to use an authorized product or by-products desired from the cannabis plant.
 3. Develop Guidelines on the usage, application and dosing of medical cannabis products or by-products recognized to have therapeutic, medical and curative benefits for specific ailments.
- V. To Manage, Prepare Guidelines on the Philippine National Standards including the Issuance of Licenses/ Accreditations/ Registrations and Commodity Clearances For Farming/Growing/Manufacturing, Processing and Packaging Medical Cannabis Products

The PhilCADA needs to establish at the outset clear licensing and regulatory guidelines that will help guide the industry forward.

VI. Establishment of a Cannabis Library

The PhilCADA shall establish a *Cannabis Library* that will serve as a clearing house for Cannabis-related information that directly or indirectly impact on the cannabis industry which shall include in print, video, audio or in digital format books, journals, bulletins, magazines, peer-reviewed researches, thesis and dissertations, product catalogs, laws and regulations on the cannabis industry in the Philippines and other countries.

VII. To Organize and Oversee a Scientific, Medical Research and Product Development of Cannabis-Based Products/By-Products

Research and product development into medical cannabis will be essential to industry development and growth.

1. To organize, study, analyze and compare different cultivars of cannabis plants and their application in scientific and medical research.
2. To conduct testing and clinical trials as needed.

Why We Need to Legalize and Develop A Medical Cannabis Industry

Cannabis needs to be **legalized** in the Philippines for **medical and scientific/ research purposes**.

The development of a *Medical Cannabis Industry* should be among the **top policy priority** of the Philippine government.

And in line with this and to further its objectives effectively – there is a need to establish the Philippine Cannabis Development Authority (PhilCADA) whose main functions are earlier stated in order to monitor and oversee the operations, growth and legal compliance of the Medical Cannabis Industry.

1. The Cannabis plants and its medical grade products have **high demand and economic value for export**. Philippine laws should be passed that will see medical cannabis become a fully commercialized crop within the next five (5) years. The global legal medical cannabis market is expected to reach **US\$55.8 Billion** by the end of 2025.

The economic opportunities are evidently abundant, with **medical cannabis** companies in other countries now markedly disrupting major international markets such as beverages, alcohol, food, cosmetics, wellness and tobacco.

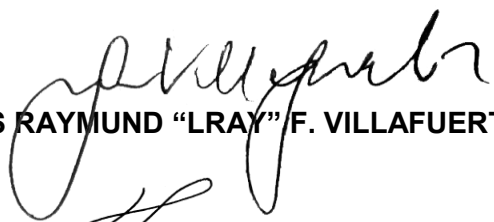
2. The method of using Cannabis in medical treatment is of great importance in helping solve many health issues in our country. Medical Cannabis is now becoming a preferred and effective treatment for fatal diseases like cancer.

To focus efforts on manufacturing quality medicine from medical cannabis for the public at affordable prices.

3. The Philippines can aim to eventually become one of the top medical cannabis destination in Asia and this will contribute to the medical tourism boom with foreigners seeking out affordable but quality cannabis-related healthcare treatments.
4. Nowhere else has it been explored but with legalization of the medical uses and research of medical cannabis – Filipino scientists can now experiment, develop, study, analyze and explore the medicinal and synergistic potential of combining **CBD oil** with other plant based oils such as coconut oil, moringa oil and other healing tropical oils of the Philippines as it might provide other healing and therapeutic benefits not yet known to man which the Philippines can commercialize.
5. When it comes to *treating opioid addiction*, public health surveys in the US have provided evidence for decreased opioid use with the use of medical cannabis. **CBD or medical cannabis** will be an effective new weapon with which to fight the illegal and recreational drug epidemic in the Philippines.

This Act should **not** be deemed in any manner to advocate, promote, authorize, legalize the **“recreational”** and/or **non-medical** use of the **cannabis plants**.

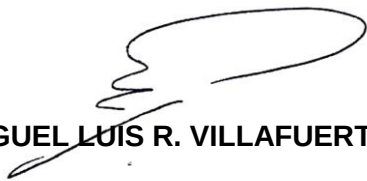
The foregoing considered and in recognition of the merits of the Bill, the approval hereof is earnestly sought.



LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.



TSUYOSHI ANTHONY G. HORIBATA



MIGUEL LUIS R. VILLAFUERTE



NICOLAS "NICK" C. ENCISO VIII

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4208

Introduced by **HON. LUIS RAYMUND “LRAY” F. VILLAFUERTE, JR.,**
HON. MIGUEL LUIS R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G.
HORIBATA AND HON. NICOLAS “NICK” C. ENCISO VIII

AN ACT
TO ESTABLISH THE PHILIPPINE CANNABIS DEVELOPMENT AUTHORITY
(PhilCADA), DEFINING ITS POWERS AND FUNCTIONS, APPROPRIATING
FUNDS THEREFOR AND OTHER PURPOSES

*Be it enacted by the Senate and House of Representatives of the Philippines
in Congress assembled:*

WHEREAS, the development of the cannabis industry is a new and pioneering program in the Philippines that requires a special governmental body to promote, develop and regulate this industry;

WHEREAS, the cannabis plant and any product or by-product derived therefrom is, under current law, a restricted and prohibited plant material and the products or by-products produced therefrom are considered dangerous drugs but the current law also states that to provide a balance in the national drug control program such that persons with legitimate medical needs are not deterred from being treated with appropriate medications which include the use of medicinal Cannabis as provided in this Act.

WHEREAS, within the permissible parameters and subject to the regulatory framework provided in this Act, the cultivation, production, processing, manufacture, the sale and marketing and use of cannabis products and by products are in this Act, legalized and decriminalized subject to the terms and conditions hereof;

WHEREAS, the cannabis plants, with species classified as either hemp or marijuana have been recognized and accepted, after long years of research, clinical analysis and trials, to have beneficial therapeutic medicinal or curative use and applications for different medical conditions;

WHEREAS, researches and applications of cannabis have primarily focused on three (3) species of cannabis specifically: Cannabis sativa (hemp), Cannabis indica (marijuana) and Cannabis ruderalis (sub specie of marijuana), each of which species have been shown to have varying ratios of CBD to THC content;

CBD stands for **cannabidiol**, while **THC** means **tetrahydrocannabinol**, which compounds are described in this Act;

WHEREAS, the **medicinal compound** in cannabis plant is found in its **CBD compound**. Hence, in the extraction of the compounds from the cannabis plant, the greater percentage that the processed product or by-product contain is the CBD compound and only tolerable percentage of THC shall remain, or the THC is altogether removed, such that the end-product shall be non-psychoactive, non-addictive, does not produce a euphoric “high”, or intoxicating effect. And finally, the processed product or by product shall have no or very little side effect.

WHEREAS, hybrid varieties have been developed and continue to be developed to intensify or modify the characteristics of the cannabis plants to make it more suitable to the medical condition to which the processed product or by-product will be applied.

WHEREAS, commercial crossbreeds have also been developed with a mix of sativa and indica genes, sometimes including ruderalis.

WHEREAS, there are therefore Cannabis strains with varying ratios of CBD to THC as there are processed Cannabis with zero THC content and/or with additional ingredients from plants *other* than Cannabis which are not included in the list of Dangerous Drugs.

WHEREAS, scientific research has established that there is in every human body what is called the **ENDOCANNABINOID System (ECS)** which are present in the brain, heart, lungs, kidneys, liver, pancreas, cell membranes and other parts of the body such as the joints, the feet, shoulder, the hands and the back which serve as a network of receptors for Cannabinoids (CBD). While the human body naturally makes its own Cannabinoids (CBD) similar to the CBD in Cannabis plants, but as the human body ages the supply of Cannabinoids (CBD) decreases. The human body being designed to use CBD but when its natural supply in the human body diminishes as a person grows older, the human body looks for supplemental CBD (cannabinoids) to prevent many ailments or diseases.

For example, there is a growing volume of scientific evidence that when CBD (cannabinoids) enters the human body’s ENDOCANNABINOID System, it helps in relieving body pain by turning off pain at the source; CBD helps support a person’s memory by slowing age-related cognitive decline; CBD significantly supports healthy

insulin and blood sugar levels; CBD supports healthy blood pressure; CBD has anti-cancer action and has been shown to slow the growth of cancer cells.

