

Cultivation and/or Processing of Cannabis and Cannabis Derived Products – Bailiwick of Guernsey Licensing Guide

Licensing Guidelines & Policy Document

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Revision Approved by the States Chief Pharmacist & States of Guernsey Head of Trade Engagement and Relations



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Introduction

- 1. The cultivation of cannabis is strictly prohibited and regulated within the Bailiwick by the Misuse of Drugs (Bailiwick of Guernsey) Ordinance, 1997, and the Misuse of Drugs (Bailiwick of Guernsey) Law, 1974 ('the Law'). If found guilty of an offence in contravention of the Islands' misuse of drugs laws, the Bailiwick Courts have consistently handed down significant custodial and financial fines. Furthermore Drug trafficking offences are within the ambit of the Bailiwick's proceeds of crime and money laundering legislation and illegal transactions could lead to additional offences and the confiscation of any benefit derived.
- 2. The Bailiwick of Guernsey ("the Bailiwick") consists of the Islands of Guernsey, Alderney and Sark. Each of the Islands have their own governments, the States of Guernsey, the States of Alderney and the Sark Chief Pleas. Not all laws applied within the Islands are Bailiwick wide and each Island jurisdiction is responsible for its own employment, planning and environmental protection which may differ from Island to Island.
- 3. The Bailiwick of Guernsey has a diverse economy and a wide range of expertise in both the goods and services sector and one key aim of the States of Guernsey is to ensure that the Islands are forward thinking in terms of developing its economic sectors into new and emerging industries.
- 4. The States of Guernsey Committee *for* Health & Social Care Committee ('CfHSC'), is responsible for operating the licensing scheme within Guernsey and Alderney for the purposes in accordance with the Misuse of Drugs Ordinance 1997.
- 5. The Committee *for* Economic Development ('C*f*ED') is responsible for ensuring that global trade and the promotion and development of all sectors of business, including construction, creative industries, digital, financial services, horticulture, intellectual property, manufacturing, media, retail and tourism, is effective.
- 6. This Policy has been prepared to provide businesses and other interested stakeholders with a clear and consistent statement of the States of Guernsey's policies in relation to all aspects of cultivating and trading cannabis products. Notwithstanding this Policy, the States of Guernsey may decide to depart from its provisions on a case by case basis where it is appropriate to do so.
- 7. The final decision whether to grant a licence sits with the *Cf*HSC under the Misuse of Drugs (Bailiwick of Guernsey) Law, 1974 ('the Law') the 1997 Ordinance made under it and all applications will be reviewed by that Committee.



Glossary

API Active Pharmaceutical Ingredient

CfHSC States of Guernsey Committee for Health & Social Care
CfED States of Guernsey Committee for Economic Development

CBD Cannabidiol

DBS Disclosure and Barring Service

D&PA States of Guernsey Development & Planning Authority

FSA Food Standards Agency

GMO Genetically Modified Organisms
GMP Good Manufacturing Practice

HACCP Hazard Analysis and Critical Control Points

MHRA Medicines and Healthcare products Regulatory Agency
OEHPR Office for Environmental Health and Pollution Regulation

OTC Over the Counter

P3 Protocol 3 to the UK's Treaty of Accession

THC TetrahydroCannabinol (a cannabinol derivative)

SoA States of Alderney SCP Sark Chief Pleas

Background

- 1. The Bailiwick of Guernsey has a strong heritage in horticulture dating back as far as the 1870s when the main horticultural industry had been growing tomatoes for export both into the UK and onward to Europe. By the mid-1950s the glasshouses in which they grew covered seven per cent of the Island of Guernsey.
- 2. By the 1970s the horticultural industry started to suffer in terms of competition from the European market, mainly the Dutch Market where the economies in the scale and size of the growing facilities combined with easier access to the EU market proved impossible barriers to overcome.
- 3. In the early 1980s growers used their expertise and diversified the horticultural industry into other products such as fresh cut flowers, peppers, aubergines or kiwi fruit. However, due to the competitive markets elsewhere only limited growing of peppers and tomatoes continue for the export market. Notwithstanding the difficult trading market for fresh food products, the Bailiwick of Guernsey is well known for its high quality freesias, nerines and clematis which are grown and exported globally.
- 4. The Bailiwick of Guernsey has a strong and rich heritage in horticulture and the recent development in States of Guernsey policy to allow, by licence, the cultivation of cannabis products (under the adherence to very strict controls) will hopefully be the next modern advancement of the Islands' growing industry.



