L.N. 44 of 2026

AUTHORITY ON THE RESPONSIBLE USE OF CANNABIS (CAP 628)

Responsible Use of Cannabis (Licensing of Organisations) (Amendment) Regulations, 2026

IN EXERCISE of the powers conferred by article 20 of the Authority on the Responsible Use of Cannabis Act, the Prime Minister has made the following regulations:-

Citation.

1. The title of the these regulations is the Responsible Use of Cannabis (Licensing of Organisations) (Amendment) Regulations, 2026 and these regulations shall be read and construed as one with the Responsible Use of Cannabis (Licensing of Organisations) Regulations, hereinafter referred to as the "principal regulations".

S.L. 628.01.

Amends regulation 3 of the principal regulations.

2. In regulation 3 of the principal regulations the definition "administrator" shall be substituted by the following new definition:

" "administrator" means any person who is appointed or elected on the Board of Administration of an association in accordance with Part II;".

Amends regulation 6 of the principal regulations.

3. In regulation 6 of the principal regulations the words "two (2)" shall be substituted by the words "three (3)".

Amends regulation 7 of the principal regulations.

4. Regulation 7 of the principal regulations shall be amended as follows:

(a) sub-paragraph (ii) of paragraph (c) of sub-regulation (2) thereof shall be substituted by the following new sub-paragraph:

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

(b) sub-regulation (4) thereof shall be amended as follows:

(i) paragraph (a) thereof shall be substituted by the following new paragraph:

"(a) a founding member, administrator 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:

(a) shall be 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;

(b) shall be in accordance with market levels and market conditions as established in any binding instrument, or as otherwise approved by the Authority, unless the Authority is otherwise satisfied that the administrator has specific skills which meet the needs of the association;

(c) shall not be as such as to prejudice the achievement of the purposes and objectives of the association or its sustainability;

(d) shall not prejudice the achievement of the principal and sustainable purpose and objectives of the association;

(e) shall be recorded in sufficient detail through a written agreement, the details of which are to be approved by the Authority prior to its signing;";

(ii) paragraph (b) thereof shall be deleted;

(iii) paragraph (d) thereof shall be amended as follows:

- sub-paragraph (i) thereof shall be deleted;

- sub-paragraph (iv) thereof shall be substituted by the following new sub-paragraph:

"(iv) pay a price for any good or service, acquired or leased, which is higher than the market price for such good or service as established by the Authority.".

5. Regulation 8 of the principal regulations shall be amended as follows: Amends regulation 8 of the principal regulations.

(a) sub-regulation (2) thereof shall be amended as follows:

(i) in paragraph (b) thereof the words "its members." shall be substituted by the words "its members:" and immediately thereafter there shall be added the following new proviso:

"Provided that such activity and income shall only be considered permitted if they are carried out:

(a) following the successful conclusion of laboratory testing, according to the parameters which the Authority may prescribe by means of a binding instrument or other written instruction;

(b) from a property approved specifically for such purpose by the Authority;

(c) in containers of the design, size and type approved by the Authority, and which shall be covered by labels as prescribed by the Authority;

(d) sealed and enclosed with the numbered tamper evident security seals provided or prescribed by the Authority;

(e) in such form, variety, or processed state of cannabis as may be approved by the Authority; and

(f) in a manner which does not cause nuisance to third parties, and does not give rise to loitering in the immediate vicinity of the property where the distribution takes place;";

(ii) immediately after paragraph (b), as amended, there shall be added the following new paragraph:

"(c) payment of a reimbursable deposit for the purchase of accessories related to the operations of the association.";

(b) immediately after sub-regulation (2) thereof, as amended, there shall be added the following new sub-regulations:

"(3) An association shall not advertise its name, logos and activities or use any words, signs and designs which may be associated with the cannabis culture in any manner which is visible by non-members, both by physical and electronic means.

(4) An association shall not distribute to any member more than seven (7) grams of cannabis in a day and more than fifty (50) grams of cannabis in a month:

Provided that the Authority may, by means of a binding instrument, stipulate lower amounts for cannabis with a higher potency.".

Substitutes regulation 9 of the principal regulations.

6. Regulation 9 of the principal regulations shall be substituted by the following new regulation:

"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 administrators, any European Union or European Economic Area licensed credit institutions or financial institutions authorised to carry out lending in the European Union or in the European Economic Area:

Provided that the association shall only accept money borrowed from the administrators with the prior approval of the Authority and following the signing of an agreement which indicates the terms and conditions of the loan. The loan transaction shall be made through bank wire transfer and shall not be through the physical exchange of cash:

Provided further that prior to accepting any loans from the administrators, the association shall ensure that the source of such funds so advanced to it by the administrators are either their own funds or have been loaned to the administrators by a European Union or European Economic Area licensed credit or financial institution.".

Substitutes regulation 12 of the principal regulations.

7. Regulation 12 of the principal regulations shall be substituted by the following new regulation:

"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 including in the form of an admission or membership fee shall not be considered as an endowment for the purpose of this regulation.".

Substitutes regulation 13 of the principal regulations.

8. Regulation 13 of the principal regulation shall be substituted by the following new regulation:

"Governance and bodies.

13. 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:

Provided that the highest management organ within an association shall be the Board of Administrators in accordance with regulation 14.".

Amends regulation 14 of the principal regulations.

9. Regulation 14 of the principal regulations shall be amended as follows:

(a) sub-regulation (1) thereof shall be substituted by the following new sub-regulation:

"(1) Following the dismissal, resignation or incapacitation of an administrator, an association shall take immediate action to fill the vacant position as expediently as possible as provided in its statute, these regulations, and any binding instrument or written instruction issued by the Authority, and in any case by not later than three (3) months from when the post became vacant.";

(b) sub-regulation (3) thereof shall be substituted by the following new sub-regulation:

"(3) No person may be appointed as an administrator unless such person is a member of the same association.";

(c) sub-regulation (4) thereof shall be substituted by the following new sub-regulation:

"(4) Each administrator shall be approved by the Authority prior to their appointment.";

(d) sub-regulation (5) thereof shall be deleted.

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Substitutes regulation 15 of the principal regulations.

10. Regulation 15 of the principal regulations shall be substituted by the following new regulation:

"Disqualifications of founding members, administrators, employees and persons who render a service.

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

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(a) any of the offences mentioned in Part I and II of Book First of the Criminal Code or abroad in accordance with laws of equivalent effect;

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(b) any offence in accordance with 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;

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

(e) any offence which leads to an interdiction;

shall not be:

(i) founding members of an association;

(ii) eligible for appointment or election to the office of administrator or to hold any 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,

(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:

Provided further that except in the case of offences falling under Titles V VI or IX of Part II of Book First of the Criminal Code, the Authority may, after the lapse of five (5) years from the date of the final judgment of conviction and subject to its discretion, and upon due consideration of the nature and gravity of the offence, the particular circumstances of the case, the individual's rehabilitation efforts, and any mitigating factors acknowledged by the court, authorise a person to hold the role of administrator, or to be employed with an association, or to render services within the premises of an association.