WHEREAS, it has also been scientifically shown that medical cannabis (CBD) provide valuable benefits for those struggling with ***opioid addiction***. CBD likewise helps recovering opioid addicts avoid *relapse*. CBD in *medical* cannabis has been recommended as needed to help fight the illegal and “recreational drug” epidemic.

NOW, THEREFORE, the Senate and the House of Representatives in Congress assembled, by virtue of the powers vested in them by the Constitution, do hereby approve and enact the following:

ARTICLE I

TITLE AND POLICY OF STATE

SECTION 1. *Short Title.* This Act shall be known as the **PHILIPPINE CANNABIS DEVELOPMENT AUTHORITY**, to be briefly referred to as “**PhilCADA**”.

SECTION 2. *Declaration of Policy.* It is hereby declared the policy of the State to insure the safe and good quality supply of the cannabis plant and the products and by-products derived therefrom such that the cultivation, production, processing, manufacture, the sale and use thereof are hereby allowed within and subject to prescribed parameters and regulated to protect the health and well-being of the people, as provided in this Act.

In the implementation of the afore-stated policy and the WHEREAS Clauses of this Act, the government shall, in accordance with the provisions of this Act:

- a. Establish standards and quality measures for the cultivation and production of the cannabis plant, the processing and manufacture of any product or by-product derived therefrom;
- b. Adopt regulatory measures to insure that only authorized uses and users of the cannabis plant and the products and by-products thereof as provided in this Act shall only be for therapeutic, medicinal and curative purposes.

ARTICLE II

THE PHILIPPINE CANNABIS DEVELOPMENT AUTHORITY

SECTION 1. *Establishment of the Authority.* In order to achieve and implement the policy objective and development goals stated herein, there is hereby created the **Philippine Cannabis Development Authority** hereinafter referred to as the “**PhilCADA**” with power and authority to establish an organization that shall be responsible for the efficient and effective implementation of its research and development plan, programs and priority projects.

The PhilCADA shall be an attached agency in the Office of the President of the Philippines.

SECTION 2. Powers and Functions.

1. For the purpose of promoting the orderly and accelerated development of the Cannabis Industry in all its aspects, PhilCADA through its Board of Directors as hereinafter constituted, is hereby vested with the following powers and functions:
 - a) To formulate and adopt a *Comprehensive Development Plan* for the Cannabis industry in the Philippines and to delegate to its operating management the implementation of such Plan including the programs, projects and services authorized therein;
 - b) To establish and maintain an organization with specific functions and responsibilities for each operating unit to be directly managed by its Administrator, Deputies and other operating officers and supporting personnel;
 - c) To formulate and adopt the Guidelines of the *Philippine National Standards* for Cannabis plants, its products and by-products including the rules and regulations concerning the issuances of licenses, accreditations, registrations and commodity clearances for the importation of Cannabis seeds or plantlets for the cultivation and production, harvest and storage of cannabis crops including the processing /manufacturing, packaging, labeling and distribution or sale of medical cannabis products or by-products;
 - d) To conduct or sponsor training and educational programs on specific aspects or facets of the cannabis industry. The attendance or participation in such programs shall be a prerequisite to permitting licensed physicians and other medical practitioners to prescribe or dispense medical cannabis products or by-products;
 - e) To hold seminars, workshops or conferences on the Cannabis industry and on its products and by-products, particularly on the beneficial effects of the *medical* cannabis as in this Act authorized and the risks of *recreational* cannabis which in this Act, is prohibited to be used.
 - f) To endorse and recommend to the Philippine Commission on Higher Education and Development (CHED) to adopt in the curriculum of universities and colleges of agriculture, medicine, and applied sciences and technology a subject or course on aspects of the cannabis industry relevant to the academic degree being taken by their students.

