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L.N. 56 of 2023

AUTHORITY ON THE RESPONSIBLE USE OF CANNABIS ACT (CAP. 628)

Responsible Use of Cannabis (Licensing of Organisations) Regulations, 2023

IN EXERCISE of the powers conferred upon him by article 20 of the Authority on the Responsible Use of Cannabis Act, the Minister responsible for Home Affairs, Security, Reforms and Equality, has made the following regulations:-

Part I
Preliminary

Citation.

1. The title of these regulations is the Responsible Use of Cannabis (Licensing of Organisations) Regulations, 2023.

Scope.

Cap. 537.

2. The scope of these regulations is to implement the provisions of article 7A of the Drug Dependence (Treatment not Imprisonment) Act.

Interpretation.

3. In these regulations, unless the context otherwise requires:

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"Act" means the Drug Dependence (Treatment not Imprisonment) Act;

"administrator" means any person who is appointed or elected to control and administer an association and as defined in regulation 14(5);

"association" means an association as defined in regulation 5 and as set up in terms of these regulations and article 7A of the Act;

"Authority" means the Authority on the Responsible Use of Cannabis as established by article 3 of the Authority on the Responsible Use of Cannabis Act;

"cannabis" means Cannabis as defined in Article 2(1) of the Dangerous Drugs Ordinance;

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"founding member" means any person who is involved in the establishment of an association or holds out himself to third parties as such, and after the establishment of the association the

first associating member, and "founding members" shall be construed accordingly;

"non-profit making" means non-profit making as defined in regulation 7(2);

"Register" means the Register of Cannabis Harm Reduction Associations in accordance with Part IV;

"Registrar" means the Registrar for Cannabis Harm Reduction Associations in terms of Part III of these regulations;

"Tribunal" means the Administrative Review Tribunal established by article 5 of the Administrative Justice Act. Cap. 490.

Part II
Of Associations

4. For the purposes of these regulations, an organisation established in pursuance of the provisions of article 7A of the Act shall be established in the form of an association. Legal form.

5. For the purposes of these regulations, an association is an agreement between two (2) or more natural persons to establish a non-profit organisation with the sole purpose to cultivate the plant cannabis exclusively for its members in a collective manner and to distribute it only to those members as set out in article 7A of the Act, through the dedication of efforts and resources by such persons and others who may join voluntarily, the patrimony, namely assets and liabilities, if any, of the association being distinct from that of the members and administrators. Definition of association.

6. An association shall not be validly constituted under these regulations unless a statute in the form established in regulation 17 is entered into between two (2) or more individuals and a certificate of registration is issued by the Registrar in respect thereof. How an association is validly constituted.

7. (1) An association shall be non-profit making. Non-profit making.

(2) For the purposes of this regulation and without prejudice to and for the better implementation of article 7A(2)(b) of the Act, an association shall be deemed to be "non-profit making" if:

(a) its statute contains an express provision which excludes the purpose to make profit;

(b) its purposes do not include the promotion of private interests;

(c) except as permitted under this regulation, the First Schedule to the Voluntary Organisations Act or the Second Schedule to the Civil Code, no part of the income, capital or property is available directly or indirectly to:

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Cap.16.

(i) any administrator; or

(ii) any founding member, member, donor or;

(iii) any other private interest;

Provided that such income, capital, property or part thereof is administered solely in order to achieve the purpose and objectives for which the association is established.

(3) An association shall continue to be deemed as "non-profit making" notwithstanding it:

(a) obtains a pecuniary gain from its activities when such gain is not received or accredited to its members, but is intended exclusively for the achievement of the purposes and objectives of the association as provided in its statute, and

(b) buys or sells goods or services where such activities are carried out exclusively to fulfil its sole purpose.

(4) The following principles on remuneration shall be applicable to an association:

(a) a founding member or member may receive remuneration from the association when he is engaged by or is an employee of the association under a written contract or when he is the provider of any goods or services to the association:

Provided that such remuneration:

(i) is strictly attributable to those functions being the subject of the written contract or to the governing provisions relating to goods or services rendered to the association;

(ii) is not substantial and is in accordance with market levels and market conditions established in accordance with the provisions of the Voluntary Organisations Act, and in any case, is of material irrelevance when compared to the overall income and expenditure of the association;

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(iii) is not as such as to prejudice the achievement of the purposes and objectives of the association or its sustainability;

(iv) is in any case, subject to the annual accounts and annual returns submitted by the association, in terms of these regulations and any applicable law or regulatory instruments;

(v) is recorded in sufficient detail in the minutes of the administrators during the general meeting and in the case of an investigation subject to any complaint on such matters, such minutes shall be submitted to the Authority, upon its request in writing;

(b) an administrator may solely receive remuneration from the association when he is engaged or is an employee of the association under a written contract which, in any case, does not prejudice the achievement of the principal and sustainable purpose and objectives of the association;

(c) an association may reimburse the administrator for any costs incurred by him, if directly related to his work as administrator of the association;

(d) an association shall not:

(i) grant an administrator remuneration which is higher than standard market levels or market conditions established in accordance with the provisions of the Voluntary Organisations Act, unless the Authority may deem necessary in the circumstance or is otherwise satisfied that the administrator has specific skills which meet the needs of the association, in which case, remuneration may exceed such market conditions or market levels as provided in any binding instrument, or as otherwise approved by the Authority;

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(ii) remunerate any person, whether an employee or otherwise, with a salary, wage or a fee, which is higher than market levels, unless the Authority is satisfied that in that particular case specific conditions apply;

(iii) pay interest or other remuneration on loans acquired in accordance with regulation 9, other than in accordance with market conditions; or

(iv) pay a price for any property acquired or leased

which is higher than the established market price for such property, notwithstanding any special discounts, sales or other special arrangements.

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For the purposes of this regulation, any reference to the "Commissioner" in the Voluntary Organisations Act shall be interpreted to mean the "Authority", and thereby any powers which may otherwise be exercised by the Commissioner shall be exercised by the Authority.

Permitted activities and income generated by an association.

8. (1) An association may only carry out acts of trade which are related to and intended to achieve their sole purpose of cultivating the plant cannabis exclusively for its members in a collective manner and to distribute it only to those members.

(2) In accordance with sub-regulation (1), the following activities and income generated by associations directly in the achievement of their purpose shall be permitted:

(a) the charging of admission and membership fees and, or fees relating to the consumption of cannabis by its members; and

(b) income generated from the distribution of cannabis cultivated by the association and permitted goods only to its members.

For the purposes of this regulation, "permitted goods" shall mean such goods as may be prescribed by the Authority in any binding instrument.

Borrowing powers.

9. Subject to the provisions of regulation 7 and if so authorised by its statute, an association may only borrow money from its founding members, any EU/EEA licensed credit institutions or financial institutions authorised to carry out lending in the EU/EEA:

Provided that the association shall only accept money borrowed from the founding members through bank wire transfer and shall not accept loans through the physical exchange of cash.

Provided further that prior to accepting any loans from any founding members, the association shall ensure that the source of such funds so advanced to it by the founding members are either their own funds or have been loaned to the founding member by an EU/EEA licensed credit or financial institution.

Legal personality.

10. An association shall acquire legal personality upon its registration with the Registry in accordance with regulation 33.

Rules applicable to associations. Cap.16.

11. (1) Associations shall be regulated by the provisions of the Second Schedule to the Civil Code regulating associations established as private benefit organisations, as defined therein, save as otherwise varied by these regulations. In case of inconsistency, the provisions of these regulations shall prevail, and the provisions of the Second Schedule to the Civil Code shall to the extent of the inconsistency, not apply to an association.

(2) Without prejudice to sub-regulation (1), the provisions of the following regulations shall be excluded in their entirety from the scope of these regulations:

(a) Civil Code (Second Schedule) (Fees) Regulations; S.L. 16.07.

(b) Civil Code (Second Schedule) (Notification and Forms) Regulations, and S.L. 16.08.

(c) Civil Code (Second Schedule)(Existing Organisations) Regulations. S.L. 16.10.

(3) For the avoidance of doubt, the provisions of the Civil Code (Second Schedule)(Register of Beneficial Owners-Associations) regulations shall apply to associations established in accordance with these regulations. S.L. 16.17.

(4) For the purposes of these regulations, reference to the words "Registrar for Legal Persons" or "Registrar" in the Second Schedule to the Civil Code shall be construed to mean "Registrar for Cannabis Harm Reduction Associations", and thereby any powers which may otherwise be exercised by the Registrar for Legal Persons shall be exercised by the Registrar for Cannabis Harm Reduction Associations. Cap.16.

Founding members and grantors.

12. No person may enter into an agreement to establish an association or may make an endowment, whether initial or otherwise, to an association unless such person has been ordinarily residing in Malta for a minimum of five (5) consecutive years prior to establishing the association or making an endowment to the association:

Provided that a minimum contribution in the form of a membership fee shall not be considered as an endowment for the purpose of this regulation.

Governance and bodies.

13. (1) An association shall be free to determine its internal management structure and governance in its statutes subject to the provisions of these regulations and as otherwise prescribed by the Authority in any binding instrument.

(2) An association shall be governed by at least two (2) bodies,

the board of administrators and the general meeting.

Board of Administrators.

14. (1) An association shall have a Board of Administrators which shall be composed of at least three (3) administrators.

(2) No person may be appointed or elected as administrator or as a member of the Board of Administrators unless such person has been ordinarily residing in Malta for a minimum of five (5) consecutive years prior to his appointment as administrator.

(3) No person may control or administer an association unless such person is a member of the same association and is appointed or elected an administrator of the association and is registered with the Authority.

(4) Each administrator shall be required to obtain the Authority's approval prior to his appointment as administrator.