- 5. The Bailiwick of Guernsey has a well-respected reputation not only within the Horticultural industry but all trade in goods and services. The on-Islands expertise in this sector, strict licensing controls and global trading arrangements which exist make the Bailiwick the perfect destination to consider establishing a business to cultivate cannabis products.
- 6. One of the key aims of the CfED is to diversify and grow Guernsey's economy and re-affirm that the Island is open for business. The cannabis growing sector is seen as an emerging sector where new and innovative medicinal products can be grown and developed within a highly regulated environment in accordance with UK, EU and global standards.
- 7. Any businesses with an interest, or considering establishing a business relating to the cultivation or processing of cannabis or cannabis products, are advised to consult this guide and the contact leads in the relevant areas, who will be pleased to assist with any questions you may have. The details of these contact leads are specified on Page 11 under 'States of Guernsey Key Contacts.'
- 8. It is important to note that the laws relating to land planning, employment, environmental health, and the enforcement of these laws differ between Guernsey, Alderney and Sark and therefore it is important to be aware off the relevant regulatory regime applicable in each Island.
- 9. This Policy sets out the States of Guernsey's approach clearly and comprehensively, having due regard to the licensing arrangements in relation to the licensing of medicinal cannabis products, any cannabis products developed for human consumption and the movement of cannabis related products to and from the Islands to the UK, EU and worldwide market.

Growing Cannabis in the Bailiwick of Guernsey

- 1. There are two common types of cannabis plants: *Cannabis Sativa* and *Cannabis Indica* both of which are suited to Bailiwick's growing conditions and climate; the life cycle of the plant varies between 11 to 21 weeks allowing for up to three harvests per year with each stage of growth of a cannabis plant needing different care;
 - 1. Germination (Seed): 1-2 weeks (estimated)
 - 2. Seedling: 2-3 weeks (estimated)
 - 3. Vegetative: 2-8 weeks (estimated)
 - 4. Flowering: 6-8 weeks (estimated)
 - 5. Harvesting
- 2. Once harvested the cannabis plants can then be used to extract the major active ingredients (Cannabinoids and Terpenes) of the plants which can then be used for the processing and manufacture of medicinal products such as Good Manufacturing Practice (GMP) medicines (i.e licensed medicines or Medicinal Specials) topical creams and CBD Oils, the latter of which are used as supplements.



The Difference between Hemp, CBD, THC Products

- CBD (Cannabidiol) is one of the 100+ naturally occurring Phytocannabinoids found in certain strains of hemp and in all cannabis plant strains. CBD products are now exempt from restrictions when containing trace Cannabinols if they are those meeting the following conditions:
 - I. have its ingredients clearly labelled
 - II. contains more than 2.5% CBN by weight and an aggregate of not more than 3% (Bailiwick of Guernsey only) Cannabinol and Cannabinol derivatives relative to its CBD content, by weight
 - III. contains not more than 2.5% CBN by weight and an aggregate of not more than 0.1% (Bailiwick of Guernsey only) Cannabinol and Cannabinol derivatives relative to its total content, by weight
 - IV. does not contain any other controlled drug
 - V. does not contain any plant material visible to the naked eye
- 2. Although both Hemp and CBD are made from the same plant, CBD oil is made from the flowers, leaves and stalks of the plant and not from its seeds like Hemp Oil. CBD and Hemp Oils are mainly used in the production of supplements and topical creams.
- 3. THC or Tetrahydrocannabinol (a Cannabinol derivative) is the key psychoactive chemical in cannabis and is known to cause the psychoactive effects of the 'high' felt from cannabis. THC products are used by the Pharmaceutical Industry and are used for the development of licensed medicines and creams aimed at offering treatment for a varied range of symptoms and ailments (note this remains a classified drug in Class A in its pure form and unlicensed use is a drug trafficking offence under the Misuse of Drugs Legislation).

