Tobacco-products Importation Guideline

In accordance with:
+ The statement in clause A of note 19 in Budget Measure (of the country year 1383);
   “the freedom of cigarette importation in order to provide for the shortage of country's consumption requirement”
+ Responsibilities and latitude resulting from tobacco–products monopoly law and the legal charter of Iranian Tobacco Company.
+ Policies regarding the Systematic Fight Against Cigarette Smuggling (which has been approved by Anti-smuggling Headquarters)
+ The granted latitude by the ministers to the Ministry of Mines and Industries and initiation of Tobacco Company as the authority in charge of confirming the quality and legality of the tobacco-products importation to the country

and in line with:
- facilitation, acceleration and elimination of legal importation obstacles
- securing the rights of consumers through supervision and controlling the quality of imported tobacco-products
- securing the rights of government for the cigarette importation revenue
- preparing the required conditions and facilities for the recognition of original, legal cigarettes and their separation from faked, smuggled products
- informing people in order to reduce the consumption and relatively guaranteeing the health of the society

Iranian Tobacco Company (as the legal organization authorized to approve the quality of tobacco) declares that by observing the conditions and regulations of this guideline;

The importation of all tobacco-products including cigarettes, pipe tobacco and molasses in any quantity is authorized and there is no need to obtain any licenses.

Cigarettes Importation Administrative Guideline

A: Controlling the quality of imported products through:
1. The necessity of observing related standards.
   The production qualifications of foreign imported cigarettes must accord with the declared standards of Iranian Tobacco Company (Appendix 1).

Note: In order to assist and counsel the importers, Iranian Tobacco Company could offer the testing of the samples of the imported products in its well-equipped laboratories and compare the quality accordingly.
2- The requirement for printing health warning and technical specifications in Farsi

In order to raise consumer awareness of the hazards of smoking and reduce the consumption and guarantee the health of society, printing the health warning and cigarette specifications in Farsi on one lateral side of the pack (Appendix 2) and also printing cigarette health warning on one lateral side of all imported cigarette carton (Appendix 3) is obligatory.

3- The necessity of attaching the special hologram- banderoles

In order to prevent the access of fake and smuggled tobacco products to the country and to have a systematic measure against these illegal cases, enabling the differentiation of the legally imported cigarettes from the smuggled ones as well as original products from counterfeit, by police and security forces, application of the hologram on all packs and cartons of imported cigarettes is obligatory.

Prompt attention is requested concerning the delivery of the holograms:
3.1 According to the importer’s request, holograms will be delivered only to the manufacturing place of designated cigarette.
3.2 The received holograms must be applied only to the cigarettes which are to be imported to Iran.
3.3 Hologram wastage amount should be carefully kept at minimum and all the wastes should be returned to the Iranian Tobacco Company.
3.4 The trans-shipment of the received holograms in the cigarette manufacturing country without a written license from Iranian Tobacco Company is forbidden.
3.5 The applicant and receiver of the holograms are under the obligation of observing all security issues and securing legal rights of the holograms.

*Note:* Iranian Tobacco Company is responsible for all issues regarding the method of delivery, the time, and regulations and also receiving the relevant charges. (Appendix 4)

B. Controlling the observance of regulations through:

1- The necessity of submitting bonds by importers and manufacturers

In order to precisely observe the issues regarding holograms, both the importers and manufacturers must submit their obligatory note by observing all the stated issues and shouldering the relevant responsibilities. (Appendix 5)

2. The necessity of delivering required documents in order to issue the license for imported cigarette customs clearance including:

The required documents are as follows:

2.1 Official and legal documents of trademark registration (documents proving the ownership right of the manufacturer to the designated cigarette brand, which shall be presented only once)

2.2 Certificate of the authenticity of the product and its name by the manufacturer or brand owner.

2.3 Supplying at least 4 sample cartons of the importation products in order to control and test their conformity with the country’s standards.

2.4 Accredited trading license of the importer.

2.5 The order registration form of the Ministry of Commerce.

2.6 The customs declaration of previous imported consignment (in case there has been any previous importation of the relevant cigarette)
Iranian Tobacco Company

**Qualifications of the cigarettes allowed to be imported**

1-Nicotine, tar and moisture levels per cigarette

<table>
<thead>
<tr>
<th>Cigarette Type</th>
<th>Specifications</th>
<th>Moisture level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Flavor</td>
<td>Cigarette diameter between 7.70 and 7.95 millimeter</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Smoke nicotine max 1.1 ± 0.1 milligrams</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Smoke tar max 13± 1 milligrams</td>
<td></td>
</tr>
<tr>
<td>Light</td>
<td>Cigarette diameter between 7.70 and 7.95 millimeter</td>
<td>%11 to %13</td>
</tr>
<tr>
<td></td>
<td>Smoke nicotine max 0.7 ± 0.1 milligrams</td>
<td></td>
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<tr>
<td></td>
<td>Smoke tar max 8 ± 1 milligrams</td>
<td></td>
</tr>
<tr>
<td>Super Light and Ultra light</td>
<td>Smoke nicotine max 0.5 ± 0.1 milligrams</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Smoke tar 6 ± 1 milligrams</td>
<td></td>
</tr>
</tbody>
</table>

Meanwhile the importation of slim cigarettes to the country in any forms or types is forbidden.

2-The cigarettes must not have any stains, blight, particulate matter or any particular smell and taste.

Precise quality analysis of the samples of……………………… cigarette(prior to receipt of importation license/after the official importation to the customs of………………………………………..) manufactured by………………………… company/factory in……………………..(country) and applying the required quality tests, conformity of the specifications of the sample analysed in comparison with the quality standards is approved / not approved.

