

The Tobacco and Tobacco Products Act

Promulgated State Gazette No. 101/30.11.1993, amended SG Nos. 19/2.03.1994, effective 1.04.1994, amended and supplemented SG No. 110/30.12.1996, amended, SG No. 153/23.12.1998, effective 1.01.1999, 113/28.12.1999, amended and supplemented, SG No. 33/21.04.2000, 102/15.12.2000, effective 1.01.2001, supplemented, SG No. 110/21.12.2001, effective 1.01.2002, SG No. 20/4.03.2003, amended and supplemented, SG No. 57/2.07.2004, SG No. 70/10.08.2004, effective 1.01.2005, SG No. 91/15.11.2005, effective 1.01.2006, amended, SG No. 95/29.11.2005, effective 1.03.2006, SG No. 99/9.12.2005, effective 10.06.2006, amended and supplemented, SG No. 105/29.12.2005, effective 1.01.2006, SG No. 18/28.02.2006, amended, SG No. 30/11.04.2006, effective 12.07.2006, SG No. 34/25.04.2006, effective 1.01.2008 (*) (**), amended and supplemented, SG No. 70/29.08.2006, SG No. 108/29.12.2006, effective 1.01.2007, supplemented, SG No. 109/20.12.2007, effective 1.01.2008, amended, SG No. 36/4.04.2008, SG No. 67/29.07.2008

(*) effective 1.07.2007 - amended, SG No. 80/3.10.2006, effective 3.10.2006

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Text in Bulgarian: Закон за тютюна и тютюневите изделия

Chapter One

GENERAL PROVISIONS

Article 1

(Amended SG No. 110/1996)

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

Article 2

(1) (Previous text of Article 2 - SG No. 110/1996) State management and supervision in the sphere of tobacco and tobacco products shall be carried out by the Council of Ministers.

(2) (New, SG No. 110/1996, amended SG No. 33/2000) The Council of Ministers shall approve the national strategy for the development of tobacco production at the proposal of the Minister of Agriculture and Food Supply.

(3) (New, SG No. 110/1996, amended SG No. 33/2000) Regional Directors shall work out regional strategies for the development of tobacco growing by municipality, quantity, type, origin and variety.

Chapter Two

GROWING TOBACCO

Article 3

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

Article 4

(Amended SG No. 33/2000)

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

Article 5

(Amended and supplemented, SG No. 110/1996, amended, No. 33/2000)

(1) Each year, prior to the 15th of January and pursuant to the recommendations of the Tobacco Fund, the Minister of Agriculture and Food Supply shall establish by an order the quantities, regions, types, origins and varieties for the production of tobacco.

(2) The distribution by municipalities pursuant to paragraph 1 shall be carried out under terms and procedures established by the regulations on the implementation of this Act.

(3) On the grounds of the distribution under paragraph (2) as well as of the division of the origins by regions, the mayors of the municipalities shall by order establish: the quantities, types and varieties for tobacco production by boroughs within the municipality; the quotas for tobacco production, areas, types, origins, varieties and quantities for tobacco production by producers. The order shall be presented to the Tobacco Fund by February 20.

(4) The order under paragraph 1 shall be promulgated in the State Gazette.

(5) Each year, prior to the 31st of December, the buyers of tobacco shall announce to the Tobacco Fund the quantities they need to contract and buy by municipality, type, origin and variety for the next year.

(6) The tobacco producers shall file applications with the municipality of the place of production for the quantities of tobacco by type, origin and variety prior to the 15th of November.

(7) Within the period of time specified in paragraph (5), the mayors of the municipalities shall submit to the Tobacco Fund summarized data pertaining to the quantities by type, origin and variety under paragraph (6).

(8) The proposal of the Tobacco Fund to the Minister of Agriculture and Food Supply shall be executed on the grounds of the information collected under paragraph (5) and (7).

(9) The mayor of the municipality shall by order appoint a committee which shall conduct before the end of July an inspection of the area planted by the registered tobacco producers and shall draw a conclusion concerning the fulfilment of the tobacco production quotas under paragraph (3). The results of the inspection shall be sent to the Tobacco Fund before the 15th of August.

Article 6

(Amended, SG No. 110/1996, No. 33/2000)

(1) The municipalities and the Tobacco Fund shall keep registers of the tobacco growers and of the areas designated for tobacco growing as shown on the sample in Annex 1.

(2) The mayor of the municipality shall assign an officer to keep the register under paragraph (1).

(3) Each tobacco grower shall be issued a registration certificate which shall indicate the quota allocated under Article 5, paragraph (3) The certificate shall be issued by the mayor of the municipality in duplicate prior to the 20th of February.

Article 7

(1) The tobacco growers who are registered under this Act shall be entitled to receive tobacco seed free of charge.

(2) (Amended SG No. 33/2000) The funding for production of tobacco seed from the tobacco varieties, included in the order under Article 5, paragraph (1) shall be provided by the Tobacco Fund.

(3) (Amended SG No. 33/2000) The production of tobacco seed shall be performed by natural and legal persons registered in a public national register which shall be kept by the Ministry of Agriculture and Food Supply, and the seed shall be provided to the producers by the mayors of the municipalities with which they are registered.

Article 8

(1) (Supplemented, SG No. 33/2000) Tobacco and tobacco seed production shall conform to technological instructions approved by the Minister of Agriculture and Food Supply.

(2) (Supplemented, SG No. 110/1996, amended, No. 113/1999, repealed, No. 33/2000).

Chapter Three

CATEGORIZING OF TOBACCO UPON BUYING OUT

Article 9

(1) (Supplemented, SG No. 110/1996, amended, No. 33/2000) The categorizing of tobacco shall be performed jointly by the grower and the buyer, under the procedure established in the contract between them, or by agents authorized by the parties and pursuant to the minimum quality requirements under the quality classification which shall consist of a minimum of three classes to be specified in the regulations on the implementation of this Act.

(2) (New, SG No. 33/2000) The information on the tobacco quality appraisal during buying out shall be entered in a statement of transfer completed in standard form as shown in Annex 2.

(3) (Previous Paragraph 2, SG No. 33/2000) In the case of dispute, the categorizing of the tobacco shall be performed by a regional state tobacco expert who shall issue a decision thereof and shall perform these duties with the participation of the parties concerned within five days of the application.

(4) (Previous Paragraph 3, amended, SG No. 33/2000) If the decision under paragraph (3) 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.

(5) (Previous Paragraph 4, amended, SG No. 33/2000, No. 95/2005) The status of the state tobacco experts, as well as the procedure for reviewing disputes on categorizing tobacco shall be established by a regulation issued by the Minister of Agriculture within one month of the date of entry into force of this Act.

Article 10

(Amended SG No. 33/2000)

All expenses related to the categorizing of tobacco, with the exception of those provided for in Article 9, paragraphs (3) and (4), shall be assumed by the buyer.

Chapter Four

BUYING OUT TOBACCO

Article 11

(1) (Amended, SG No. 110/1996) (1) (Amended, SG No. 57/2004, effective 1.09.2004) The buying out of tobacco shall be carried out by persons who are permitted to perform industrial processing of tobacco and who have obtained a permit from the Council of Ministers.

(2) (Supplemented, SG No. 33/2000, No. 18/2006) Tobacco shall be produced and bought out pursuant to contracts in writing between buyers and tobacco growers or their organisations, certified pursuant to the regulation of Article 9, paragraph (2) of the Agricultural Producers Support Act , which shall be signed in the beginning of each production year but not later than the 31st of March. Contracts shall not be concluded without a quota certificate. Persons under paragraph (1) shall offer to producers contracts in accordance with the quotas received by them.

(3) (Repealed, SG No. 33/2000).

(4) (New, SG No. 33/2000) The parties may not conclude contracts at prices that are lower than the minimum buying prices.

(5) (New, SG No. 33/2000) In their contract the parties shall make provision for compensation for the tobacco grower that shall be equal to the index of the producer prices of agricultural producers and shall be payable if any payments pertaining to the purchase of tobacco become overdue.

