

September 19, 2019

Chairman, Joint Select Committee of Parliament on  
Medicinal Cannabis Industry Bill, 2019  
Honourable Indar Weir  
Ministry of Agriculture and Food Security  
Graeme Hall  
CHRIST CHURCH

Dear Sir,

**Re: Medicinal Cannabis Industry Bill, 2019**

---

Reference is made to the captioned Bill, and the Joint Select Committee's invitation to the Barbados Bankers Association Inc. to make submissions on the same.

The Bill proposes to regulate the use, dispensation, supply, cultivation, transportation, sale, importation and exportation of medicinal cannabis and its products ("the Activities").

While the Bill will render the Activities legal in Barbados, Barbados is subject to an International AML/CFT law regime. Despite the legalisation of medical cannabis in some States in the United States of America, under the current U. S. Federal laws, which are paramount to State law, the Activities are still considered illegal. We recognise that banks may treat funds derived from the medicinal cannabis industry as legal, where those funds are earned in a state in which it is legal. Where Barbados commercial banks have correspondent relationships with US Banks, however, even if those correspondent banks are aware that funds are derived from an industry which is legal in Barbados, correspondent have been known to shut out the local banks as part of their risk appetite decision, if they are of the view that those local banks do not have a robust AML/CFT program to keep funds from illegal activity out of their system.

Accordingly, to avoid jeopardizing our correspondent banking relationships, local banks may have no choice but to decline banking services to persons who engage in the Activities. This could encompass not only direct participants, but also their vendors, suppliers and purchasers.

We accordingly strongly recommend that the Joint Select Committee factor into its consideration of the Bill, the inability of persons engaged in the Activities to access banking services, and the potential hindrance to the development of the industry in Barbados.

It may also be useful for an end-to-end assessment of the Activities and consultation with all relevant constituents to be carried out, to ensure that the expected revenue collection is not hindered by critical areas where practicality has not been assessed comments early next week,

Page 2

September 19, 2019

Honourable Indar Weir

In view of the short timeline provided for in-depth comment, we may submit an appendix with further comments early next week, and ask your indulgence in consideration of same in conjunction with our letter.

Yours faithfully,



**Donna Wellington**  
President