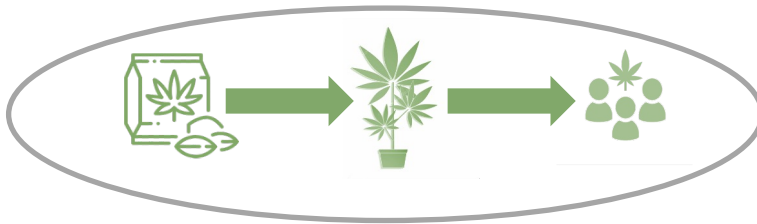


Cannabis Social Clubs

What is a Cannabis Social Club?

= a **non-profit association** of **adult cannabis users** that organizes the cultivation of cannabis for their **personal use**.



Cannabis Social Clubs (CSCs) as closed network

- Supervision of the production and distribution of cannabis to the members of the association.
- Usually covers the entire value chain from seed to final product (cultivation, quality control, transport and distribution)
- Cultivation quantity is based on the needs of the members
- No advertising or sales to non-members
- Membership fees help finance operations



Cannabis (Social) Clubs?

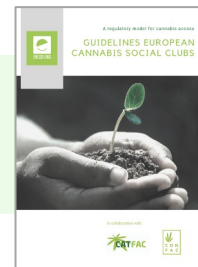
- The "social" character can also be characterized by consumption opportunities on site, which can be enjoyed with other members
- In some countries, however, this is explicitly not wanted (e.g. in Malta, where the clubs are called "Cannabis Harm Reduction Associations")

Guidelines for European Cannabis Social Clubs

(European Coalition for Just and Effective Drug Policies, ENCOD)

"Where people have the right to consume, they should be allowed to grow for their own consumption."

(ENCOD Guidelines European Cannabis Social Clubs 2021)

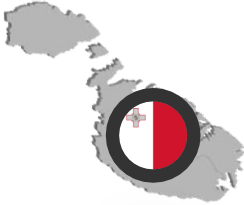


- 1. Open dialogue with authorities:** CSCs are willing to engage in any kind of dialogue with authorities
- 2. Transparency:** CSCs are subject to association law; founding members are subject to background checks; CSCs pay rent, taxes, social security contributions, etc.
- 3. Supply follows demand, not the other way around:** Amount of cannabis to be grown is calculated based on number of members and expected consumption
- 4. Non-profit orientation:** Clubs are run on a non-profit basis; all revenue generated is reinvested in club operations
- 5. Public health focus:** Dispensing and, if applicable, consumption occur on club premises; thereby minimizing the risk of distribution

Cannabis Social Clubs

A look at other countries

Malta



Population: 500.000

Model: Legal clubs

Status quo: Ongoing licencing process since February 2023

Regulatorischer Rahmen

- Only for members, max. 500 members per club
- Max. 4 plants per member
- Max. 50 grams per member per month, no mandatory minimum purchase quantities, no sharing or giving away
- Obligation to register with competent authority
- Regular reporting of the clubs to the authority
- Non-profit
- No outdoor advertising
- At least 250 meters distance from schools and youth centers
- Limit on number of clubs in neighborhood / locality
- No consumption facilities on site

Membership criteria

- 18+ years
- Staatsbürgerschaft oder Aufenthaltsgenehmigung

Licensing:

The Legalization Act of 2021 established the Authority on the Responsible Use of Cannabis (ARUC). At the beginning of 2023, ARUC announced the licensing criteria for the so-called "Cannabis Harm Reduction Associations". The licensing process has been ongoing since February 2023.

Licensing criteria (selection): 1.000 EUR licensing fee, operating permits for retail and for industry and agriculture, inspection of buildings by architect, application with specification of plant number and varieties, nutrients, cultivation method, area and equipment, extensive security system, air filtration and air conditioning system, removal of harvest waste by certified company

ARUC

Uruguay



Population: 3.4 Mio.