(5) For the purposes of these regulations, "administrator" means an officer, member of the Board of Administrators, committee member or any other person who is appointed to control and administer an association, including any person who carries such functions even if under another name.

Disqualifi-cations of founding members, administrators, employees and persons who render a service.

15. Persons who have been convicted in the previous ten (10) years of:

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(a) any of the crimes mentioned in Titles V, VI and IX of Part II of Book First of the Criminal Code or persons who have been interdicted by order of any court in Malta in accordance with the provisions of the Criminal Code, or abroad under laws of equivalent effect;

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(b) any offence under the Dangerous Drugs Ordinance or the Medical and Kindred Professions Ordinance, or any subsidiary legislation thereunder;

(c) any offence involving the possession, supply, production and importation of illegal drugs by any court in Malta or abroad; and

(d) any offence involving money laundering or the funding of terrorism;

shall not be:

(i) founding members of an association;

(ii) eligible for appointment or election to the office of administrator or to hold any key position, if already appointed or elected, shall not be eligible to retain such office;

(iii) eligible to render services in the premises of any association, or

(iv) employees of an association:

Provided that any person who has been convicted of an offence indicated in this sub-regulation shall not be disqualified for the purpose of this sub-regulation, if after his conviction the offence for which he had been convicted is no longer considered to be an offence in terms of Maltese law, or if he has been convicted of possession of personal use of a prohibited drug.

For the purposes of this sub-regulation, "prohibited drug" means prohibited drug as defined in article 2 of the Act.

Name of association.

16. (1) Subject to the provisions of sub-regulation (2) an association may be designated by any name, but such name must end with the words "Cannabis Harm Reduction Association" or their abbreviation "C.H.R.A.".

(2) An association shall not be registered by a name which:

(a) is the same as a name of another association or so nearly similar as in the opinion of the Registrar it could create confusion;

(b) is in the opinion of the Registrar offensive or otherwise undesirable; or

(c) has been reserved for registration for another association by a notice in writing to the Registrar given not more than three (3) months before the date of the second request:

Provided that the Registrar shall notify any refusal under this sub-regulation to the person requesting the registration.

Form and contents of the statute.

17. (1) An agreement establishing an association shall be in writing, on pain of nullity.

(2) The statute shall contain at least the following information for the association to be eligible for registration:

(a) its name which shall be followed by the words "Cannabis Harm Reduction Association" or their abbreviation "C.H.R.A.";

(b) the address of its registered office, in Malta;

(c) its email address;

(d) an endowment of money of not less than one thousand euro (€1,000);

(e) its purpose which shall be clearly limited to the cultivation of the plant cannabis exclusively for its members in a collective manner to distribute it only to its members;

(f) an explicit provision that it shall not operate without the necessary permits and authorisations required under these regulations and any applicable legislation;

(g) its non-profit nature;

(h) the maximum number of members it may have which shall not be more than five hundred (500) members or such other number as may be prescribed by the Authority or by law;

(i) its explicit commitment to operate in accordance with all applicable laws and regulations and to promote harm reduction from the use of cannabis among its members;

(j) its assets at the time of its formation;

(k) the conditions and procedures for the admission, expulsion and resignation of its members;

(l) the rights and obligations of its members;

(m) the provisions governing the number of members of its Board of Administrators, the composition, appointment and dismissal of the Board of Administrators, the conditions for the initiation, on the association’s behalf, of proceedings against members of the Board of Administrators, as well as provisions governing the functioning of the Board of Administrators, its powers and responsibilities;

(n) the composition of the Board of Administrators and the name, surname, identification number, nationality and residential address of the administrators, the manner in which the legal and judicial representation of the association is to be

exercised, and the name surname, identification number, nationality and residential address of the first person or persons vested with such representation;

(o) the provisions governing the functioning, powers and responsibilities of its general meeting;

(p) the provisions governing the rights and obligations of members, including voting rights liability of members;

(q) the frequency with which its general meeting shall be called;

(r) the grounds and procedures for its voluntary dissolution;

(s) the term for which it is established, if any; and

(t) the date of adoption of the statutes and the procedure for amending them.

Members.

18. (1) An association may admit new members only when it is in possession of a valid permit and certificate of approval in accordance with the provisions of these regulations.

(2) All members shall be at least eighteen (18) years old.

(3) An association shall not distinguish between different categories of members including founding members and grantors, if any, and shall only admit full members.

(4) Each member shall be entitled to participate at each general meeting and shall be entitled to one (1) vote.

(5) Without prejudice to regulations 12 and 14 relating to the special residency requirements of founding members, grantors and administrators, no person may become a member of an association unless such person is a resident of Malta.

Exclusive membership.

19. No person shall seek to register or register with more than one association at the same time.

Non-transferability of membership.

20. The membership of any person in an association shall not be transferable.

General meeting of members.

21. (1) An association's general meeting, meaning the gathering of all members shall be referred to as the general meeting.

(2) Notice of the day, time, place and agenda of all general

meetings shall be given to each member at least fifteen (15) working days before the day of the meeting.

(3) The quorum of any general meeting shall not be less than fifty percent (50%) of all members.

(4) Decisions taken at a general meeting to terminate an association shall on pain of nullity be supported by at least seventy five percent (75%) of the members present.

(5) Every member shall have the right to information and obtain access to documents, in accordance with the rules set in the statute.

Provided that the Authority may, by binding instrument, prescribe the mandatory disclosure of certain information by an association to its members.

(6) Members may appoint proxies to attend a general meeting on their behalf pursuant to the procedure established in the statute and as long as such proxy is also a member of the association, and such proxy shall have the right to vote in addition to his own vote:

Provided that a member may not represent more than two (2) other members.

Register of members.

22. Each association shall keep a register of members which shall include the following information about each registered member:

(a) the full name and surname;

(b) the identity card number or other reference number indicated in an official document issued by a competent Maltese authority evidencing residency in Malta;

(c) the date of birth;

(d) the residential address;

(e) the email address;

(f) the contact number;

(g) the date when such person became a member of the association, and

(h) where applicable, the date when a member ceased to be a member of the association and the reason associated therewith.

Persons who render a service, procurement of goods from EU/ EEA or approved jurisdictions.

23. (1) No person, including employees of an association, shall render service in the premises of an association unless such person is registered with the Authority.

(2) An association shall be required to register the persons referred to in sub-regulation (1) with the Authority in the manner as may be prescribed by the Authority.

(3) An association shall only procure services and/or goods including cannabis seeds from persons that are residents of or registered in the EU/EEA or such other approved jurisdiction, as the Authority may prescribe.

Changes to the statute.

24. (1) An association may make changes to its statute by following the procedures in its statute:

Provided that any change in the statute of the association shall require the support of the majority of members present or such higher amount as the statute may prescribe.

(2) A certified copy of a resolution taken at a general meeting of an association to change its statute together with the amended statute shall be delivered to the Registrar within fourteen (14) days from when it is passed.

Change of registered office and of Board of Administrators.

25. (1) In addition to the requirements established in the statute of an association, a change in the registered office of an association and any change in the Board of Administrators shall require the approval of the Authority.

(2) A change in the registered office and any change in the Board of Administrators of an association may only be registered in the Registry after it has been approved by the Authority. Within fourteen (14) days from when such change has been approved, the Association is to notify the Registrar of such change in such form as may be prescribed by the Authority.

(3) A decision to refuse a change in the registered office or in the Board of Administrators shall be communicated by the Authority to the association in writing and shall include the reasons for the refusal.

Annual returns.

26. (1) Every association shall upon each anniversary of its registration, make a return in the form prescribed by the Authority showing the matters therein specified and made up to the date of such anniversary.

(2) The annual return, duly completed, shall be signed by at

least one (1) member who is vested with legal representation or by the secretary of the association and it shall be delivered to the Registrar within twenty (20) days after the date to which it is made up.

Records, accounts and reports.

27. (1) The Board of Administrators shall keep accounting records and prepare annual financial statements in conformity with the requirements of the International Financial Reporting Standards (IFRS) which shall be duly verified and signed by an auditor and as may be prescribed.

(2) The Board of Administrators shall keep a register of assets which shall include a list of all assets of the association including details relating to whether they have been purchased, donated and their cost or value.

Liability of persons involved in the association. Cap.16.

28. (1) The liability of the founding members, members and administrators of the association shall be regulated by article 16 of the Second Schedule to the Civil Code.

(2) The liability of the founding members or members towards third parties for the obligations of the association shall be determined in accordance with the provisions of article 48(3) and (4) of the Second Schedule to the Civil Code.

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(3) For the avoidance of doubt, no person directly or indirectly involved in the association, including the key officer or other persons performing a key function within the association, may by agreement or otherwise, partially or fully waive or otherwise restrict his liability for wilful misconduct, gross negligence or breach of duty, and any provision in the statute or other agreement seeking to exonerate or restrict a founding member, a member, an administrator, a key officer or any other person performing a key function within the association from such liability shall be null and void.

Other organisations.

29. An association shall not establish other organisations of whatever legal form, to directly or indirectly achieve the purposes for which it has been established.

Segregated cells within associations.

30. It shall not be lawful for an association to establish cells within the association.

Part III
Of the Registrar of Cannabis Harm Reduction Associations

Registrar of Cannabis Harm Reduction Associations.

31. (1) For the purposes of these regulations, a senior officer of the Authority shall be appointed as the Registrar for Cannabis Harm Reduction Associations.

(2) Without prejudice to the provisions of sub-regulation (1), the Registrar may authorise in writing any officer serving within the Authority to perform any of the functions assigned to the Registrar under these regulations or any other law.

(3) The Registrar shall administer the Registry of Cannabis Associations and perform the functions and duties conferred on him by these regulations and any other law, and for the purpose of the exercise of those functions and of the performance of those duties he shall have power to require any person to give him any relevant information and to produce to him any relevant document.