2. To ensure control that quality cultivars of the cannabis plant when grown outdoors are more appropriate and suitable to the climatic and soil conditions of the land area selected and/or cultivated through indoor greenhouses, or vertical structures, *hydroponics* and/or *aeroponics* methods; and to prevent diversion of the cannabis plants and its strains or derivatives and processed products or by-products to unauthorized use or users and that the sales and disposal or dispensation thereof are only for therapeutic, medical or curative uses with prescription by licensed physicians or medical practitioners, the PhilCADA shall, for a period of five (5) years from and after the commencement of its business and operations, have the exclusive power and authority to undertake and perform the following:

- a. To grow, cultivate, propagate **cannabis** cultivars of different species giving priority and primary emphasis to **cannabis sativa** (hemp) and **cannabis ruderalis** (sub specie of marijuana) which have **high** percentages of **CBD** compounds and low **THC** compounds.

Cannabis indica (marijuana) which has a **high** content of **THC** compound shall be experimentally grown and studied scientifically on how its THC content can be lowered or altogether removed by technical or technological extraction and/or other scientific means of propagation such as hybridizing or crossbreeding, as determined to be feasible;

- b. To perform and undertake its propagation and cultivation of selected cultivars under controlled and restricted conditions, the PhilCADA is hereby allowed and permitted to exclusively import the cannabis seeds or plantlets which it shall propagate and cultivate on its own selected agricultural lands that it may acquire by purchase or ceded or transferred to it by the Department of Environment and Natural Resources (DENR); or the Department of Agriculture (DA); or other government agencies, subdivisions or instrumentalities of government and/or to contract under such terms and conditions that PhilCADA shall prescribe the growing and propagation thereof by *State Universities of Agriculture* in the Philippines that PhilCADA may select for scientific research and/or to generate supply of selected cannabis plants or strains thereof for eventual commercial processing/manufacturing by PhilCADA and/or its authorized processors or manufacturers for exclusive sale or distribution by PhilCADA to be administered by licensed physicians or medical practitioners and/or through accredited hospital or clinics, subject to reporting and monitoring system prescribed by PhilCADA;
- c. In support of its own internal staff PhilCADA shall hire or retain or cause to be contracted Consultants, local or foreign, individuals or entities to advise or extend expertise in the Cannabis cultivation that PhilCADA shall directly undertake and/or to cause to be cultivated or grown for and in its behalf by selected State

Universities of Agriculture in the Philippines under controlled conditions prescribed by PhilCADA.

The advisory function of the Consultant or Consultants shall involve all aspects of Cannabis cultivation requirements starting from the selection and acquisition of seeds or plantlets; growth medium to be used, i.e. soil required; and/or water required as in *hydroponics*; or air required as in *aeroponics*; the growing requirements for indoor and/or outdoor cultivation in terms of temperature range, light, watering amount and frequency, humidity, nutrient requirements depending on the specie and variety of the cannabis plants through the use of organic fertilizers.

The cultivation process for which expert advice and direction are needed particularly during the start-up phase of PhilCADA's operations shall include the germination phase of the seeding stage, going to the vegetative stage, the flowering stage up to the harvesting stage, including the drying, curing and storage prior to extracting and processing with the application of quality standards.

- d. To hire or retain or cause to be contracted technical advice from Consultants, local or foreign, individuals or entities, that will provide advice and expertise on the technologies of the tools, equipment and paraphernalia for the cultivation requirements and the processing/manufacturing technologies required.

The PhilCADA may avail of Consultants for a professional fee, to acquire state of the art technologies required by it in the cultivation, processing or manufacture of Cannabis-based products or by-products and such professional fees shall not be based on the value of the equipment, tools and technology to be acquired but in the services provided by the Consultants, as recommended by the National Economic Development Authority (NEDA);

- e. To import for resale in the Philippines to authorized users from processors/manufacturers in foreign countries that comply with the safety and quality standards prescribed by PHILCADA after consultation with the Advisory Council provided in this Act. Such finished or processed/ manufactured products or by-products that are Cannabis-based shall belong to the following categories:
 - 1. **CBD** derived from Cannabis plant or strains thereof, ***without* THC** content;
 - 2. **CBD** derived from Cannabis plant or strains thereof, ***without* THC** content, but *combined* with ingredients from

plants **other than** cannabis or strains thereof that are not listed in the Dangerous Drug List under current law.

