



CANNABIS REGULATORY AUTHORITY

GUIDELINES FOR THE CANNABIS INDUSTRY IN MALAWI

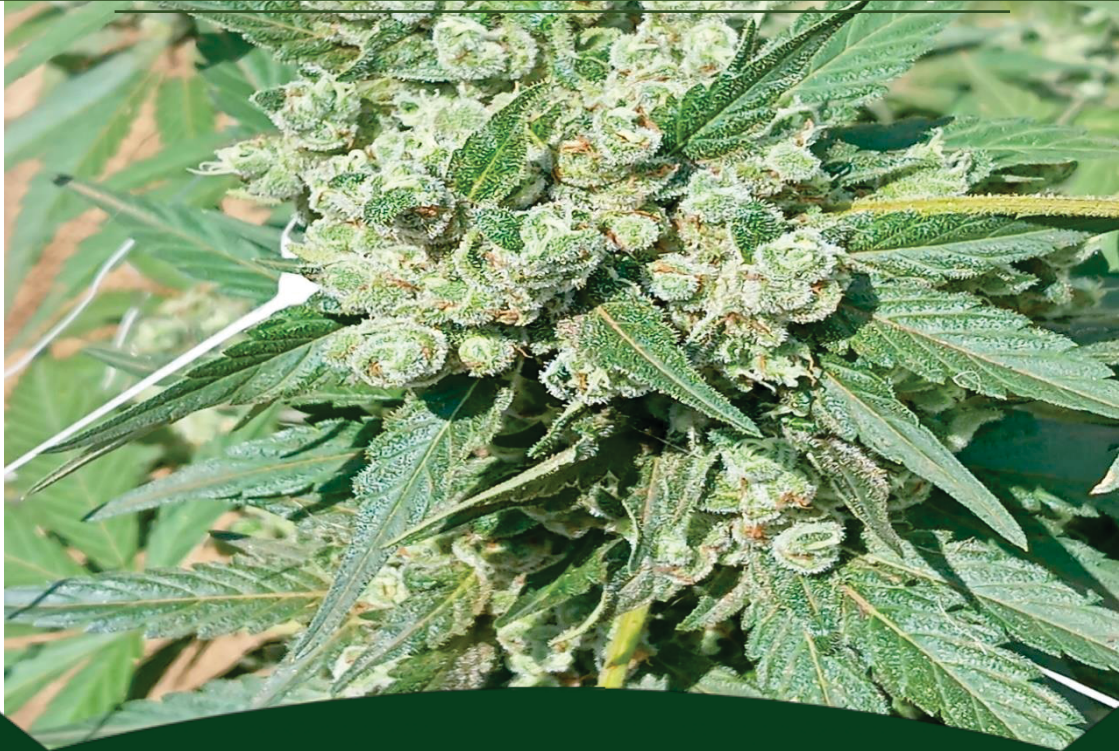


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1.0 INTRODUCTION

Legalisation of Cannabis in Malawi created opportunities for the legal cultivation of cannabis for medicinal and industrial purposes and offers the country an opportunity to diversify its agricultural production and potentially generate additional foreign exchange. Cannabis is a strategic crop which requires systematic regulation to safeguard its production and management in order for Malawi to profit from its economic benefits. This calls for the need to observe rules and regulations in the cannabis sector.

The Cannabis Regulatory Authority (CRA) was established to regulate the Cannabis industry as provided for in the Cannabis Regulation Act 2020. The Authority is mandated to license all activities across the Cannabis value chain such as cultivation, processing, distribution, storage, exportation, importation, research, laboratory tests, transportation and medical use of Cannabis. The Cannabis Regulation Act 2020 promotes production of Cannabis only for medicinal, industrial and scientific use and does not in any manner advocate, authorize, promote or legally or socially accept the use of cannabis for recreational uses.

2.0 ELIGIBLE APPLICANTS

The Cannabis Regulation Act 2020 makes provision that CRA shall issue a license or permit only to a “qualifying legal person” in respect of the activity for which they are licensed to undertake under this Act. Based on this provision, the following entities stand a chance to be awarded a license upon meeting all requirements: (a) Farmer organisations, (b) Corporate companies and (c) Corporate partnerships. The Cannabis law is therefore promoting farmer participation in the Cannabis value chain through registered groups and not individual farming. The farmer organisations, corporate companies and partnerships intending to participate in Cannabis production and marketing are required to meet the following eligibility requirements:

2.1 Farmer Organisations

Farmer organisations must,

1. Possess a formal registration of their grouping
2. Be composed of a minimum of 10 and a maximum of 100 farmers.
3. Possess a minimum land size of 5 hectares within a 5 kilometres radius from the most centrally located farm and a maximum of 10 fragmented pieces
4. Submit a Police Clearance Certificate for Board of Directors or senior management of the farmer organization
5. Submit off-taker agreement, if the organization will not process its own Cannabis.
6. Submit a business plan for the Cannabis enterprise

7. Present GPS coordinates, size of land in hectares and the physical address of the plots

2.2 Formal Partnerships

Formal Partnerships must

1. Possess a legal agreement of their partnership
2. Possess a minimum of un-fragmented land size of 5 hectares
3. Submit a Police Clearance for its partners
4. Submit off-taker agreement, if partnership will not process its own cannabis
5. Present GPS coordinates, size of land in hectares and the physical address of the plot
6. Submit a comprehensive business plan for the Cannabis enterprise.