(6) (New, SG No. 33/2000) The parties shall make provision for advance payment of no less than 20 per cent of the value of the tobacco, payable at the time of signing of the contract. If the buyer should fail to fulfil his obligations under the contract, the advance payment shall be considered as a performance bond. If the tobacco grower should be found responsible for failure to fulfil the contract, the advance payment shall be refunded to the buyer from the Tobacco Fund to the extent covered by the bonuses due to the grower, and any remaining portion of such advance payment shall be refunded by the grower.

(7) (New, SG No. 33/2000) Buyers shall purchase all contracted quantities and up to 20 per cent of any excess produce grown on the same land.

(8) (New, SG No. 33/2000, supplemented, No. 20/2003) Purchases shall be completed before the 1st of March of the next year. By virtue of an order of the Minister of Agriculture and Food Supply the time limit for purchase may be extended for particular regions or the entire country.

(9) (New, SG No. 33/2000) Within seven business days of concluding the contract under paragraph (2), the buyer shall submit this contract to the Tobacco Fund and to the Municipality where the tobacco grower is registered for recording in the register kept under Article 6, paragraph (1).

(10) (New, SG No. 33/2000) Before the 15th of April, the mayor of the municipality shall submit to the Tobacco Fund summarized information of the contracts concluded by borough, grower, variety and origin.

(11) (New, SG No. 33/2000) Before the 30th of April every year, all buyers shall submit to the Tobacco Fund information on the purchased quantities of tobacco by variety, origin, quality and purchase price.

Article 12

(1) Tobacco which is dried, subjected to operations and packed by the growers shall be purchased.

(2) (Amended SG No. 33/2000) The buying out of raw broad-leaf tobacco in accordance with the minimum quality requirements that shall conform to the quality classification of a minimum of three classes as established by the regulations on the implementation of this Act is permitted.

(3) (New SG No. 110/1996, amended, SG No. 33/2000) The deadlines for payment for the purchased tobacco shall be specified by the parties to the contract but not extend beyond 30 days of the date of transfer of the tobacco.

Article 13

(Supplemented, SG No. 110/1996, amended, No. 33/2000)

(1) The buyers shall submit to the municipality data on the quantity, type and origin of all tobacco bought within 10 days of the buying out of that tobacco.

(2) The mayor of the municipality shall provide to the Minister of Agriculture and Food Supply on a monthly basis data on the quantities of tobacco delivered by type and origin.

Article 14

(Amended SG No. 110/1996, 33/2000)

The Council of Ministers may adopt a decision to authorize the Tobacco Fund to finance the buying out any contracted tobacco which has not been purchased.

Article 15

(Amended SG No. 33/2000)

Tobacco which does not meet the minimum quality requirements, reflecting a quality-based rating into a minimum of three grades and specified in the Regulation to Implement this Act, 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 shall be prohibited.

Chapter Five

PURCHASE PRICES

Article 17

(Amended and Supplemented, SG No. 110/1996, amended, No. 33/2000)

(1) Not later than the 31st of January of each year, the Council of Ministers, acting on a proposal of the Minister of Agriculture and Food Supply, shall establish the minimum purchase prices for tobacco by type, origin and class.

(2) The proposal under paragraph (1) shall be prepared by the Tobacco Fund.

(3) The Council of Ministers shall adopt methods for setting minimum purchase prices, which shall meet the following criteria:

1. expenses for growing of tobacco by type and origin;
2. expenses for industrial processing, storage and pre-treatment of the processed and fermented tobacco for sale;
3. levels of export prices of Bulgarian tobaccos and current market conditions;
4. meeting the tobacco production quotas as established in the strategy for the development of the tobacco industry.

(4) The minimum purchase prices shall be promulgated in the State Gazette.

Article 18

(Amended SG No. 33/2000)

The minimum purchase prices shall apply to tobacco grown in accordance with the requirements of this Act.

Chapter Six

(New SG No. 110/1996)

BONUSES FOR TOBACCO GROWERS

Article 18a

(Amended SG No. 33/2000)

(1) Cash bonuses shall be granted directly from the Tobacco Fund for the purposes of regulating tobacco production.

(2) The Tobacco Fund may additionally grant cash bonuses to the producers for the purposes of tobacco quality improvement as well as for encouraging the production of certain tobacco types and origins.

(3) The amounts, terms and the manner of payment of the premiums shall be specified in the regulations on the implementation of this Act.

Chapter Seven

(Previous Chapter Six, SG No. 110/1996)

TOBACCO FUND

Article 19

(1) (Amended, SG No. 33/2000) A Tobacco Fund shall be hereby established with the Minister of Agriculture and Food Supply as a legal person with registered office in Sofia for regulating the growing, buying out, and trade with tobacco.

(2) (New, SG No. 33/2000) The Tobacco Fund shall operate in compliance with this Act and any regulations issued by the Minister of Agriculture and Food Supply.

(3) (New, SG No. 33/2000) The Fund shall be managed by:

1. Managing Board;

2. Executive Director.

(4) (Amended, SG No. 110/1996, repealed, New, No. 33/2000, supplemented, No. 70/2006) The Minister of Agriculture and Food Supply shall be President of the Managing Board. The Managing Board shall consist of 11 members including its President. The Minister of Agriculture and Food Supply and the Minister of Finance shall each appoint two members of the Managing Board. The Minister of the Economy and Energy, the Minister of Labour and Social Policy, the Minister of Regional Development and Public Works and the President of the Bulgarian National Bank shall each appoint one member. The Chairman of the Expert Council on the Development of Tobacco Production shall be member of the Managing Board.

(5) (New, SG No. 110/1996, repealed, New, No. 33/2000) The Managing Board shall elect from among its members an Executive Director nominated by the Minister of Agriculture and Food Supply, who shall be a member of the Managing Board.

(6) (Previous Paragraph 5, SG No. 110/1996, repealed, New, No. 33/2000) An Expert Council on the Development of Tobacco Production shall be established with the Tobacco Fund the members of which shall be representatives of tobacco producers, of the tobacco processing industry, tobacco traders and researchers. The Expert Council on the Development of Tobacco Production shall make proposals to the Managing Board of the Tobacco Fund on the quotas, structure of varieties, selection of tobacco varieties, the strategy for the development of tobacco growing, minimum prices and bonuses. The President of the Managing Board of the Tobacco Fund shall approve a regulation

on the operation of the Expert Council on the Development of Tobacco Production and shall nominate its Chairman.

(7) (New, SG No. 33/2000) The Managing Board shall:

1. establish the terms and manner of managing the moneys in the fund pursuant to the goals established by this Act;
2. approve the structure and staff of the Fund;
3. establish, close and transform the regional structures which represent the Fund pursuant to the regulation on its management and operation;
4. monitor the appropriate spending of the moneys of the fund;
5. elect and dismiss the Executive Director;
6. develop proposals on minimum prices of tobacco and the bonuses;
7. submit for approval by the Council of Ministers the amounts, terms and manner of providing monetary subsidies for tobacco producers;
8. submit to the Council of Ministers no later than three months after the end of the financial year a report on the activities of Fund and the annual accounting balance sheet.

(8) (New, SG No. 33/2000) The President shall call a meeting of the Managing Board at least once every three months.

(9) (New, SG No. 33/2000) The Managing Board may sit in session when at least two thirds of its members are in attendance. Resolutions shall be passed by simple majority of the votes of the attending members.

(10) (New, SG No. 33/2000) The Executive Director shall:

1. implement the decisions of the Managing Board;
2. organize and manage the activities of the Fund;
3. represent the Fund;
4. appoint and dismiss the employees of the Fund;
5. resolve on any matters that are not within the exclusive competencies of the Managing Board.

(11) (New, SG No. 33/2000) The Executive Director may be relieved of his duties by decision of the Managing Board at the proposal of the Minister of Agriculture and Food Supply.

