

Law of the Azerbaijan Republic On Tobacco and Tobacco Products

The current law regulates relations for the manufacture, the purchase and sale, import, export, and consumption of tobacco and tobacco products in the Azerbaijan Republic and establishes the legal bases for managing their quality.

Chapter 1. General Provisions

Article 1. The Basic Concepts

1.0. used in the current law mean the following:

1.0.1. tobacco — an annual plant used in industry as the main raw material in the production of tobacco products after its leaves are processed;

1.0.2. pipe tobacco — an annual plant used in industry, the leaves of which are intended for smoking through a tube;

1.0.3. fermented tobacco — a tobacco leaf which has undergone natural and technological processes for the production of tobacco products;

1.0.4. tobacco products — products manufactured from the tobacco leaf for smoking which have in their composition nicotine, tobacco tars, and other substances and which cause an addiction to nicotine (cigarettes, mouthpiece-equipped cigarettes, cigars, cigarillos, and pipe tobacco);

1.0.5. nicotine — a substance present in the leaf and smoke of tobacco and pipe tobacco, from the alkaloids group;

1.0.6. tobacco tars — the semi-liquid, gaseous condensate of smoke;

1.0.7. ingredient — flavoring substances added to tobacco, additives with tobacco and non-tobacco content, as well as non-tobacco components used in the production of tobacco products;

1.0.8. flavoring substance — non-tobacco substances added to tobacco to give a tobacco product a unique taste and aroma;

1.0.9. non-tobacco components — the cigarette paper, ink, adhesives, filters, as well as any other parts other than tobacco used in the production of tobacco products;

1.0.10. turnover — the purchase (including import), sending out (including export), storage, wholesale and retail sale of processed tobacco, as well as of tobacco products.

Article 2. Law of the Azerbaijan Republic on tobacco and tobacco products

2.1. The Law of the Azerbaijan Republic on tobacco and tobacco products consists of the current Law and the regulatory documents adopted in conjunction with the current Law, as well as other legislation of the Azerbaijan Republic.

2.2. If the rules for regulating interactions related to tobacco and tobacco products and the management of their quality established by interstate agreements, to which the Azerbaijan Republic is party, differ from the rules envisaged by the current Law, the rules of the interstate agreements apply.

Article 3. The directions of the state policy on tobacco and tobacco products

The main directions of the state policy on tobacco and tobacco products consist of the orientation of activity in the sphere of tobacco production for the cultivation of a rich and high-quality tobacco production, an increase in the export of tobacco and tobacco products, the protection of the internal market of tobacco products, the substitution of imported tobacco raw materials with local raw materials, and the strengthening of measures for the protection of the population from the harmful effect of tobacco products.

Article 4. State regulation of the production and turnover of tobacco and tobacco products

4.0. The state regulation of the production and turnover of tobacco and tobacco products provides for:

4.0.1. the adoption of regulations to control the quality, production, and turnover of tobacco and tobacco products;

4.0.2. market research of tobacco and tobacco products, the issuance of forecasts and, based on the state program, the defining of the basic directions and mechanisms for controlling the development of tobacco cultivation;

4.0.3. the establishment of agronomic and technical standards for the cultivation and processing of a rich and quality tobacco product;

4.0.4. the stimulation of the work of tobacco producers and the ensuring of their social protection;

4.0.5. the establishment of rules for issuing special permission for business activity in the production and turnover of tobacco products;

4.0.6. the establishment of a quota for imported tobacco products subject to domestic production;

4.0.7. the establishment of excise tax rates and the rules for their application with regard to tobacco products;

4.0.8. the exercise of state control over the quality and turnover of tobacco and tobacco products;

4.0.9. the preparation and ensuring of the enforcement of health programs aimed at limiting the use of tobacco products;

4.0.10. the implementation of other tasks established by the legislation.