Registered Cannabis Clubs:

More than 263 in 2021 (Statista 2022)

Regulatory framework

- Members only, 15-45 members per club
- Max. 99 cannabis plants in total
- Max. 40 g per member per month
- Registration requirement with competent authority
- Regular reporting by clubs to competent authority
- Non-profit
- No advertising
- At least 150 meters distance from schools and youth centers

Criteria for membership

- 18+ years
- Citizenship and permanent residence

Distribution models in Uruguay:

Uruguay offers are three models for dispensing cannabis for consumption purposes:

1) home cultivation for personal consumption (since August 2014); **2) cannabis social clubs** (since October 2014); **3) dispensing in pharmacies** (since July 2017). The three models are mutually exclusive: Consumers must choose a supply channel and register for it with the national cannabis control agency IRCCA.



Cannabis Social Clubs

A look at other countries

Spain



Population: 47,42 Mio.

Model: CSCs in legal grey zone

Regulatory framework

- CSCs in Spain operate in a legal grey zone: only some regions allow and regulate CSCs (e.g., Catalonia); federal law prohibits CSCs
- Cultivation for personal use is decriminalized
- Collective consumption and acquisition of cannabis by addicts is not punished

CSCs in Spain

- It is estimated that there are between 500 - 1500 clubs
- Most CSCs are unregulated and potentially illegal
- After Barcelona explicitly legalized CSCs, the Supreme Court reclassified them as illegal

Other countries

The approach of decriminalizing home cultivation and cannabis social clubs also exists on a smaller scale in **Belgium** and is also planned as part of the cannabis pilot projects in **Switzerland**.



United Kingdom



Population: 67,33 Mio.

Model: CSCs with focus medicinal cannabis

CSCs in the UK

- CSCs are very different from other countries because they are constructed by and for patients
- Developed in response to the lack of reimbursement for medical cannabis
- Approximately 160 CSCs have been established since 2011

Regulatory framework

- Home cultivation is illegal
- UKCSC association guidelines exist
- Cannabis use, possession and trafficking are illegal under current UK legislation

Cannabis Social Clubs

How could CSCs look in Germany?

Legal anchoring of associations



- **§ 9 Fundamental Law** guarantees **freedom of association**
- The constitutional limits of freedom of association are specified in the **Law on Associations (VereinsG)**
- The private law status of associations is regulated in the **Civil Code (§§ 21 to 79 BGB)**

Definition according to German law

Association of several persons // not geared to economic business success // acts as a single entity under one name // represented by a board of directors

Political cornerstones



Selection of the **Cannabis-Cornerstone-Paper 2-Pillar-Model** (BMG, 12.04.23):

- **Members:** Number limited to max. 500 members per association, minimum age of 18 years and domicile or habitual residence in Germany.
- **Contributions:** Membership dues to cover cost price, staggered according to dispensing volume (if applicable, with basic flat fee and additional amount per gram dispensed)
- **Cannabis dispensing:** Limited per member (max. 25 g cannabis per day, max. 50 g per month, max. 7 seeds or 5 cuttings per month)
- **Quality assurance / control:** Licensing and monitoring are carried out by state authorities, among other things with regard to compliance with quantity, quality and youth protection requirements, and with spot checks and on-site visits
- **Consumption premises:** Consumption is prohibited on the premises of the association
- **Cultivation and harvesting:** Quantities are geared towards meeting demand incl. reporting and documentation obligations

Recommendations for policy implementations:

- According to the ENCOD CSC Guidelines (2021), any connection of cannabis clubs with the **illegal market** should be prevented.
- This could be addressed in a regulatory way, for example, with **tracking of products** from seed to delivery to the member, as well as effective controls
- Evaluate **on-site consumption spaces** as an option for supervised, lower-risk consumption rather than displacement into private or public spaces

Germany's club landscape

Numerous Cannabis Social Clubs have been or are being founded already today



2022: Founding of an **umbrella organization** of German clubs (already published key points for cannabis legalization)



However: Cannabis **cannot currently be legally grown** in clubs, this would require a change in the law and **licensing** of CSCs

Cannabis Social Clubs

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