Article 19a

(1) (Previous Paragraph 2 of Article 19, SG No. 33/2000) Funds shall be raised from:

1. revenues from the sale of tobacco purchased with moneys from the Fund;

2. (amended, SG No. 110/1996, repealed, SG No. 70/2006, effective as from the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union);
3. (amended, SG No. 110/1996, 33/2000, effective 1.01.2001, 108/2006) the annual subsidy from the budget of the Ministry of Agriculture and Food Supply to an amount, stipulated by the State Budget Act for the respective year;
4. (amended, SG No. 110/1996, repealed, No. 18/2006) ;
5. a one-time contribution from the state budget for 1994 of 100 million levs;
6. (amended SG No. 110/1996, repealed, SG No. 70/2006, effective as from the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union);
7. (new SG No. 110/1996) fines, confiscation and other sanctions in favour of the State under this Act after deducting all costs incurred;
8. (previous Item 7, SG No. 110/1996) donations, aid and other obtained sums;
9. (new SG No. 33/2000) interest earned on the moneys of the Fund;
10. (new, SG No. 110/1996, previous Item 9, No. 33/2000) other sources specified by law or an act of the Council of Ministers.

(2) (Previous Paragraph 3 of Article 19, SG No. 33/2000) The funds shall be spent in accordance with the annual revenue and expenditure account for:

1. (amended SG No. 33/2000) the production, quality appraisal, transportation, storage and for providing tobacco seed in accordance with Article 7, paragraph (1);
2. (new SG No. 110/1996) paying bonuses to tobacco growers in pursuance of Article 18a;
3. (previous Item 2, SG No. 110/1996, amended, No. 33/2000) providing tobacco growers with monetary subsidy for the purchasing of tobacco at the minimum tobacco prices under Article 19, paragraph (7), item 7;
4. (previous Item 3, SG No. 110/1996) keeping the tobacco growers register;
5. (previous Item 4, SG No. 110/1996, amended, No. 33/2000) fees for the state experts specified in Article 9, paragraph (3) and (4);
6. (new SG No. 110/1996) costs pertaining to the operation of the Fund;
7. (previous Item 5, amended, SG No. 110/1996, repealed, No. 33/2000);
8. (new SG No. 110/1996) other expenditures established by law or an act of the Council of Ministers.

(3) (Previous Paragraph 6 of Article 19, SG No. 110/1996, previous Paragraph 7 of Article 19, No. 33/2000) 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 Eight

(Previous Chapter Seven, SG No. 110/1996)

INDUSTRIAL PROCESSING OF TOBACCO

Article 20

(Amended SG No. 110/1996, 33/2000)

The industrial processing of tobacco shall include:

1. storage and raising of purchased raw tobacco;
2. handling, including sorting, removing of veins of large-leaf tobacco;
3. fermentation, natural or by thermal treatment;
4. storage of the processed and packed tobacco and preparing the tobacco for sale.

Article 21

(1) (Amended, SG No. 33/2000, SG No. 57/2004, effective 1.09.2004, supplemented, SG No. 70/2006, effective as from the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union) Industrial processing of tobacco may be performed by persons who are registered under the Commerce Act and the Cooperatives Act, as well as by foreign persons, registered under the laws of an European Union Member State or of other states - parties to the European Economic Area Agreement and which have obtained permit from the Council of Ministers.

(2) (Amended SG No. 110/1996, 33/2000) The permits under paragraph 1 shall be issued to persons who have at their disposal technical and technological capabilities for industrial processing of tobacco and for forming of uniform in terms of quality batches which comply with the respective origin, including appropriate storage and production facilities; technically fit equipment and machinery or facilities for unfolding and sorting; machinery and equipment for blending and packing industrially processed tobacco; fermentation chambers or fermentation facilities; dust removal or air conditioning installations; equipment for monitoring the technological process and the quality of the produce.

(3) (Amended SG No. 110/1996, 33/2000, 57/2004) The terms and procedure for permitting under this Article shall be determined in the Regulation referred to in Article 39.

(4) (Amended, SG No. 110/1996, No. 33/2000, repealed, No. 57/2004).

(5) (New, SG No. 110/1996, repealed, No. 33/2000).

(6) (New, SG No. 110/1996, repealed, No. 33/2000).

Article 22

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

Chapter Nine

(Previous Chapter Eight, SG No. 110/1996)

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

(Amended SG No. 110/1996, 33/2000)

(1) (Amended, SG No. 57/2004 - effective 1.09.2004, supplemented, SG No. 70/2006, effective as from the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union) The manufacturing of tobacco products shall be carried out by persons registered under the Commerce Act and the Cooperatives Act, as well as by foreign persons, registered under the laws of an European Union Member State or of other states - parties to the European Economic Area Agreement and which have obtained permit from the Council of Ministers.

(2) (Amended, SG No. 57/2004 - effective 1.09.2004) The permit under paragraph 1 shall be issued to persons of good reputation, having the necessary financial potential and the relevant professional experience who have at their disposal technical and technological facilities for carrying out the full production process in appropriate production premises, with technically fit machinery and equipment for humidifying, unfolding, dust removal, cutting, drying and flavouring; machinery and equipment for production and packing of tobacco products; dust removal and air conditioning equipment; instruments and equipment for monitoring the technological processes and the quality of production.

(3) (Amended, SG No. 57/2004 - effective 1.09.2004) The terms and procedure for permitting under this Article shall be determined in the Regulation referred to in Article 39.

Article 25

(Amended, SG No. 19/1994, No. 110/1996, No. 33/2000)

(1) Domestically produced and imported tobacco products shall be sold in the domestic market with an excise band affixed to the packaging in such manner as to render the product unusable unless the band is torn.

(2) Excise bands shall be government securities and shall consist of a paper band evidencing payment of excise tax.

(3) The terms and conditions for application and the ways of reporting excise bands shall be established by the Regulations on the implementation of this Act.

(4) Serial numbers, consecutive numbers and other permanent signs and symbols shall be printed on the excise bands.

(5) Excise bands shall be issued pursuant to models approved by the Minister of Finance.

(6) Excise bands shall be ordered, printed, purchased and distributed under procedure established by the Minister of Finance.

(7) It shall be prohibited to print, distribute and use any excise bands the model of which has not been approved by the Minister of Finance.

Article 26

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

Chapter Ten

(Previous Chapter Nine, SG No. 110/1996)

TRADE WITH PROCESSED TOBACCO AND TOBACCO PRODUCTS

Article 27

(Amended SG No. 33/2000)

(1) Processed domestically produced tobacco shall be offered for sale only by persons who have obtained a permit in accordance with Article 21, paragraph (1).

(2) Any tobacco acquired by financial institutions as a result of its use as collateral may be purchased by the persons described in Article 11.

Article 28

(Amended SG No. 110/1996)

(1) Locally manufactured and imported tobacco products shall be transported, transferred, stored, offered for sale or sold in retail or wholesale outlets and warehouses only with an excise band affixed to the consumer packaging as provided for in Article 25.

(2) The provisions contained in paragraph (1) shall not apply to tobacco products for export.

Article 29

(Supplemented, SG No. 110/1996, amended, No. 57/2004, effective

1.01.2005, No. 91/2005, No. 70/2006)

(1) Domestically produced or imported tobacco products shall be sold on the domestic market at prices, registered under terms and according to a procedure, defined by a regulation of the Council of Ministers.

(2) The terms and procedure for sale of tobacco products and for control over the sale of such products shall be stipulated in the regulation under Paragraph 1. of the Council of Ministers.

(3) (New, SG No. 108/2006) For a request, concerning the registration of the sales price of tobacco products and the issuance of a certificate about the registered price, state fees shall be paid to an amount, determined by a tariff, approved by the Council of Ministers.

(4) (New, SG No. 108/2006) The fees under paragraph 3 shall be transferred to budget of the Ministry of Finance.

Article 30

(1) (Amended, SG No. 110/1996, No. 33/2000, effective 1.01.2001, No. 57/2004, No. 70/2006) Locally manufactured and imported tobacco products shall be sold on the domestic market by traders, holding permit for the sale of tobacco products issued by the mayor of the municipality with jurisdiction by the location of the commercial outlet under terms and procedure, specified in the Regulation to Implement this Act.