Chapter II. Economic bases of the organization of tobacco cultivation

Article 5. Tobacco production

5.1. In the Republic of Azerbaijan, for the commercial production of tobacco, the seeds of zoned tobacco varieties which meet the requirements of state standards shall be utilized.

5.2. The production of super-elite tobacco seeds is implemented on the experimental bases of the appropriate scientific-research institutions and on the production of elite and highly reproductive seeds on specialized farms on a contract basis.

5.3. The producers of tobacco seeds according to the procedure established by law are responsible for the purity of their varietal composition, varietal and sowing quality, adaptation to natural and climatic conditions, and the phytosanitary status.

5.4. The cultivation, harvesting, layout, drying, and primary processing of tobacco shall occur in accordance with the regulations and technological standards.

Article 6. Tobacco processing

6.1. Natural and industrial tobacco processing is performed by tobacco processing enterprises in accordance with the technical standards.

6.2. Tobacco that has undergone natural and industrial processing is packaged, branded, and certified in accordance with the regulations.

Article 7. State program for the production of rich and quality tobacco

7.1. The state program for the production of rich and quality tobacco aims at the development of tobacco cultivation in the Republic of Azerbaijan, the substitution of traditionally cultivated botanical tobacco grades, in an optimal ratio, by aromatic varieties, and the protection of the quality of production, and provides for:

7.1.1. the organization of seed varieties of tobacco grades, import into the country, and production based on the determined need;

7.1.2. the training of tobacco producers and tobacco processing enterprise specialists in the technologies of cultivating and processing new varieties;

7.1.3. measures for equipping tobacco cultivation with modern engineering and technological equipment;

7.1.4. the establishment of financial sources for the issues targeted in the program, as well as measures to attract investments into this sector.

7.2. The preparation and implementation of the state program to produce rich and quality tobacco shall be ensured by the competent organ of the executive authority.

Article 8. Measures of economic regulation in the development of tobacco cultivation

8.1. The implementation of the scientific-research and varietal testing of tobacco and of endeavors in the realm of tobacco cultivation are to be funded from the state budget and other borrowed funds.

8.2. A preferential amount of preferential credit granted to tobacco manufacturers and tobacco processing enterprises for no less than one year, with the goal of stimulating the production of a rich and quality tobacco shall be paid from the fund to support business and other similar programs. Insurance for tobacco crops (production) grown within the ramifications of the projects implemented out of these credits shall be funded against disaster out of the budget.

8.3. The rules for the granting and repayment of direct loans and for the insuring of tobacco crops (production) are established by the competent organs of the executive authority pursuant to the legislation of the Republic of Azerbaijan.

Article 9. State support for tobacco manufacturers

9.1 The manufacture of tobacco products produced in the Republic of Azerbaijan shall be stimulated by the state.

9.2 Tobacco processing enterprises which have established cooperative ties with tobacco manufacturers on a long-term contractual basis, helping them with resources and buying their products through the end of a production year have a preferential right to obtain direct loans.

9.3. In order to ensure that advanced engineering and technology are used in tobacco cultivation, entrepreneurship in the organization of leased maintenance, the acquisition of the means of crop protection, and agrochemicals.

9.4. Other forms and terms of state support for tobacco manufacturers and of the stimulation of the production of rich and quality tobacco shall be regulated by laws and regulations adopted by the competent executive authority.

Chapter III. Production of tobacco products

Article 10. Requirements for the production of tobacco products

10.1. The manufacturers of tobacco products must prepare a tobacco mixture directly at the enterprise and should use local raw material in the amount regulated pursuant to the regulations in effect.

10.2. The manufacture of tobacco products shall be implemented on the basis of a special permit in the manner prescribed by the competent executive authority.

Article 11. Specifications of ingredients in the composition of tobacco products

11.1. A complete list of ingredients used in the composition of tobacco products produced in the Republic of Azerbaijan shall be contained in the report submitted by the manufacturers to the competent executive authority. The names of the tobacco products (product brands) for each type and the amount of ingredients in their composition shall be specified on the list in descending order.