Part IV
Of the Register of Cannabis Harm Reduction Associations and Registration

The Register of Cannabis Harm Reduction Associations.

32. (1) There shall be a Register of Cannabis Harm Reduction Associations which shall be maintained by the Registrar for the purpose of registering associations.

(2) The Register shall contain the following information about each association which shall be supported by the documentation outlined hereunder, as may be further supplemented by guidelines issued by the Authority, and as the same may be amended or updated from time to time:

(a) the name of the association;

(b) the address of the association;

(c) the registration number of the association;

(d) an authenticated copy of the constitutive instrument of the association and any amendments thereto, each of which shall bear the date when the constitutive instrument was drawn up and the dates when any amendments were made thereto;

(e) the names, identity card numbers and the residential addresses of the:

(i) the founding members; and

(ii) the administrators;

(f) the persons who have been appointed as the President, Treasurer and General Secretary of the association;

(g) the permit number, its status and category, if in

possession of a permit in terms of these regulations;

(h) annual returns of the association;

(i) annual audited accounts of the association; and

(j) such other information as the Authority may by, binding instrument, prescribe.

(3) Members of an association may, in accordance with any rules as the Authority may prescribe, request the Registrar to view documentation which has been submitted to the Registrar pursuant to this regulation by the association they form part of.

Registration of associations.

33. (1) The following documentation shall be delivered to the Registrar for the purpose of registration of an association:

(a) an authenticated copy of the constitutive instrument with all binding regulations and byelaws (together referred to as the "statute");

(b) a statement signed by the legal representative of the association indicating:

(i) the name, identity card number and residential address of the administrators and all individuals appointed or elected on the board of administrators of the association and their designation which shall include the roles of President, Treasurer and General Secretary, and

(ii) the individual or individuals in whom legal and judicial representation of the association is vested; and

(c) an authenticated copy of the identity card of each of the persons mentioned in paragraph (b) above.

(2) The Registrar shall have the right to request any further information or documentation, other than those established in this regulation, in accordance with any rules which may be prescribed by the Authority.

(3) The Registrar shall, after verifying the association's compliance with the requirements laid down in this regulation and any other rules as may be prescribed by the Authority, take a decision on the registration of the association within forty five (45) days of receiving a complete set of required documentation:

Provided that the Registrar may register an association only

after it has received a copy of a letter of approval issued by the Authority or any other document by whatever name it is referred to, evidencing the approval in-principle relating to the issuance of the permit referred to in regulation 35.

If the request for registration has been accepted by the Registrar, he shall register the association in the Register.

(4) If the Registrar refuses the request for registration, it shall notify the founding members of its decision to refuse to register the association in writing, providing reasons for the refusal.

(5) Upon registration, the Registrar shall issue a certificate of registration in the name of the association and it shall allocate a unique number to each association and that number shall at all times be quoted by the association on:

(i) its letters, notices and any other documents issued by the association, and

(ii) each container or packet which holds cannabis or seeds of the plant cannabis and which it distributes to its members in accordance with these regulations.

Right of appeal.

34. If the request for registration has been rejected by the Registrar, the founding members aggrieved by any decision of the Registrar may appeal to the Tribunal in accordance with the provisions of Part XV.

If, within forty five (45) days of the submission of the required documentation in terms of regulation 33, the request for registration has not been decided upon by the Authority, the applicant shall upon the expiry of the forty five (45) day period for taking a decision have the right to appeal to the Tribunal in accordance with the provisions of Part XV.

Part V
Permits and Approvals

Requirement of a permit and certificate of approval.

35. (1) No person shall cultivate the plant cannabis and produce, process, store, transport and distribute cannabis in terms of the provisions of article 7A of the Act, except when in possession of a valid permit for the purpose issued by the Authority and a valid certificate of approval as provided in sub-regulation (2) hereunder.

(2) Without prejudice to the requirements established in any other law, no person shall use any premises to cultivate the plant cannabis and to produce, process, store and distribute cannabis in

terms of article 7A of the Act, except when in respect of such premises, a valid certificate of approval for the purpose has been issued by the Authority.

(3) The Authority may, in granting or renewing any permit or approval under sub-regulations (1) and (2), impose any such condition as the Authority may deem fit and may restrict any activity that may be provided or carried out in the approved premises.

(4) The issuing and renewal of any permit or certificate of approval shall be without prejudice to the requirement of any other licence, authorization or approval required under any other law.

Permit categories.

36. The Authority shall have the power to issue permits of the categories set forth in the First Schedule.

Term and renewal of permits and approvals.

37. (1) Each new permit and certificate of approval shall be valid for a period of one (1) year which period may be renewed by the Authority for further periods of one (1) year each or for such period as may be prescribed by the Authority in any binding instrument.

(2) Any renewal of a permit or a certificate of approval shall in all cases be subject to the continued compliance by the association, during the preceding original or renewed terms of the permit and certificate of approval, with the provisions of the Act, these regulations, all conditions or restrictions contained in the applicable permit and certificate of approval, all applicable regulatory instruments, binding instruments and all other applicable laws.

(3) A request for renewal of a permit or certificate of approval shall be made within the time-frame prescribed by the Authority.

Application and renewal for a permit and certificate of approval.

38. (1) The founding members of an association or an association may apply to the Authority to obtain or renew a permit or a certificate of approval by making use of the relevant prescribed forms published by the Authority and by following the applicable procedure as prescribed by the Authority.

(2) An applicant under sub-regulation (1) shall provide all information, documentation and assurances required by the Authority and shall fulfil all the requirements as established in any regulatory instruments or as prescribed by the Authority in any binding instruments, in line with the governing principles and regulatory objectives established by the Act.

(3) In addition to and without prejudice to the generality of sub-regulation (2) the applicant shall comply with any request made to it by the Authority to provide it with any information, documentation

and assurances which it may consider necessary for it to determine the suitability of the applicant that shall be issued with a permit or a certificate of approval or their renewal.

(4) All applications made in terms of sub-regulation (1) shall be verified in the manner and to the extent required by the Authority.

(5) Without prejudice to sub-regulation (4) in determining an application for a permit or a certificate of approval or for their renewal, the Authority shall have the power to inspect the premises of the association.

(6) All applications made in terms of sub-regulation (1) shall be accompanied by the prescribed fee in accordance with regulation 68.

(7) The Authority may, in furtherance of the regulatory objectives under the Act and, or these regulations:

(a) establish, where appropriate or necessary, by means of binding instruments, more extensive, reduced or amended requirements for an applicant to qualify for an authorisation in certain pre-defined circumstances; and, or

(b) impose on an applicant, where appropriate or necessary, specific additional requirements by means of a binding instrument.

Grant of permit.

39. (1) No person, other than an association that has been registered in the Registry may be granted a permit or a certificate of approval under sub-regulations (1) and (2) of regulation 35.

(2) Upon the successful determination of an application for a permit, the Authority shall issue a permit to cultivate and distribute cannabis, in the name of the association.

The association shall affix a copy of the permit in a prominent place in each of its premises.

Grant of certificate of approval.

40. (1) Upon the successful determination of an application for the approval of the premises, the Authority shall issue a certificate of approval, in the name of the association.

(2) The association shall affix a copy of its certificate of approval in a prominent place in each of its premises.

Assignment.

41. A permit, certificate of approval or any authorisation granted by the Authority cannot be assigned or transferred.

Refusal to grant a permit.

42. (1) The Authority shall refuse an application to grant a permit or a renewal thereof in terms of this Part of the regulations, in any of the following instances:

(a) if the application is not submitted in accordance with the established form or applicable procedure;

(b) if the applicable fees have not been paid;

(c) if, in the reasonable opinion of the Authority, the applicant's proposed operational model is not compliant with the Act, these regulations or any applicable regulatory instruments or any binding instruments;

(d) if the applicant's premises have not been or shall not be concurrently certified by the Authority;

(e) if the Authority is not satisfied that the applicant and all relevant persons as determined by it, are fit and proper persons;

(f) if, in the reasonable opinion of the Authority, the applicant does not have the necessary competence, technical know-how and resources to carry out the activity regulated by article 7A of the Act and these regulations;

(g) if it transpires that any document, information or other submission made to the Authority is false, misleading, or inaccurate; or

(h) if the information submitted to the Authority is incomplete in a material respect.

(2) The applicant or association shall have the right to request a reversal of the decision of the Authority by filing an appeal before the Tribunal in accordance with the provisions of Part XV.

(3) The applicant or licensed person shall have the right to re-apply to the Authority for a permit if the reason for refusal no longer subsists.

Refusal to grant a certificate of approval.

43. (1) The Authority shall refuse an application for the approval of the premises or renewal thereof in terms of this Part of these regulations, in any of the following instances:

(a) if the application is not submitted in accordance with the established form or applicable procedure;

(b) if the applicable fees have not been paid;

(c) if the premises are located at a distance which is less than two hundred and fifty meters (250 m) from the perimeter of a school, a club or youth centre;

(d) if, in the reasonable opinion of the Authority the approval of the premises shall constitute a negative impact on the amenity of the general area or the wider community where the proposed premises are situated;

(e) if, in the reasonable opinion of the Authority, the premises do not meet the requirements prescribed by the Authority in any binding instruments; or

(f) if the applicant fails to obtain any other applicable permit or authorization in terms of any other applicable law or regulatory instruments:

Provided that and without prejudice to any other law or regulation, the Authority shall, when considering an application under this regulation, also consider whether approving any such premises may lead to a concentration of such premises in any area within a locality, or part thereof, as well as any other factor and, or requirement, which it deems objectively and reasonably justified and appropriate, to fulfil its functions and regulatory objectives.