2.3 Corporate Companies

Corporate Companies must,

1. Show proof of incorporation in Malawi
2. Possess a minimum land size of 5 hectares that is not fragmented
3. Submit a Police Clearance for its Board of Directors
4. Submit off-taker agreement, if company will not process its own cannabis
5. Submit title deeds and GPS coordinates
6. Submit a comprehensive business plan for the Cannabis enterprise

3.0 SECURITY REQUIREMENTS

The security requirement for Cannabis is dependent on whether it's grown for medicinal or industrial purpose. Cannabis regulations stipulate security plans that are applicable to industrial hemp and medicinal cannabis.

3.1 Security Requirements for Industrial hemp

Interested applicants for industrial hemp license shall be required to develop a security plan that prevents access to the industrial hemp premises by unauthorised persons by establishing a natural or a physical barrier around the farm.

3.2 Security Requirements for Medicinal Cannabis

Interested applicants for medicinal cannabis license shall be required to develop a security plan that prevents access to the premises by unauthorised persons by:

- a) Establishing physical barriers which will secure perimeter access to all points of entry by setting up a fence around the ground that is at least two metres high and secured by a gate
- b) Locating the field at least three kilometres from public institutions and places such as hospitals, schools, markets, unless if cultivation is done in a greenhouse surrounded by a barrier.

4.0 APPLICATION PROCEDURE

Applications for licenses or permits should be made to the Director General of Cannabis Regulatory Authority. The applications shall be made using a prescribed form which can only be obtained from the Cannabis Regulatory Authority offices.

5.0 FEES SCHEDULE AND CHARGES FOR LICENCES AND PERMITS

Fees for licenses and permits are dependent on the type of Cannabis enterprise. The licenses are awarded for each activity such as cultivation, processing, storage and distribution while permits are given on exportation, importation, research and laboratory tests. Licenses, including research and laboratory tests permits are valid for a period of twelve months after which it may be renewed for another period as may be prescribed by the registrar. Import and export permits are valid for a period not exceeding four months. The fees are as follows:

5.1 INDUSTRIAL HEMP LICENSE FEES AND PERMIT CHARGES

ID	Description	Amount (USD)
1	Licenses	
	(a) License to cultivate and sell	1,200
	(b) License to Process	3,000
	(c) License to store (Warehousing)	500
	(d) License to distribute (Transport)	1680
2	Permits	
	(a) Permit to Import (Cannabis seed) or Export (semi or fully processed products)	1.5% of the consignment value
	(b) Permit to conduct laboratory tests	120
	(c) Permit to conduct research	600
	i. Medical Research Including clinical trials	500
	ii. Breeding and agronomy	2,380

ID	Description	Amount (USD)
	(c) Permit to conduct research	600
	i. Medical Research Including clinical trials	500
	ii. Breeding and agronomy	2,380
3	License Amendments: Change of location/responsible person/board of directors	1,700
4	Renewal of licenses and permits	
	(a)License to cultivate and sell	1,200
	(b) License to process	3000
	(c) License to distribute	1680
	(d) License to store	500
	(e) Permit to conduct research	600
	(f) permit to conduct laboratory tests	600

5.2 MEDICINAL CANNABIS LICENSE FEES AND PERMIT CHARGES

ID	Description	Amount (USD)
1	Licenses	
	(a) License to cultivate and sell	8,500
	(b) License to Process	8,500
	(c) License to store (Warehousing)	500
	(d) License to distribute (Transport)	2,380
2	Permits	
	(a) Permit to administer cannabis drugs	170
	i. Private	425
	ii. Government	85
	(b) Permit to stock, sell and distribute cannabis drug	170
	(c) Permit to conduct medical research and clinical trials	850
	(d) Permit to conduct breeding and agronomy research	850
	(e) Permit to conduct laboratory tests on cannabis	170
	(f) Permit to Import (Cannabis seed) or Export (semi or fully processed products)	1.5% of the consignment value

3	License Amendments: Change of location/responsible person/board of directors	1,700
4	Renewal of licenses and permits	
	(a)License to cultivate and sell	1,200
	(b) License to process	3000
	(c) License to distribute	1680
	(d) License to store	500
	(e) Permit to conduct research	600
	(f) permit to conduct laboratory tests	600

NOTE:

- I. Non-refundable processing fees of **US\$500** and is charged for each license being applied for.
- II. All Payments must be made in US dollars or its equivalent in Malawi Kwacha.

ID	Description	Amount (USD)
	(g) Permit to conduct research	
	(i) Medical Research including Clinical Trials	850
	(ii) Breeding and Agronomy Research	850
	(h) Permit to conduct laboratory tests	170

NOTE:

- I. Non-refundable processing fees of **US1, 000** and is charged for each license being applied for.
- II. All Payments must be made in US dollars or its equivalent in Malawi Kwacha.

6.0 INSPECTION, SAMPLING AND TESTING

The Cannabis Regulatory Authority shall upon issuance of a license or permit, conduct regular inspections take samples for the purpose of testing or analysis to check compliance with the Cannabis Regulation Act 2020 for all licensed activities.

7.0 OFFENSES AND PENALTIES

Any person who is found cultivating, processing, storing, distributing, researching, testing, exporting, importing and using cannabis in contravention of the Cannabis Regulation Act 2020 commits an offence and shall, on conviction, be liable to penalties as stipulated in the Act.

CONTACTS

THE DIRECTOR GENERAL
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