11.2. On the complete list of ingredients, the function of each ingredient and the unsaturated level in its quantity must be stated.

11.3. Flavoring substances, which give each type of product brand its rare qualities, do not have to be treated separately on the list, but may be grouped as "natural" and/or "artificial" flavoring substances.

11.4. The competent executive authority may require manufacturers to provide consumers with information about the ingredients of which the product is composed, or they may do this themselves.

11.5. The report form for the ingredients that make up tobacco products and the rules for its submission shall be established by the competent executive authority.

Article 12. Upper limit of nicotine, tobacco tars, and carbon monoxide in tobacco products

12.1. The competent executive authority, in accordance with international agreements to which the Republic of Azerbaijan has acceded, shall establish an upper limit on the quantity of nicotine, tobacco tars, and carbon monoxide in the composition of tobacco products per production unit manufactured in the republic and released into trade and shall regulate the reduction of the given standards.

12.2. Tobacco manufacturers must present a report annually to the competent executive authority on the quantity of nicotine, tobacco tars, and carbon monoxide in the composition of tobacco products produced and released into trade on the territory of the Republic of Azerbaijan.

12.3. The quantity of nicotine, tobacco tars, and carbon monoxide in the composition of tobacco products shall be analyzed and tested by the manufacturer or at his own expense, with the use of international methodology, in laboratories established by the competent executive authority.

12.4. The rules for the composition and submission of reports on the quantity of nicotine, tobacco tars, and carbon monoxide in the composition of tobacco products shall be established by the competent executive authority.

Article 13. Design of boxes for tobacco products

13.1. The design of boxes for tobacco products manufactured and released into trade on the territory of the Republic of Azerbaijan must meet the requirements of international standards. Labels must be printed in the Azerbaijani language.

13.2. The text of the label warning about the dangers of the use of tobacco products to human health shall be determined by the competent executive authority and should be printed on one of the box sides of the pack of cigarettes in a clear, distinct (contrasting) bold font, in a manner that makes it impossible to delete, that does not allow for the superimposition of any other sort of printed material or image, or for this written warning to be hidden, damaged, or torn off when the package is opened.

13.3. On each box, for tobacco products manufactured or released into trade, the amount of nicotine and tobacco tar should be shown, as well as the date of manufacture of the product and the prohibition of the sale to persons under the age of 18.

13.4. The design of boxes for exported tobacco products may also be executed in another language in accordance with the terms of the agreement.

Chapter IV. Turnover of tobacco and tobacco products

Article 14. Import and export of tobacco and tobacco products

14.1. Tobacco and tobacco products registered in the state registry which have a duly issued compliance certificate or a certificate of acceptance and which meet the quality requirements set by the current Law may be imported from foreign countries into the Republic of Azerbaijan.

14.2. The quantity of tobacco and tobacco products permitted for import into the Republic of Azerbaijan by natural persons for personal consumption shall be determined by the pertinent legislation.

14.3. The import of tobacco and tobacco products by legal and natural persons is not permitted in the following cases:

14.3.1. in the absence of special permission;

14.3.2. in the absence of the legal certificates for each lot of tobacco and tobacco products;

14.3.3. in the absence of stamping with an excise stamp on the tobacco products;

14.3.4. in the absence on the box for tobacco products of a warning about the harmful effect of smoking on the health, of inscriptions about the amount of nicotine and tobacco tars in the Azerbaijani language;

14.3.5. in other circumstances not in compliance with the law.

14.4. The export of tobacco and tobacco products shall be in accordance with the legislation of the Republic of Azerbaijan and the regulations of international law.

Article 15. Trade in tobacco and tobacco products

15.1. Tobacco and tobacco products with quality indicators which meet the requirements of the regulatory documents and hygiene standards and which have the appropriate certificates may be included in trade turnover in the Republic of Azerbaijan.