<u>Overview of the Licensing Arrangements for the Cultivation and/or Processing of Cannabis and Related Activities</u>

1. Cannabis and cannabis resin are classified as Class B drugs under Schedule 1 of the Misuse of Drugs (Bailiwick of Guernsey) Law, 1974 (note THC is a Class A drug under this legislation). The Bailiwick of Guernsey and Bailiwick Courts take offences related to the possession and trafficking of drugs extremely seriously. It is a criminal offence in the Bailiwick of Guernsey to unlawfully possess, cultivate, supply, export or import cannabis and if prosecuted, a person of conviction, shall be liable up to imprisonment for up to 21 years. Furthermore Drug trafficking offences are within the ambit of the Bailiwick's proceeds of crime and money laundering legislation and illegal transactions could lead to additional offences and the confiscation of any benefit derived. The Misuse of Drugs (Modification) Order, 2018 made by the CfHSC was laid before the States Assembly in January 2018 and approved an exemption for certain products from various prohibitions in law regarding the import, export, possession and supply of CBD products of a specified description or use as a medicinal product.



- 2. The 2018 Order contains a requirement regarding the percentage of Cannabinol (or derivative) which must be confirmed by either the <u>States Analyst</u> of the States of Guernsey or by an accredited laboratory¹ with an official certificate of analysis for the preparation that is demonstrably and clearly linked to that preparation by batch or lot number or otherwise ². These percentages have been amended by a further order in 2019 for products containing less than 2.5% CBD.
- 3. To be able to grant a licence for export, the CfHSC will also need evidence of the licences issued by the relevant authorities for each jurisdiction to which the product is destined. Please refer to the trade guide below. It must be stressed that this exemption does not extend to the commercial exportation of any cannabis products (i.e fulfilment), this requires CfHSC to grant a licence per shipment.
- 4. In June 2019, the Misuse of Drugs (Modification) Order, 2019 ('the 2019 Order') introduced a definition of when herbal cannabis would become a schedule 2 drug in the Bailiwick. This change then allows the prescribing and use of herbal cannabis products for the treatment of humans under very tightly defined circumstances. The type and source of products of herbal cannabis for use in medicinal purposes is also tightly defined.
- 5. The current licensing regime under the Misuse of Drugs Law 1974 and the Misuse of Drugs Ordinance 1997 allows the licensed production and manufacture of products that can be legally marketed in Guernsey, and provide for the licence of 12 months duration to include a number of terms and conditions. The licence can be revoked at any time if the operation does not continue to meet these terms and conditions. The licence is also specific to a single legal entity, operating from a defined set of premises, producing an agreed range of products for distribution in agreed countries/jurisdictions.
- 6. Changes in management/directors (including non-executive directors) or ownership could also result in the licence being revoked if any new party cannot deliver a disclosure and barring service ('DBS') check or other requirements as stipulated by CfHSC.
- 7. The licence requires the principals of the business to be lawfully resident in the Bailiwick of Guernsey by holding either a Certificate or Permit issued under the Population Management Law.
- 8. Licensed corporations undertaking the growing or processing of cannabis plants for the production of industrial hemp; supplements or medicinal products will be subject to the States of Guernsey's company higher income tax rate (20%).

¹ A Laboratory accredited to the ISO/IEC 17025 standard for forensic analysis of cannabinol and cannabinol Derivatives.

² A Laboratory accredited to the ISO/IEC 17025 standard for forensic analysis of cannabinol and cannabinol Derivatives.



- 9. In the event of any licensed business entering into voluntary or involuntary administration or ceasing to trade for other reasons, the agreed security processes must be maintained, or the crop will become forfeit and will be destroyed by the States of Guernsey (as changes in the security arrangements would be a breach of the licence).
- 10. An application should be made in writing including the information detailed here: <u>Licence</u>
 <u>Application for Cultivation and/or processing of Cannabis and Associated Activities.</u>³
- 11. The 2018 Order and 2019 Order, and the checks on importation carried out by the Guernsey Border Agency, ensures that the public can have confidence that cannabis products purchased in the Bailiwick of Guernsey meet the requirements of the Law.