(2) (Amended, SG No. 110/1996) The sale of tobacco products shall be forbidden:

1. (amended, SG No. 70/2004) within the territory of creches and kindergartens, schools, school boarding houses, medical and healthcare establishments;
2. (supplemented, SG No. 70/2006) to and by persons under 18;
3. (supplemented, SG No. 109/2007) with a broken consumer package, except in cases of sale of manually rolled cigars;
4. (amended, SG No. 110/1996) without an invoice for the purchase of the tobacco products and a certificate of origin;
5. (amended, SG No. 70/2004) which do not meet healthcare requirements;
6. with defects which impair their consumer qualities;
7. (amended, SG No. 110/1996) without indication on the packaging of the mandatory consumer information in Bulgarian and the barcodes of the tobacco products of the Bulgarian or foreign producer;
8. (new, SG No. 110/1996) without an excise band affixed thereto;
9. (new, SG No. 110/1996) without statement of the prices of tobacco products at a place which is easily accessible to the customer and in an appropriate manner;
10. (new, SG No. 110/1996, supplemented, No. 109/2007) in bulk or by the piece and in open packages, individual cigars or cigarillos without an excise band affixed thereto, except in cases of sale of manually rolled cigars;
11. (new, SG No. 110/2001, amended, No. 70/2004, supplemented, No. 70/2006) by vending machines for sale of tobacco products and from self-service counters.
12. (new, SG No. 57/2004) for oral use;
13. (new, SG No. 57/2004) if not compliant with the requirements for tar, nicotine and carbon oxide contents;

14. (new, SG No. 57/2004) in consumer packaging not compliant with the requirements for labelling, marking and exterior design;

15. (new, SG No. 57/2004) where the packaging contains text, names, trademarks or figurative or other signs defining a product as less harmful.

16. (new, SG No. 70/2004) at sports and public events organised for children and pupils.

Article 31

(Repealed, SG No. 110/1996)

Article 32

(Amended, SG No. 110/1996)

(1) (Amended, SG No. 33/2000) The importation of tobacco products shall be coordinated in terms of quality and phytosanitary and sanitary requirements with the competent bodies specified by the Council of Ministers.

(2) (Amended, SG No. 33/2000, No. 57/2004) Tobacco products of import character shall comply with the requirements under Article 30, paragraph (2), items 3 to 15. The requirements shall be documented at the Bulgarian customs point of crossing and at the importer's warehouse with a certificate of origin issued by the producer which shall accompany each consignment and the vehicle it is transported in.

(3) (New, SG No. 57/2004) Imported tobacco products on sale on the territory of this country, including in duty-free areas and at border check points must be compliant with this Act in terms of contents, labelling, marking an exterior design.

Article 33

(Amended, SG No. 110/1996, No. 33/2000)

(1) The industrial processing of raw tobacco shall be carried out inside the country.

(2) (Supplemented, SG No. 102/2000) It shall be prohibited to export tobacco products carrying Bulgarian excise bands unless expressly provided for by law.

Article 34

(Amended, SG No. 110/1996, repealed, No. 70/2006)

Article 35

(Amended, SG No. 110/1996, SG No. 57/2004, SG No. 70/2006, effective as from the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union)

(1) Advertising of tobacco and tobacco products shall be prohibited, with the exception of:
1. on the territory of enterprises where tobacco or tobacco products are manufactured, and commercial outlets where tobacco and tobacco products are on sale;

2. Usage of a trademark, where participants in the advertisement do not include persons under age and it is not intended for or targeted at such persons;
3. Locations or events where access of persons aged under 18 is prohibited;

(2) Advertising of tobacco and tobacco products in radio- and television broadcasts shall be prohibited.

(3) Advertising of tobacco and tobacco products in the press and in other printed materials, as well as via information society services, shall be permitted only for publications, which are:

1. intended exclusively for professionals in the field of trade in tobacco and tobacco products or for persons, whose primary business activity is manufacture or trade in tobacco and tobacco products;
2. printed or published in a third state and not intended for the market of an European Union Member State or of other states - parties to the European Economic Area Agreement.

(4) Any other advertising of tobacco and tobacco products in the press and in other printed materials, as well as via information society services, shall be prohibited.

(5) Sponsorship by persons, whose primary business activity is manufacture or trade in tobacco and tobacco products, shall be prohibited for:

1. radio- and television broadcasts;
2. events or activities, which are taking place in several European Union Member States or other states - parties to the European Economic Area Agreement, or which may have a trans-boundary implication of a different nature.

(6) Any form of distribution of tobacco products in the cases under paragraph 5, point 2 with the objective of direct or indirect publicity of tobacco products, shall be prohibited.

Chapter Ten A

(New, SG No. 57/2004)

HARMFUL INGREDIENTS

Article 35a

(1) The maximum allowable content of harmful ingredients in cigarettes shall be as follows:

1. for tar contents per cigarette:

- a) Until 31 December 2004, 15 mg;
- b) From 1 January 2005 till 31 December 2005, 14 mg;
- c) From 1 January 2006 till 31 December 2006, 13 mg;
- d) From 1 January 2007 till 31 December 2007, 12 mg;
- e) From 1 January 2008 till 31 December 2009, 11 mg;
- f) From 1 January 2010 till 31 December 2010, 10 mg;

2. For nicotine contents per cigarette, 1 mg per piece;

3. For carbon oxide contents per cigarette: from 31 December 2006, 10 mg per piece.

(2) The Council of Ministers shall establish a regulation as to the requirements for labelling, marking and exterior design of tobacco products.

Article 35b

(1) Evaluation for compliance of the contents of tar, nicotine and carbon oxide shall be done on the basis of standards established in an act of the Council of Ministers.

(2) Measurement and control shall be done by accredited laboratories.

Article 35c

(1) Scientific research and analysis of tobacco products to establish the contents of harmful substances, including tar, nicotine and carbon oxide, shall be done by the Institute for Tobacco and Tobacco Products in accordance with the relevant ISO standard.

(2) On an annual basis before the end of December, manufacturers and importers of tobacco products shall submit the following to the Institute for Tobacco and Tobacco Products:

1. A list of all ingredients used in the manufacture of tobacco products, their quantity by brand and type of tobacco products;

2. A list of all toxicology data accessible to manufacturers and importers of tobacco products relating to the ingredients referred to in subpara 1 in a burnt and a non-burnt form, especially those related to the unfavourable effect of human health, taking into consideration any properties leading to addiction as well;

3. An opinion on the requirements for inclusion of each of the ingredients referred to in paragraph (1) in the composition of tobacco products, and the function and category of such ingredient.

(3) The ingredients from the lists referred to in paragraph (2), subparagraphs (1) and (2), shall be listed in a decreasing order in accordance with the weight of each ingredient present in the product.

(4) The Institute for Tobacco and Tobacco Products may disseminate information referred to in paragraph (2) with the exception of information about the formulation of the individual product, which shall be commercial secret.

(5) The Institute for Tobacco and Tobacco Products shall publish in a printed publication of its own a list of the ingredients in each product in alphabetical order, specifying the contents of tar, nicotine and carbon oxide for each product.

Chapter Eleven

(New, SG No. 33/2000)

PERMITS FOR INDUSTRIAL PROCESSING OF TOBACCO AND MANUFACTURE OF TOBACCO PRODUCTS

Article 36

(1) (Amended, SG No. 57/2004, effective 1.09.2004) The persons described in Article 21, paragraph (1) and Article 24, paragraph (1) may engage in the industrial processing of tobacco and may produce tobacco products only if they are in possession of a permit issued by the Council of Ministers.

(2) (Amended, SG No. 57/2004, effective 1.09.2004) Permits shall be issued separately for each of the two activities under paragraph (1) and shall be valid for an indefinite time.

(3) The Council of Ministers shall adopt a tariff at the proposal of the Minister of Finance of the fees for issuing permits under paragraph (1).

