Official Translation from Persian

Extracted from Official Gazette of the Islamic Republic of Iran Issue No.: 18233 Date: October 04,2007 Pages:3 and 4

Notice No.: H37062T/110063 Date: October 01,2007

Ministry of Health and Medical Education - Ministry of Industry and Mines- Iran Tobacco Company

Based on the Proposal No.438556 dated March 14,2007 by the Ministry *of* Health and Medical Education and by virtue *of* Article 18 *of* the Comprehensive Act on National Control and Campaign Against Tobacco ratified in 2006, the Board *of* Cabinet Ministers approved the executive bylaw *of* the Comprehensive Act on National Control and Campaign Against Tobacco as described below in their session dated September 23,2007:

Executive Bylaw of Comprehensive Act on National Control and Campaign Against Tobacco

Article 1- Throughout this Bylaw, the following terms are used in the following definitions:

- 1- Act: Comprehensive Act on National Control and Campaign Against Tobacco - ratified in 2006
- 2- Headquarters: The National Headquarters for Control and Campaign Against Tobacco
- 3- Publicity: Any activity or act, direct or indirect, for promotion, motivating and encouraging people to purchase and consume tobacco products
- 4- Packaging: Tobacco products supplied in packages such as box, carton, pack, tin and wrapper
- 5- Tobacco Products: Any material or product entirely or partly made *of* tobacco plant or its derivatives (except authorized pharmaceutical compounds used for cessation *of* tobacco consumption to the discretion *of* the Ministry *of* Health and Medical Education)
- 6- Tobacco Consumption: Any kind *of* consuming tobacco products including smoking, sucking, chewing or nasal and oral inhalation
- 7- Non-governmental Organizations (NGOs): Non-governmental public institutions and foundations including "association", "society", "center", "group", "assembly", "house" and "establishment" formed by a group or real or legal persons with due observance *of* relevant laws and regulations and which- to the discretion *of* the Ministry *of* Health and Medical

Education- pursue the objectives of preventing tobacco consumption and/or fighting against production, consumption and promotion of tobacco products as their main area of activity or included in their activities.

8- Public Places: Places used or visited by the public including sacred and religious sites, hospitals, polyclinics, theater halls, cinemas, public spaces in hotels and inns and guesthouses, restaurants, coffee shops and teashops, factories, museums, passenger terminals, large stores, cultural centers,

sport facilities, public libraries, schools, universities and educational and

research centers, means of public transport, governmental and public institutions and organizations, Islamic Revolution institutions, banks and municipalities and any other collective center or place

Article 2 - Any type of publicity for tobacco products is forbidden

Article 3- Using the trade 'name and trademarks of companies producing different types of tobacco products on other commodities which may be considered publicity for consuming tobacco products is forbidden.

Article 4- Supply and sale of tobacco products by authorized agents should not be done in a manner which represents promotion of tobacco products for the public.

Article 5- Grant of any aid, assistance and support- financial or non-financially producers, importers and exporters of tobacco products which may be considered publicity for tobacco products is forbidden.

Article 6- Import, production, distribution, purchase and sale of any promotional items and goods of tobacco products are forbidden. Any promotional items and goods to be detected will be dealt with as per regulations. **Article 7**- In order to safeguard public health especially to protect people from unwanted imposed inhalation of tobacco smoke, consumption of tobacco in

public places is forbidden.

Article 8- The responsibility for enforcing the prohibition of tobacco consumption in public places and other places named in the Act rests with the managers or employers or those in charge of the said places.

Article 9- Employers, managers and those in charge of public places are obligated to install warning signs informing the ban on consumption of tobacco products in proper places to be seen by all.

Article 10- Selling tobacco products via internet and automatic vending machines is prohibited.

Article 11- In case of uncertainty as to the age of the buyer, the seller should request identity document to prove the minimum age of 18 of the buyer. Article 12- Supply and sale of tobacco products by real persons or legal entities without sale license is prohibited. **Article 13-** The Ministry of Commerce should provide the Headquarters with the list of names of real and legal persons who hold sale license (authorized dealers) of tobacco products in accordance with Article 7 of the Act.

Note- The license of commercial agents of tobacco products shall be issued by Iran Tobacco Company based on the relevant laws and regulations.

Article 14- The Law Enforcement Department (Police) of the Islamic Republic of Iran is obligated to render necessary cooperation with the officers and inspectors of the Ministry of Health and Medical Education and the

Ministry of Commerce in all executive stages of the inspection operations of public places and supply centers of tobacco products.