(2) For the purposes of this regulation:

(a) "club" and "youth centre" mean the premises of any organisation including voluntary organisations, religious organisations and sports organisations or clubs registered with the Commissioner for Voluntary Organisations or with any other relevant authority or recognised association, from where such organisations work or otherwise organise their activities with children and youths under the age of eighteen (18) years.

(b) "school" means the premises of any entity which is registered or licensed to operate as a school or educational institution in Malta and from which it provides its services to minors who have not attained the age of eighteen (18) years and includes, but is not limited to, any one (1) or more of the following:

(i) early childhood educational and care centres;

(ii) schools which provide educational services up to compulsory school age, these include church,

independent and international schools for pre-primary (kindergarten), primary and secondary levels;

(iii) private educational service providers of specialised programmes for students with specific needs;

(iv) centres run by the society of Christian Doctrine, more commonly referred to as M.U.S.E.U.M. which provide religious teaching to children and adolescents;

(v) summer schools;

(vi) schools for the performing arts;

(vii) sport schools and academies;

(viii) English language schools;

(ix) post-secondary schools;

(x) further and, or higher educational institutions, or

(xi) universities:

Provided that any further and, or higher educational institution or university which solely and exclusively provides online tuition is excluded from the scope of application of this definition.

(3) The applicant or licensed person shall have the right to request a reversal of the decision of the Authority by filing an appeal before the Tribunal in accordance with the provisions of Part XV.

(4) The applicant or licensed person shall have the right to re-apply to the Authority for the approval of the premises if the reason for refusal no longer subsists.

Part VI
Key Officer and Key Positions

Appointment of key officer.

44. (1) An association shall at all times have one (1) key officer who shall be a member of the board of administrators, vested with legal and judicial representation and whose appointment must be approved by the Authority, and must be a condition of the permit.

(2) The Authority shall not approve an application for the appointment of a key officer unless it is satisfied that such person is fit and proper to fulfil his obligations and any requirements, including any eligibility criteria established by the Authority for the appointment

of a key officer in any binding instrument.

Functions of the key officer.

45. A key officer shall:

(a) personally supervise the operations of the association of which he is a key officer;

(b) be the main contact person of the Authority for the association which he represents, and shall ensure that the association complies with all applicable laws and regulations, the conditions of the permit and any binding instruments.

Approval by the Authority.

46. The Authority shall revoke an approval granted to a key officer if such an officer:

(a) ceases to be resident in Malta;

(b) ceases to be an administrator of an association;

(c) fails to comply with any order or direction issued by the Authority, or

(d) ceases to be, in the Authority's sole discretion, a fit and proper person.

Removal, resignation, death or incapacitation of key officer.

47. (1) A key officer may not be removed nor may he resign from the position of key officer of an association without the written consent of the Authority.

(2) In the case of the death or incapacitation of a key officer, or if the key officer is disqualified pursuant to regulation 15, the board of administrators shall immediately notify the Authority of such circumstance and shall provide the details of one (1) of the administrators who shall temporarily assume the functions and responsibilities of the key officer until such time as a new key officer is approved by the Authority.

(3) An application for the appointment of a new key officer of the association shall be made by the association as promptly as possible and in any event by not later than three (3) months from the date of the occurrence of the circumstances referred to in sub-regulation (2).

Provision of other key positions or functions.

48. (1) The Authority may by means of a binding instrument, establish other key positions or functions that shall be performed by persons within an association.

(2) No person shall be appointed to occupy any such key position or provide any such key function unless such person is

approved by the Authority to provide such position or function, or as may be otherwise directed by the Authority in any binding instrument.

Part VII
Records and Reports

Record keeping.

49. (1) Each association shall keep complete and accurate records of its operating activities, which shall include the following information and any other information as may be prescribed by the Authority in any binding instrument:

(a) the number of its registered members;

(b) for each cycle of cultivation:

(i) forecast of cultivation;

(ii) the dates of the cultivation;

(iii) the premises where cultivation, harvesting and curing takes place;

(iv) the amount of cannabis plants that it cultivates;

(v) used methods of agriculture;

(vi) results of the cultivation and harvest which shall include amounts collected, the amounts of final dried cannabis, the wasting plant material and its destruction;

(vii) evaluation of the forecast and the results indicated in sub-paragraph (vi), and

(viii) details relating to the transport of the cannabis plant, harvest and, or product from the cultivation premises to the premises where the distribution takes place.

(c) the amount of cannabis distributed to each one (1) of its members.

(2) The operating records of the association shall be kept for a period of ten (10) years after the relevant period to which they refer.

Quarterly report.

50. (1) Every association shall provide to the Authority a quarterly report which shall contain the following information:

(a) the number of its members,

(b) the amount of cannabis distributed to its members;

(c) cash flow statement of the association.

(2) The quarterly report, duly completed, shall be in the form prescribed by the Authority and it shall be submitted within ten (10) days after the date to which it is made up.

Part VIII
Conditions and Binding Instruments

Conditions.

51. (1) The Authority shall have the power to issue conditions to permits or other authorisations granted in terms of the Act and these regulations.

(2) The Authority shall have the power to add, amend or remove any conditions to permits or other authorisations granted in terms of the Act and these regulations.

(3) Compliance with the Act, any regulations thereunder, these regulations and any binding instrument issued by the Authority shall automatically be construed as conditions to permits or such other authorisations.

Binding instruments.

52. The Authority may, from time to time, issue and publish rules, directives and guidelines which shall be binding on associations and others as may be specified therein. Such rules, directives and guidelines, as may be amended from time to time, may lay down additional requirements and conditions in relation to activities of the associations, the conduct of their operations, reporting requirements, harm reduction initiatives, and any other matters that the Authority may consider appropriate.

Part IX
Centralised Data Collection and Tracking System

Centralised data collection and tracking system.

53. (1) The Authority may operate a digital centralized data collection and tracking system for the purpose of facilitating data collection and tracking from associations.

(2) Associations shall adhere to any requirements established by the Authority for the implementation and operation of a digital centralised data collection system, including but not limited to, the implementation of a tag and track system and the payment of a fee as may be prescribed by the Authority.

Disclosure of information.

54. The Authority may disclose information contained in the centralised data collection and tracking system or which it may have come to its possession through the performance of its functions, to the Executive Police, the Financial Intelligence Analysis Unit or any other

public body for the purpose relating to compliance, preventing non-compliance with the provisions of the Act, these regulations and applicable laws, prevention or committal of a criminal offence, protection of public health or safety or any other prescribed circumstances.

Part X
Compliance Monitoring

Compliance with applicable laws.

55. (1) An association shall, throughout the term of any permit or authorisation, continuously comply with all relevant requirements and be responsible for all obligations imposed by the Act, these regulations and all applicable regulatory and binding instruments.

(2) An association shall, throughout the terms of any permit or authorisation, comply with the policies and procedures which shall be notified to the Authority in terms of the Act, these regulations or any regulatory or binding instrument.

Authority's power to order specific actions and compliance audit.

56. The Authority may require any association:

(a) to take actions, implement procedures or systems, to make submissions, to provide information, reports, compliance certificates and, or any other evidence of compliance to the Authority, on a regular or ad hoc basis, to demonstrate its compliance with the Act, these regulations and all applicable regulatory and binding instruments;

(b) to undergo a compliance audit, on a regular or ad hoc basis, as may be prescribed by the Authority in any binding instrument:

Provided that only compliance certificates issued by certifiers and auditors approved or recognised by the Authority shall be recognised by the Authority.

Compliance review.

57. (1) The Authority shall have the power to initiate a review into the operations and, or conduct of the association and, or of its premises, whenever it deems necessary.

(2) If, throughout the conduct of such review, the Authority discovers that the operations, conduct and, or premises of the association may not be, or are not compliant with any applicable regulatory or binding instrument, it shall notify the association of this fact, giving such association a reasonable time within which to rectify any such irregularity, and, or to make any relevant submissions:

Provided that the Authority shall not be required to notify the association where, in the opinion of the Authority, any such notification may potentially prejudice any investigation related to such irregularity or where the Authority is precluded from informing the association by virtue of any applicable law.

(3) The Authority may initiate a formal investigation, and, or take such other measures, including any of the enforcement measures listed in regulation 63 as it may deem appropriate where the association fails to make submissions or, its submissions do not address the concerns raised by the Authority.

Formal investigation.

58. (1) When the Authority has reason to suspect that an association is conducting its affairs in breach of the Act, these regulations or any applicable regulatory or binding instrument or is otherwise no longer suitable to hold such authorisation, it shall initiate a formal investigation of such association.

(2) The association shall be informed of the investigation and the reasons for which it was initiated:

Provided that where the Authority reasonably believes that informing the association of such investigation may prejudice the investigation or any possible outcome thereof, or is precluded from informing the association by virtue of any applicable law, it may carry out the investigation without informing the association.

(3) In conducting such investigation, the Authority shall be empowered to request and, or access any and all information, documents and other things from the association or from third parties that directly or indirectly provide one (1) or more services to the association, or any other person, including any one (1) or more of the members of the association, as that it deems relevant:

Provided that where the Authority requests information, documents or any other things from a third party, it shall not require the consent of the association or of any other person to which the information, documents or other things relate:

Provided further that, where such information, documents and other material constitute personal data, the restrictions to the rights of data subjects provided in the Restriction of the Data Protection (Obligations and Rights) Regulations shall *mutatis mutandis* apply. S.L. 586.09.

(4) It shall be an offence for the association not to provide the Authority with any information, documents and, or other things which the Authority may require, or to otherwise hinder the Authority's investigation or to neglect to collaborate therewith. In any such case it

shall also be lawful for the Authority to make a decision based on the information available to it.