Article 37

(1) (Amended, SG No. 57/2004, effective 1.09.2004) Applications in writing shall be submitted to the Council of Ministers for the issuing of permits under Article 21, paragraph (1) and Article 24, paragraph (1) that shall be accompanied by:

1. (amended, SG No. 34/2006) certificate reflecting current status of commercial registration;
2. (repealed, SG No. 105/2005);
3. (repealed, SG No. 57/2004);
4. (amended, SG No. 105/2005) a certificate from territorial directorate of the National Revenue Agency of taxes and mandatory social insurance contributions due;
5. the applicant's certificate of tax registration under the VAT Act;
6. (repealed, SG No. 70/2006);
7. the criminal record of convictions of the sole trader applicant or if the applicant is a company or cooperative of the members of the managing board of that company or cooperative;
8. the production plan for industrial processing of tobacco by type and origin for the respective crop;
9. production plan for production of tobacco products;
10. report on the implementation of the production plans under items 8 and 9 during the preceding year.
11. report on the fulfilment of the main indices for purchased and actually paid for tobacco by type and by origin from the persons under Article 11: crop/year;
12. a document evidencing rights over trade marks for the production of tobacco products;
13. information on the production facilities and premises and the legal grounds of their use;
14. affidavit on the amount, origin and grounds of possession of the funds available for engaging in the activity for which the permit is required: Annex 3;

15. accounting balance, report of revenues and costs and cash flow report for the preceding three years;

16. where the permit concerns industrial processing of tobacco: a document evidencing monetary deposit or bank guarantee deposited in the Tobacco Fund in the amount of three per cent of the value of the tobacco which shall be purchased under the production program submitted under item 8 to serve as performance bond; the monetary deposit shall be refunded upon proof that at least 80 per cent of the production program has been fulfilled; failure to do so shall result in the performance bond being retained by the Tobacco Fund.

17. a document evidencing payment of state fees.

(2) (Amended, SG No. 57/2004) Where the submitted documents are found to be incomplete or incorrect, a deadline for the removal of any such discrepancies shall be set.

(3) (Repealed, SG No. 57/2004).

(4) (Amended, SG No. 57/2004) The Council of Ministers shall issue the permits under Article 21, paragraph (1) and Article 24, paragraph (1) within 3 months of receipt of the applications.

(5) Permits shall not be issued if:

1. the discrepancies have not been removed within the deadlines established under paragraph (2);

2. (amended, SG No. 57/2004, repealed, No. 105/2005);

3. (amended, SG No. 57/2004) the applicant does not meet the requirements set under Article 24 paragraph (2).

(6) (Amended, SG No. 57/2004) The permits issued under Article 21, paragraph (1) and Article 24, paragraph (1) shall be recorded in a special register under separate chapters and by year in a manner established by the regulation referred to in Article 39.

Article 38

(Amended, SG No. 57/2004)

A permit issued under Article 21, paragraph (1) and Article 24, paragraph (1) can be revoked if:

1. (amended, SG No. 57/2004, repealed, No. 105/2005);

2. (supplemented, SG No. 57/2004) violations are found of the applicable standards, the quality of the industrially processed tobacco and tobacco products or their authenticity; differences are found between the recorded and actually available stocks of tobacco, tobacco products and excise bands, as established by statements of findings issued by competent bodies on the basis of which penal orders have been issued and taken force;

3. the persons described in Article 11 have failed to fulfil the contracts for purchasing tobacco within the contracted deadlines;

4. the persons described in Article 11 have failed to pay for the purchased quantities of tobacco within the deadlines established under Article 12, paragraph (3);

5. the persons described in Article 11, paragraph (1), who have filed an application under Article 5, paragraph (5), have failed to conclude contracts for the purchase of the requested quantities, unless such failure is due to force majeure or is the fault of the producer;
6. the affidavit of the origin and grounds of possession of the funds is found to be false;
7. violations are established of the provisions of this Act or of the Regulation on its implementation;
8. (new, SG No. 57/2004) there has been a refusal by the permit holder.

Article 39

(Amended, SG No. 110/1996, repealed, new, No. 33/2000,
amended, No. 57/2004, effective 1.09.2004)

The issuance and revocation of permits for industrial processing of tobacco and for the manufacture of tobacco products shall be carried out on terms and in a manner established by a regulation issued by the Council of Ministers.

Article 40

(Amended, SG No. 110/1996, repealed, new, No. 33/2000, amended,
No. 57/2004, effective 1.09.2004, No. 30/2006)

Proceedings for issuing and revoking permits under Article 21, paragraph (1) and Article 24, paragraph (1) shall be carried out following the procedure set out in the Administrative Procedure Code . The act under which permits are revoked or the issuance of permits is refused may be appealed against following the procedure described in the Administrative Procedure Code.

Article 41

(1) (Amended and supplemented, SG No. 105/2005) The affidavit under Article 37, paragraph (1), item 14 shall be completed and executed in duplicate and shall be submitted to the respective administration of the National Revenue Agency for certification.

(2) (Amended, SG No. 105/2005) The territorial directorate of the National Revenue Agency shall verify, sign and stamp the data and shall return one copy thereof to the person, the other one staying with the territorial directorate and being stored in the tax and social insurance dossier until deletion of the person from the register of the National Revenue Agency.

Article 42

(1) The data completed in the affidavit shall indicate the amount, origin and grounds of possession of the funds from all sources, the amounts of taxes paid on such funds, all profits and properties of the applicant for the past five full calendar years and for the period from the beginning of the current calendar year to the time of execution of the affidavit.

(2) (Amended and supplemented, SG No. 105/2005, amended, SG No. 67/2008) When submitting affidavits to the territorial administration of the National Revenue Agency, the legal persons shall enclose with the affidavit as an inseparable part thereof one certified copy each of the accounting

balance sheets and of the revenues and costs statements for the past five years certified by a registered auditor where the latter is required by the Accountancy Act.

Article 43

(Amended, SG No. 57/2004, effective 1.09.2004)

The employees who process applications for permits for engaging in an activity shall not disclose any information and facts that have become known to them in the discharge of their duties except in the cases provided for by law or where requested in writing by a state authority. Persons employed by tobacco or cigarette companies may not participate in the activity of processing and consideration of received applications to perform the respective activity.

ADMINISTRATIVE AND PENAL PROVISIONS

Article 44

(Amended, SG No. 110/1996, previous Article 36, amended, No. 33/2000)

(1) Natural or legal persons found to have purchased tobacco in violation of the provisions of Article 11, Article 12, paragraphs (1) and (2) , and Articles 14 and 15, shall be subject to fine in the amount of 10,000 to 15,000 levs or property sanction in the amount of 50,000 to 100,000 levs, which shall in any case be no less than 30 per cent of the value of the purchased tobacco, and the tobacco shall be confiscated for the state.

(2) Natural or legal persons who have entered into a contract but have failed to purchase the quantities of tobacco under that contract shall be subject to fine in the amount of 5000 to 50,000 levs, or to a property sanction in the amount of 25,000 to 125,000 levs.

(3) A natural or legal person found to have violated the deadlines established under Article 12, paragraph (3) shall be subject to fine in the amount of 1000 to 20,000 levs or to a property sanction in the amount of 10,000 to 50,000 levs.

Article 45

(New, SG No. 110/1996, amended, No. 153/1998, previous Article 36a, amended, No. 33/2000)

(1) (Repealed, SG No. 102/2000).

(2) (Repealed, SG No. 102/2000).

(3) (Repealed, SG No. 102/2000).

(4) Anyone found to have printed or distributed excise bands for which no model approved by the Minister of Finance exists shall be subject to fine in the amount of 10,000 to 15,000 levs for first-time violators, or 50,000 to 100,000 levs for second-time violators, or shall be subject to a property sanction amounting to double the amount of the excise tax due but no less than 15,000 levs for first-time violators; second-time violators shall be subject to a property sanction in the amount of 50,000 to 100,000 levs.

(5) (Amended, SG No. 102/2000) Any equipment and materials under paragraph (4) above shall be confiscated for the state.

Article 46

(Amended, SG No. 110/1996, previous Article 37, amended, No. 33/2000)

(1) (Amended, SG No. 57/2004, No. 70/2006) Anyone who stores, offers for sale or sells in commercial warehouses or retail stores tobacco products in violation of Article 29 and Article 30, and Article 35a shall be subject to fine in the amount of 15,000 to 50,000 levs or to a property sanction in the amount of 50,000 to 100,000 levs and the permit of such a person shall be revoked for one year, and furthermore the tobacco products shall be confiscated for the state.