³ Licence Application Form for the Cultivation and/or processing of Cannabis Activities - https://www.gov.gg/CHttpHandler.ashx?id=118201&p=0



Requirements for an application for a licence for the Cultivation and/or processing of Cannabis and Related Activities

The Legal Entity:

- I. Name and Address of the Directors/Partners (CVs, with referees) (the Key Principals)
- II. Name and address of key operating personnel who are not partners or directors (the Key Operating Personnel).
- III. Names and addresses of anyone with a controlling interest (greater than 20% ownership CVs or company addresses and references)
- IV. Guernsey/Alderney/Sark residency required for the principals and key operating personnel (including all directors, executive and non-executive, partners etc.) of the business (but not the ownership)
- V. Up to date DBS checks for all these individuals will need to be supplied
- VI. Type of organisation, partnership, LLP, PLC etc
- VII. Copy of registration with Guernsey Registry
- VIII. Address for correspondence of the organisation
- IX. Significant changes in the personnel or ownership would result in the licence being potentially reviewed
- X. An organisation organogram

The Outline of the Proposed Operation should include a description and documentation of what it is proposed is to be produced, form labelling and target market, countries etc.

The Key Principals – the Fit and Proper standard

All Key Principals are expected to meet the "Fit and Proper" standard from the outset, and on an ongoing basis. This guidance is for individuals who are, or intending, to hold one of these positions or the entities looking to employ them.

What does "Fit and Proper" mean?

This is the term used to summarise the standards that an individual being appointed to, or holding, a position with a licenced entity under the 2019 Order needs to demonstrate.

How is this measured?

We will consider each individual application in the whole, but will focus on a number of key points such as the individual's:

- Competence, considering their skills, knowledge, capability and expertise;
- Has the individual demonstrated by experience, professional qualifications and/or relevant training that they are suitable to perform the role?;
- Does the individual understand the structure, purpose and risks associated with the business model?;
- Does the individual understand the regulatory obligations associated with holding that the licence?;



- Has the individual sufficient time (taking into account existing commitments) and skills to perform the role and to meet their responsibilities?;
- Probity, considering their integrity , honesty and reputation;
- Will the individual act in an honest, fair, diligent and independent-minded fashion in carrying out the proposed role? Will this include ensuring the good reputation of the Bailiwick, including avoiding or mitigating conflicts of interest?;
- Has the individual demonstrated that he or she will act in the interests of the entity and will not act in their own self-interest, and will fulfil all their relevant duties?;
- Has the individual been convicted of any offences under the Misuse of Drugs Legislation?;
- Are there any pending cases against him or her?;
- Has the individual ever been subject to an action or decision taken in respect of a Licence held by him or her, or of a firm in which he or she was a Key Principal?;
- What is his or her employment history? Does it demonstrate his or her integrity and soundness of judgement?;
- Has the individual demonstrated that he or she will deal with the HSC in an open, transparent and co-operative manner?;
- Solvency, in the form of the individual's financial soundness;
- Has the individual been the subject of bankruptcy or analogous proceedings, or are any such proceedings pending?;
- Has the individual made any compromise arrangement with his or her creditors?;
- We assess the "fitness and propriety" of an individual by a number of means, including the following;
- 1) Reviewing the application and any ancillary documentation and updates.
- 2) Publicly available information and due diligence enquiries from relevant third parties and this may include meeting with the Key Principals.

The above is not an exhaustive list of the matters we may consider in reaching our conclusions, and we will have regard to these factors and additional ones on a case-by-case basis as appropriate.

1 The English courts have recently confirmed that a person need not be dishonest in order to lack integrity: Wingate v SRA [2018] EWCA Civ 366. The words of the UK Upper Tribunal in First Financial Advisers Ltd v FSA (12 June 2012) provide a useful guide to the legal concept of integrity: "[e]ven though a person might not have been dishonest, if they lack either an ethical compass or their ethical compass to a material extent points them in the wrong direction, that person will lack integrity". What should a licensed firm or applicant do?

We expect the licensee (current or proposed) handling an individual's appointment to assess him or her against the Fit and Proper standard, and to have the necessary processes in order to identify where they do not meet these, whether at the beginning of the appointment process or on an ongoing basis. Notification of any issues affecting a Key Principal's fitness and propriety must be made to us on a timely basis.