(5) When the Authority's investigation is concluded, the Authority shall provide the association with a report thereon which shall include:

(a) the reason or reasons for which the investigation was initiated;

(b) in the case of a breach of an applicable law or regulation, the breaches of the applicable law, regulatory or binding instruments by the authority, and a description of its findings in relation to any such breaches, and

(c) the enforcement measures which the Authority has deemed it fit to take in the circumstances, if any:

Provided that the Authority may withhold any or all of the above information if disclosing them to the association may prejudice the interests of its members or of any other person, or would amount to a breach of any applicable law.

(6) The association may contest the findings in such report within twenty (20) days from the date of notification thereof:

Provided that the findings in the report shall become final, if the association fails to contest such findings within such twenty-day contestation period.

(7) The Authority shall review an association's contestation received within the twenty (20)-day contestation period within a reasonable time and shall thereafter communicate to the association its final decision on the matter, confirming, revoking or amending the report.

Inspections and enforcement powers.

59. (1) For the purpose of the exercise by the Authority of its functions relating to but not limited to the enforcement of Article 7A of the Act and these regulations, the Authority shall designate individuals as inspectors to exercise the functions and powers referred to in this regulation.

(2) Each inspector shall be provided with a certificate of designation which shall be issued by the Authority and which shall be presented by the inspector when entering any place for the purpose of carrying out an inspection in terms of this regulation.

(3) An inspector may, for the purpose of verifying compliance

or preventing non-compliance with the provisions of Article 7A of the Act and these regulations and any regulatory or binding instrument made thereunder conduct inspections, including on-site inspections with the power to exercise any of the following acts:

(a) enter the premises of an association and search and inspect its premises and any contents found therein;

(b) take samples of any substance for laboratory testing;

(c) use or cause to be used any computer system at the premises to examine any electronic document, excluding documents that contain the personal data of the members of the association;

(d) reproduce any document by any means including digital or paper form;

(e) take any document in whatever form for examination purposes;

(f) take photographs and make recordings;

(g) seize or detain cannabis or any other thing found in the premises that in the inspector's reasonable opinion is something in relation to which the provisions of Article 7A of the Act, these regulations or any regulatory or binding instrument have been breached or is something the seizure and detention of which is necessary to prevent non-compliance with the provisions of Article 7A of the Act, these regulations or any regulatory or binding instrument;

(h) order the key officer and, or the administrators not to move the cannabis from the premises and, or to stop an activity which in the inspector's reasonable opinion is in breach of the provisions of Article 7A of the Act, these regulations or any regulatory or binding instrument;

(i) order any person in the premises to identify themselves by means of an official identification document, and

(j) call to his assistance any member of the Police Force, for the purpose of carrying out the powers conferred upon him by this regulation.

Mandatory assistance.

60. (1) The key officer and any person who is present at the premises at the time of the inspection shall give the inspector all reasonable assistance in their power and provide the inspector with any

information that the inspector may reasonably require.

(2) An association which or any person as referred to in sub-regulation (1) who fails to cooperate with the Authority or the orders of an inspector shall be guilty of an offence and shall on conviction be liable to a fine (multa) as set out in paragraph (9) of the Second Schedule to these regulations.

Return of thing seized.

61. If the Authority determines that it is no longer necessary to detain anything seized by the inspector under this regulation, the inspector shall notify in writing the key officer of that determination and, on being issued a receipt for it, shall return such thing to the key officer.

Report by inspector.

62. Each inspector shall provide to the Authority a report of the inspection and the Authority shall after having considered the findings of the inspection, have the power to exercise any enforcement measure or measures provided in regulation 63.

Part XI
Enforcement Measures

Enforcement measures.

63. (1) The Authority may exercise any enforcement measure or measures listed in sub-regulation (2) hereunder, solely following the conclusion of a compliance review, a formal investigation by the Authority and, or an inspection:

Provided that the Authority may, in exceptional circumstances and in the interest of the members of the associations or on grounds of public policy, public security or the safeguarding of the reputation of Malta, exercise any enforcement measures which it deems appropriate at any time or it deems necessary including prior to or during the performance of the review, investigation, inspection or following the conclusion thereof but prior to the lapse of the time within which the association may contest the findings.

(2) The enforcement measures which the Authority may take are the following:

(a) an order, directing the association to do or refrain from doing any act or to rectify any irregularity in its conduct or operations with the aim of ensuring compliance with the Act, these regulations and any regulatory or binding instrument;

(b) a warning to the association indicating that the Authority may revoke or suspend the permit or approval unless appropriate action as outlined in the warning is taken by the association:

Provided that notwithstanding the above and any other provision in any regulatory instrument or any other law, the Authority shall have the right to immediately suspend or revoke a permit or approval and without giving a warning to the association, in terms of regulations 64 and 65;

(c) the filing of a report to the Executive Police for the commencement of criminal proceedings, in the case where the Authority has reasonable grounds to suspect that any person involved within the association or who renders a service to the association is in the process of committing or has committed an offence against the Act, these regulations or any other law, and, or;

(d) suspending or revoking a permit or any approval in terms of regulations 64 or 65, as the case may be:

Provided that the enforcement sanctions mentioned in this sub-regulation shall not be made public unless the Authority determines that this is in the public interest or if the Authority is obliged to make such sanction public in terms of any other law:

Provided further that any measure mentioned in paragraph (d) shall be made public.

(3) Without prejudice to the foregoing, the Authority shall also be empowered to keep and publish a list of associations which are not compliant with the applicable laws and, or regulatory instruments:

Provided that any association included on such list shall be given the opportunity to make submissions to the Authority, clarifying and, or addressing its lack of compliance, in order for the Authority to remove such association from the list.

Suspension of a permit.

64. (1) The Authority shall have the power to suspend a permit and, or other approval granted, in terms of these regulations, if throughout the term of the permit:

(a) it considers that the requirements of any provision of the Act, these regulations, any applicable regulatory instruments or any binding instruments or any condition imposed by the Authority pursuant to the permit or approval, as the case may be, are not being fulfilled or complied with;

(b) the association is in breach of any of the provisions of the Act, these regulations, any applicable regulatory instruments or any binding instruments or any condition imposed by the Authority pursuant to the permit or approval;

(c) the association is found guilty of an offence against the Act or these regulations;

(d) if the Authority considers that a founding member, administrator, key officer or any person who assumes responsibility towards the Authority is no longer deemed to be fit and proper to carry out the functions required by him or if there is no person in office occupying a mandatory position within the association;

(e) in the reasonable opinion of the Authority, the certified premises no longer meet the requirements prescribed by the Authority in any binding instruments and, or has suspended or revoked the certificate of approval of the premises of the association;

(f) the association has failed or ceased to comply with an order issued by the Authority;

(g) the Authority has reason to believe that the association is in financial distress;

(h) the association is in breach of the laws or regulations at any time in force for the prevention of money laundering and financing of terrorism;

(i) if, in the reasonable opinion of the Authority, the association has failed to comply with its obligations towards its members;

(j) the association has ceased to comply with the eligibility criteria for authorisation or circumstances arise which, had they been present and known to the Authority at the time of issuance of the permit or authorisation, would have led the Authority not to issue such permit or authorisation;

(k) the association has failed to seek the prior approval of the Authority in relation to any material changes or where such prior approval is otherwise required in terms of any regulatory or binding instrument;

(l) the association has failed to pay in a timely manner any amounts due to the Authority; or

(m) the association has failed to pay in a timely manner any penalty imposed on it by the Commissioner for Justice for failure to observe the provisions of Article 7A of the Act or these regulations; or

(n) the Authority, in its sole discretion, has determined that there is material and sufficient reason for suspending the authorisation.

(2) Where a ground for suspension of the permit or approval in terms of sub-regulation (1) is deemed to exist following the conclusion of a formal investigation and the association has been given a period of time within which to contest the findings of the Authority in terms of regulation 58(6), the Authority shall give the association notice in writing of its decision to suspend the approval and, or permit setting out the reasons for its decision and giving such directions to the association, as the Authority may consider necessary.

(3) Where a ground for suspension of the permit or approval in terms of sub-regulation (1) is deemed to exist and the association has not been granted a period of time within which to contest the findings of the Authority in terms of regulation 58(6), the Authority shall notify the association in writing of its intention to suspend the permit or approval, setting out the reasons for the decision it proposes to take, as well as giving such directions to the association, as the Authority may consider necessary, and give the association a reasonable period within which to make representations in writing to the Authority explaining why the proposed suspension should not be made, and the Authority shall consider any representation so made before notifying it of its final decision:

Provided that, notwithstanding anything provided in this regulation and any other provision in any regulatory instrument or any other law, the Authority shall have the right to suspend a permit with immediate effect, by written notice to the association and without giving the association time to show cause why the permit should not be suspended, where it determines that there exist exceptional grounds for doing so, including but not limited to:

(a) when the Authority becomes aware that the authorisation was obtained by one or more materially false or misleading representations or in some other improper way; or

(b) when the association presents an imminent threat to the reputation of Malta; or

(c) when the association presents an imminent threat or serious prejudice to the interests of the members of the association or to public or national interest.

(4) A suspension in terms of sub-regulation (1) may be lifted by the Authority when it is satisfied that the matter which led to the

suspension has been rectified and in such circumstances the Authority shall communicate the matter in writing to the association together with any conditions it may deem fit.

(5) The Authority may by means of binding instruments regulate further the process and procedures to be followed by an association in the circumstances listed in this regulation.

Revocation of a permit or certificate of approval.