(2) For second-time violations under paragraph (1) the fines shall be in the amount of 50,000 to 100,000 levs and the property sanctions shall be in the amount of 100,000 to 150,000 levs, permits shall be revoked for three years and the tobacco products shall be confiscated for the state.

Article 47

(Amended, SG No. 110/1996, previous Article 38, No. 33/2000)

(1) (Repealed, SG No. 33/2000).

(2) (Amended, SG No. 33/2000) Anyone found in violation of Article 28 or anyone who transports, transfers, stores, offers for sale or sells in retail or wholesale establishments and warehouses tobacco products carrying false or forged excise bands shall be subject to fine in the amount of 15,000 to 50,000 levs or to a property sanction in the amount of 50,000 to 100,000 levs and the tobacco products as well as any vehicles used for their transportation or transfer shall be confiscated for the State.

(3) Having established a violation under paragraphs (1) and (2), the monitoring authority shall recommend to the mayor of the respective municipality where the permitted establishment of the trader is located to withdraw the permit to trade with tobacco products for a period of three years and the mayor shall so order.

Article 48

(New, SG No. 33/2000)

Anyone who files affidavit under Article 37, paragraph (1), item 14 containing false information shall be subject to fine in the amount of 10,000 to 15,000 levs unless they are subject to a more severe punishment, i. e. property sanction in the amount of 50,000 to 100,000 levs.

Article 49

(New, SG No. 110/1996, previous Article 40a, amended, No. 33/2000,

No. 70/2006)

Anyone who violates the provisions contained in Article 32 shall be subject to fine in the amount of 15,000 to 50,000 levs or to a property sanction in the amount of 50,000 to 100,000 levs and to confiscation for the state of the tobacco products and the vehicles used for their transportation.

Article 50

(Previous Article 41, amended, SG, No. 33/2000)

Anyone found in violation of the provisions contained in Article 35 shall be subject to fine in the amount of 15,000 to 50,000 levs or to a property sanction in the amount of 50,000 to 100,000 levs

Article 51

(Amended, SG No. 110/1996, previous Article 42, amended, No. 33/2000)

A sanction in the amount of 100,000 to 150,000 levs shall be imposed on legal persons who have benefited from the violations under the previous paragraph.

Article 52

(1) (Amended, SG No. 110/1996, previous text of Article 43, amended, No. 33/2000) The violations under this Act shall be established with statements of findings to be drawn up by the authorities of:

1. (amended, SG No. 70/2006) the Ministry of Finance in the cases under Articles 29 and 32;
2. the Ministry of Agriculture and Food Supply in the cases under Articles 4, 5, 11, 18, and 32;
3. (amended and supplemented, SG No. 70/2006) the Ministry of the Economy and Energy - in the cases under Articles 11, 18, 29, 30, 32 and 35;
4. (repealed, SG No. 70/2006);
5. the district governor in the cases under Articles 6 and 13.
6. (new, SG No. 57/2004, amended, No. 99/2005, supplemented, No. 70/2006) the Commission for Consumer Protection under the Ministry of Economy and Energy, in the cases under Article 35a.

(2) (New, SG No. 33/2000) Penal orders shall be issued by the respective minister or district governor or by any official appointed by them.

Article 52a

(New, SG No. 57/2004)

(1) (Amended, SG No. 99/2005) Control for compliance with the requirements of Article 35a shall be carried out by the Commission for Consumer Protection.

(2) In cases where tobacco products have been placed on the market which do not meet the requirements of Article 35a and the time limits specified under § 11 of the Transitional and Concluding Provisions, control bodies shall issue an order containing obligatory prescriptions for the manufacturers, importers and traders to withdraw tobacco products from the market.

(3) In cases where manufacturers, importers and traders fail to comply with such order, the control body shall seize and destroy such products.

(4) In case of imports of tobacco products that do not meet the requirements of Article 35a and the time limits specified under § 11 of the Transitional and Concluding Provisions, the customs authorities shall stay the import of such products and immediately inform the control bodies referred to in paragraph (1).

Article 53

(Previous Article 44, SG No. 33/2000)

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 Violations and Sanctions Act.

SUPPLEMENTARY PROVISION

(New, SG No. 33/2000)

§ 1. Within the meaning of this Act:

1. "Tobacco" shall be an agricultural crop grown from tobacco seed. "Tobacco" shall also include tobacco leaf picked at the time of technical maturity and dried, as well as undried large-leaf tobacco.

2. "Raw Tobacco" shall be tobacco leaf picked at the time of its technical maturity, dried in the sun, in the shade, or by means of warm air, sorted at picking by quality and normal moisture content and placed in producer packaging.

3. "Processed Tobacco" shall be the stored and cured purchased raw tobacco which has already been sorted, freed of fibres, stabilized in terms of moisture content, packaged, stored and kept for use in the production of tobacco products.

4. (Supplemented, SG No. 57/2004) "Tobacco Products" shall be all products for smoking, chewing, snuffing and oral use to the extent that they are even partially made from tobacco:

a) cigarette: a cylindrical body consisting of a sheet of special paper with two opposite edges glued together and filled uniformly with cut tobacco;

b) filter cigarette: a cigarette consisting of a tobacco portion and a filter;

c) cigar: a cylindrical body formed by two layers of spirally wound and glued tobacco leaf filled uniformly with tobacco bits;

d) cigarillo: a cylindrical body formed by one layer of spirally wound and glued tobacco leaf filled uniformly with tobacco bits;

e) pipe tobacco: cut tobacco consisting of a blend of various tobaccos in terms of type, origin and class and designed for use in pipes;

f) chewing tobacco: tobacco in the shape of reels, bands, cubes or blocks sold retail and especially made for chewing rather than smoking;

g) snuff tobacco: powdered or granulated tobacco especially made for snuffing rather than smoking.

h) (new, SG No. 57/2004) tobacco products for oral use: all products designed for oral use except for those for smoking or chewing, made in full or in part of tobacco dust or tobacco particles or any combination of these two formulations, particularly those marketed in small portions, in permeable porous bags or in a formulation similar to foodstuff.

5. (New, SG No. 57/2004) "Ingredient" shall refer to any substance or component other than tobacco leaves or other natural or unprocessed parts of the tobacco plant which are used in the manufacturing or preparation of tobacco products and is contained in the finished product even in a modified form, including paper, filters, inks and glues.

6. (New, SG No. 57/2004) "Tar" shall refer to the raw water-free nicotine-free condensate of tobacco smoke.

7. (New, SG No. 57/2004) "Nicotine" shall refer to nicotine alkaloids.

8. (New, SG No. 57/2004) "Consumer packaging" shall refer to the smallest individual packaging of a tobacco product which is marketed to consumers.

8a. (New, SG No. 109/2007) "Consumer packaging for manually rolled cigars", shall refer to the smallest individual packaging, supplied by importers or wholesalers to licensed retailers.

9. (Previous Item 5, SG No. 57/2004) A "Second-time violation" shall be a violation committed within one year of the entry into force of a penal order issued against the violator for the same kind of violation.

10. (New, SG No. 57/2004) "Advertising" shall refer to any form of announcement which has the purpose to promote a tobacco product.

11. (New, SG No. 57/2004) "Sponsorship" shall refer to any form of public or private contribution to the carrying out of an event, activity or targeted at a person that has the objective or the direct or indirect result the promotion of a tobacco product.

12. (New, SG No. 70/2006, effective as from the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union) "Information society service" shall refer to any service, against charge or for free, provided remotely via electronic means and based on express statement of the service recipient, where:

a) "remotely" shall indicate that the service was rendered without both of the parties being in the same location simultaneously;

b) "via electronic means" shall indicate that the service was sent and received as intended using devices for electronic processing (including digital compressing) and storage of information, the service being entirely performed by usage of conductors, radio waves, optical or other electromagnetic means;

c) "based on express statement of the service recipient" shall denote that the service would be provided upon express statement of willingness to use it by recipient.

