

# **SPECIFIC REGULATIONS OF TOBACCO PRODUCTS AND TOBACCO PROMOTIONAL ITEMS**

*(the subject of Article 2, Note 4, addendum to Article 18 of the Law on Combat Against Smuggling Goods and Currencies, Enactment No. H52971T/138864 dd. January 28, 2017 and Amendment No. H55679T/106689 dd. November 5, 2018, by the Council of Ministers)*

On the strength of Article 2, Note 4, addendum to Article 18 of Law on Combat Against Smuggling Goods and Currencies (Enactment No. H52971 T/138864 dd. January 28, 2017 and Amendment No. H55679T/106689 dd. November 5, 2018, by the Council of Ministers) and based on the proposal of the relevant bodies, the Central Headquarter of Combat Against Smuggling Goods and Currencies, in the meeting No. 123 dd. February 23, 2019, set out specific regulations for the purchase, sale, transportation and storage of tobacco products and tobacco promotional items including 7 Articles, 32 Paragraphs and 5 Notes as follows, which were approved by the President of the Islamic Republic of Iran on April 8, 2019.

## **ARTICLE 1: INTERPRETATION:**

1. In this Enactment:

*Headquarter* refers to the Central Headquarter of Combat against Smuggling Goods and Currencies.

*Center* means the Iranian Center for Tobacco Planning and Monitoring.

*Tobacco products* include all kinds of cigarettes, tobacco (farm products or any processed product) or its derivatives and byproducts derived from tobacco either wholly or partially.

*Tobacco Promotional Items* are any kind of goods such as hats, keychain, bags, balls, stationery, lighters, foodstuffs packages, clothing, compact discs, etc., which are used to advertise, encourage or promote tobacco products.

*System* refers to overarching trading software system at “www.nts.w.ir.”, the subject of Paragraph (A) of Article 6 of the Law on Combat against Smuggling Goods and Currencies

## **ARTICLE 2: GENERAL RULES**

1. All of the regulations mentioned in this Enactment are solely related to the commercial purchase, sale, transportation and storage of tobacco products and do not apply to their non-commercial purchase, sale, transportation and storage.

**Note** - Non-commercial form of purchase, sale, transportation and storage of tobacco products are described as follows:

A) *Non-commercial Sale*: The tobacco products are directly sold to the end consumer for his/her personal consumption

B) *Non-commercial Purchase*: The end consumer purchases Tobacco products for his/her personal consumption

C) *Non-commercial Transportation*: Tobacco products are carried by the end consumer for his/her personal consumption

D) *Non-commercial Storage*: Tobacco products are stored by the end consumer for his/her personal consumption.

2. Acts and practices prohibited by the provisions of this Enactment and in general, non-observance of these provisions shall be subject to the sanctions stipulated in Note 4 of Article 18 of the Law on Combat Against Smuggling Goods and Currencies and the authorities to investigate the violation are the courts of first instance examining the cases of smuggling goods and currencies filed by the State Discretionary Punishments Organization.

3. All the provisions of this Enactment shall be enforceable in the Trade-Industrial Free Zones and Special Economic Zones. The Supreme Council of Trade-Industrial Free Zones and Special Economic Zones is not permitted to suspend or modify the provisions of this Enactment for these areas.

4. In case of the failure to comply with those provisions of this Enactment which are related to the tobacco products, the sanctions are only applied to the part which was violated.

5. The commercial purchase, sale, transportation and storage of tobacco promotional items are prohibited.

6. The commercial purchase, sale, transportation and storage of cigarettes are contrary to the provisions of Article 5 of the Comprehensive Law on Prevention and Control of Tobacco.

### **ARTICLE 3: PURCHASE OF TOBACCO PRODUCTS**

1. All commercial buyers of tobacco products are required to obtain a Tobacco Products Purchase Permit from the Ministry of Industry, Mine and Trade.

Note - Purchase of raw materials to be used in production is also regarded as a commercial purchase.

2. All commercial buyers of tobacco products are permitted to purchase tobacco products only from the sellers licensed by the Ministry of Industry, Mine and Trade.

3. All commercial buyers of tobacco products are bound to adhere to the maximum purchases declared by the Center.

4. All commercial buyers of tobacco products are required to receive from the seller the official invoice referred to in Article 8 of Chapter 7 of the Executive Bylaws under the amended Article 95 dd. July 22, 2015 of Direct Tax Act.

5. Commercial purchase of tobacco products through the internet is prohibited.

6. Commercial purchase of gas hookah, e-hookah and e-cigarettes, smokeless tobacco of any kind, steam stone, tobacco steam generator or heater, and parts and accessories thereof are prohibited.

7. Purchase of cigarettes in the system will be considered valid if it is confirmed by the buyer in the system; otherwise, it will be considered as an unrealized purchase until the buyer confirms it in the system.

8. The buyer is allowed to purchase only the cigarettes the sale of which is registered in the system under his/her name. The purchase of cigarettes unregistered in the system is prohibited by any means and by any person, even the authorized sellers.