65. (1) The Authority shall have the power to revoke a permit and, or other approval in the following instances:

(a) one of the grounds for suspension envisaged in regulation 64 arises and the Authority, in its sole discretion, determines that cancellation of the permit or approval is the most appropriate measure;

(b) the Authority has suspended the permit or approval in terms of regulation 64 and, the association has not rectified the issues indicated in the suspension decision within the time period established therein;

(c) the permit has been voluntarily suspended for more than six (6) months and the association has not provided a plan outlining when it expects the authorisation to be reactivated, to the satisfaction of the Authority; or

(d) the association continues to operate and, or distribute cannabis to its members notwithstanding the suspension of the permit or approval by the Authority in terms of regulation 64.

(2) Where a ground for revocation of the permit or approval in terms of sub-regulation (1) is deemed to exist following the conclusion of a formal investigation and the association has been given a period a time within which to contest the findings of the Authority in terms of regulation 58(6), the Authority shall give the association notice in writing of the revocation of the permit and, or approval setting out the reasons for its decision, as well as giving such directions to the association, as the Authority may consider necessary.

(3) Where a ground for revocation of the permit or an approval in terms of sub-regulation (1) is deemed to exist and the association has not been granted a period of time within which to contest the findings of the Authority as provided in sub-regulation (2), the Authority shall notify the association in writing of its intention to revoke the permit and, or approval, as well as giving such directions to the association, as the Authority may consider necessary, setting out the reasons for the decision it proposes to take and give the association a reasonable period within which to make representations in writing to

made, and the Authority shall consider any representation so made before notifying it of its final decision:

Provided that, notwithstanding anything provided in this regulation and any other provision in any regulatory instrument or any other law, the Authority shall have the right to revoke a permit with immediate effect, by written notice to the association and without giving the association time to show cause why the permit should not be revoked, where it determines that there exist exceptional grounds for doing so, including but not limited to:

(a) when the Authority becomes aware that the authorisation was obtained by one or more materially false or misleading representations or in some other improper way; or

(b) when the association presents an imminent threat to the reputation of Malta; or

(c) when the association presents an imminent threat or serious prejudice to the interests of the members of the association or to public or national interest.

(4) The Authority may by means of binding instruments regulate further the process and procedures to be followed by an association in the circumstances listed in this regulation.

Part XII
Fees and Contributions

Licence fee.

66. (1) An association shall pay a non-refundable fixed annual licence fee as stipulated in Part A of the Third Schedule, upon the issue of a permit which shall be payable in advance for the first twelve (12) running months and every anniversary thereof, throughout the duration of the permit.

(2) Where any amount payable in terms of these regulations is not paid when due, interest shall be due and payable at the rate prescribed in rule 2 of the Income Tax (Interest Rate) Rules, which rate shall be applied to the unpaid amount for which the amount remains unpaid.

S.L. 372.28.

Harm reduction contribution and community projects contribution.

67. (1) An association shall pay a harm reduction contribution as stipulated in Part B of the Third Schedule, for each and every period of the permit, which shall be payable by the association to the Authority within twenty (20) days of submission of the last quarterly report within a financial year submitted in terms of regulation 50, or within such time period as may be prescribed by the Authority.

(2) An association shall pay a community projects contribution as stipulated in Part C of the Third Schedule which shall be payable by the association to the Authority within twenty (20) days of submission of the annual audited financial statements to the Authority or within such time period as may be prescribed by the Authority.

Administrative fees.

68. An association shall pay the administrative fees stipulated in Part D of the Third Schedule.

Part XIII
Cannabis Harm Reduction

Prioritisation of harm reduction from the use of cannabis.

69. (1) Without prejudice and in addition to requirements of any provision of the Act, these regulations, any applicable regulatory instruments or any binding instruments, every association shall operate ethically and with integrity, prioritising harm reduction of its members from the use of cannabis within its operations and internal management functions.

(2) An association shall not in any way directly or indirectly promote or encourage and/or in any way stimulate the demand of cannabis use.

(3) Every association shall adopt harm reduction mechanisms for the prevention of cannabis abuse by its members as required by any provision of the Act, these regulations, any applicable regulatory instruments or any binding instruments, which shall, inter alia, include the following measures:

(a) the founding members, administrators and persons occupying designated roles within the association shall attend any training required by the Authority relating to, but not limited to, the prevention of problematic use of cannabis through harm reduction measures, as may be prescribed in any binding instrument;

(b) educate its members on the use and consumption of cannabis by:

(i) providing information about the cannabis that it distributes to its members,

(ii) providing training to its members on the general use of cannabis, and

(iii) organizing private harm reduction activities;

(c) inform its members about their rights and obligations

as members of the association, including but not limited to the right to information, privacy and the right to request assistance from the association when the member feels or recognises he is experiencing problematic use of cannabis;

(d) where a member requests assistance in terms of sub-regulation (c) above, the association shall assist that member and help him have access to a rehabilitation process, and

(e) systematically provide each member with statistics on the amounts and the cannabinoid profile of the cannabis distributed to him.

Code of conduct.

70. Every association shall maintain and implement its own code of conduct which shall set rules for the internal functioning of the association to ensure the security and well-functioning of the association and the implementation of harm reduction mechanisms in terms of these regulations, applicable legislation and any binding instruments.

Part XIV
Prevention of Money Laundering

Money laundering. Cap. 373.

71. (1) Without prejudice to the obligations imposed or that may be imposed upon an association by the Prevention of Money Laundering Act and any regulations made thereunder, the administrators of an association shall implement policies and procedures relating to the prevention of money laundering and the funding of terrorism so as to ensure that their association is not used for such purposes.

(2) The administrators shall obtain information on and keep record of the source of funds of all endowments and permitted loans made to the association and shall verify such information.

(3) The administrators shall not accept any endowments or permitted loans unless they verify that the funds originate from licit sources.

Transactions related to proceeds of criminal activity.

72. (1) Where the Authority discovers facts or obtains information that is related to transactions which are known or suspected to be related to proceeds of criminal activity or the funding of terrorism, or to a person who may have been, is or may be connected with money laundering or the funding of terrorism, the Authority shall disclose those facts or that information, supported by the relevant documentation that may be available, to the Financial Intelligence Analysis Unit in a timely manner.

(2) Where through its monitoring, or through any other means, the Authority notices that there are areas of arrangements and services which are vulnerable to money laundering or the funding of terrorism, the Authority shall inform the National Coordinating Committee on Combating Money Laundering and the Funding of Terrorism established under Article 12A of the Prevention of Money Laundering Act of its concerns and provide it with any analysis.

Cap. 373.

FIAU.

73. Without prejudice to the provisions of the Prevention of Money Laundering Act and any regulations made thereunder, the Financial Intelligence Analysis Unit, in fulfilling the responsibilities assigned to it under the Prevention of Money Laundering Act and any regulations made thereunder, may demand access to the Register or to any information or documentation relating to the operation of an association and the Registrar and, or the Authority shall comply with any such demand, without undue delay.

Cap. 373.

Part XV
Administrative Review Tribunal

Administrative Review Tribunal.

74. (1) The Administrative Review Tribunal shall have jurisdiction to hear and determine appeals from decisions of the Authority as provided in these regulations or in any law or regulations.

Cap. 490.

(2) The provisions of the Administrative Justice Act, in so far as they apply to the Administrative Review Tribunal, shall apply to any proceedings before the said Tribunal, except as otherwise varied by these regulations, in which case the provisions of these regulations shall prevail, and the words "public administration" in the said enactment shall be construed as a reference to the Authority.

Right to appeal and procedure to be followed in the hearing of appeals.

75. (1) An association or any person aggrieved by a decision of the Authority may appeal to the Tribunal:

Provided the person making an appeal to the Tribunal shall show juridical interest in challenging the decision appealed from:

Provided further that where the decision appealed from related to the exercise of lawful discretion by the Authority, the Tribunal shall not query the Authority’s decision based on the exercise of such discretion:

Provided further that no appeal shall lie from a warning or from a decision of the Authority to refuse to grant, or to suspend or cancel a permit or other authorisation on the grounds of public policy, public security, national interest or for safeguarding the reputation of Malta.

(2) An appeal from a decision of the Authority shall be made by application within twenty (20) days from the date on which the said decision has been notified to the association.

(3) Subject to the provisions of regulation 76 the Tribunal shall have the power to confirm or annul the decision of the Authority.

Pending appeal.

76. The decision of the Authority, pending an appeal whether before the Tribunal or the Court of Appeal, shall not suspend the operation of any decision and such decision shall stand and shall be adhered to by the association and all parties to whom the decision applies:

Provided that a decision of the Authority to cancel a permit or other authorisation shall not become operative until the expiration of the period within which an appeal lies under this regulation and, if an appeal is made within such period, the decision shall become operative on the date of the decision of the Tribunal dismissing the appeal or the date on which the appeal is abandoned:

Provided further that when a decision to cancel a permit or other authorisation is appealed, pending the determination of the appeal the relevant licence or authorisation shall be deemed suspended.

Appeals from decisions of the Tribunal.

77. (1) Any party to the proceedings before the Tribunal who feels aggrieved by a decision of the Tribunal, may appeal to the Court of Appeal sitting in its inferior jurisdiction, on a point of law only.

(2) Without prejudice to sub-regulation (1) the proceedings shall be regulated by the provisions of Part IV of the Administrative Justice Act.

Cap. 490.

Part XVI
Offences

Offences triable by the Commissioner for Justice. Cap. 291.

78. A Commissioner for Justice appointed in accordance with the provisions of the Commissioners for Justice Act shall be competent to take cognizance of the offences stipulated in the Second Schedule.

Penalties.

79. Any person guilty of an offence stipulated in the Second Schedule shall, on conviction be liable to a fine (multa) of the amount indicated for the offence for which he has been found guilty:

Provided that where the person so found guilty is the president, key officer, administrator or any other officer exercising executive functions in the association, the said person shall, for the purposes of this regulation, be deemed to be vested with legal

representation of the association which shall be liable *in solidum* with the person found guilty for the payment of the said fine.

