

D. Direct. 25/07/2005

Provisions for fixing the minimum price of retail cigarette. Published in the Official Gazette 1 August, 2005, No 177. Issued by the Ministry of Economy and Finance.

D. Direct. 25 July, 2005 ⁽¹⁾.

Provisions for fixing the minimum price of retail cigarette ⁽²⁾.

THE DIRECTOR GENERAL

of the Autonomous Administration of Monopolies
of State

Given the state *Law of 22 December, 1957, n. 1293* on the organization of distribution facilities and sale of monopoly goods;

Given the *Decree of the President 14 October, 1958, n. 1074*, regulation implementing the *law n. 1293/1957*;

Given the *Act 13 July, 1965, n. 825*, system of taxes on the subject of State monopoly

Given the *Act 7 March, 1985, n. 76*, system of taxation on tobacco products;

Having regard to Decreed-Law 30 August, 1993, n. 331, converted the *Act 29 October, 1993, n. 427* concerning, inter alia, the harmonization of provisions on taxation of tobacco;

Given article 9 of the Directive 95/59/EC of 27 November, 1995 on taxes other than taxes which affect the consumption of tobacco;

Having regard to Directive 2002/10/EC of 12 February, 2002 amending Directive 92/79/EEC, Directive 92/80/EEC and Directive 95/59/EC on the structure and rates of excise duty applied on tobacco;

Given the recommendation of the Council of 2 December, 2002 on the prevention of smoking and on initiatives to improve tobacco control under which it, inter alia, recommended Member States to adopt and implement appropriate measures price of tobacco products to discourage consumption;

Having regard to paragraphs 6 and 7 of the art. 2 of *12 July, 2004 Decree-Law n. 168*, converted *Act 30 July, 2004, n. 191* with which changes were made to *Law n. 76/1985* above mentioned;

Given article 1, paragraph 486 of *Act 30 December, 2004, n. 311* (Finance Act 2005), which was attributed to the Ministry of Economy and Finance-Administration of State Monopolies Autonomous delegation to identify criteria and procedures for setting a minimum selling price of cigarettes;

Given article 1, paragraph 487 of *Law 311/2004*, with which it has been only limited marketing of cigarettes in packs of ten twenty pieces;

Given note n. DCOM/999TP of 9 June 2005 by which the Ministry of Health - Department of Prevention and Communication, has expressed its opinion in favour of introducing a minimum price of cigarettes, under the provisions given by *Law 311/2004*. As a measure to prevent further damage to health resulting from active and passive exposure to tobacco smoke, the primary objective of health policy in Italy and the European Union;

Given the *D. Direct. 30 June, 2005* [n. 2005/33976] with which the table A has restated the breakdown of the retail price of cigarettes;

Given the pattern of consumption recorded in the Italian market that show a strong clustering of consumer choices on products in certain price ranges;

Given the weighted average price of cigarettes inscribed in the sale price to the public, actually marketed in the first half of January to 30 June 2005 amounted to 162.84 euro per kg, equivalent to 3.26 euro per pack of 20 cigarettes;

Considering that, for reasons of protection and defence of public health aimed at reducing consumption of cigarettes - especially among young people, more easily induced to use tobacco worked by retail prices too low, it is appropriate to introduce measures on the prices, with respect to the directives and guidelines expressed by the European Community, favours the containment of the use of these products;

Given also the opportunity to balance the need to introduce mechanisms to deter the use of tobacco products, particularly by young people, however with the need to ensure the expected level of tax revenues;

Given that the system of taxation of cigarettes provides for the application of basic rate of taxation on the price category of cigarettes sold more freely determined by market and determined based on the quantities measured every six months on 1 January and 1 July each year, so it seems appropriate to the value of the minimum price the same price level of the best-selling cigarette;

Considered the opportunity, as above, to introduce in the Italian market a minimum selling price of cigarettes, below which prohibit the marketing of products, and proceed under the said Article. 1, paragraph 486, the *Act 30 December 2004, n. 311*, The identification of criteria and procedures for the establishment of this minimum price, on which we will consider its periodic reassessment in relation to changing situations that register each time on the market;

Decreases:

1. Introduction of minimum price.

From the date of entry into force of this decree is introduced the minimum price of cigarettes to retail below which prohibited the marketing of products.

2. Method of calculating the minimum price.

The minimum selling price is indicated as a percentage of the weighted average price of retail sales of all cigarettes inscribed in the rate and effectively marketed.

The absolute value of the minimum price can not be higher than the price recorded by best-selling cigarette, as identified under the second paragraph of art. 9 of *Act 7 March 1985, n. 76* and subsequent amendments.