3. **CBD** derived from Cannabis plant or strains thereof with **THC content of not more than 0.03%.**

SECTION 3. Governing Board. The corporate powers and duties of the PhilCADA shall be vested in and exercised by a Board of seven (7) members composed of the following:

1. Secretary-General, National Economic and Development Authority (NEDA)
2. Secretary of the Department of Health (DOH)
3. Secretary of the Department of Science and Technology (DOST)
4. Secretary of the Department of Agriculture (DA)
5. Secretary of the Department of Trade and Industry (DTI)
6. Secretary of the Department of Environment and Natural Resources (DENR)
7. Secretary of the Department of Finance (DOF)

The President of the Philippines shall appoint the Chairman and the Vice-Chairman of the Board of Directors of PhilCADA. In case of absence or inability of the Chairman to attend any meeting, the Vice-Chairman shall preside at the meeting of the Board.

In the absence or inability of any of the aforementioned Executive Department Secretaries to attend or participate or vote on any matter taken up in the meeting of the Board of Directors of PhilCADA, their respective designated representatives with the rank of Undersecretary shall attend or participate and be entitled to vote.

After the period of two (2) years from the effectivity of this Act, the President of the Philippines shall be empowered to continue the present composition of the Board or change the composition of the Board with full-time members with recognized competence or experience in any of the varying aspects of the cannabis industry, such that together, the composition of the Board shall have a multi-disciplinary approach to the governance of the cannabis industry.

SECTION 4. Term of Office. The Term of Office of the New Composition of the Board are as follows:

The President shall appoint the:

- a) The Chairman and Vice-Chairman of the Board for a term of five (5) years
- b) The next three (3) Board Members shall be for a period of four (4) years, while the last two (2) members of the Board shall have terms of office of three (3) years.

Should any term of office of the new composition of the Board expire, the replacement uniformly will be for a term of five (5) years.

The term of office of the new composition of the Board of Directors may be extended *once* for a period of three (3) years.

SECTION 5. *Principal Office.* The PhilCADA shall maintain its principal office in the Metro Manila area as its Board of Directors, with the approval of the President of the Philippines shall decide. It may establish branches and/or operating units or affiliated agencies as may be necessary for the proper conduct of its business and activities.

SECTION 6. *Executive Office and Personnel.* The Chief Executive Officer of PhilCADA shall be an Administrator, who shall be assisted by such Deputy Administrators as the board may prescribe, all of whom shall be appointed or removed for cause by the Board and delegated with such powers, functions and duties as the Board may prescribe.

All officers and employees of PhilCADA shall be selected and appointed, after screening and evaluation, on the basis of merit and fitness.

SECTION 7. *Operating Units.* The Board shall establish such operating units, of such classifications and categories as the Board shall determine to be necessary and useful for the discharge of their respective functions and duties.

SECTION 8. *Meeting and Quorum.* The Board shall meet at least once a month or as often as the exigencies of the service may demand except that at its organizational stage during its first year of its start-up and operations, it shall meet at least twice a month.

SECTION 9. *Advisory Committee.* There is hereby constituted an advisory committee composed of the Chief Executive Officer (CEO) or equivalent rank of the Food and Drug Administration (FDA); the Philippine Drug and Enforcement Agency (PDEA), the Philippine Health Insurance Corporation (PhilHealth) and the Philippine Institute of Traditional and Alternative Health (PITAH) who shall advise and make recommendations to the Administrator of PhilCADA in formulating his recommendations to the Board of PhilCADA of the Rules and Regulations mandated in this Act.

SECTION 10. *Annual Appropriations.* The PHILCADA shall submit to the Congress of the Philippines through the Department of Budget and Management (DBM) an annual operating budget with capital outlays for its operating units.

During its first year's operations, there is hereby appropriated the amount of Three Hundred Million Pesos (Php300,000,000.00) as its start-up budget for its operations.

SECTION 11. *Research and Development Fund.* A Research and Development Fund hereinafter referred to as "The Fund" is hereby established exclusively for the use of PHILCADA in the implementation of its programs, projects and services under its Comprehensive Development Plan which shall be contributed by the National Government, to wit:

- (a.) the amount of Five Hundred Million Pesos (Php500,000,000.00) for the **first (1st) year** of its operation;
- (b.) the amount of Three Hundred Million Pesos (Php300,000,000.00) for its **second (2nd) year** of operations; and
- (c.) the amount of Two Hundred Million Pesos (Php200,000,000.00) for its **third (3rd) year** of operations.