Criminal Offences.

80. Any person who commits an act or omission:

(i) which relates to activities that are not tolerated within the parameters and limits established by Article 7A, and

Cap. 31.
Cap. 101.

(ii) which is not listed as an offence in the Second Schedule, and constitutes an offence against the Medical and Kindred Professions Ordinance or the Dangerous Drugs Ordinance or any other law shall continue to be subject to the proceedings established in the Act or under the Medical and Kindred Professions Ordinance or the Dangerous Drugs Ordinance or such other law, as the case may be.

Part XVII
Voluntary Suspension or Surrender of a Permit or Approval

Request for voluntary suspension of permit or approval.

81. (1) An association may request the Authority to have its permit and, or certificate of approval suspended by giving not less than thirty (30) days' notice in writing to the Authority and in such manner as the Authority may prescribe.

(2) The Authority may request the association to provide it with such information and documentation as it considers necessary for the purposes of assessing whether to refuse or grant an approval for the voluntary suspension of the permit and, or certificate of approval:

Provided that the Authority may subject the approval for voluntary suspension to certain conditions or may refuse to grant an approval, if it considers such appropriate in the interests of the members of the association, or on grounds of public policy, or public security or to safeguard the reputation of Malta.

(3) Where the Authority approves a voluntary suspension, such suspension shall not affect any liability of the association for anything done or omitted to be done, or for any amounts due which may have already accrued, before the date of the voluntary suspension.

(4) The association may request the reactivation of the permit and, or certificate of approval, in such manner and using such forms as the Authority may prescribe. In processing a request for reactivation of the permit and, or certificate of approval, the Authority shall have the discretion to conduct any and all checks on the association and its operations as it considers necessary, and to refuse reactivation of the permit and, or certificate of approval on the same grounds as it may refuse to grant an application for a permit and, or certificate of

approval.

Request for voluntary surrender of permit or certificate of approval.

82. (1) An association may request the Authority to surrender its permit and/or certificate of approval by giving not less than thirty (30) days' notice in writing to the Authority and in such manner as the Authority may prescribe.

(2) The Authority may request the association to provide it with such information and documentation as it considers necessary for the purposes of assessing whether to refuse or grant an approval for the voluntary surrender of a permit and/or certificate of approval. Provided that the Authority may subject the approval for voluntary surrender to certain conditions or may refuse to grant an approval, if it considers such appropriate in the interests of the members of the association, or on grounds of public policy, or public security or to safeguard the reputation of Malta.

(3) Where the Authority approves a voluntary surrender, such surrender shall not affect any liability of the association for anything done or omitted to be done, or for any amounts due which may have already accrued before the date of the voluntary surrender.

Part XVIII
Winding Up of Associations

Winding up of associations.

83. (1) An association may be wound up voluntarily or by order of the Court.

(2) For the purposes of this Part XVIII of these regulations, any reference to the Court shall be deemed to be a reference to the Civil Court (Voluntary Jurisdiction Section).

Winding up voluntarily.

84. (1) An association that does not hold a permit and, or certificate of approval may be wound up voluntarily in accordance with the procedures laid down in the statute of the association.

(2) An association that is in possession of a permit and, or certificate of approval shall, prior to resolving its winding up, obtain the cancellation of the permit and certificate of approval pursuant to regulation 82.

(3) The winding up of an association shall commence only after a decision of the general meeting is taken in accordance with regulation 21(4).

(4) A certified copy of a winding up resolution shall be delivered to the Registrar within fourteen (14) days from when it is passed. The administrators shall, together with the winding up

resolution, render to the Registrar a statement of accounts, declaring the assets and liabilities of the association, in such form as may be prescribed by the Authority.

(5) An association may be wound up voluntarily only if its assets exceed its liabilities or its assets have been exhausted and all its debts have been paid. The administrators shall prepare a scheme of distribution of the assets of the association which shall be notified to the Registrar and which shall require the approval by the members of the association, or in the absence, the Registrar, before being implemented.

(6) The assets of the association shall be applied towards the liabilities of the association. Any assets remaining thereafter, shall not be divided amongst the members of the association but shall devolve unto the Government of Malta, or as the may be prescribed.

(7) When the affairs of an association have been wound up, the Registrar shall make an order cancelling the registration of such association and the association shall be struck off the Register. A notice of such an order shall be published in the Gazette and in a daily newspaper.

Dissolution and winding up when term expires or purpose achieved.

85. (1) The administrators of an association shall be bound to dissolve and wind up an association when the term for which it has been created, if any, has expired or if its purpose has been achieved or becomes impossible to achieve:

Provided that if for any reason whatsoever, an association that has been registered pursuant to regulation 33 is not granted a permit by the Authority within a period of twelve (12) months from its registration or within such longer period as the Authority may prescribe, or if after having been granted a permit, the permit is renounced by the association, or is revoked by the Authority and a new permit is not granted within a period of six (6) months from the cancellation of the said permit, for the purposes of this regulation, it shall be deemed that the purpose of the association has been achieved or has become impossible to achieve, as may be applicable.

(2) In such circumstances, the administrators shall call a general meeting of the association and shall notify the members that the association shall be wound up pursuant to this regulation.

(3) Where the assets of the association exceed its liabilities, the provisions applicable to voluntary winding up shall apply.

(4) If the association is insolvent or is undergoing other serious difficulties, the provisions of regulation 87 shall *mutatis mutandis*

apply.

Winding up by order of the Court.

86. (1) An association shall be wound up on order of the Court upon an application by the Authority or any interested party, for reasons valid at law in terms of its statute or these regulations or the provisions of the Second Schedule to the Civil Code that apply to such associations.

Cap. 16.

(2) The Court may order the winding up of an association on an application to this effect if it considers it necessary in the public interest, or if the provisions of these regulations, or the provisions of the Second Schedule to the Civil Code that apply to such associations, or any other laws are not being observed by the association and the Court considers the situation to be so grave as to merit giving, such an order, unless the ordinary remedies for breach of law are not sufficient in the circumstances.

Cap. 16.

(3) The Court shall specify the reasons for any order given under the preceding regulation and the steps to be taken in relation to the assets of the association, including the appointment of a liquidator for such association. The administrators and any person interested shall be entitled to appeal to the Court of Appeal within fifteen (15) days of any such order requesting the Court to revoke the said order.

(4) The assets of the association shall be applied towards the liabilities of the association. Any assets remaining thereafter, shall not be divided amongst the members of the association but shall devolve unto the Government of Malta, or as may be prescribed.

Winding up due to insolvency or other serious difficulties.

87. (1) If an association becomes insolvent or is undergoing serious difficulties which impede the association from operating and achieving its aims, the administrators shall promptly notify the Registrar and the Authority. The administrators shall provide the Authority with such information and documentation as the Authority shall consider necessary for the purposes of enabling the Authority to assess the operations of the association and for the Authority to determine, in such circumstances, the actions to be undertaken by the association with respect to such operations. In making such determination, the Authority shall consider, inter alia, the interest of the members of the association, public policy and public security.

(2) The Registrar shall immediately co-operate with the administrators to appoint a liquidator to wind up the affairs of the association in the interest of the creditors and the association itself.

(3) For the purposes of this regulation, the term "insolvency" shall mean the inability to pay its debts when due and the circumstances remain so for three (3) months after a debt is judicially

acknowledged or admitted, or if it proven to the satisfaction of the Court that the association is unable to pay its debts, account being taken of its assets and liabilities, including contingent and prospective liabilities.

(4) If the association does not have any administrators for more than six (6) months and, during such term the Court is not requested by any interested person to appoint an administrator, the Registrar shall proceed to request the Court to give an order for the winding up of the association and the appointment of a liquidator.

(5) Upon such order, the liquidator shall take over all assets of the association and shall notify all creditors, if necessary by means of public notices, and shall seek appropriate solutions to any issue which may arise. The liquidator shall have the power to dispose of all assets and pay all debts, while observing the ranking order of creditors as provided by law in making payments to creditors.

(6) The liquidator shall consult with the Court which shall give directions from time to time for the resolution of disputes and the distribution of assets. The liquidator and, or any creditor may apply to the Court at any time requesting the Court to give orders in the liquidation proceedings. The Court shall have the power to give any orders it deems appropriate. Any assets remaining after the liabilities have been extinguished shall devolve unto the Government of Malta, or as may be prescribed.

(7) Without prejudice to any other provision under any other applicable law, the same rules shall *mutatis mutandis* apply in cases where the associations have been found not to be operating in terms of law and the Registrar is unable to obtain the co-operation of the administrators or other interested persons for the formal winding up of the association.

Defunct association.

88. (1) Where the Registrar has reasonable cause to believe that an association is not in operation, he may send a letter to the association to enquire whether the association is in operation. If the Registrar does not, within three (3) months of sending such letter, receive any notification from the association, or any member thereof; or if he receives confirmation from the association, or any member thereof, that the association is not operational, he shall publish a notice in the Gazette and in a daily newspaper that, at the expiration of three (3) months from the date of the last publication of the said notice, the association, unless the Registrar is satisfied that this is not the case and that there are sufficient grounds that the association is not defunct, shall be struck off the Register, and the remaining assets of the association shall devolve unto the Government of Malta.

(2) If any creditor or other interested party who feels aggrieved by the fact that the name of the association has been struck off the Register by virtue of this regulation, the Court upon any application made by such creditor or other interested party filed before the expiration of five (5) years from the publication of the notice of striking off may, if satisfied that there are sufficient grounds to revoke the Registrar's order to strike off the association, shall order that such association be restored to the Register. In this case, upon an official copy of the order being delivered by the Registrar of the Courts to the Registrar for registration, the association shall be deemed to have continued in existence as if the said association had not been struck off.

