

NEWS

Marijuana Decriminalization May Lead to 2021 Cannabis Rebound

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Although 2020 was a difficult year for the cannabis sector, the recent wave of legalization and decriminalization across many U.S. states may bolster the industry, improving stock performance and opening new markets.

A total of 36 states and the District of Columbia have legalized marijuana for medical use, and 15 states legalized the drug for recreational use as of November 2020. Among the states that recently voted to legalize marijuana, two in particular - New Jersey and Arizona - open the door to massive growth opportunities, given their large populations.

Further, President-Elect Joe Biden has demonstrated an intention to decriminalize and possibly legalize marijuana at the federal level. Along with opening up the world's biggest pot market, legalization in the U.S. would make it easier for cannabis companies to manage their balance sheets. Federal decriminalization would permit passage of banking reforms that facilitate increased access to capital for cannabis producers and reduce transaction costs throughout the industry for producers, banks and consumers alike.

The *Marijuana Opportunity Reinvestment and Expungement Act (MORE Act)* was approved by U.S. Congress in December 2020, suggesting these changes are not far off. If approved by the Senate, the Act would take marijuana off the U.S. list of controlled substances, effectively legalizing cannabis nationwide.

All told, these legislative reforms, coupled with rising sales and improved performance by cannabis companies means that the industry offers profitable opportunities for investors and companies alike in the coming years.

Also, see [Forbes article](#), "Is Mexico Really Going To Legalize Marijuana For Recreational Use?" that explains how Mexico is potentially on track to become the third country in the world to legalize recreational-use cannabis.

All of these changes are good news for Canada's cannabis industry as it provides a much larger market for cannabis products and will further legitimize the industry as a whole.

Should you have any questions or for further information, please reach out to one of our lawyers in our [Cannabis Law group](#) — we're here to assist you.