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(2) An association shall carry out a due diligence exercise on its administrators, employees and service providers prior to their engagement, strictly for the purpose of complying with this regulation. The due diligence exercise shall include, but is not limited to, requesting the individual concerned to submit a conduct certificate issued in accordance with the Conduct Certificates Ordinance. Any personal data processed by the association shall fully comply with the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) and the Data Protection Act, including the regulations made thereunder and the fundamental rights and freedoms of the data subjects.

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(3) An association shall inform the Registrar in writing about the findings of the due diligence exercise by not later than twenty (20) days following their completion:

Provided that the original conduct certificates or copies thereof, processed by the association for the purpose of the due diligence exercise shall be immediately and permanently erased after the association communicates the relevant information to the Registrar:

Provided further that the association shall notify the Authority in writing within twenty-four (24) hours if it transpires that an individual mentioned in sub-regulation (1) is no longer eligible to hold their position. In such case the association shall, as a minimum, suspend the individual in question from their position with immediate effect and await further instructions from the Authority.

(4) An association shall periodically conduct a due diligence exercise in order to verify that the individuals mentioned in sub-regulation (2) are in possession of a clean police conduct certificate.".

Amends regulation 16 of the principal regulations.

11. Sub-regulation (2) of regulation 16 of the principal regulations shall be amended as follows:

(a) paragraph (a) thereof shall be substituted by the following new paragraph:

"(a) is the same as the name of another association or entity registered in Malta, or is so nearly similar that, in the opinion of the Registrar it may create confusion; or";

(b) in paragraph (b) thereof the words "otherwise undesirable; or" shall be substituted by the words "otherwise undesirable:"

(c) paragraph (c) thereof shall be deleted.

Amends regulation 17 of the principal regulations.

12. Sub-regulation (2) of the regulation 17 of the principal regulations shall be amended as follows:

(a) paragraph (b) thereof shall be substituted by the following new paragraph:

"(b) the address of its registered office, which shall be that of one (1) of the properties approved by the Authority for the cultivation or distribution of cannabis;";

(b) paragraph (d) thereof shall be deleted;

(c) paragraph (f) thereof shall be substituted by the following new paragraph:

"(f) the manner in which the legal and judicial representation of the association is to be exercised, which shall be as stipulated in regulation 44, and the name surname, identification number, nationality and residential

address of the first person vested with such representation;";

(d) paragraph (h) thereof shall be substituted by the following new paragraph:

"(h) the maximum number of members it may have which shall not be more than that allowed in the conditions of its operating permit;";

(e) paragraph (j) thereof shall be substituted by the following new paragraph:

"(j) its assets at the time of its formation, which shall consist, as a bare minimum, of an endowment of not less than one thousand euro (€1,000) donated by the founders;";

(f) paragraph (m) thereof shall be substituted by the following new paragraph:

"(m) the composition of the Board of Administrators, which shall not be of less than three (3) administrators;";

(g) paragraph (n) thereof shall be substituted by the following new paragraph:

"(n) the procedures for the appointment of members of the Board of Administrators, which shall generally be by means of an election held during a scheduled or extraordinary general meeting;";

(h) paragraph (o) thereof shall be substituted by the following new paragraph:

"(o) the provisions governing the functioning, powers and responsibilities of its scheduled and extraordinary general meetings;";

(i) paragraph (q) thereof shall be substituted by the following new paragraph:

"(q) the frequency with which its general meeting shall be called, which shall be at least once a year;";

(j) in paragraph (t) thereof the words "amending them." shall be substituted by the words "amending them;" and immediately thereafter there shall be added the following new

paragraphs:

"(u) the conditions and procedures for the dismissal of members of the Board of Administrators, which shall include the members' right to call an extraordinary general meeting for such purpose;

(v) provisions governing the functioning of the Board of Administrators and its powers and responsibilities; and

(w) the name, surname, identification number, nationality and residential address of the first administrators.".

Amends regulation 18 of the principal regulations.

13. Regulation 18 of the principal regulations shall be amended as follows:

(a) in sub-regulation (1) thereof immediately after the words "in accordance with the provisions of these regulations" there shall be added the words ", and may only admit the number of members allowed in its permit";

(b) in sub-regulation (3) thereof immediately after the words "and shall only admit full members" there shall be added the following words "with equal rights.";

(c) immediately after sub-regulation (5) thereof there shall be added the following new sub-regulation:

"(6) Notwithstanding any other regulation, no association may admit more than five hundred (500) members.".

Amends regulation 21 of the principal regulations.

14. Regulation 21 of the principal regulations shall be amended as follows:

(a) sub-regulation (1) thereof shall be substituted by the following new sub-regulation:

"(1) An association's scheduled or extraordinary general meeting, meaning the gathering of all members shall be referred to as the general meeting.";

(b) sub-regulation (2) thereof shall be substituted by the following new sub-regulation:

"(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 or any other such period as the Authority may indicate by means of a binding instrument or other instruction.";

(c) in sub-regulation (3) thereof the words "(50%) of all members." shall be substituted by the words "(50%) of all members:" and immediately thereafter there shall be added the following new proviso:

"Provided that the Authority may, by means of a binding instrument, make provisions for circumstances where the quorum is not achieved.";

(d) immediately after sub-regulation (6) thereof there shall be added the following new sub-regulation:

"(7) At least once a year, the general meeting shall include the election of the members of the Board of Administrators.".

Substitutes regulation 22 of the principal regulations.

15. Regulation 22 of the principal regulations shall be substituted by the following new regulation:

"Register of members.

22. An association shall keep an internal up to date register of members under strict security controls. Such register 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 and the expiry date of such document;

(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;

(h) where applicable, the date when a member ceased to be a member of the association and the reason thereof;

(i) a copy of the identity card or residence document from which the details in paragraph (b) were obtained;

(j) details about each gram of cannabis distributed to the members, including the location where the transaction took place, the date and time of the transaction, any unique transaction identification codes as prescribed by the Authority and the amount paid; and

(k) details about membership and admission fees paid and the period for which they pertain.

(2) An association shall, without divulging details which may identify the identity of the members, deliver an extract from the register of members to the Registrar which indicates all changes for the preceding month by not later than the seventh (7th) day of each month.

(3) The association shall retain the personal data of each member shall be kept for a period of two (2) years after the date when the person ceases to be a member of the association. Following the expiration of such period, an association shall anonymise the date in such manner that the person is no longer identifiable, and keep only information in relation to the amount of cannabis distributed and fees paid shall be kept for a period of ten (10) years after the date when such person ceased to be a member of the association.".

Substitutes regulation 23 of the principal regulations.

16. Regulation 23 of the principal regulations shall be substituted by the following new regulation:

"Persons who render a service, procurement of goods and services.

23. (1) No person shall render service in the premises of an association unless such person is approved by the Authority to carry out such service.

(2) An association shall only procure goods and services against the issuance of a fiscal receipt.

(3) An association shall only procure goods and services from persons and entities that are residents of, or registered in the European Union or the European Economic Area or such other approved jurisdiction, as the Authority may prescribe.".