The product:

- I. Description of the final product content of key entities such as THC and CBD
- II. If the proposed product is planned to exceed the exemption for use in supplements (over 3% of the CBD content being Cannabinols (or for products containing below 2.5% CBD then a content of 0.1% THC of the total product) then the following apply:
 - a) It has to be made so it can be, or be made into, an Active Pharmaceutical Ingredient (MHRA oversight probably needed)
 - b) If being made into a Medicinal Product 'Special', this can be only done in appropriately licensed specials manufacturers facility (by the MHRA) in line with the requirements of the Misuse of Drugs (Bailiwick of Guernsey) Ordinance, 1997 Amendment Order No1 2019.
 - C) The Drugs and Firearms Licensing Unit of the Home Office (UK) will be consulted on any such application before a license is granted.
- III. Proposed market, bulk, OTC, supplement, medicinal etc
- IV. Packaging
- V. Labelling
- VI. Marketing
- VII. Countries it is being marketed to, or for the local market only. For export evidence must be provided that such exports would be accepted by the recipient countries
- VIII. If for export to other jurisdictions, then evidence must be provided that such importation into that jurisdiction would be lawful and could be conducted, and detail of how this would be approved or accepted (such as the granting of import licences etc)
 - IX. Quality Control and Quality Assurance Processes and methodology, and its validation (internal and if necessary external)
 - X. A full explanation, for drug control purposes, as to how the proposed product can lawfully be made available (for profit or not) to consumers

The proposed method of production documentation including:

Seed(s) to be used:

- I. Potential content of the final product such as THC, CBD etc content
- II. Area under cultivation
- III. Projected output
- IV. Processing proposals, what parts are to be used and how, crushing etc
- V. Extraction methods of active product, validation of the method
- VI. Audit trail of material used, e.g tagging of each plant
- VII. Process documentation and record keeping
- VIII. Identification of, and method of disposal of any waste material
 - IX. Transport processes on island and off island, controls, audit trails, security arrangements, tagging of vehicles and other controls in place
 - X. MHRA approvals (and other regulatory bodies where appropriate), if needed



XI. HACCP and other approvals required for the preparation of a food stuff if needed

The documentation on the proposed site, details including:

I. Location of site (including Greffe reference and surface area)

Site security:

- I. Fences, buildings
- II. CCTV, coverage and location
- III. Locks and other entry control
- IV. Guards
- V. Monitoring by security services out of hours
- VI. Alarm system
- VII. Use of lighting, for security
- VIII. Lighting used for growth
- IX. Gate control of access to site
- X. Location of other licensed cannabis growing sites (to avoid cross pollination issues)
- XI. Relation to schools, child care facilities and other potential areas of concern
- XII. Storage of finished and intermediate products
- XIII. The oversight of Guernsey Law Enforcement to advise that the proposed security considerations appear to be of an adequate standard for the consideration of granting a licence for the proposed products
- XIV. MHRA approvals, if needed
- XV. HACCP and other approvals required for the preparation of a food stuff or supplement
- XVI. Planning permission
- XVII. Environmental Health and Pollution Control Issues (noise, light pollution etc) (OEHPR)
- XVIII. A signed declaration of the veracity of the information provided (see appendix 1)

Fee Structure:

The Fees are due on the day of submission of the application for approval.

- I. For a single entity on a single site cultivation only, under 5 acres (11.25 vergees) £4800 Larger sites depends on the area but at least £1100 per extra 5 acres, 11.25 vergees
- II. Processing plant for a cannabis products £1600 (if separate)
- III. Warehousing £1100 per facility (if separate)
- IV. Commercial Export, fee per shipment requiring licensing £100
- V. States Analyst Validation if requested by Law Enforcement as per agreed fee table applicable at the time
- VI. If for medicinal product production (experimental or routine) fees to be determined by the MHRA and CfHSC

Licence Periods:

a. The licences will be granted for a period of up to, but not exceeding, 12 months.



Regulation and Enforcement Procedures:

- b. The Chief Pharmacist and any person authorised by the Chief Pharmacist will be empowered to enter and inspect any site licensed under this process, on production of his/her identification badge issued by CfHSC. He/she will also be empowered to review any documentation (electronic or hard copy) and to make any copies he/she believes are necessary for ensuring/enforcing compliance with the terms of the licence. This includes validation and tracing of all output and waste product disposal.
- c. The licence holder must provide the information necessary for the completion of the INCB returns, which includes gross output of cannabis material, and of any product derived from it (such as CBD oil, including its THC content, area under cultivation). These reports have to be submitted to the Home Office (who are co-ordinating the returns for the British Islands) before the 31st of January each year.
- d. If medicinal forms /medicinal products are being produced the powers and authorities granted under The Medicines (Human and Veterinary) (Bailiwick of Guernsey) Law, 2008 also will apply.
- e. Officers of the Guernsey Law Enforcement Agencies will have access on the production of their warrant card, in addition to any other powers of entry and inspection they have under current legislation.

