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Natalie Renner Speaks to *The Globe and Mail* About Legislative Shortcomings in Cannabis Insolvencies

With a wave of cannabis insolvencies likely on the horizon, *The Globe and Mail's* Report on Business Cannabis Professional featured [Natalie Renner](#) in an [article](#) (available to subscribers) about hurdles caused by gaps in the existing bankruptcy laws.

The biggest unresolved issue is the fact that cannabis licences can't be transferred unless the buyer is already licensed by Health Canada, Natalie explains, which significantly reduces the pool of possible buyers for distressed assets – and also limits the type of insolvency proceedings available to a company.

"There's a need to address the gap in the legislation; other regulated industries have carve-outs to deal with insolvencies and transfers of licences," she says. "In liquor, which is a great example, they have the ability to transfer a licence to the insolvency professional, a receiver, and they have the ability to hold the licence for the purposes of operating the business in lieu of the company's management."

Until questions of transferability are resolved, most cannabis insolvencies will likely be managed under the *Companies' Creditors Arrangement Act*, she predicts. In this situation, the company's management team will remain in place throughout the "restructuring" process, which will be overseen by a court-appointed monitor.