Amends regulation 24 of the principal regulations.

17. Immediately after sub-regulation (2) of regulation 24 of the principal regulations there shall be added the following new sub-regulation:

"(3) The amended statute shall only take effect after it is approved by the Registrar.".

18. Regulation 25 of the principal regulations shall be deleted. Deletes regulation 25 of the principal regulations.

19. Regulation 26 of the principal regulations shall be deleted. Deletes regulation 26 of the principal regulations.

20. Regulation 27 of the principal regulations shall be substituted by the following new regulation: Substitutes regulation 27 of the principal regulations.

"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 on an annual basis 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, leased or donated, the location where such assets are held and their cost or value.

(3) The financial year of an association shall be the calendar year:

Provided that the first year shall be shorter or longer as per generally accepted accounting practices, or as the Authority may determine by means of written instruction.

(4) An original copy of the audited financial statements signed by the auditor shall be delivered to the Registrar by not later than the thirtieth (30th) of September of the following year.

(5) An association is to submit the following accounts to the Registrar by not later than the twentieth (20th) day of the end of each quarter:

(a) cash flow statement;

(b) income and expenditure statement, which shall provide a detailed breakdown of the various transactions; and

(c) balance sheet:

Provided that the Authority may, by means of a binding instrument or other instruction, demand the submission of additional and more frequent financial records:

Provided further that the Registrar may also request an association to submit the fiscal receipts and other documentation pertaining to specific transactions.".

Amends regulation 28 of the principal regulation.

21. Sub-regulation (2) of regulation 28 of the principal regulations shall be substituted by the following new sub-regulation:

"(2) The liability of the founding members, administrators 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 Sub-Title III of Title III of the Second Schedule to the Civil Code.".

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Amends regulation 31 of the principal regulations.

22. Sub-regulation (1) of regulation 31 of the principal regulations shall be substituted by the following new sub-regulation:

"(1) For the purposes of these regulations, a senior officer of the Authority shall be appointed as the Registrar for Cannabis Harm Reduction Associations. In the absence of any such appointment, the Chairperson of the Authority shall be deemed to also hold the role of Registrar.";

Substitutes regulation 32 of the principal regulations.

23. Regulation 32 of the principal regulations shall be substituted by the following new regulation:

"The Register of Cannabis Harm Reduction Associations.

32. (1) There shall be an internal Register of Cannabis Harm Reduction Associations which shall be maintained by the Registrar subject to strict security controls for the purpose of registering associations:

Provided that the Authority may publish the name, registration number and registered address of an association together with the name of the individual appointed in terms of regulation 44.

(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 addresses from which the association is authorised to operate;

(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 and when such amendments were approved;

(e) the names, identity card numbers, the residential addresses, the contact details, and the conduct certificate issued in terms of the Conduct Certificates Ordinance of the: Cap. 77.

(i) founding members;

(ii) administrators;

(iii) employees; and

(iv) any other individual who provides a regular service in the premises of the association:

Provided that the original conduct certificates or copies thereof received by the Registrar shall be immediately and permanently erased following the necessary verifications, with only an internal note recording the relevant contents:

(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) anonymised monthly updates of the Register of Members;

(i) annual audited accounts of the association;

(j) quarterly accounts of the association; and

(k) such other information as the Authority may by a binding instrument prescribe.

(3) A member 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 insofar that this shall not adversely affect the rights and freedom of others.".

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Amends regulation 33 of the principal regulations.

24. Regulation 33 of the principal regulations shall be amended as follows:

(a) sub-regulation (1) thereof shall be substituted by the following new sub-regulation:

"(1) The Registrar shall issue a certificate of registration upon the issuance of a letter of approval or any other document, by whatever name it is referred to, evidencing the approval in principle relating to the issuance of a permit referred to in regulation 35 and following the submission of the following documentation:

(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 the composition of the Board of Administrators which shall include the roles of Key Officer, President, Treasurer and General Secretary; and

(c) an authenticated copy of the identity card of each of the administrators.";

(b) sub-regulations (3) and (4) thereof shall be deleted.

Deletes regulation 34 of the principal regulations.

25. Regulation 34 of the principal regulations shall be deleted.

Amends regulation 35 of the principal regulations.

26. Immediately after sub-regulation (4) of regulation 35 of the principal regulations there shall be added the following new sub-regulations:

"(5) No person may access any premises on which a certificate of approval to cultivate the cannabis plant and, or to produce, process, store and distribute cannabis in accordance with sub-regulations (1) and (2), unless such person is an administrator, an employee, a member or an approved service provider of the association in whose name the approval was issued:

Provided that a member of an association who is not an administrator, an employee or an approved service provider may only access the premises if the certificate of approval

denotes that the premises may be used for the distribution of cannabis:

Provided further that the Authority may grant a derogation from this regulation in exceptional circumstances.

(6) An association shall not cultivate the cannabis plant or hold a stock of cannabis in excess of the amounts stipulated in the Act and the Responsible Use of Cannabis (Possession of Cannabis by Associations) Regulations issued in this regard, or in any binding instrument or written instruction issued by the Authority.". S.L. 628.02.

27. Sub-regulation (3) of regulation 42 of the principal regulations shall be substituted by the following new sub-regulation: Amends regulation 42 of the principal regulations.

"(3) If within forty-five (45) days of the submission of the required documentation, the application has not been decided upon by the Authority, the applicants shall have the right to appeal to the Tribunal in accordance with the provisions of Part XV.".

28. Regulation 43 of the principal regulations shall be amended as follows: Amends regulation 43 of the principal regulations.

(a) paragraph (c) of sub-regulation (1) thereof shall be substituted by the following new sub-regulation:

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

(b) paragraph (b) of sub-regulation (2) thereof shall be amended as follows:

(i) sub-paragraph (vii) thereof shall be substituted by the following new sub-paragraph:

"(vii) sport schools;";

(ii) sub-paragraph (x) thereof shall be substituted by the following new sub-paragraph:

"(x) further and, or higher education institutions; and";

(iii) in the proviso thereof the words "of this definition." shall be substituted by the words "of this

definition:" and immediately thereafter there shall be added the following new proviso:

"Provided further that a property shall continue to be considered compliant with these regulations if a school, club, youth centre or sports facility are opened in its vicinity following the issuing of a conditional approval that it may be used by an association.";

(c) sub-regulation (4) thereof shall be deleted.

Amends regulation 44 of the principal regulations.

29. Regulation 44 of the principal regulations shall be amended as follows:

(a) sub-regulation (1) thereof shall be substituted by the following new sub-regulation:

"(1) An association shall at all times have one (1) Key Officer who shall be a member of the Board of Administrators and whose appointment shall be approved by the Authority.";

(b) sub-regulation (2) thereof shall be substituted by the following new sub-regulation:

"(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.";

(c) immediately after sub-regulation (2) thereof, as substituted, there shall be added the following new sub-regulation:

"(3) The Key Officer shall be the sole person vested with the legal and judicial representation of the association.".

Substitutes regulation 45 of the principal regulations.

30. Regulation 45 of the principal regulations shall be substituted by the following new sub-regulation:

"Functions of the Key Officer.

45. A Key Officer shall:

(a) personally supervise the operations of the association;

(b) be the main contact person of the Authority for the association which he represents; and

(c) shall ensure that the association complies with all applicable laws and regulations, the conditions of the permit and any binding instruments.".

Substitutes regulation 46 of the principal regulations.

31. Regulation 46 of the principal regulations shall be substituted by the following new regulation:

"Approval by the Authority.

46. The Authority shall revoke an approval granted to a Key Officer if such 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.".

Substitutes regulation 47 of the principal regulations.

32. Regulation 47 of the principal regulations shall be substituted by the following new sub-regulation:

"Removal, resignation, death or inability of Key Officer.

47. (1) A Key Officer may not be removed or be substituted without the written consent of the Authority.

(2) In the case of the death, resignation or incapacitation of the Key Officer, or if the Key Officer is disqualified in accordance with 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 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 soon as practicable and in any case by not later than one (1) month from the date of the occurrence of the circumstances referred to in sub-regulation (2).".

Amends regulation 49 of the principal regulations.

33. Sub-regulation (1) of regulation 49 of the principal regulations shall be amended as follows:

(a) immediately after the words "any binding instrument" there shall be added the words ", and shall submit the records to the Authority on the prescribed form by not later than two (2)

days following the completion of each stage of the cultivation, harvesting, processing and distribution process:";

(b) paragraph (a) thereof shall be deleted;

(c) paragraph (b) thereof shall be amended as follows:

(i) sub-paragraph (iii) thereof shall be substituted by the following new sub-paragraph:

"(iii) the exact location where each stage of the cultivation process takes place;";

(ii) in sub-paragraph (v) thereof immediately after the words "of agriculture" there shall be added the words "and the environmental conditions maintained during the cultivation process;";

(iii) in sub-paragraph (vi) thereof the words ", the wasting plant material and its destruction" shall be substituted by the word "cannabis;"

(iv) in sub-paragraph (vii) thereof the words "in sub-paragraph (vi), and" shall be substituted by the words "in sub-paragraph (vi);"

(v) in sub-paragraph (viii) the words "where the distribution takes place." shall be substituted by the words "where the distribution takes place;" and immediately thereafter there shall be added the following new sub-paragraphs:

"(ix) the cannabinoid profile (strain name) of each plant cultivated; and

(x) the amount of waste generated and relevant details about its destruction, as the Authority may prescribe.";

(d) paragraph (c) thereof shall be substituted by the following new paragraph:

"(c) the quantity of cannabis distributed disaggregated by each transaction and the security seal identification number for each transaction.".

34. Regulation 50 of the principal regulations shall be deleted. Deletes regulation 50 of the principal regulations.

35. Regulation 56 of the principal regulations shall be amended as follows: Amends regulation 56 of the principal regulations.

(a) in paragraph (b) thereof the words "binding instrument:" shall be substituted by the words "binding instrument;" and the proviso thereof shall be deleted;

(b) immediately after paragraph (b) thereof, as amended, there shall be added the following new paragraph:

"(c) to limit aspects of its operations until it is satisfied that an identified or potential non-compliance or risk of a breach of the regulations has been addressed.".

36. Sub-regulation (3) of regulation 58 of the principal regulations shall be amended as follows: Amends regulation 58 of the principal regulations.

(a) in the first proviso thereof the words "documents or other things relate:" shall be substituted by the words "documents or other things relate.";

(b) the second proviso thereof shall be deleted.

37. Immediately after sub-regulation (3) of regulation 59 of the principal regulations there shall be added the following new sub-regulation: Amends regulation 59 of the principal regulations.

"(4) If:

(a) the administrators of an association refuse to grant access to the property;

(b) the administrators of an association are unreachable; or

(c) the association is deemed to be in disarray following the resignation or incapacitation of all administrators,

the Authority may, after obtaining a warrant from a magistrate, enter any premises managed by an association.".

38. Sub-regulation (2) of regulation 60 of the principal regulations shall be substituted by the following new sub-regulation: Amends regulation 60 of the principal regulations.

"(2) An association 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 as

established in the Second Schedule.".

Amends regulation 63 of the principal regulations.

39. In the second proviso to paragraph (d) of regulation 63 of the principal regulations the words "made public." shall be substituted by the words "made public;" and immediately thereafter there shall be added the following new paragraph:

"(e) provisionally take custody and seal cannabis held by an association at its premises or provide for its safekeeping at a secure storage location elsewhere.".

Amends regulation 64 of the principal regulations.

40. Sub-regulation (1) of regulation 64 of the principal regulations shall be amended as follows:

(a) in paragraph (d) thereof the words "a founding member, administrator, key officer or any person who assumes responsibility towards the Authority" shall be substituted by the words "an administrator or any person who assumes responsibility in relation to the Authority";

(b) in paragraph (m) thereof the words "the Commissioner for Justice" shall be substituted by the words "a competent court".

Amends regulation 67 of the principal regulations.

41. Regulation 67 of the principal regulations shall be amended as follows:

(a) in sub-regulation (1) thereof the words "regulation 50" shall be substituted by the words "regulation 27";

(b) in sub-regulation (2) thereof the words "by the Authority." shall be substituted by the words "by the Authority:" and immediately thereafter there shall be added the following new proviso:

"Provided that an association which fails to settle the amounts due within the timeframes stipulated in this regulation shall also pay interest at the rate of zero point six percent (0.6%) per month on the amount due.".

Substitutes regulation 78 of the principal regulations.

42. Regulation 78 of the principal regulations shall be substituted by the following new regulation:

"Offences triable by the Courts of Magistrates.

78. The Court of Magistrates in its criminal jurisdiction shall be competent to take cognizance of the offences stipulated in the Second Schedule.".

43. Regulation 79 of the principal regulations shall be substituted by the following new regulation: Substitutes regulation 79 of the principal regulations.

"Penalties. 79. (1) Any association which is 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 it has been found guilty.

(2) Any person, whether or not being a member, officer, employee, administrator or otherwise connected with an association, who engages in any conduct prohibited under these regulations, including but not limited to the advertising, promotion, or publicising of the activities of an association, shall be guilty of an offence and shall on conviction be liable to the same punishment as that prescribed for the corresponding offence when committed by an association.

(3) For the avoidance of doubt, the liability established under these regulations shall apply irrespective of whether the conduct was carried out on behalf of, in collaboration with, or independently of the Association concerned.".

44. In the Maltese version only, in the heading of Part XVII of the principal regulations the word "Ċessjoni" shall be substituted by the words "Rinunzja". Amends the heading of Part XVII.

45. Regulation 81 of the principal regulations shall be amended as follows: Amends regulation 81 of the principal regulations.

(a) the marginal note thereof shall be substituted by the following new marginal note:

"Request for voluntary suspension or surrender of permit or approval.";

(b) sub-regulation (1) thereof shall be substituted by the following new sub-regulation:

"(1) An association may request the Authority to suspend or withdraw its permit by giving not less than thirty (30) days notice in writing to the Authority and in such manner as the Authority may prescribe.";

(c) sub-regulation (2) thereof shall be substituted by the following new sub-regulation:

"(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 approval:

Provided that the Authority may subject the approval to certain conditions or may refuse to grant an approval to safeguard the interests of the members of the association, or on grounds of public policy or public security or to safeguard the reputation of Malta.";

(d) sub-regulation (3) thereof shall be substituted by the following new sub-regulation:

"(3) Where the Authority gives its approval, such suspension or surrender shall not affect any liability of the association with respect to anything done or omitted to be done, or for any amounts due which may have already accrued, before the date of the voluntary suspension or surrender.";

(e) immediately after sub-regulation (4) thereof there shall be added the following new sub-regulation:

"(5) Where the Authority approves a voluntary suspension or surrender of a permit, the association shall destroy any cannabis in its possession on the last day of operations in such manner as the Authority may prescribe:

Provided that the Authority may also seize such cannabis at any point in time after it is notified that the association intends to renounce its permit and provide for its safekeeping at a secure storage location:

Provided further that the Authority may provide for the destruction of such cannabis or for other measures as provided for in regulation 95.".

Deletes regulation 82 of the principal regulations.

46. Regulation 82 of the principal regulations shall be deleted.

Amends regulation 83 of the principal regulations.

47. Sub-regulation (1) of regulation 83 of the principal regulations shall be substituted by the following new sub-regulation:

"(1) An association may be wound up voluntarily, by order of the Court or by a special administrator appointed by the Authority in accordance with Part XX.".

48. Regulation 84 of the principal regulations shall be amended as follows: Amends regulation 84 of the principal regulations.

(a) in sub-regulation (2) thereof the words "pursuant to regulation 82" shall be deleted;

(b) sub-regulation (3) thereof shall be substituted by the following new sub-regulation:

"(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):

Provided that the administrators of an association shall also be bound to wind up an association:

(a) when the term for which it has been created has expired;

(b) if the association has not been granted a permit by the Authority within a period of one (1) year from its registration or within such period as the Authority may prescribe; or

(c) if following the granting of a permit, the permit is withdrawn and a new permit is not granted within a period of six (6) months from the cancellation of the previous permit:

Provided further that in such circumstances the administrators shall call a general meeting of the association and notify the members that the association shall be wound up pursuant to this regulation.";

(c) in sub-regulation (5) thereof the words "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." shall be deleted;

(d) sub-regulation (7) thereof shall be deleted.

49. Regulation 85 of the principal regulations shall be deleted. Deletes regulation 85 of the principal regulations.

50. Regulation 86 of the principal regulations shall be amended as follows: Amends regulation 86 of the principal regulations.

(a) sub-regulation (1) thereof shall be substituted by the

following new regulation:

"86. An association shall be wound up upon an order of the Court following an application by any interested party, for reasons valid at law in terms of the provisions of the Second Schedule to the Civil Code that shall apply to such associations or any other law.";

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(b) sub-regulations (2), (3) and (4) thereof shall be deleted.

Deletes regulation 87 of the principal regulations.

51. Regulation 87 of the principal regulations shall be deleted.

Deletes regulation 88 of the principal regulations.

52. Regulation 88 of the principal regulations shall be deleted.

Substitutes regulation 89 of the principal regulations.

53. Regulation 89 of the principal regulations shall be substituted by the following new regulation:

"Cancellation of registration.

89. (1) Upon receipt of a declaration by the administrators, liquidators or special administrators appointed in accordance with Part XX, as the case may be, or upon 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.

(2) 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 one (1) month of sending such letter, receive any notification, 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 to the effect that, at the expiration of one (1) month from the date of the last publication of the said notice, the association shall be struck off the Register:

Provided that a special administrator in accordance with Part XX shall be appointed if the Registrar has sufficient grounds to believe that the association has not ceased operations or that its assets have not been extinguished.".

54. Regulation 90 of the principal regulations shall be substituted by the following new regulation: Substitutes regulation 90 of the principal regulations.

"Revival of registration.

90. (1) If it results that the assets or liabilities of an association which has been cancelled were not determined or dealt with, the Court shall, on the request of an interested party, have the necessary powers to revive the association, only for the purpose of determining and dealing, paying out or liquidating such assets or liabilities. In this case, upon the transmission of an official copy of the order by the Registrar of the Courts to the Registrar, the association shall be deemed to have continued in existence as if the said association had not been struck off:

Provided that such an application shall be made before the expiration of five (5) years from the publication of the notice of striking off.

(2) Subject to the provisions of sub-regulation (1), 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.

(3) Notwithstanding that the name of the association has been struck off the Register in accordance with regulations 86 and 89, the liability, if any, of every founder, administrator or member of the association shall subsist and may be enforced as if the name of the association had not been struck off the Register.".

55. Immediately after regulation 93 of the principal regulations there shall be added the following new regulation**:** Adds a new regulation to the principal regulations.

"Data protection.

94. (1) Any processing of personal data conducted by the Authority in its capacity of a controller in accordance with Article 4(7) of the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), shall fully comply with the provisions of Regulation (EU) 2016/679 and the Cap. 586. Data Protection Act, including the regulations made thereunder and the fundamental rights and freedoms of the data subjects.

(2) The controller shall process personal data as necessary and required for the purpose of the performance of its functions and, or the exercise of any of its powers under these regulations.

(3) The processing of personal data shall be proportionate to the aim pursued and respect the essence of the right to data protection and provide for suitable and specific measures to safeguard the fundamental rights and the interests of the data subjects.

(4) The controller, while taking into account the nature, scope, context and purposes of processing, as well as the risks of varying likelihood and severity for the rights and freedoms of the data subjects, both at the time of the determination of the means for processing as well as at the time of the processing itself, shall implement appropriate technical and organisational measures, in an effective manner and shall integrate the necessary safeguards into the processing in order to protect the rights of the data subjects and to ensure a level of security appropriate to the risk.

(5) The access to personal data shall be reserved exclusively to duly designated officers of the controller on the basis of a role-base access control mechanism and subject to confidentiality and, or professional secrecy obligations, in order to prevent abuse, or unlawful access to, or disclosure of personal data.

(6) The data protection officer designated by the controller in accordance with Article 37(1)(a) of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) shall be involved and duly consulted in a timely manner on all matters in relation to the protection of personal data processed for the purpose of these regulations.

(7) For the purposes of ensuring and being able to demonstrate that the processing of personal data is performed in accordance with the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), the controller shall implement the appropriate data protection policies, which policies shall be periodically reviewed and updated where necessary.".

Adds new Part to the principal regulations.

56. Immediately after regulation 93 of the principal regulations, as added, there shall be added the following new Part:

"Part XX

Appointment of Special Administrators

Appointment of Special Administrat-ors.