13. (New, SG No. 70/2006, effective as from the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union) "Third state" shall refer to a state, which is not a European Union Member State, nor party to the European Economic Area Agreement.

TRANSITIONAL AND CONCLUDING PROVISIONS

(Title amended, SG No. 33/2000)

§ 2. (Amended, SG No. 110/1996, repealed, previous § 1, No. 33/2000) Disposal of the confiscated tobacco and tobacco products, machinery and equipment, and vehicles shall be comply with the procedure and terms established the Minister of Finance, and the moneys so obtained shall be deposited in the Tobacco Fund.

§ 3. (Amended, SG No. 110/1996) The bonuses for the 1996 tobacco harvest shall be paid in accordance with the provisions of Article 18a, paragraphs (1), (2), (4) and (5).

§ 3a. (New, SG No. 91/2005, effective 15.11.2005) By 1 January 2006 the Council of Ministers shall adopt the necessary amendments and supplements to the implementing regulations to this Act.

§ 4. This Act shall repeal the State Monopoly on Tobacco Act, (promulgated, SG No. 96/1947, amended, SG No. 93 and 234/1948, Izvestiya No. 41/1951 and 39/1952).

§ 5. The Council of Ministers shall issue a regulation on the implementation this Act within one month of its entry into force.

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

Amendment Act to the Tobacco and Tobacco Products Act

(SG, No. 110/1996)

CONCLUDING PROVISION

§ 39. The Council of Ministers shall adopt a Regulation for the terms and procedure of setting and applying prices of tobacco products in the domestic market, within one month as of the date of entry into force of this Act.

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Lev Re-denomination Act

(SG, No. 20/1999, supplemented, No. 65/1999, effective 5.07.1999)

TRANSITIONAL AND FINAL PROVISIONS

.....

§ 4. (1) (Supplemented, SG No. 65/1999) Upon the entry of this Act into force, all figures expressed in old lev terms as indicated in the laws which will have entered into force prior to the 5th day of July 1999 shall be replaced by figures expressed in new lev terms, reduced by a factor of 1,000. The replacement of all figures expressed in old lev terms, reduced by a factor of 1,000, shall furthermore apply to all laws passed prior to the 5th day of July 1999 which have entered or will enter into force after the 5th day of July 1999.

(2) The authorities, which have adopted or issued any acts of subordinate legislation which will have entered into force prior to the 5th day of July 1999 and which contain figures expressed in lev terms, shall amend the said acts to bring them in conformity with this Act so that the amendments apply as from the date of entry of this Act into force.

.....

§ 7. This Act shall enter into force on the 5th day of July 1999.

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Amendment Act to the Tobacco and Tobacco Products Act

(SG, No. 33/2000)

TRANSITIONAL AND CONCLUDING PROVISIONS

§ 42. The contributions under Article 19a, paragraph 1, item 6 shall be included in the taxable value when calculating VAT.

§ 43. The provisions contained in Article 19a, paragraph (1), item 3 and Article 30, paragraph (1), items 1 and 2 shall enter into force on January 1, 2001.

§ 44. The permits for industrial processing of tobacco and for the production of tobacco products issued prior to the entry into force of this Act shall remain valid until the expiration of the periods of time for which they had been issued.

§ 45. The words "Ministry of Agriculture", "Minister of Agriculture", "Ministry of Trade and Foreign Economic Cooperation" and "Minister of Trade and Foreign Economic Cooperation" shall be replaced with "Ministry of Agriculture and Forests", "Minister of Agriculture and Forests", "Ministry of the Economy" and "Minister of the Economy", respectively.

§ 46. The words "Tobacco fund" shall be replaced with the words "Tobacco Fund".

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Amendment Act to the Tobacco and Tobacco Products Act

(SG, No. 57/2004)

TRANSITIONAL AND CONCLUDING PROVISIONS

§ 19. The Regulation on Requirements for the Contents of Labels and Labelling of Consumer Packaging of Tobacco Products (SG No. 90 from 2000) shall apply until the adoption of the regulation referred to under Article 35a, paragraph (2) to the extent that it does not contradict this Act.

§ 20. (1) In relation to the manufacturing of cigarettes for export, the requirements of Article 35a, paragraph (1), shall take force as of 1 January 2007.

(2) Manufacturing of and trade in tobacco products that do not meet the requirements of Article 35a, paragraph (1), may continue for a period of one year following the entry into force of this Act.

(3) Upon the entry into force of the requirements of Article 35a, paragraph (1), subparagraph (1), tobacco products may be marketed until the depletion of available stocks but not later than 30 June of the following year.

§ 21. The Council of Ministers shall adopt the regulation referred to in Article 35a, paragraph (2) within three months following the entry into force of this Act.

§ 22. (1) Within 6 months following the entry into force of the regulation referred to in Article 39, holders of one-year permits for industrial processing of tobacco and the manufacturing of tobacco products issued and not expired as of the date on which this Act takes force shall be issued permits for industrial processing of tobacco and the manufacturing of tobacco products of unlimited duration under the terms and following the procedure specified in the regulation referred to in Article 39. The regulation shall also establish the time limits within which holders shall be obliged to file applications as referred to in Article 37 for issuance of permits of unlimited duration. Holders of one year permits that have applied may continue their operations until the completion of proceedings under the regulation referred to in Article 39 regardless of the expiry of the validity term of their permits.

(2) Permitting proceedings for industrial processing of tobacco and for the manufacturing of tobacco products that have not concluded by 1 September 2004 shall be brought to completion under the procedure specified in this Act.

§ 23. Paragraph 1, § 2, subparagraph (1), § 3, § 9, § 10, subparagraph (1), letter "a", § 12, § 13 and § 14 shall take force as of 1 September 2004, and § 4 shall take force as of 1 January 2005.

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Act to Amend and Supplement the Tobacco and Tobacco Products Act

TRANSITIONAL AND FINAL PROVISIONS

(SG, No. 70/2006)

§ 15. Paragraphs 2, 3, 4, 8 and 13 shall enter into force as of the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union.

§ 16. (1) Within one month of entry of this Act into force, the Council of Ministers shall adopt the Regulation referred to in Article 29, Paragraph 1, as well as any required amendments in the regulatory acts on its implementation.

	name, personal ID, address, company name, based, standard identification code				decares	kg		
1	2	3	4	5	6	7	8	9
Expected average yield kg	Expected quantity kg	Contracted			Purchased tobacco			
		quantity kg	buyer, company name, license №	contracted quantity kg	not contracted kg	buyer, company name, license №		
10	11	12	13	14	15	16		
not purchased tobacco								
contracted					not contracted		total quantity	
quantity kg		buyer, company name, license №			kg		kg	
17		18			19		20	

Annex 2
To Article 9, paragraph (2)
(New, SG No. 33/2000)

The Tobacco and Tobacco Products Act

AFFIDAVIT

under Article 37, paragraph (1) of the Tobacco and Tobacco Products Act

I, the undersigned

(given name, middle name, surname)

holder of passport/Personal ID Card Series, No.

issued on by the District Administration of the Ministry of the Interior in the city/town of.....

Personal ID No., with mailing address:, ZIP
....., company name:

(to be completed by sole traders)

territorial directorate of the National
Revenue Agency.....

Tax No.

BULSTAT

phone, fax, in my capacity of

A. Natural person - sole trader (ET)

B. Representative of a legal person

with registered address in

(name of the legal person)

....., mailing address:

....., ZIP....., fl....., apt.

territorial directorate of the
National Revenue Agency

Tax No.

BULSTAT,

phone, fax,

pursuant to, hereby

(court ruling)

DECLARE

I. I own:

1. Cash:

1.1. In BGN bank account number

1.2. In foreign currency bank account number

2. Bonds

2.1. Under the Settlement of Unserviced Credits Contracted before 31.12. 1999:

a) in BGN

b) in foreign currency

2.2. Other bonds:

II. The funds described in item 1 have been earned from:

1. Profits earned from to: levs

2. Income earned from..... to: levs

3. Sale of property : levs

4. Inherited and/or gifts:

a) in BGN

b) in foreign currency (.....).....