Article 15- All health Officers and other relevant officers involved in enforcement of this Act should send their reports to the competent authorities as the type of offence under this Act warrants.

Article 16- All tobacco products should be supplied or sold in packed form and should bear serial number and the special label of Iran Tobacco

Company. Inscribing the phrase "For Sale in Iran" on all packages of imported tobacco products is mandatory.

Note 1- Selling tobacco products in bulk, loose form or out of pack is forbidden. **Note 2-** Stores operating in free zones and special economic zones are also obligated to comply with the provisions of this Article.

Note 3- The Law Enforcement Department (Police) of the Islamic Republic of Iran should confiscate smuggled tobacco products in any place in the Country and deliver to Iran Tobacco Company. If agreed by the Ministry of

Health and Medical Education, Iran Tobacco Company will package the said products with the specifications described in Article 16 herein and will sell as other products and the earned revenue will be remitted to the public revenues account.

Note 4- The detection remuneration of the officers of the Law Enforcement Department (police) and inspectors as well as the sale costs of Iran Tobacco Company will be paid from the said earnings.

Article 17- In order to prevent import of tobacco products, the Ministry of Interior, Ministry of Commerce, Ministry of Health and Medical Education, Ministry of Industry and Mines and the Ministry of Foreign Affairs will make necessary arrangements with the neighboring countries and will send the report of their measures to the Headquarters.

Article I8-Iran Tobacco Company is obligated to comply with national standards in production and supply of tobacco products. Production and import of tobacco products in breach of standards set in the relevant laws and the present bylaw and related instructions is forbidden.

Iran Tobacco Company should determine the surface area of tobacco plantation based on the need of domestic factories with a good programming coordinated with the Headquarters and should prevent any increase in the area of tobacco cultivation in excess of the need of domestic factories with the help of Law Enforcement Department (Police).

Ministry of Agriculture Jihad and Ministry of Industry and Mines are obligated to study and enforce the gradual replacement of tobacco farming with other agricultural products in the fanning pattern of areas where tobacco is produced and processed in case the need to tobacco in domestic factories diminishes.

Note- Subsidizing the cultivation, growth and harvest of tobacco is not allowed in any manner.

Article 19- Up to two percent (2%) of the total tax mentioned in Article 8 of

the Act is included in the annual budget of the Ministry of Health and Medical Education to be granted to organizations, institutions and societies and spent on achievement of the goals for controlling and fighting with tobacco consumption.

Note- The Headquarters will set and approve the regulations for giving aid to the nongovernmental organizations.

Article 20-Every three years, the minimum and maximum cash fine predicted in the Act will increase as proposed by the Ministry of Health and Medical Education and approved by the Council of Cabinet Ministers based on the official rate of annual inflation announced by the Central Bank.

Article 21- Organizations subject to Article 160 of the Fourth Economic, Social and Cultural Development Plan of the Islamic Republic of Iran are obliged to enforce the educational and promotional programs approved by the Headquarters for preventing and fighting with tobacco consumption.

Article 22- Ministry of Health and Medical Education should provide necessary facilities and laboratory equipment for assessing the materials and compounds diffused by tobacco products.

Article 23- Relevant organizations especially Iran Tobacco Company are obligated to provide the Headquarters with necessary information regarding the provisions of the present bylaw.

Article 24- The Secretariat of the Headquarters is stationed in the Ministry of Health and Medical Education and the Health Deputy in Ministry of Health and Medical Education will be the secretary of the Headquarters.

Article 25- Duties of the Secretariat of the Headquarters are determined as follow:

- 1- Necessary studies in regard to proposals worthy of discussion in the Headquarters and preparing their agendas
- 2- Follow up on the approvals of the Headquarters

- 3- Organizing national and provincial specialized workgroups and Supervising them
- 4- Necessary coordination with other ministries and organizations for Inviting them to take part in the meetings as the case might warrant.
- 5- Compiling and presenting performance report of the Headquarters
- 6- Any other work to be assigned to the Secretariat by the Headquarters
- 7 Collecting and recording information and statistics
- 8- Coordinating the executive affairs related to the Act
- 9- Preparing and compiling instructions and proposing strategies to the Headquarters

Article 26- Number of members, composition, duties and other regulations related to specialized workgroups will be defined in a circular to be approved by the Headquarters.

<u>First Vice-President of the Republic- Parviz Davoudi</u> True Translation Certified Tehran December 3,2007