95. (1) If the Registrar has reasonable grounds to believe that an association is not in a position to function properly as stipulated by law and these regulations, he may appoint a Special Administrator to take over the management of the association for an interim period. Such grounds include:

(a) the sudden resignation, death or inability of all administrators;

(b) if the Authority considers it necessary in the public interest or if the provisions of these regulations or any other law are not observed by the association and the Authority deems the situation to be so serious as to merit the issuing of such an order, since it also deems that the ordinary remedies for breach of law are not sufficient in the circumstances; and

(c) if the administrators refuse to proceed with the voluntary and orderly dissolution even though an association is manifestly insolvent:

Provided that the administrators of an association may also request the Registrar to appoint a special administrator if they are unable to organise an orderly winding up of the operations and subsequent dissolution of the association.

(2) In exceptional circumstances where the Authority has a valid reason to believe that cannabis stored in the property of an association is no longer being monitored, the Authority may make an urgent application before the competent court to obtain permission to make a forced entry into the premises. When such authorisation is granted, the Authority shall, upon gaining access to the property, make a detailed inventory of the premises and hand over its administration to the special administrator.

(3) The Authority shall specify the reasons for the appointment of a special administrator and notify interested parties by means of a notice in the Gazette and on its electronic website.

(4) Special administrators shall have the powers to carry out all functions usually carried out by the administrators of the association.

(5) The remit of special administrators shall be to hold elections for the appointment of new administrators from amongst the members of the association and, if no interest is shown, to proceed with the winding up and dissolution of the association:

Provided that special administrators may, if they deem appropriate to safeguard the interests of creditors, delay the winding up of an association notwithstanding the lack of interest from the members to appoint new administrators:

Provided further that if in the opinion of the special administrators it would be more prudent to proceed with the immediate winding up of the association, they shall have the powers to proceed accordingly without consulting with the members. In such cases, the provisions of the statute and these regulations about the members' consent for the dissolution of an association shall not apply.

(6) If an association is wound up in accordance with this regulation, the special administrator shall observe the ranking order of creditors as provided by law when making payments to the creditors.

(7) Following the notification of its intention to appoint a special administrator, the Authority shall have the power to provisionally seal cannabis held by the association and to provide for its storage in a secure location.

(8) The provisions of regulation 81(5) regarding the destruction of remaining cannabis shall apply if the operating permit of the association is revoked.

(9) If an association is dissolved, the provisions of regulation 84(6) shall apply if its assets exceed the liabilities.".

Substitutes the Second Schedule to the principal regulations.

57. The Second Schedule to the principal regulations shall be substituted by the following new Schedule:

"**SECOND SCHEDULE**

Offences

(1) Any person or association which, in breach of regulation 5, permits, transfers or facilitates the transfer of ownership, management or membership of an association by, or to a legal entity, shall be guilty of an offence and shall on conviction be liable to a fine (*multa*) of fifty thousand euro (€50,000), or to a fine (*multa*) equivalent to twice the amount of revenue generated during the period when the legal entity formed part of the ownership, management or membership of the association, whichever is the higher.

(2) Any person or association which, in breach of regulation 7:

(a) distributes income to administrators, employees, or any other private interests, except as expressly permitted by these regulations or by the Authority, pays remuneration, fees or other compensation for goods or services at higher than market rates as determined by the Authority;

(b) otherwise causes or permits the distribution of the association’s income in a manner that violates the not-for-profit principles established in these regulations, shall be guilty of an offence and shall on conviction be liable to a fine (*multa*) of not less than two thousand euro (€2,000) and not more than fifty thousand euro (€50,000), or double the compensation distributed, whichever is the higher.

(3) Without prejudice to any other applicable law, any person or association, who in breach of the provisions of regulation 8(1) distributes cannabis to persons who are not members of the association, shall be guilty of an offence and shall on conviction be liable to a fine (*multa*) of not less than two thousand euro (€2,000) and not more than fifty thousand euro (€50,000), or to a fine (*multa*) equivalent to twice the amount of revenue generated from the activity, whichever is the higher.

(4) Any person or association which, in breach of regulation 8(1) and (2), permits the premises of the association to be used for any activity that is not directly related to the cultivation and distribution of cannabis in accordance with these regulations, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than fifty thousand euro (€50,000), or to a fine (*multa*) equivalent to twice the amount of revenue generated from the activity, whichever is the higher:

Provided that without prejudice to the applicability of any other laws or regulations, where such unauthorised activity includes the distribution or sale of alcohol, the offender shall be liable to a fine (*multa*) of not less than twenty thousand euro (€20,000).

(5) Any person or association which, in breach of regulation 8(2)(b)(i), distributes cannabis:

(a) that has not been submitted for testing at a laboratory duly authorised and approved by the Authority in accordance with any applicable binding instrument; or

(b) without receiving confirmation from the Authority that the results of such testing confirm the product's compliance with safety and quality standards criteria as established by the Authority,

shall be guilty of an offence and shall on conviction be liable to a fine (*multa*) of not less than two thousand euro (€2,000) and not more than fifty thousand euro (€50,000), or to a fine (*multa*) equivalent to twice the amount of revenue generated from the cannabis distributed, whichever is the higher.

(6) Without prejudice to any other applicable law, any person or association which, in breach of regulations 8(2)(b)(ii) and 35(2), distributes cannabis from a location or premises not duly approved for such purpose by the Authority, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than ten thousand euro (€10,000) and not more than fifty thousand euro (€50,000), or to a fine (*multa*) equivalent to twice the amount of revenue generated from the activity, whichever is the higher:

Provided that where such distribution takes place from a property or location not compliant with regulation 43, the offender shall be liable to a fine (*multa*) of not less than twenty thousand euro (€20,000).

(7) Any person or association which, in breach of regulation 8(2)(b)(iii), distributes cannabis that:

(a) is not packaged in containers of the design, size, and type approved by the Authority; or

(b) is not labelled as prescribed by the Authority,

shall be guilty of an offence and shall on conviction be liable to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than twenty thousand euro (€20,000).

(8) Any person or association which, in breach of regulation 8(2)(b)(iv), distributes cannabis that is not sealed with the numbered security seals prescribed or provided by the Authority, shall be guilty of an offence and shall on conviction be liable to a fine (*multa*) of not less than two thousand euro (€2,000) and not more than fifty thousand euro (€50,000), or to a fine (*multa*) equivalent to twice the amount of revenue generated from the cannabis distributed, whichever is the higher.

(9) Any person or association which, in breach of regulation 8(2)(b)(v), distributes cannabis products which have not been approved by the Authority, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than ten thousand euro (€10,000) and not more than fifty thousand euro (€50,000), or to a fine (*multa*) equivalent to twice the amount of revenue generated from the activity, whichever is the higher.

(10) Any person or association which, in breach of regulation 8(2)(b)(vi), permits or allows the premises of an association to cause a nuisance to third parties, including loitering, shall be guilty of an offence and shall on conviction, be liable to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than ten thousand euro (€10,000).

(11) Any person or association which, in breach of regulation 8(3):

(a) promotes or advertises the name, logo, or activities of an association, whether directly or indirectly and whether physically or through any digital or electronic medium; or

(b) publishes any words, signs, symbols, or designs related to cannabis culture in a manner that may reasonably be associated with, or conferring a benefit upon, an association,

shall be guilty of an offence and shall on conviction be liable to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than fifty thousand euro (€50,000).