#### **ARTICLE 4: SALE OF TOBACCO PRODUCTS**

1. All commercial sellers of tobacco products are required to obtain a Tobacco Products Sale Permit from the Ministry of Industry, Mine and Trade. Issuance of the Permit is pending on compliance with the provisions of Article 7 of the Comprehensive Law on Prevention and Control of Tobacco.

2. All commercial sellers of tobacco products are permitted to sell tobacco products only to buyers licensed by the Ministry of Industry, Mine and Trade.

3. All commercial sellers of tobacco products are bound to adhere to the maximum sales declared by the Center.

4. All commercial sellers of tobacco products are required to issue for the buyer an official Invoice referred to in Article 8 of Chapter 7 of the Executive Bylaws under the amended Article 95 dd. July 22, 2015 of Direct Tax Act. If the Ministry of Industry, Mine and Trade begins to issue electronic invoices, sellers are required to issue invoices just from the launched port.

5. Commercial sale of tobacco products over the internet is prohibited.

6. Commercial sale of gas hookah, e-hookah and e-cigarettes, smokeless tobacco of any kind, steam stone, tobacco steam generator or heater, and parts and accessories thereof are prohibited.

7. Within 6 months from the date of entry into force of this Enactment, all cigarette sellers have the opportunity to register their sales data in the system up to maximum 48 hours after the sale of their products and after that period, they must immediately register the sales data in the system.

**Note** - Sale of cigarettes registered in the system will be considered valid if confirmed by the buyer in the system; otherwise, it will be considered as an unrealized sale until the buyer confirms it in his own name.

8. The seller is permitted to sell only a cigarette the sale of which is registered on the system in the name of the buyer. The sale of unregistered cigarettes in the system is forbidden by any means and to any person, even an authorized buyer.

#### **ARTICLE 5: TRANSPORTATION OF TOBACCO PRODUCT**

1. In order to obtain a Transport Document, all transport companies and freight forwarders shall be required to register the data related to the transportation of tobacco products in the relevant transport subsystem, the subject of Paragraph (C), Chapter II, the Executive Bylaws of Articles 5 and 6 of the Law on Combat against Smuggling Goods and Currencies under Enactment No. H1559T/46443 dd. July 13, 2016.

**Note** - all transport companies and freight forwarders must correctly enter data related to the transportation of tobacco products in the relevant transport subsystem, the subject of this paragraph

and refrain from transportation of tobacco products shipments that were failed to receive the bill of lading tracking number.

2. Before the tobacco products are transported, all commercial forwarders of tobacco products are obliged to obtain from transport companies and freight forwarders Tobacco Products Transport Documents, the subject of Paragraph (1) of this Article, which are issued by the subsystem.

**Note** - Before the tobacco products are transported, all commercial forwarders of tobacco products are obliged to check the data of the goods registered in the relevant Transport Document with that of the shipments and refrain from transporting them in any case if they do not comply.

#### **ARTICLE 6: STORAGE OF TOBACCO PRODUCTS**

1. Commercial Storage of tobacco products is permitted only in warehouses registered in the Warehouse Management System subject of Paragraph (J) of Chapter 2 of the Executive Bylaws of Articles 5 and 6 of the Law on Combat against Smuggling Goods and Currencies (Acts 23 to 27).

2. The inventory of any warehouse or cigarette storage facility shall, as of the commencement of the immediate registration of the sale, always conform to that warehouse or storage facility's inventory registered in the system at any time.

3. Commercial suppliers of cigarette are required to immediately register in the system the exit of the cigarette from the warehouse or storage facility and confirm its entry into the destination warehouse or storage.

4. All commercial cigarette suppliers who, prior to the issuance of this Enactment, had a mismatch between the inventory of the warehouse and that recorded in the system, are required to maintain the system inventory in accordance with the inventory at each warehouse or location in accordance with the Centre's stated schedule and mechanism.

#### **ARTICLE 7: OTHER REGULATIONS**

1- The implementation of the specific regulation set forth in this Enactment shall prevent the entry into force of the general regulations mentioned in Note 4 affixed to Article 8 of the Law on Combat against Smuggling Goods and Currencies ratified by the Council of Ministers under Enactment No. H52971T/138864 dated January 28, 2017 and Amendment No. H55679T/106689 dd. November 5, 2018.

2. Where the Headquarter notifies the inclusion of other tobacco products other than cigarettes, the provisions of Paragraphs (7) and (8) of Article 3, Paragraphs (7) and (8) of Article 4, and Paragraphs (2), (3) and (4) of Article 6 of this Enactment and their Notes shall be observed for the notified tobacco products.

3. Where the Headquarter notifies the initiation of the tracking number registration program, the provisions of Paragraphs (7) and (8) of Article 3, Paragraphs (7) and (8) of Article 4, and Paragraphs

(2), (3) and (4) of Article 6 of this Enactment and their Notes shall be observed, based on the tracking number.

**Sealed:** Approved by the Presidency of the Islamic Republic of Iran, Central Headquarter of Combat against Smuggling Goods and Currencies

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The translation is certified.

November 25, 2019