Applications for Changes to a Licence

These will be processed in the same manner as an original application but based on the requirements .at the time of the renewal if amended. It is the responsibility of the applicant to ensure that all the necessary certificate and approvals needed are obtained before submission, in writing, to the Chief Pharmacist for review. The application must detail all the changes the applicant wishes to make, setting out the new clause, and the one being changed.

- 1. The Chief Pharmacist will on receipt of such an application review and validate the material and the supporting evidence
- 2. All queries will be passed back to applicant to resolve before the change application is progressed
- 3. The Chief Pharmacist will submit the application for change to relevant agencies if necessary for comment
- 4. The final decision on whether to permit the changes rests with the CfHSC.

The following applications for a change to a licence will always be treated as a new application:

- 1. New Site to be used
- 2. Change to the proposed output (both in terms of volume and product being made)
- 3. Change to the proposed destination country of any exported material
- 4. Changes being requested after identified issues of non-compliance with the licence



- 5. Significant change of ownership of the legal entity
- 6. The assessment that any of the Key Principals no longer comply with the Fit and Proper standard

Applicants must also be aware that the conviction of any of the principals, executive directors or non-executive directors, for an offence under the Misuse of Drugs Legislation, will result in an automatic review of the licence and the potential for it to be revoked.

Contact with Officers of the Committee for Health & Social Care

Individuals or entities seeking to make an application for a licence for the growing of, or processing of, cannabis derived products must ensure they read all of these guidance notes and supplementary information available via the gov.gg website in preparation for their submission. The guidance has been designed to be clear and informative, as there is limited capacity for officers to discuss the detail of individual applications as they develop. They should also ensure that all the information requested is provided as the application will not be determined until CfHSC has all such information.

Issues which are exceptional in nature may be clarified with CfHSC using the postal address supplied in the guidance notes, responses to which will be provided within 5 days of receipt where possible. All applicants should ensure their application addresses all required information, clearly, succinctly and in sufficient detail to satisfy each aspect of the process.

Upon submission of a completed application, individuals or entities will receive a confirmation email and should note that officers will work through the information received, prepare the associated CfHSC paper, and present the application to the Committee for a decision. The time between receipt of application and consideration by CfHSC is approximately 6 weeks but can be longer. The decision of the CfHSC will then be communicated to the applicant as soon as possible after it has been made with accompanying comments as required or recorded by the Committee.

Applicants **should not contact** CfHSC officers after receiving their confirmation email. Officer time will be focussed on processing applications following their receipt and officers cannot control the timing of, or final decision made by, the CfHSC in respect of any application.

<u>Planning Policy in Relation to the Cultivation and/or processing of Cannabis and Related Activities</u>

Planning Permission

Planning permission is required for the carrying out of 'development', which includes both a material change of use of land and physical development operations such as the erection of buildings or structures.

Use

Cultivation of plants in the ground is a horticultural/agricultural use. Generally, use of a vinery site for such purposes will not amount to a material change of use.



Operations

Generally, physical development operations such as erection of a packing shed, or fencing as ancillary works to a horticultural use, will require prior planning permission.

Planning Policy

The principal planning policy in the Island Development Plan (2016) (the IDP) relating to such horticultural development is Policy OC6: Horticulture Outside of the Centres which states that:

- a. Proposals for new glasshouses, extensions, alterations, rebuilding or other works to existing glasshouses or buildings, or ancillary or ordinarily incidental development, associated with existing commercial horticultural holdings will be supported providing that:
- b. the site forms part of an existing commercial holding which is in operation, or one which although disused could be brought back into operation for commercial horticulture without requiring the erection of significant areas of new glass; and,
- c. the holding is considered to make, or be capable of making, a material contribution to the horticultural industry and is likely to continue to do so for the foreseeable future by virtue of its suitability for commercial operations; and,
- d. it can be demonstrated that any areas of new commercial glasshouses are required to sustain the viability of the existing commercial operation and,
- e. on cessation of use, or when no longer required, any new structures permitted under this policy shall be totally removed and the land restored to other types of agricultural use or a use acceptable under the policies of the Island Development Plan; and,
- f. the development proposed is ancillary or incidental and essential to the operation of an existing holding.

