

An Opportunity for Organisations to Legally Produce Medicinal Cannabis in Malta

By **Jonathan Vassallo**, 12th April 2019

Background

A new legislative initiative in Malta means that it is now possible to grow and process cannabis (marijuana) in Malta, as long as it is for medical use. This presents an opportunity for entrepreneurs and investors.

Due to its geographical position Malta is also conveniently placed, as a potential distribution hub for medical cannabis.

Entities need to apply to produce and/or process medicinal cannabis in Malta and must comply with the legal criteria as specified in 'The Production of Cannabis for Medicinal Use Act 2019'.

The Law in Malta

No cultivation, importation or processing of cannabis, no production of any products intended for medicinal use and no trade in cannabis can be conducted in Malta, prior to obtaining the necessary approvals, authorisations, licences and, or permits as required by or under the applicable Maltese laws.

What Requirements Must the Entity Meet?

The applicant must prepare the following documentation and submit the items to Malta Enterprise (ME):

- A Business Plan – in the form of an Income Statement, Balance Sheet and a Cash Flow for the first three years of operation, with appropriate supporting documentation and appendices;
- Due Diligence – details to include the shareholding structure and information regarding the beneficial owner. The shareholding structure cannot be changed in the future, without prior approval by ME;
- The experience of the shareholders must be detailed and this is regarded as of particular importance.

The applicant must then obtain a 'Letter of Intent' from Malta Enterprise (ME) and ensure full compliance with the provisions of the Production of Cannabis for Medicinal Use Act, and any international obligations, resulting from a treaty that Malta may from time to time be party to.

Following Receipt of the 'Letter of Intent'

When the project is approved, ME will issue the 'Letter of Intent' and the organisation can start to liaise with the Malta Medicines Authority to obtain the relevant licence.

ME may allocate land to the organisation, in one of Malta's Industrial Parks, if required.

Moving forward, the relevant organisations producing or processing the cannabis, must at all time fully comply with the regulations relating to the production of medical products, as specified in the Malta Medicines Act.

The manufacturing process in Malta, must generate the final product that can then be sold directly to pharmacies.

The export of any goods, which require further manufacture, is not permitted.

Relevant Research and Development should generally also take place in Malta.

Additional Information

Dixcart can provide advice to companies seeking to produce and/or process medicinal cannabis in Malta and can supply additional information regarding related corporate and residence issues.

For further information please contact the Dixcart office in Malta:

advice.malta@dixcart.com or speak to your usual Dixcart contact.