15.2. Trade in tobacco and tobacco products shall be in accordance with the legislation of the Republic of Azerbaijan in the form of wholesale and retail sales.

15.3. The sale of tobacco and tobacco products is prohibited in the following cases:

15.3.1. in the absence of the appropriate certificates for each shipment of products;

15.3.2. in the absence of stamping with an excise stamp on the tobacco products;

15.3.3 in the event that the quantity of nicotine, tobacco tar, and carbon monoxide in their composition exceeds the established upper limit;

15.3.4. if the box for tobacco products lacks a written warning about the harmful effect of smoking on the health;

15.3.5. in the failure of the labeling of tobacco products and box design to comply with the pertinent regulatory documents;

15.3.6. in the sale to persons under 18-years of age;

15.3.7. in the sale by means of automatic vending machines;

15.3.8. in unit sales of cigarettes, mouthpiece-equipped cigarettes, and cigarillos.

15.4. When necessary, the sellers of tobacco products have the right to demand from purchasers a document confirming their age.

15.5. Trade in tobacco products in training, educational, and recreational facilities, in health and cultural facilities, and in the places of sale of goods for children and youth is prohibited.

15.6. In places of the trade in tobacco products, there should be a signs indicating the harmful effects of smoking on the health, prohibiting the sale of tobacco products to persons under 18-years of ago, and other signs restricting the consumption of tobacco products.

Article 16. Withdrawal of tobacco and tobacco products from circulation

16.1. The withdrawal of tobacco and tobacco products from illegal circulation shall be in accordance with the legislation of the Republic of Azerbaijan.

16.2. Tobacco and tobacco products shall be withdrawn from circulation under the following circumstances:

16.2.1. in the absence of documents on legal production and release into circulation;

16.2.2. in the absence of the appropriate certificates for each shipment of products;

16.2.3. if the tobacco products are not stamped with an excise stamp or are stamped with fictitious stamps;

16.2.4. in the event that the quantity of nicotine, tobacco tar, and carbon monoxide in their composition exceeds the established upper limit;

16.2.5. when the requirements related to the specifications for the ingredients entering into the composition of tobacco products are violated;

16.2.6. in the event that the design of the box for tobacco products does not comply with the procedure established by law;

16.2.7. when a product loses its consumer quality;

16.2.8. when a product is determined to be in abeyance;

16.2.9. in other cases prescribed by law.

16.3. Tobacco and tobacco products withdrawn from illegal turnover, in the cases spelled out in articles 16.2.4, 16.2.5, and 16.2.7 of the current Law, shall be confiscated and destroyed in the manner prescribed by law, and in other cases shall be consumed in the prescribed manner.

Chapter V. Quality control of tobacco and tobacco products

Article 17. Regulatory documents on tobacco and tobacco products

17.1. The regulatory documents on tobacco and tobacco products shall set the standards and requirements for regulating the rules, conditions, and standards of their production, semi-finished product handling, processing, storage, transportation, packaging, labeling, and sales.

17.2. The quality indicators of the tobacco and tobacco products produced in the Republic of Azerbaijan and also imported into the republic must meet the requirements of the existing regulatory documents.

17.3. Compliance with the requirements of the regulatory documents on tobacco and tobacco products is mandatory for all legal and natural persons engaging in business in this sphere.

Article 18. Assessment of quality indicators of tobacco and tobacco products

18.1. The composition of the tobacco and tobacco products produced in the Republic of Azerbaijan and imported into the republic shall be analyzed and assessed for their commodity value, class (grade), smoking quality, nicotine indicators, tobacco tars, and carbon monoxide.

18.2. The amount of substances harmful to health in the composition of tobacco and tobacco products must comply with the approved health standards.

18.3. Tobacco products shall be subject to health registration in the state register by the competent executive authority.

18.4. Tobacco, the quality indicators of which are evaluated, and tobacco products subject to health registration, shall be appropriately certified.