Quality Control Laboratory Research & Development Department
The specifications of imported cigarette packs (appearance)

Printing the health warning, sales market and quality specifications on all types of the imported cigarette packs and other tobacco-products is necessary in order to apply the required controlling procedures (on sales including retail) by police forces and inspecting authorities according to the legal regulations and conditions.

A: Health warning

دخانیات عامل اصلی سرطان
و برای سلامتی زیان آور است

B: Smoke tar and nicotine level:

 قطران .... میلی گرم
 نیکوتین .... میلی گرم

C: Sales market in two languages Farsi and English

(In English) For sales inside the Islamic Republic of Iran
(In Farsi) "جهت فروش در جمهوری اسلامی ایران"
The specifications of imported cigarette cartons- outers
(appearance)

In order to apply the proper inspections and to identify the authentic cigarettes from fake ones as wholesale (places selling by cartons), printing the health warning specified as below is mandatory.

The text must be eligible in specified black font and completely white background with black frame on one of the lateral sides of the imported-cigarette cartons.
The guidelines and regulations of granting and delivering holograms, usage method and relevant costs.

Considering the fact that all tobacco-products shall be authorized for the importation to the Islamic Republic of Iran only if they have holograms, upon submitting the proof of ownership of the manufacturer or importation rights of the importer for the designated cigarette’s name and trade mark; following guidelines and conditions have been set for the delivery of the hologramed banderole:

1. The importer submits the written application to the Commercial Vice Presidency (Importation Office) of Iranian Tobacco Co. indicating the forecast for the number of holograms required for the maximum period of 6 months.

2. Based on export analysis, the history of the importation or market research of the relevant product by Iranian Tobacco Company, the authorization for the delivery of the confirmed number of holograms requested will be issued.

3. The maximum amount of holograms that can be delivered to the applicant equals %50 of the forecasted annual tobacco-products importation or applicant's need for 6 months and the deadline to use them for importation is 6 months from the date of delivery.

   **Note 1:** The importation of %50 of the tobacco-products according to the delivered holograms of the previous phase is requested for the delivery of holograms in next phase.

   **Note 2:** In case the delivered holograms are not applied in 6 months, the applicant may request for an extension (giving the relevant reasons) and with the written confirmation of Iranian Tobacco Company use the remaining holograms in future production. Otherwise the remaining holograms must be returned to Iranian Tobacco Company.

4. In using the holograms observing the sequence of numbers (in packs) and the date they are received (in cartons and packs) is necessary.

5. From the date of delivery to the distribution phase it is the responsibility of the applicant and receiver to preserve the quality and number of the holograms.

   **Note:** In case there is a problem with the quality of holograms or a difference in the number of the received holograms, Iranian Tobacco Company should be informed within maximum 2 weeks after receiving the holograms with the required documents. Upon confirmation Iranian Tobacco Company will be responsible for the replacement. Also the wastage of the delivered holograms (up to maximum %2) is acceptable and if sent back, will be replaced.

6. The applicant is completely responsible for the payment of holograms production and shipment costs. The production cost (according to the invoice issued) will be paid in cash to Iranian Tobacco Company before
delivery and the shipment cost (according to the shipping company's invoice) will be paid by the applicant.

7. The shipment or delivery of holograms will only be possible to the manufacturing company's address and any kind of change and movement without license from Iranian Tobacco Company is subject to prosecution. **Note:** If the importer fails to apply the delivered holograms for any reason, it is necessary that the holograms be returned to Iranian Tobacco Company at once. Otherwise the applicant must compensate the relevant losses equal to legal importation duties of the tobacco-products for which the holograms were requested.

8. The importer must attach the delivered holograms only on the standard products confirmed by Iranian Tobacco Company for which the holograms were requested and delivered.

9. On the date of delivery, the applicant must submit a letter of guarantee or authentic documents (equal to all the customs of the relevant consignment requested for importation) simultaneously with the receipt of the payment for received holograms to Iranian Tobacco Company.

10. Any kind of infringing, copying or abusing the delivered holograms is considered forging governmental documents and the infringer is subject to legal prosecution.

11. In order to exactly observe the points of this guideline the enclosed bond form (Appendix5) must be filled out and signed by the recipient of the holograms.

All the points in the guideline were considered and admitted by me.

**Seal and Signature;**
Undersigned………………………………………as the……………………of…………………………company with the registration number…………………………… in…………………..(country)……………………………..(city) owner of the name and trade mark of ………………………cigarette and the producer of that cigarette, as the agent of the mentioned company and declaring that I am fully aware of the points in Tobacco-Products Importation Guideline of Iranian Tobacco Company and all of its Appendixes and the responsibilities of cigarette importation to Iran, I hereby announce myself responsible for all the points written in the guideline and all of its appendixes (specially regarding holograms) and I am under the obligation of fulfilling all matters exactly and precisely.

In order to guarantee the fulfilling of relevant responsibilities, hereby I include a letter of guarantee for the amount of…………………… Rials(coversing the duties of %50 of program and importation obligations for a year of the relevant cigarette for which I have received the holograms so that in case of any infringements in fulfilling the obligations by us or this company, Iranian Tobacco Company (without the need for any previous announcement or need to go through legal stages) can be compensated for financially by this guarantee.

Obviously, in addition to the above-mentioned financial issues, in case of any non-financial losses resulting from the probable infringement(s) of this company or us, Iranian Tobacco Company has the right to take any course of action and follow the case legally (prosecution).

Name and Surname of the obligor:

Title/Position:

Signature and seal:

Date: