

## THE TOBACCO AND TOBACCO PRODUCTS ACT

*Promulgated State Gazette No. 101/30.11.1993  
Amended SG No. 19/02.03.1994*

### Chapter One GENERAL PROVISIONS

#### Article 1

This Act shall regulate the growing, the categorizing, the buying out, and the industrial processing and trade with tobacco and tobacco products.

#### Article 2

The State management and supervision in the sphere of tobacco and tobacco products shall be carried out by the Council of Ministers.

### Chapter Two GROWING TOBACCO

#### Article 3

The growing of tobacco includes producing seedlings, setting out, cultivating, harvesting, drying and grower's operations.

#### Article 4

The growing of tobacco may be performed by persons registered under this Act.

#### Article 5

- (1) Each year prior to 31 January the Minister of Agriculture shall determine with an order the quantities, regions, types, origins and varieties for the production of tobacco.
- (2) The distribution pursuant to paragraph 1 shall be carried out under procedures and conditions to be determined with the regulations to implement this Act.
- (3) The order specified in paragraph 1 shall be published in the State Gazette.

#### Article 6

- (1) The municipalities shall keep registers of the tobacco growers and of the areas designated for tobacco growing.
- (2) Not later than 30 May of each year the producers shall file with the municipality statements in writing on the areas, type, origin, variety and expected quantity of the tobacco.
- (3) The associations and cooperatives whose members grow tobacco may submit a joint statement.

#### Article 7

- (1) The tobacco growers who are registered under this Act shall be entitled to tobacco seeds free of charge.
- (2) The funding for tobacco seeds shall be provided by the Tobacco Fund.
- (3) The production of tobacco seeds shall be organised and controlled by tobacco scientific institutions determined by the Minister of Agriculture, and the seeds shall be provided to the producers by the municipalities with which they are registered.

#### Article 8

- (1) Tobacco growing shall be performed in accordance with technological instructions approved by the Minister of Agriculture.
- (2) The instructions under paragraph 1 shall be prepared in accordance with the respective requirements which guarantee the protection of the environment and purity of the produce.

### Chapter Three CATEGORIZING OF TOBACCO UPON BUYING OUT

#### Article 9

- (1) The categorizing of tobacco shall be performed jointly by the grower and the buyer, or persons authorized by them, in accordance with existing state standards.
- (2) In case of a dispute the categorizing of the tobacco shall be performed by a regional state tobacco expert with a decision which shall be rendered with the participation of the parties within five days of the application.

- (3) In case the decision under paragraph 2 is contested the final decision shall be rendered within 10 days by a three-member commission of state experts appointed by the Minister of Agriculture.
- (4) The status of the state tobacco experts, as well as the procedure for reviewing disputes on categorizing the tobacco shall be regulated by a regulation issued by the Minister of Agriculture in consultation with the Committee on Standardization and Metrology within one month from the date of entry into force of this Act.

#### **Article 10**

All expenses related to the categorizing of tobacco, with the exception of those provided for in Article 9, paragraphs 2 and 3, are on behalf of the buyer.

### **Chapter Four BUYING OUT THE TOBACCO**

#### **Article 11**

The buying out of tobacco shall be carried out by persons who are licensed to perform industrial processing of tobacco and by persons who have contracts for performing industrial processing of tobacco in accordance with Article 21.

#### **Article 12**

- (1) Tobacco which is dried, subjected to operations and packed by the growers shall be purchased.
- (2) The buying out of raw large-leaf tobacco in accordance with existing state standards is permitted.

#### **Article 13**

The data on the sold by the growers quantities of tobacco shall be entered in a register of the municipal administration of the municipality in which they are registered.

#### **Article 14**

Tobacco which has not been bought by 30 April of the following year, and was produced in conformity with the provisions of this Act, shall be purchased by the persons specified in Article 11 with a contract with the President of the Management Board of the Tobacco Fund and with funding from the Fund at established minimum purchase prices.

#### **Article 15**

Tobacco which doesn't meet the state standards shall not be purchased.

#### **Article 16**

The re-sale of dried tobacco, tobacco subjected to operations by the growers and of the tobacco mentioned in Article 12, paragraph 2 is prohibited.

### **Chapter Five PURCHASE PRICES**

#### **Article 17**

- (1) Not later than 31 January of each year, the Council of Ministers, acting upon a proposal of the Minister of Agriculture, shall determine the minimum purchase prices for tobacco by types, origins and classes.
- (2) The prices mentioned in paragraph 1 shall be published in the State Gazette.

#### **Article 18**

The minimum purchase prices shall not apply to tobacco grown by persons who have not filed the written statement provided for in Article 6, paragraph 2, or who have grown the tobacco in violation of the filed statements.

### **Chapter Six TOBACCO FUND**

#### **Article 19**

- (1) A Tobacco Fund is hereby established with the Ministry of Agriculture as a legal person working under an extra-budgetary account for regulating the growing, buying out, and trade with tobacco.
- (2) The funds shall be raised from:
  1. revenues from the sale of tobacco purchased with moneys from the Fund;
  2. contributions by the growers equal to 2 per cent of the income from the sale of raw tobacco;
  3. contributions equal to 2 per cent of the sale of subjected to operations and fermented tobacco, including tobacco put into the grower's own cigarette production;
  4. contributions equal to 5 per cent of the value of the purchased excise bands for tobacco products;
  5. a one-time contribution from the state budget for 1994 of 100 million leva;

6. fines, confiscation and other sanctions under this Act;
  7. donations, aid and other obtained sums.
- (3) The funds shall be spent in accordance with the annual revenue and expenditure account for:
1. providing tobacco seed in accordance with Article 7, paragraph 1;
  2. paying for unpurchased tobacco to tobacco growers in accordance with Article 14;
  3. keeping the tobacco growers register;
  4. fees for the state experts specified in Article 9, paragraphs 2 and 3;
  5. subsidizing the export of tobacco and tobacco products after covering the expenditures under items 1, 2, 3 and 4.
- (4) The Tobacco Fund shall be managed by a Management Board composed of: President: the Minister of Agriculture, members: two representatives each of the Ministry of Finance, the Ministry of Agriculture, the tobacco growers and the tobacco buyers, as well as a representative each of the Ministry of Trade, the Ministry of Development and Construction and the Bulgarian National Bank.
- (5) The buying, storage, processing and realization of tobacco purchased by the fund shall be carried out on a contractual basis between the President of the Management Board and the traders who are licensed under this Act to perform these activities.
- (6) The Council of Ministers shall issue a regulation on the activities, raising and spending of the moneys of the Tobacco Fund within three months of the adoption of this Act.

## **Chapter Seven**

### **INDUSTRIAL PROCESSING OF TOBACCO**

#### **Article 20**

The industrial processing of tobacco includes: operations, sorting, removing of veins of large-leaf tobacco, fermentation or thermal treatment and preparing the tobacco for realization.

#### **Article 21**

- (1) Industrial processing of tobacco may be performed by persons who are registered under the Trade Act and the Cooperatives Act and have obtained a license from the Minister of Finance.
- (2) The licenses under paragraph 1 shall be issued to persons who have at their disposal technical and technological capabilities for industrial processing of tobacco and forming of uniform in terms of quality batches.
- (3) The licenses under paragraphs 1 and 2 shall be based on a position in writing of a commission of state experts appointed by the Minister of Finance.
- (4) The persons specified in paragraph 1 must mandatorily register with the Ministry of Finance not later than 31 March their annual programs for tobacco processing. On the basis of this registration they shall acquire against payment an annual permission. The amount of payment shall be specified by the Council of Ministers and shall be published in the State Gazette not later than 31 March in the year of production.

#### **Article 22**

The persons specified in Article 21 shall bear the full responsibility for the quality of the processed tobacco and the authenticity of its origin.

## **Chapter Eight**

### **MANUFACTURING TOBACCO PRODUCTS**

#### **Article 23**

The manufacturing of tobacco products shall include: manufacturing of cigarettes, "papyrus" cigarettes, cigars, cigarillos, pipe tobacco, tobacco for manual rolling of cigarettes, snuff and chewing tobacco.

#### **Article 24**

The manufacturing of tobacco products shall be carried out by companies and cooperatives which have obtained a license from the Minister of Finance.

#### **Article 25**

- (1) Tobacco products intended for the domestic market shall be produced with an excise band purchased from the Ministry of Finance.
- (2) Repealed SG No. 19/02.03.1994

#### **Article 26**

The manufacturers of tobacco products shall bear responsibility for the quality of the manufactured products in accordance with the existing in the country laws and regulations or contractual export terms.

**Chapter Nine**  
**TRADE WITH PROCESSED TOBACCO AND TOBACCO PRODUCTS**

**Article 27**

Processed local tobacco shall be offered for sale on the domestic market only by persons who have obtained a license in accordance with Article 21, paragraph 1.

**Article 28**

Locally manufactured tobacco products shall be sold in the country only with an excise band affixed to the consumers' packaging as provided in Article 25.

**Article 29**

The locally manufactured and imported tobacco products shall be sold on the domestic market at prices determined by the Council of Ministers.

**Article 30**

- (1) The locally manufactured and imported tobacco products shall be sold on the domestic market under the following terms:
1. the seller must have a license to sell tobacco products issued by the municipality in which the trade establishment is situated, according to a form to be approved with the regulation to implement this Act;
  2. to have placed on them a mandatory inscription in Bulgarian: "Cigarettes" or "Tobacco Products", "Smoking is hazardous to your health".
- (2) The retail sale of tobacco products is forbidden:
1. on the territory of kindergartens and schools;
  2. to persons under 18;
  3. with a broken consumer package;
  4. with an unclear origin and producer;
  5. when they do not conform to sanitary norms;
  6. with damages and defects which impair their consumer qualities;
  7. without indicated on the packaging mandatory elements for informing the consumer in Bulgarian.

**Article 31**

The import of tobacco shall be carried out with a licence from the Council of Ministers in accordance with the foreign trade regime.

**Article 32**

Imported tobacco products must mandatorily meet the requirements of Article 30, paragraph 2, items 3 to 7. The requirements shall be documented mandatorily at the Bulgarian customs point of crossing and at the importer's warehouse with a certificate of origin issued by the producer which must mandatorily accompany each consignment and the transport vehicle.

**Article 33**

The export of tobacco which has not been subjected to operations and has not fermented is prohibited.

**Article 34**

When being transported tobacco and tobacco products must be accompanied mandatorily with a transport certificate, which, together with the remaining documents, shall accompany the goods. The registration data on the seller and buyer, the type and registration number of the transportation vehicle and its owner, the points of origin and destination of the goods and other data provided for in the regulation to implement this Act shall be indicated on the transport certificate. In case of export or import the transport certificates must mandatorily be registered at the border customs point.

**Article 35**

The advertisement in any manner whatsoever of tobacco and tobacco products outside the enterprises where they are produced, and outside the establishments in which they are subject to wholesale or retail sale, is hereby prohibited.

**ADMINISTRATIVE AND PENAL PROVISIONS**

**Article 36**

Whoever purchases tobacco without having the right to do so shall be fined between 10,000 leva and 500,000 leva, and the tobacco shall be confiscated.

#### **Article 37**

Whoever sells tobacco products in violation of Article 30 shall be fined between 10,000 leva and 200,000 leva.

#### **Article 38**

Whoever sells tobacco products at prices differing from those marked on the consumer package in violation of Article 29 shall be fined between 10,000 leva and 200,000 leva.

#### **Article 39**

Whoever manufactures tobacco products in violation of this Act shall be fined between 5,000 and 50,000 leva and the machines, equipment, raw materials, materials and ready goods shall be confiscated.

#### **Article 40**

Whoever violates the provisions of Articles 32 and 34 shall be fined between 50,000 and 500,000 leva, and the tobacco, tobacco products and transportation vehicle shall be confiscated.

#### **Article 41**

- (1) Whoever violates the provisions of Article 35 shall be fined between 100,000 and 500,000 leva.
- (2) A sanction of 200,000 leva to 1,5 million leva shall be imposed upon legal persons who have allowed the violation set forth in paragraph 1.

#### **Article 42**

A sanction of 10,000 leva to 500,000 leva shall be imposed upon legal persons who have benefited from the violations under the previous paragraph.

#### **Article 43**

The violations under this Act shall be established with citations to be drawn up by the bodies of the Ministry of Finance, the Ministry of Agriculture, the Ministry of Trade, the Ministry of Industry, and the penal orders shall be issued by the respective minister or a person authorized by him.

#### **Article 44**

The establishment of the violations, the issuing, appeal and execution of the penal orders shall be carried out under the procedure established by the Administrative Sanctions and Violations Act.

### **ADDITIONAL AND CONCLUDING PROVISIONS**

- § 1. The disposal of the confiscated tobacco and tobacco products shall be carried out under a procedure and terms to be determined by the Minister of Finance, and the moneys so obtained shall be deposited in the Tobacco Fund.
- § 2. The mandatory inscriptions under this law on imported tobacco products shall be placed on the excise band.
- § 3. The provision of Article 19, paragraph 2 shall apply after the expiration of a five-year term from the date of entry into force of this Act.
- § 4. This Act shall repeal the State Monopoly on Tobacco Act, published in SG No. 96 of 1947 (amended SG 93 and 234 of 1948; Izvestiya No. 41 of 1951 and 39 of 1952)
- § 5. The Council of Ministers shall issue a regulation to implement this Act within one month of its entry into force.

This Act was submitted to a vote and duly adopted by the 36<sup>th</sup> National Assembly on 17 November 1993 and the State Seal was affixed hereto.

Chairman of the National Assembly: **Alexander Yordanov**