(12) Any person or association which, in breach of regulation 8(4), distributes more than seven grams (7g) of cannabis to a member in a single day, or more than fifty grams (50g) in a calendar month, or their equivalent amount as stipulated in a binding instrument, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than twenty thousand euro (€20,000) or double the income generated from the additional distribution over and above the stipulated limits, whichever is the higher:

Provided that the punishment established under this item shall only be applicable where the Court is satisfied that the breach occurred as a result of negligence and that no circumstances indicative of trafficking or other criminal activity were present, in such case, the provisions of the Dangerous Drugs Ordinance shall apply.

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(13) Any person or association which, in breach of regulations 9 or 71, grants or receives a loan without the prior approval of the Authority 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 fifty thousand euro (€50,000), or to a fine (*multa*) equivalent to twice the amount of revenue generated by the association until the loan was repaid, whichever is the higher.

(14) Any person or association which, in breach of regulation 12, permits, enables, assists or otherwise facilitates a person who has not been ordinarily resident in Malta for the preceding five (5) consecutive years to:

(a) establish or otherwise establish an association, whether directly or through agents; or

(b) provide, contribute or otherwise channel funds or other financial support to an association, whether directly or indirectly,

shall be guilty of an offence and shall on conviction, be liable to a fine (*multa*) of not less than ten thousand euro (€10,000) and not more than fifty thousand euro (€50,000), or to a fine (*multa*) equivalent to twice the amount donated or income generated from such prohibited conduct, whichever is the higher.

(15) Any person or association which, in breach of regulation 13, establishes or maintains an organisational structure for an association that does not conform with the structure approved by the Authority or established in any binding instrument shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than ten thousand euro (€10,000).

(16) Any person or association which, in breach of regulation 14(1) or any binding instrument or written instruction issued by the Authority, fails to take timely action to fill a vacancy on the Board of Administrators and permit the association to continue operations with fewer than three (3) administrators shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than twenty thousand euro (€20,000).

(17) Any person or association which, in breach of regulation 14(2), appoints or facilitates the appointment of a person who has not been resident in Malta for the preceding five (5) consecutive years as an administrator of an association, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than ten thousand euro (€10,000), and not more than fifty thousand euro (€50,000), or to a fine (*multa*) equivalent to twice the amount of revenue generated by the association during the person's tenure, whichever is the higher.

(18) Any person or association which, in breach of regulation 14(3), appoints or facilitates the appointment of a person who is not a member of the association as an administrator of the association shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than ten thousand euro (€10,000):

Provided that if the appointed person is an administrator of more than one association concurrently, the person or association shall be liable to a fine (*multa*) of fifty thousand euro (€50,000), or to a fine (*multa*) equivalent to twice the amount of revenue generated by the association during the person's tenure, whichever is the higher.

(19) Any person or association which, in breach of regulation 14(4), appoints any person as an administrator, key officer, or to any other management position within an association without the prior written approval of the Authority shall be guilty of an offence and shall be liable to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than twenty thousand euro (€20,000).

(20) Any person or association which, in breach of regulation 15, appoints or facilitates the appointment of a person who had committed a crime in the preceding ten (10) years as an administrator, employee or service provider, shall be guilty of an offence and shall be liable to a fine (*multa*) of not less than five thousand euro (€5,000) and not more than fifty thousand euro (€50,000), or to a fine (*multa*) equivalent to twice the amount of revenue generated during the appointed person's tenure, whichever is the higher.

(21) Any person or association which adopts or causes the adoption of a statute in breach of regulation 17 or any applicable binding instrument shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than five hundred euro (€500) and not more than five thousand euro (€5,000).

(22) Any person or association which in breach of the provisions of regulation 18(1):

(a) enrols members in an association which is not in possession of a valid permit issued in accordance with regulation 35; or

(b) enrols more members than allowed in its permit,

shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than five hundred euro (€500) and not more than five thousand euro (€5,000).

(23) Any person or association which, in breach of regulation 18(2), admits a person 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 not less than three thousand euro (€3,000) and not more than ten thousand euro (€10,000) for each minor so admitted.

(24) Any person or association which, in breach of regulations 18(3) or 30, adopts a structure that distinguishes between different categories of members or includes segregation of members within an association, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than twenty thousand euro (€20,000).

(25) Any person or association which, in breach of regulation 18(4):

(a) hinders or obstructs the participation of members in a general meeting of the association; or

(b) hinders or denies a member his right to vote, or allows a member to vote more than once,

shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than twenty thousand euro (€20,000).

(26) Any person or association which, in breach of regulation 18(5), admits or facilitates the admission of persons who are not resident in Malta as members of an association, 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) and not more than fifty thousand euro (€50,000), or to a fine (*multa*) equivalent to twice the amount of revenue generated by the association from the enrolled members, whichever is the higher.

(27) Any person or association which, in breach of regulation 18(6), admits or facilitates the admission of more than five hundred (500) persons as members of the association, shall be guilty of an offence and shall be liable to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than fifty thousand euro (€50,000), or to a fine (*multa*) equivalent to twice the amount of revenue generated by the association from the additional enrolled members, whichever is the higher.

(28) Any person or association which, in breach of regulation 19, knowingly admits or facilitates the admission of a person in more than one association concurrently, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than ten thousand euro (€10,000).

(29) Any person which, in breach of regulation 19, becomes or attempts to become, a member of more than one association concurrently, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than five hundred euro (€500) and not more than two thousand euro (€2,000).

(30) Any person or association which, in breach of regulation 20, transfers or facilitates the transfer of membership within an association to another person, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than five hundred euro (€500) and not more than two thousand euro (€2,000).

(31) Any person or association which, in breach of regulation 21(2), fails to give proper and timely notice of a general meeting of the association, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than ten thousand euro (€10,000).

(32) Any person or association which, in breach of regulation 21(3) or any other binding instrument, proceeds with the general meeting of an association in the absence of the required quorum, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than ten thousand euro (€10,000).

(33) Any person or association which, in breach of regulation 21(4), effects the dissolution of an association without securing the requisite support of at least seventy-five per cent (75%) of the members during a general meeting 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 fifty thousand euro (€50,000).

(34) Any person or association which, in breach of regulation 21(5), denies members access to information to which they are entitled, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than five hundred euro (€500) and not more than two thousand euro (€2,000).

(35) Any person or association who, in breach of regulation 21(6), acts or permits a member to act as a proxy for more than two (2) other members during a general meeting of the association, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than five hundred euro (€500) and not more than five thousand euro (€5,000).

(36) Any person or association which, in breach of regulation 21(7) or any other binding instrument, fails to convene an annual general meeting of the association, thereby the administrator subsists in office beyond their tenure, 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 fifty thousand euro (€50,000), or to a fine (*multa*) equivalent to twice the amount of income earned by such administrator from their relationship with the association, whether directly or indirectly, following the lapse of their tenure.