Proposals to change the use of a horticultural site will be assessed under the other relevant policies of the Island Development Plan and/or the requirements of Policy OC7: Redundant Glasshouse Sites Outside of the Centres as appropriate.

The establishment of new commercial horticultural holdings will not be permitted.

Where processing is the primary activity;

As a possible alternative to growing plants on existing horticultural sites, with related potential for proportionate ancillary processing facilities, it may instead be proposed to undertake processing as the primary activity on a site, with a small amount of ancillary



growing located either on the same site or adjacent to it. In this scenario, the principal processing activity would be likely to be classified as an industrial use in planning terms, with the limited associated growing regarded as ancillary or incidental to that principal industrial use.

The IDP directs industrial activity primarily to sites within and around the Main Centres of St Peter Port and St Sampson/Vale, and more specifically to the Key Industrial Areas (KIAs) within these Centres. Particular attention is therefore drawn to IDP Policy MC5(A): Industry, Storage and Distribution Uses in Main Centres and Main Centre Outer Areas – within Key Industrial Areas and Key Industrial Expansion Areas. Within the designated KIAs, proposals for new or alteration, extension or redevelopment of existing industrial or storage and distribution developments and related ancillary development will be supported under this policy. Proposals for change of use from storage and distribution to industrial uses will also be supported to ensure flexibility within the KIAs to accommodate demand.

Please note that the establishment of wholly new horticultural holdings anywhere within the Island Development Plan area will be resisted in order to encourage best use to be made of existing horticultural holdings.

Other Relevant Planning Policies are:

Policy GP1: Landscape Character and Open Land, which states that:

Proposals will not be supported if they would result in the unnecessary loss of open and undeveloped land which would have an unacceptable impact on the open landscape character of an area. Development will be supported where it:

- a. respects the relevant landscape character type within which it is set; and,
- b. does not result in the unacceptable loss of any specific distinctive features that contribute to the wider landscape character and local distinctiveness of the area concerned; and,
- c. takes advantage, where practicable, of opportunities to improve visual and physical access to open and undeveloped land; and,
- d. accords with all other relevant policies of the Island Development Plan.
- e. Proposals for development that is considered to be significant in terms of scale, setting and appearance will normally be required to include a landscaping scheme.

Policy GP8: Design. This policy is supportive of development that achieves high standards of design which respects and, where appropriate, enhances the character of the environment. The policy provides several criteria that new development is expected to meet, including:

- a. achieve a good standard of architectural design, including the design of necessary infrastructure and facilities; and,
- b. respect the character of the local built environment or the open landscape concerned; and,
- c. consider the health and well-being of the occupiers and neighbours of the development by means of providing adequate daylight, sunlight and private/communal open space.



<u>Trading (Importing, Exporting) Seeds (including Genetically Modified Organisms), Cannabis</u> derived products, to and from the Bailiwick, the UK and The Global Market Place

The Bailiwick of Guernsey is a stable jurisdiction to facilitate global trade in both goods and services. The States of Guernsey manages its borders using its own Border Agency. The Bailiwick has a diverse industry in terms of global trade with an estimated £45m worth of manufactured and locally produced goods exported to the UK and worldwide on an annual basis.

- The Single Convention on Narcotic Drugs of 1961 as amended by the 1972 Protocol, the Convention on Psychotropic Substances of 1971 and the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988, are extended to the Channel Islands (including the Bailiwick of Guernsey) and therefore there are measures in place to restrict the movement of narcotics into, and out of, the Bailiwick of Guernsey.
- 2. The Bailiwick of Guernsey is not part of the EU but has a special status set out in Protocol 3 ('P3') of the UK's EU accession treaty as part of the EU Customs Union (CU) for the trade in certain industrial and agricultural products (goods only). The States of Guernsey has therefore chosen to adopt certain EU rules governing the Single Market for goods in general and in relation to goods that it exports to the EU in order to facilitate trade.
- 3. The movement of goods between the Bailiwick of Guernsey and the UK is based on successive Royal Charters which permit the free-movement of goods between the Islands and the United Kingdom. There may be prohibitions and restrictions in place between Guernsey and the UK at certain times and it is the responsibility of the importer to be aware of these when considering the importation of goods into the Bailiwick.
- 4. It is important to note that the exportation and movement of cannabis products, particularly those containing THC is complex and the States of Guernsey cannot advise in respect of any licensing or regulatory regimes in place outside of the Bailiwick of Guernsey. For example, it is currently an offence to possess any cannabis product containing THC in the UK and, therefore, if the intent is to export cannabis into the UK, there will be a need to ensure that a licence is issued by the Medicines and Healthcare Products Regulation Agency ('MRHA') Licence (if medicinal), and/or subject to a licence granted by the UK Home Office (if non medicinal), prior to being imported into the UK.
- 5. Prior to export, a licence will need to be granted by the CfHSC.
- 6. Exports from the Bailiwick of Guernsey to the EU (Via the UK) for products containing THC are subject to a UK, the Bailiwick of Guernsey and EU licensing regime. It will be the States of Guernsey licence which will be the last licence granted in the export chain.