No part of this fund shall be used for overhead expenses and capital outlays for internal administration of PhilCADA.

SECTION 12. *Financial Grants and Technical Assistance.* The Administrator of PhilCADA upon authority of the Board can negotiate and obtain financial grants, technical assistance or donations in kind, in support of its research and development plans, programs, projects and services.

The Administrator shall report within 30 days upon obtaining such financial grants, technical assistance or donations to the National Economic Development Authority (NEDA) and to the Office of the President.

SECTION 13. *Penalties and Sanctions.* Except as provided under the provisions of this Act and permitted to be undertaken under the rules and regulations of PhilCADA and/or by duly approved supplemental resolution, revision or amendment of the rules and regulations of the Board of Directors of PhilCADA, it is prohibited and hereby declared unlawful for any person or entity:

- 1. To import any seeds or planting materials for any specie or strain of the cannabis plant;
- 2. To cultivate, propagate or grow any cannabis plant or strain thereof;
- 3. To process, manufacture or produce any cannabis-based product or by-product;
- 4. To possess, use or smoke, or sell any recreational cannabis or marijuana;

5. To possess or use cannabis-based product or by-product authorized to be used for therapeutic, medicinal or curative purpose, without prescription from a physician or medical practitioner with a valid permit from PhilCADA.

It is likewise prohibited and unlawful for any physician or medical practitioner to dispense cannabis-based product or by-product without obtaining a permit from PhilCADA, which permit shall have a validity of two (2) years subject to renewal to be issued after the physician or medical practitioner shall have attended a qualifying seminar or continuing education program.

Any person, or the President and Treasurer of an entity who violate(s) any of the provisions of this Section of this Act, shall upon conviction and final judgment be punished with a fine ranging from One Hundred Thousand Pesos (Php100,000.00) to Five Hundred Pesos (Php500,000.00) or imprisonment ranging from ***prision correccional*** to ***prision mayor***, as provided in the Revised Penal Code, or both fine and imprisonment to be imposed in the sound discretion of the Court, depending upon gravity of the offense committed.

If the violation is committed by a physician or medical practitioner, the additional penalty of suspension for a period not exceeding one (1) year or revocation of his/her license to practice his/her profession shall be imposed.

SECTION 14. Congressional Oversight. There is hereby created a Joint Congressional Oversight Committee on the Medical Cannabis Industry to conduct an annual review, of the implementation of this Act which shall entail a systematic evaluation of the performance or accomplishments performed under this Act and their impact to the cannabis industry, to stakeholders and to the health and well-being of the beneficiaries of the medication or treatment with cannabis-based products and by-products.

The Joint Congressional Oversight Committee shall be jointly chaired by the Chairpersons of the Senate Committee on Health and Demography and the House of Representatives Committee on Health. It shall be composed of five (5) members from the Senate and five (5) members from the House of Representatives, to be appointed by the Senate President and the Speaker of the House of Representatives, respectively.

SECTION 15. Transitional Provisions. Three (3) months prior to the end of its fifth year of its operations, PhilCADA shall conduct public hearings, to consider what specific aspects of the exclusive power and authority reserved under this Act to PhilCADA shall be devolved to the private sector stakeholders and what power or authority in the cannabis industry shall, in the public interest, be retained by PhilCADA or reverted back to other regulatory agencies of the national government. Otherwise,

PhilCADA shall retain, preserve and continue all of its powers and functions mandated under this Act.

The Congressional Oversight Committee may be invited to such hearings. The recommendations of PhilCADA shall be submitted to the Office of the President and to both Houses of Congress for their due considerations and action.

SECTION 16. *Repealing Clause.* All laws, orders or rules and regulations of other laws or parts thereof which are inconsistent with any of the provisions of this Act are hereby repealed or modified accordingly.

SECTION 17. *Separability Clause.* Any provision or portion of this Act that may be declared unconstitutional shall not have the effect of nullifying the other provisions hereof provided that such remaining portions can still stand and be given effect to accomplish the purposes and objectives of this Act.

SECTION 18. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation in the Philippines.

Approved,