5. Gambling winnings:.....

6. Credits (loans).....

a) in BGN.....

b) in foreign currency (.....).....

7. Supplementary contributions by shareholders.....

III. Income/winnings

Year	Type of tax return/audit statement	Taxable income/taxable profit (BGN)	Taxes paid (BGN)	Income (profit) (BGN)	Notes
Total:					

Section III certified by:

Head of territorial directorate of the
National Revenue Agency

(signature, stamp)

Date:.....

IV. Cash from the sale of property (to be completed by sole traders only)

Type of property	Date and grounds of acquisition (inherited, gift or purchase), No., date and kind of payment document	Acquisition taxes and fees paid (inheritance, gift or purchase), No., date and kind of payment document	Date of sale	Revenue from the sale (in BGN)	Information about the buyer (name, address, tax registration, PID, BULSTAT)	Notes

A. Real Property

- 1.
- 2.
- 3.

B. Personal property

Total

A+B

Section IV certified by:

Head of territorial directorate of
the
National Revenue
Agency:

(signature and stamp).....

Date:.....

V. Cash from other sources

A. Cash (in BGN or foreign currency) received as inheritance and/or gift

(indicate the total share of the estate or gift including cash; annex document used to determine the fees and taxes and evidence of payment)

B. Lottery and gambling winnings

(indicate amount of winnings, name and address of establishment which paid out the prize, type of payment document used)

C. Income from employment

(declare amount of income and its origin in the previous five years; annex certificate of remuneration)

D Other sources

(indicate sources not mentioned in the items above)

VI. Outside financing

Creditor	Type of credit	Amount of credit	Terms of use	Deadline for repayment	Collateral: type	Notes
1.						
2.						
3.						
4.						
5.						
Total:						

Enclose a copy of the credit contract or original bank guarantee

Notes:

1. All items used as collateral shall be declared as sources of funds under the preceding sections and it shall be stated under the Notes heading that these are used as collateral.
2. Where the creditor is not a banking institution , annex the information required under Article 7, paragraph (2) of the Regulation on the Information Contained in the Affidavit under § 9 of the Transitional and Concluding Provisions of the Transformation and Privatisation of State-Owned and Municipal Enterprises Act

VII Obligations:

1. To the state (and equivalent):

1.1. To the budget (taxes, fees, fines, interest and other state receivables):

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.

1.2. To the Social Security, to the Professional Training of the Unemployed Fund and to other state funds:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

2. Other obligations (including interest):

2.1. To banks:

2.2. To suppliers:

2.3. To other creditors:

VIII

1. The moneys in my possession are from

(describe
the
sources)

2. For the period during which I have acquired the moneys under item 1, I have paid income tax in the amount of levs

(receipt number or bank transfer statement.....)

3. The legal person I represent has earned a profit during the previous year in the amount of levs and has paid profit tax in the amount of levs.

(receipt number or bank transfer statement.....)

4. The legal person I represent is in possession of property and financial assets in the amount of levs.

5. I (the legal person I represent) do not /have obligations to the state.

IX

I hereby agree to provide information to the authority under Article of the Tobacco and Tobacco Products Act regarding the data contained herein and the funds I intend to use to repay loans.

I am aware of the penalties under Article 313 of the Penal Code and Article 37 of the Tobacco and Tobacco Products Act.

Enclosures:

- 1.
- 2.
- 3.
- 4.
- 5.

Date:

Signature:.....

Annex 3
To Article 37, paragraph (1)
(New, SG No. 33/2000,
amended, No. 105/2005,
effective 1.01.2006,
SG No. 34/2006,
effective 1.10.2006)

The Tobacco and Tobacco Products Act

AFFIDAVIT

under Article 37, paragraph (1) of the Tobacco and Tobacco Products Act

I, the undersigned

(given name, middle name, surname)

holder of passport/Personal ID Card Series, No.

issued on by the District Administration of the Ministry of the Interior in the city/town of.....

Personal ID No., with mailing address:, ZIP, company name:

(to be completed by sole traders)

territorial directorate of the National Revenue Agency.....

Tax No.

Standard identification code

phone, fax, in my capacity of

A. Natural person - sole trader (ET)

B. Representative of a legal person

with registered address in

(name of the legal person)

....., mailing address:

....., ZIP....., fl....., apt.

territorial directorate of the National Revenue Agency

Tax No.

Standard identification code,

phone, fax

pursuant to , hereby

(court ruling)

DECLARE

I. I own:

1. Cash:

1.1. In BGN bank account number

1.2. In foreign currency bank account number

2. Bonds

2.1. Under the Settlement of Unserviced Credits Contracted before 31.12. 1999:

a) in BGN

b) in foreign currency

2.2. Other bonds:

II. The funds described in item 1 have been earned from:

1. Profits earned from to: levs

2. Income earned from..... to: levs

3. Sale of property : levs

4. Inherited and/or gifts:

a) in BGN

b) in foreign currency (.....).....

5. Gambling winnings:.....

6. Credits (loans).....

a) in BGN.....

b) in foreign currency (.....).....

7. Supplementary contributions by shareholders.....

III. Income/winnings

Year	Type of tax return/audit statement	Taxable income/taxable profit (BGN)	Taxes paid (BGN)	Income (profit) (BGN)	Notes

Total:					
--------	--	--	--	--	--

Section III certified by:

Head of territorial directorate of the
National Revenue Agency

(signature, stamp)

Date:.....

IV. Cash from the sale of property (to be completed by sole traders only)

Type of property	Date and grounds of acquisition (inherited, gift or purchase), No., date and kind of payment document	Acquisition taxes and fees paid (inheritance, gift or purchase), No., date and kind of payment document	Date of sale	Revenue from the sale (in BGN)	Information about the buyer (name, address, tax registration, PID, Standard identification code)	Notes

A. Real Property

- 1.
- 2.
- 3.

B. Personal property

Total

A+B

Section IV certified by:

Head of territorial directorate of
the
National Revenue
Agency:

(signature and stamp).....

Date:.....

V. Cash from other sources

A. Cash (in BGN or foreign currency) received as inheritance and/or gift

(indicate the total share of the estate or gift including cash; annex document used to determine the fees and taxes and evidence of payment)

B. Lottery and gambling winnings

(indicate amount of winnings, name and address of establishment which paid out the prize, type of payment document used)

C. Income from employment

(declare amount of income and its origin in the previous five years; annex certificate of remuneration)

D Other sources

(indicate sources not mentioned in the items above)

VI. Outside financing

Creditor	Type of credit	Amount of credit	Terms of use	Deadline for repayment	Collateral: type	Notes
1.						
2.						
3.						
4.						
5.						

Total:						
--------	--	--	--	--	--	--

Enclose a copy of the credit contract or original bank guarantee

Notes:

1. All items used as collateral shall be declared as sources of funds under the preceding sections and it shall be stated under the Notes heading that these are used as collateral.

2. Where the creditor is not a banking institution , annex the information required under Article 7, paragraph (2) of the Regulation on the Information Contained in the Affidavit under § 9 of the Transitional and Concluding Provisions of the Transformation and Privatisation of State-Owned and Municipal Enterprises Act

VII Obligations:

1. To the state (and equivalent):

1.1. To the budget (taxes, fees, fines, interest and other state receivables):

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.

1.2. To the Social Security, to the Professional Training of the Unemployed Fund and to other state funds:

- 1.
- 2.
- 3.
- 4.
- 5.

6.

2. Other obligations (including interest):

2.1. To banks:

2.2. To suppliers:

2.3. To other creditors:

VIII

1. The moneys in my possession are from

(describe the sources)

2. For the period during which I have acquired the moneys under item 1, I have paid income tax in the amount of levs

(receipt number or bank transfer statement.....)

3. The legal person I represent has earned a profit during the previous year in the amount of levs and has paid profit tax in the amount of levs.

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I am aware of the penalties under Article 313 of the Penal Code and Article 37 of the Tobacco and Tobacco Products Act.

Enclosures:

1.

2.

3.

4.

5.

Date:

Signature:.....