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⁴ UK Treaty of Accession – Protocol 3 https://gov.gg/CHttpHandler.ashx?id=3464&p=0



- 7. Cannabis derived products produced on here for human consumption for export into the UK is complex and subject to EU regulations applied by the Food Standards Agency ('FSA'). Please refer to the Key contacts for further details.
- 8. Cannabis derived products produced here for human consumption for export into the EU is subject to the same EU regulation applied by the FSA which can be interpreted individually at the relevant Member State's Border.

Importing Genetically Modified Organisms - Seeds

1. The Bailiwick of Guernsey has plant health legislation which sets out the general plant health requirements for trade in plants and plant products that apply in the Islands. The existing legislation is due to be updated later in 2019 for the purposes of Brexit to ensure that it is closely aligned to the plant health requirements that are applied in the UK. There is no specific Bailiwick of Guernsey legislation on trade in GM products, however, as indicated above, the Islands' relationship with the EU is set out in Protocol 3 and as a consequence certain EU legislation is capable of applying to the Bailiwick of Guernsey under that Protocol. That would apply to any relevant legislation that made provision for the placing on the market of GM products.

Brexit Impact on Trade

- At the point the UK leaves the EU, Protocol 3 and the special relationship that the Bailiwick
 of Guernsey has with the access to the EU single market will fall away. Measures have
 already been put in place to ensure that the free movement of goods with the UK continues
 and discussions with ensuring that goods originating from the Islands can continue to flow
 into the EU are subject to further negotiations as part of the UK, EU future partnership
 negotiations.
- 2. Despite the uncertainty the Bailiwick of Guernsey remains a stable place to establish a business and to trade from, however, it is important to consider the above matters in relation to importing and exporting cannabis derived products.



States of Guernsey Key Contacts

Questions in relation to all licence applications should be referred to;

The States of Guernsey Chief Pharmacist Carolyn.Zierer@gov.gg

Questions in relation to locating and establishing a business in Guernsey should be referred to;

The States of Guernsey Locate Team – Director – Jo Stoddart E-mail - Jo@locateguernsey.com

Relationship Manager – Paul Kilminster E-Mail - Paul@locateguernsey.com

And;

Operations Executive - Keith Wilen E-Mail - Keith@locateguernsey.com

Questions in relation to International Trade should be referred to;

The States of Guernsey Head of Trade Relations and Engagement – Chris Morris E-Mail- trade@gov.gg

Questions in relation to Planning requirements should be referred to;

The States of Guernsey Director of Planning – Jim Rowles E-Mail- Planning@gov.gg

Questions in relation to Population Management should be referred to;

E-Mail-Population@gov.gg

Questions in relation Environmental Health and Pollution Regulation should be referred to;

E-mail- Envhealth@gov.gg

Further Contacts

Company Registration

The Guernsey Registry - 01481 743800- www.guernseyregistry.com



Appendix 1

Signed Declaration Form:



APPLICATION TO GROW OR PROCESS PLANTS OF THE GENUS CANNABIS. Declaration By or on Behalf of the Applicant Date: Name of the Organisation: Name(s) and Roles (e.g Director, Chief Executive, Partner): Signature(s)

By signing this application, the applicant(s) confirm(s) that the information contained within is true and correct in all particulars, and there are no known errors or omissions.

Failure to disclose information material to the application could result in the application being rejected or the revocation of a licence if granted.

That the fees due are included with the application.