II. Government Decree 39/2013 (II. 14.) Korm. on the Production, Placing on the Market and Control of Tobacco Products, on Combined Warnings, and the Detailed Provisions on the Application of Healthcare Penalties

The Government Decree has been supplemented by Section 6 / G-H. §:

Section 6/G¹³

- (1) All unit packets of tobacco products shall be marked with a unique identifier. In order to ensure the integrity of the unique identifier, it shall be irremovably printed or affixed, indelible and not hidden or interrupted in any form, including through excise seals or price marks, and/or by the opening of the unit packet.
 - (2) The unique identifier shall allow the following to be determined:
 - a) the date and place of manufacturing;
 - b) the manufacturing facility;
 - c) the machine used to manufacture the tobacco products;
 - d) the production shift or time of manufacture;
 - e) the product description;
 - f) the intended market of retail sale;
 - g) the intended shipment route;
 - h) where applicable, the importer into the European Union;
- *i)* the actual shipment route from manufacturing to the first retail outlet, including all warehouses used as well as the shipment date, shipment destination, point of departure and consignee;
 - i) the identity of all purchasers from manufacturing to the first retail outlet; and
- k) the invoice, order number and payment records of all purchasers from manufacturing to the first retail outlet.
- (3) The information referred to in Paragraphs a), b), c), d), e), f), g) and, where applicable, h) of Subsection (2) shall form part of the unique identifier.
- (4) The information mentioned in Paragraphs i), j) and k) of Subsection (2) shall be electronically accessible by means of a link to the unique identifier.
- (5) All economic operators involved in the trade of tobacco products, from the manufacturer to the last economic operator before the first retail outlet, shall record the entry of all unit packets into their possession, as well as all intermediate movements and the final exit of the unit packets from their possession. This obligation may be complied with by the marking and recording of aggregated packaging such as cartons, mastercases or pallets, provided that the tracking and tracing of all unit packets remains possible.
- (6) All natural and legal persons engaged in the supply chain of tobacco products shall maintain complete and accurate records of all relevant transactions.
- (7) The manufacturers of tobacco products shall provide all economic operators involved in the trade of tobacco products, from the manufacturer to the last economic operator before the first retail outlet, including importers, warehouses and transporting companies, with the equipment that is necessary for the recording of the tobacco products purchased, sold, stored,

¹³ Enacted by Section 12 of Government Decree 72/2018 (IV. 16.) Korm., effective as of 6 May 2018.

transported or otherwise handled. That equipment shall be able to read and transmit the recorded data electronically to a data storage facility provided for in Subsection (8).

- (8) Manufacturers and importers of tobacco products shall conclude data storage contracts with an independent third party, for the purpose of hosting the data storage facility for all relevant data. The data storage facility shall be physically located on the territory of the European Union. The suitability of the third party, in particular its independence and technical capacities, as well as the data storage contract, shall be approved by the European Commission.
- (9) The activities of the third party provided for in Subsection (8) shall be monitored by an external auditor, who is proposed and paid by the tobacco manufacturer and approved by the European Commission. The external auditor shall submit an annual report to the customs authority and to the European Commission, assessing in particular any irregularities in relation to access.
- (10) Full access to the data storage facilities shall be given to the customs authority, the ND Nemzeti Dohánykereskedelmi Nonprofit Zrt. (*ND National Tobacco Nonprofit Company*), the European Commission and the external auditor. In duly justified cases the customs authority may grant manufacturers or importers access to the stored data, provided that commercially sensitive information remains adequately protected in conformity with the relevant legislation.
- (11) Recorded data shall not be modified or deleted by an economic operator involved in the trade of tobacco products.

Section 6/H¹⁴

- (1) All unit packets of tobacco products, which are placed on the market, shall carry a tamper proof security feature, composed of visible and invisible elements that will facilitate the verification of whether or not tobacco products are authentic. The security feature shall be irremovably printed or affixed, indelible and not hidden or interrupted in any form, including through excise seals and price marks, or other elements imposed by legislation.
- (2) The security feature referred to in Subsection (1) is contained in the excise seal provided for in the Excise Act.

The Government Decree has been supplemented by Section 21/B. §:

Section 21/B¹⁵

- (1) The provisions of Subsection (3) of Section 6/A, Paragraph *a*) of Subsection (2) of Section 6/D of and Annex 5 to this Decree, as established by Government Decree 507/2017 (XII. 29.) on the Amendment of Government Decrees Relating to Health Insurance and the Healthcare System (hereinafter referred to as "Government Decree 507/2017"), shall apply as of 1 May 2018 with the derogation provided for in this Section.
- (2) Any symbol or sign which fails to comply with the requirements set out in Annex 7, as established by Government Decree 507/2017, shall be corrected or replaced by 31 December 2019.

¹⁴ Enacted by Section 12 of Government Decree 72/2018 (IV. 16.) Korm., effective as of 6 May 2018.

¹⁵ Established by Section 13 of Government Decree 72/2018 (IV. 16.) Korm., effective as of 17 April 2018.

- (3) Any general warning which fails to comply with Subsection (3) of Section 6/A, as established by Government Decree 507/2017, shall be corrected or replaced by 1 July 2018 at the latest.
- (4) Tobacco products manufactured before 31 December 2018 which comply with other legal requirements:
- a) and which are provided for in Paragraphs a) and e) of Point 3 of Section 2 may be distributed up to the time specified in Subsections (3) and (4) of Section 21/A, not exceeding 19 May 2019,
- b) and which are not covered by Paragraph a) may be distributed without any limitation, even if the package thereof contains the phone number "06 40 200 493".

The Government Decree has been supplemented by Section 21/C. §:

Section 21/C¹⁶

- (1) Sections 6/G and 6/H shall apply:
- a) to cigarettes and roll-your-own tobacco from 20 May 2019,
- b) to tobacco products other than cigarettes and roll-your-own tobacco from 20 May 2024.
- (2) Cigarettes and roll-your-own tobacco manufactured in or imported to the European Union before 20 May 2019, that does not have the unique identifier provided for in Section 6/G, may be sold until 20 May 2020.
- (3) Tobacco products, other than cigarettes and roll-your-own tobacco, manufactured in or imported to the European Union before 20 May 2024, that does not have the unique identifier provided for in Section 6/G, may be sold until 20 May 2026.

The Government Decree has been supplemented by Section 5. §:

Section 25¹⁷

Cases opened before the time of entry into force of Subsections (2) and (4) of Section 11 of this Decree, as established by Government Decree 171/2017 (VI. 29.) Korm. on the Amendment of Government Decrees With a View to the Further Strengthening of District (Budapest District) Offices, which are still pending at such time of entry into force shall be concluded according to the provisions in effect on 30 June 2017.

¹⁶ Enacted by Section 14 of Government Decree 72/2018 (IV. 16.) Korm., effective as of 6 May 2018.

¹⁷ Enacted by Subsection (1) of Section 15 of Government Decree 171/2017 (VI. 29.) Korm., effective as of 1 July 2017.