Article 19. State control over the quality and turnover of tobacco and tobacco products

19.1. The purpose of state control over the quality and turnover of tobacco and tobacco products shall be the protection of the production, semi-finished product handling, processing, packaging, storage, transportation, labeling, sale, import, and export by legal and natural persons of the given product, as well as compliance with the requirements of the regulatory documents which govern quality indicators and health standards.

19.2. The rules of the exercise of state control over the quality and turnover of tobacco and tobacco products shall be established by the regulatory documents approved by the competent executive authority.

19.3. Municipalities, consumers, and nongovernmental organizations may exercise the functions of control over the quality and turnover of tobacco and tobacco products within the ramifications of the powers granted to them by the legislative documents establishing their status.

Chapter VI. Regulatory measures aimed at curbing the consumption of tobacco products

Article 20. Restriction of the methods for the promotion of tobacco products

20.1. legal and natural persons with permission to trade in tobacco products are prohibited from using the following methods to attract customers in the sale of a product:

20.1.1. the use of rebates for the holders of coupons which are printed in the mass media or announced;

20.1.2. the free distribution or the providing of tobacco products and their new samples as a reward;

20.1.3. the supplying of tobacco products as rewards for playing in a lottery, a contest, sporting events, or games;

20.1.4. the holding of competitive games associated with the sale and consumption of tobacco products (including by means of collecting cigarette cartons and parts of cartons).

20.2. The manufacturers of tobacco products are free to use their brand names to sponsor and advertise social, cultural, and educational activities that do not reflect the advertising of tobacco and tobacco products.

Article 21. Restrictions in the use of tobacco products

21.1. In the Republic of Azerbaijan smoking is prohibited:

21.1.1. in training, educational, recreational facilities, health and cultural facilities, and also in the arenas where sports competitions and other mass events are held;

21.1.2. in workplaces in administrative buildings, with the exclusion of personal offices and special places designated for smoking;

21.1.3. in trade, catering, and everyday living facilities, in residential buildings and other enclosed public places, with the exclusion of high-class restaurants, cafes, and bars;

21.1.4. in all types of public transport, except for specially designated seating on long-distance passenger transport.

21.2. Hotels must have special areas designated for smokers.

21.3. The managers of enterprises, institutions, organizations, and other employers must designate special places for smoking in workplaces and must hang a warning sign or a "No smoking" sign in visible places.

21.4. Educational institutions, with the approval of the competent executive authority, must include topics related to the harmful effect of the consumption of tobacco products on health in their educational programs.

Article 22. Control measures in the consumption of tobacco products

22.1. Control measures over the use of tobacco products shall be prepared and implemented by the competent executive authorities. As an integral part of government programs of ecology and

health, control measures over the consumption of tobacco products shall be financed out of the state budget and from other sources.

22.2. Municipalities, consumers, and nongovernmental organizations may prepare and implement programs to control the consumption of tobacco products and, in conjunction with this, they may enact appropriate proposals.

Chapter VII. Responsibility for violation of the law on tobacco and tobacco products and dispute resolution

Article 23. Responsibility for violation of the law on tobacco and tobacco products

Persons guilty of violating the law on tobacco and tobacco products are liable pursuant to the legislation of the Azerbaijan Republic.

Article 24. Compensation for damage caused due to the violation of the law on tobacco and tobacco products

24.1. The scope and the rules of compensation for damage caused by the violation of the law on tobacco and tobacco products shall be established pursuant to the legislation of the Azerbaijan Republic.

24.2. Compensation for damage shall not exempt perpetrators from liability under the law.

Article 25. Dispute Resolution

Disputes related to the production and turnover of tobacco and tobacco products shall be settled in court in accordance with the legislation of the Republic of Azerbaijan.

Article 26. Entry into force

The current Law shall come into force on 1 January 2002.

President of the Azerbaijan Republic

ALIYEV Heydar

City of Baku, 8 June 2001

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