(37) Any person or association which, in breach of regulation 22(1), fails to maintain a complete and up-to-date register of the association's members, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than five hundred euro (€500) and not more than fifty thousand euro (€50,000), or to a fine (*multa*) equivalent to twice the amount of revenue generated from the members whose records were missing, whichever is the higher.

(38) Any person or association which, in breach of regulation 22(2), fails to submit information regarding the distribution of cannabis to members within the deadlines established by the Authority, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than five hundred euro (€500) and not more than twenty thousand euro (€20,000).

(39) Any person or association which, in breach of regulation 22(3), destroys or facilitates the destruction of any part of the register of members prior to the expiration of the retention period prescribed by law, 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 twenty thousand euro (€20,000).

(40) Any person or association which, in breach of regulation 23(1), employs or engages any person to carry out works or services on the premises of an association without registering such person with the Authority and obtaining the requisite approval from the Authority, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than ten thousand euro (€10,000).

(41) Any person or association which, in breach of regulation 23(2), makes or authorises payments for goods or services without obtaining a valid fiscal receipt for such payment, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than five hundred euro (€500) and not more than five thousand euro (€5,000).

(42) Any person or association which, in breach of regulation 23(3), makes or authorises payments for goods or services to a person or entity who are resident or registered in a country outside the European Economic Area or another jurisdiction approved by the Authority, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than ten thousand euro (€10,000).

(43) Any person or association which, in breach of regulation 24(1), amends or facilitates the amendment of an association's statute without first obtaining the approval of the members during a general meeting, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than ten thousand euro (€10,000).

(44) Any person or association which, in breach of regulation 24(2), fails to submit an amended statute of an association to the Authority, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of five hundred euro (€500).

(45) Any person or association which, in breach of the provisions of regulation 27(1), fails to ensure that the accounts of the association are duly audited on an annual basis, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than ten thousand euro (€10,000) and not more than fifty thousand euro (€50,000).

(46) Any person or association which, in breach of regulation 27(2), fails to keep or maintain a register of the assets of an association, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than five thousand euro (€5,000).

(47) Any person or association which, in breach of regulation 27(4), fails to adhere to the deadline for the submission of an association's audited accounts, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than five hundred euro (€500) and not more than five thousand euro (€5,000).

(48) Any person or association which, in breach of regulation 27(5), fails to adhere to the deadline for the submission of an association's quarterly financial statements, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than five hundred euro (€500) and not more than ten thousand euro (€10,000).

(49) Any person or association which, in breach of the provisions of regulation 29, establishes or facilitates the establishment of a legal entity partially or wholly owned or managed by an association, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than ten thousand euro (€10,000) and not more than fifty thousand euro (€50,000), or to a fine (*multa*) equivalent to twice the income derived from the legal entity so established.

(50) Any person or association which, in breach of regulation 35(3) of these regulations or any binding instrument or written instruction issued by the Authority cultivates, processes or transports cannabis plants in a manner not in conformity with the conditions established or authorised by the Authority, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than five hundred euro (€500) and not more than ten thousand euro (€10,000).

(51) Any person or association which, in breach of regulation 35(5), without the prior written approval of the Authority:

(a) allows individuals who are not members of the association to access the association's premises; or

(b) permits members who are not administrators, employees, or authorised service providers to access the association's cultivation site,

shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than twenty thousand euro (€20,000).

(52) Any person or association which, in breach of regulation 35(6), cultivates cannabis plants or holds a stock of cannabis in quantities exceeding those authorised by the Authority, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than twenty thousand euro (€20,000).

(53) Any person or association which, in breach of regulations 44(1) or 47(3), fails to ensure that an association appoints a key officer compliant with the requirements established in these regulations and any applicable binding instrument or written instruction issued by the Authority, 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) and not more than twenty thousand euro (€20,000).

(54) Any person or association which, in breach of regulation 44(3), vests the legal and judicial representation of an association in any person who is not the appointed key officer, 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) and not more than twenty thousand euro (€20,000).

(55) Any person or association which, in breach of the provisions of regulation 47(1), removes or replaces the key officer of an association without the prior approval of the Authority, 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 twenty thousand euro (€20,000).

(56) Any person or association which, in breach of regulation 48(2), appoints a person to a designated key position within an association without having obtained the prior approval of the Authority, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than twenty thousand euro (€20,000).

(57) Any person or association which, in breach of regulation 49(1), fails to maintain accurate records relating to the cannabis cultivation cycles, stock of cannabis or the use of security seals issued or prescribed by the Authority, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than five hundred euro (€500) and not more than twenty thousand euro (€20,000).

(58) Any person or association which, in breach of the provisions of regulation 49(2), destroys the records of an association's cultivation cycles, stock of cannabis or the use of the security seals provided or prescribed by the Authority prior to the lapse of the prescribed period of ten (10) years, shall be guilty of an offence and shall be liable on conviction to a fine (multa) of not less than one thousand euro (€1,000) and not more than twenty thousand euro (€20,000).

(59) Any person or association which, in breach of regulation 51, fails to comply with any of the conditions established in the association's operating permit, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than five hundred euro (€500) and not more than twenty thousand euro (€20,000).

(60) Any person or association which, in breach of regulation 52, fails to comply with the rules, directives or guidelines issued by the Authority by means of a binding instrument, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than five hundred euro (€500) and not more than twenty thousand euro (€20,000).

(61) Any person or association which, in breach of regulation 53, fails to deploy a digital centralised data collection system introduced by the Authority, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than five hundred euro (€500) and not more than ten thousand euro (€10,000).

(62) Any person or association which, in breach of regulation 60(2), refuses to fully and truthfully cooperate with officials of the Authority or fails to comply with any instruction issued by the Authority, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than twenty thousand euro (€20,000).

(63) Any person or association which, in breach of regulation 69(2), encourages or induces members of an association to consume cannabis or otherwise takes measures that may stimulate the demand for cannabis, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than one thousand euro (€1,000) and not more than twenty thousand euro (€20,000).

(64) Any person or association which, in breach of regulation 69(3), fails to adopt harm reduction mechanisms, 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 twenty thousand euro (€20,000).

(65) Any person or association which, in breach of regulation 70, fails to adopt a code of conduct governing the internal functioning of an association, shall be guilty of an offence and shall be liable on conviction to a fine (*multa*) of not less than five hundred euro (€500) and not more than five thousand euro (€5,000).

(66) Any person or association which, in breach of regulation 84(6), disposes of the assets of an association undergoing dissolution in favour of any person or entity other than the Government of Malta, 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 fifty thousand euro (€50,000), or to a fine (*multa*) equivalent to double the value of the assets so disposed of.

VERŻJONI ELETTRONIKA

Ippubblikat mid-Dipartiment tal-Informazzjoni (doi.gov.mt) — Valletta — ***Published by the Department of Information (doi.gov.mt) — Valletta***
Mitbugħ fl-Istamperija tal-Gvern fuq karta FSC — ***Printed at the Government Printing Press on FSC certified paper***

Prezz/*Price*
€4.05