(3) Subject to the provisions of sub-regulation (2), the Court may give such directions and make such provisions it deems appropriate for placing the association and all other interested parties in the same position as they were before the said association had been struck off. The Registrar shall forthwith proceed to publish a notice in the Gazette and in a daily newspaper in Malta that the name of the association has been restored to the Register.

(4) Notwithstanding that the name of the association has been struck off the Register in terms of the preceding provisions, the liability, if any, of every founder, administrator and, or member of the association shall continue and may be enforced as if the name of the association had not been struck off the Register.

Cancellation of registration.

89. On receipt of a declaration by the administrators or liquidators, as the case may be, or on otherwise being satisfied that all assets of the association have been appropriately exhausted as required by law, the Registrar shall cancel the registration of the association which shall thereby be struck off the Register and the association shall thereafter cease to exist.

Revival of registration.

90. Should it result that the assets or liabilities of an association which has been cancelled were not determined or dealt with, paid out or otherwise liquidated, the Court shall, on demand of any founder, the last administrators or any member, have the necessary powers to revive the association, only for the purpose of determining and dealing, paying out or liquidating such assets or liabilities.

Part XIX
Miscellaneous

Exclusion of liability.

91. The Authority and any member of its board, officer or employee of the Authority, shall not be liable in damages for anything done or omitted to be done in the discharge or purported discharge of any functions under the Act, the Authority on the Responsible Use of

Cannabis Act or any regulations made thereunder, unless the act or omission is proven to have been done or omitted in bad faith.

Service of notice.

92. Where any notification, howsoever described, is required to be given by the Authority, such shall be addressed to the key officer or if there is no key officer to the board of administrators or any other person as the Authority may prescribe, and such notification shall be given in one of the following ways:

(a) by delivering it directly to the person on whom it is to be served;

(b) by leaving it at last known residence of the person, if such person has furnished such an address or, if such person has furnished an address for service, at such latter indicated address;

(c) by sending it by registered mail addressed to that person at the place of residence or address for service as aforesaid;

(d) in any case where the Authority considers that the immediate giving of the notice is required, by sending it by electronic means, to the person concerned, provided that the means used must be such as to enable the production of proof of delivery; or

(e) in any case in which it is not reasonably possible to effect service or give notice in any of the indicated manners, in this regulation, whether on all or on any one or more of the persons on whom service is to be made or the notice is to be given, by affixing the document to be served or given in a conspicuous place on the premises to which it relates, and keeping it so affixed for a period of not less than seven (7) working days, and by publishing the said notification in the Gazette.

Notice of suspension or cancellation of permit.

93. Notices of suspension and cancellation shall be served in accordance with regulation 92:

Provided that where the person is notified by electronic means and the Authority does not have evidence that the notice was received by the said person within twenty-four (24) hours, the Authority may issue the suspension and, or cancellation notice on its website and the association shall be considered as having been notified immediately as soon as the notice is visible on such website:

Provided further that where the suspension or cancellation is issued by the Authority with immediate effect, the Authority may

publish such notice prior to the lapse of such twenty-four (24) hours and the association shall be considered to be notified immediately as soon as the notice is visible on the website.

FIRST SCHEDULE
Permit Categories

Category 1	Associations with a maximum of fifty (50) members.
Category 2	Associations whose membership is between fifty-one (51) and one hundred (100) members.
Category 3	Associations whose membership is between one hundred and one (101) and two hundred and fifty (250) members.
Category 4	Associations whose membership is between two hundred and fifty one (251) and three hundred and fifty (350) members.
Category 5	Associations whose membership is between three hundred and fifty one (351) and five hundred (500) members.

SECOND SCHEDULE
Offences

(1) An association which permits:

(i) any person not being its member, or

(ii) any other person not being a member and who is not registered with the Authority for the purpose of providing a service to the association to be present in any premises which it operates shall be guilty of an offence and shall be liable on conviction to a fine (multa) of not more than ten thousand euro (€10,000) which shall be imposed in accordance with the provisions of the Commissioners for Justice Act. Cap. 291.

(2) An association which does not have distinctive marks on the containers in which it distributes cannabis in a manner which renders the distribution of the said containers by it identifiable, and which does not carry out controls of the quality of cannabis distributed, shall be guilty of an offence and shall be liable on conviction to a fine (multa) of five thousand euro (€5,000) which shall be imposed in accordance with the provisions of the Commissioners Cap. 291.

for Justice Act.

(3) An association which has more than five hundred (500) members or such other number of members as the Authority may determine by order in the Gazette, or which has admitted more members than the maximum number authorised by the Authority, shall be guilty of an offence and shall be liable on conviction to a fine (multa) of two thousand euro (€2,000) which shall be imposed in accordance with the provisions of the Commissioners for Justice Act.

Cap. 291.

(4) An association which advertises its activities in any manner and shows any indication by signs, words or designs, or otherwise of activities related to cannabis or to the cannabis culture from any premises managed by the association on the outside or in a way which is visible from the outside, shall be guilty of an offence and shall be liable on conviction to a fine (multa) of not less than two thousand euro (€2,000) but not more that (€10,000) which shall be imposed in accordance with the provisions of the Commissioners for Justice Act.

Cap. 291.

(5) An association which has any premises which is causing nuisance in the locality where it is situated, also including nuisance because of loitering, and, or such premises managed by it is not in conformity with health and safety legislation as in force from time to time, shall be guilty of an offence and shall be liable on conviction to a fine (multa) of two thousand five hundred euro (€2,500) which shall be imposed in accordance with the provisions of the Commissioners for Justice Act.

Cap. 291.

(6) An association which admits any person who is under the age of eighteen (18) years as a member of the association shall be guilty of an offence and shall be liable on conviction to a fine (multa) of ten thousand euro (€10,000) which shall be imposed in accordance with the provisions of the Commissioners for Justice Act.

Cap. 291.

(7) An association which distributes cannabis to its members in a manner which is not compliant with the requisites established under article 7A(2)(d) and (m) of the Act and, or with any binding instruments as may be prescribed by the Authority shall be guilty of an offence and shall be liable on conviction to a fine (multa) of five thousand euro (€5,000) which shall be imposed in accordance with the provisions of the Commissioners for Justice Act.

Cap. 291.

(8) An association which sells alcoholic products from any premises managed by it, shall be guilty of an offence and shall be liable on conviction to a fine (multa) of two thousand euro (€2,000) which shall be imposed in accordance with the provisions of the Commissioners for Justice Act.

Cap. 291.

(9) An association which, or any person who fails to cooperate fully and honestly at all times in any inspections as referred to in article 7A(2)(o) of the Act and, or any inspection or compliance review or investigation by the Authority in terms of these regulations shall be guilty of an offence and shall be liable on conviction to a fine (multa) of not less than five thousand euro (€5,000) and not more than ten thousand euro (€10,000) which shall be imposed in accordance with the provisions of the Commissioners for Justice Act. Cap. 291.

(10) An association which fails to render account to the Authority in accordance with the provisions of article 7A(2)(p) of the Act, these regulations and, or any binding instruments shall be guilty of an offence and shall be liable on conviction to a fine (multa) of one thousand euro (€1,000) which shall be imposed in accordance with the provisions of the Commissioners for Justice Act. Cap. 291.

(11) An association which fails to abide by any of the provisions relating to cannabis harm reduction in Part XIII and in any binding instruments shall be guilty of an offence and shall be liable on conviction to a fine (multa) of ten thousand euro (€10,000) which shall be imposed in accordance with the provisions of the Commissioners for Justice Act. Cap. 291.

(12) An association which fails to keep a register of its members in accordance with the provisions of article 7A(2)(q) of the Act, these regulations and, or any binding instruments shall be guilty of an offence and shall be liable on conviction to a fine (multa) of one thousand euro (€1,000) which shall be imposed in accordance with the provisions of the Commissioners for Justice Act. Cap. 291.

(13) An association which fails to keep complete and accurate records of its operating activities in accordance with the provisions of these regulations and, or any binding instruments shall be guilty of an offence and shall be liable on conviction to a fine (multa) of one thousand euro (€1,000) which shall be imposed in accordance with the provisions of the Commissioners for Justice Act. Cap. 291.

(14) An association which in contravention of the provisions of article 7A(2)(s) and, or these regulations accepts as members or in the continuation in its membership persons who are members of another association of the same type, shall be guilty of an offence and shall be liable on conviction to a fine (multa) of five thousand euro (€5,000) which shall be imposed in accordance with the provisions of the Commissioners for Justice Act. Cap. 291.

THIRD SCHEDULE
Fees and Contributions

Part A

In accordance with the provisions of regulation 67, an association shall pay to the Authority a fixed annual licence fee in respect to its permit category, as outlined below:

Permit Category	Licence Fee
Category 1 (up to 50 members)	Euro 1,000
Category 2 (51-100 members)	Euro 5,000
Category 3 (101-250 members)	Euro 13,000
Category 4 (251 – 350 members)	Euro 18,000
Category 5 (351 – 500 members)	Euro 26,000

Part B

In accordance with the provisions of regulation 67(1), an association shall pay to the Authority, a harm reduction contribution equivalent to five percent (5%) of the income that is generated by the association pursuant to regulation 8(2).

Part C

In accordance with the provisions of regulation 67(2), an association shall pay to the Authority, a community projects contribution equivalent to ten percent (10%) of the amount of retained earnings recorded on the association's audited financial statement with respect to each financial year.

Part D

In accordance with the provisions of regulation 68, an association shall pay to the Authority an administrative fee of one thousand euro (€1,000) relating to the submission and processing of an application for a permit.

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