3. Criteria for determination.

Determining the percentage of the weighted average price, which relate the minimum sale price of cigarettes had been made for any changes in the price range of best-selling cigarette, and takes account of the comparison of the following benchmarks from time to time registered in the cigarette market:

- a) develops and increases consumption;
- b) Articulation of the retail prices charged by manufacturers;
- c) Changes in the level and / or the structure of taxation of cigarettes;
- d) Performance of the differential of the prices of products sold, included in the sale price to the public.

4. Value of the minimum price.

From the date of entry into force of this decree, the minimum retail price of cigarettes is fixed at a percentage of 92.11 percent of the weighted average price of cigarettes found on the basis of sales recorded in the first half of January to 30 June 2005, corresponding in absolute value, to 150 euro per kilogram, equal to the price of 3 euro per packet of twenty cigarettes and 1.50 euro per pack of ten cigarettes.

5. Duties of dealers.

It is the obligation of retailers of monopoly goods to sell at the minimum price set by art. 4 Cigarettes at the entry into force of this Decree shall be included in the sale price to the public at a price less than 3.00 euro per pack of twenty cigarettes and 1.50 euro per pack of ten cigarettes.

6. Change in sales prices.

The current retail prices of cigarettes have changed, according to the attached prospectus which forms part of this Decree, the prices of goods before the date of entry into force of this Decree, are as below 150 euro kg., corresponding to 3 euro per pack of 20 pieces and 1.50 euro per pack of ten.

7. Duties of depositories.

The custodians, the date of entry into force of this Decree, make the sale at retail monopoly kinds of products placed in the price range below the minimum price at the new price and proceed to the immediate investigation of the physical inventories of products concerned on findings to the relevant regional offices of the State Monopoly.

8. Breakdown of the minimum price.

The distribution of the minimum price is made pursuant to the existing table A, Published by decree directorial June 30, 2005 [No 2005/33976].

This decree, which will be forwarded to the supervisory authorities for the registration is effective from the date of its publication in the Official Gazette.

Table A

CIGARETTE

(TABLE A)

		€ conventional kg	€ conventional kg	€ per packet
AUSTIN GOLD	Pack box of 20 pieces	145,00	150,00	3,00
AUSTIN RED	Pack box of 20 pieces	145,00	150,00	3,00
BF BLUE	Pack box of 20 pieces	135,00	150,00	3,00
BF RED	Pack box of 20 pieces	135,00	150,00	3,00
BF SILVER	Pack box of 20 pieces	135,00	150,00	3,00
BOSS CLASSIC	Pack box of 20 pieces	140,00	150,00	3,00
BOSS GOLD	Pack box of 20 pieces	140,00	150,00	3,00
BURTON MODERN	Pack box of 20 pieces	140,00	150,00	3,00
BURTON ORIGINAL	Pack box of 20 pieces	140,00	150,00	3,00
BURTON SILVER	Pack box of 20 pieces	140,00	150,00	3,00
CLEVELAND FULL FLAVOUR	Pack box of 20 pieces	100,00	150,00	3,00
CLEVELAND FULL FLAVOUR	Pack box of 20 pieces	100,00	150,00	1,50
CLEVELAND LIGHTS	Pack box of 10 pieces	100,00	150,00	1,50
CLEVELAND LIGHTS	Pack box of 20 pieces	100,00	150,00	3,00
DIANA ORIGINAL RS	Pack box of 20 pieces	145,00	150,00	3,00
DUCAL BLUE	Pack box of 20 pieces	145,00	150,00	3,00
DUCAL FILTER	Pack box of 20 pieces	145,00	150,00	3,00
DUCAL GOLD	Pack box of 20 pieces	145,00	150,00	3,00
ELIXYR	Pack box of 20 pieces	145,00	150,00	3,00
ELIXR FINE TASTE	Pack box of	145,00	150,00	3,00

	20 pieces			
EXCITE BLUE	Pack box of 20 pieces	145,00	150,00	3,00
EXCITE RED	Pack box of 20 pieces	145,00	150,00	3,00
FORTUNA BLUE 25'S	Pack box of 25 pieces	148,00	150,00	3,75
FORTUNA RED 25'S	Pack box of 25 pieces	148,00	150,00	3,75
GALLANT FILTER	Pack box of 20 pieces	147,50	150,00	3,00
KARELIA LIGHTS	Pack box of 20 pieces	116,00	150,00	3,00
KARELIA SLIMS	Pack box of 20 pieces	144,50	150,00	3,00
MARS KS FILTER	Pack box of 20 pieces	140,00	150,00	3,00
MARYLAND BLUE	Pack box of 20 pieces	145,00	150,00	3,00
MARLAND RED	Pack box of 20 pieces	145,00	150,00	3,00
MATRIX BLUE	Pack box of 20 pieces	145,00	150,00	3,00
MATRIX RED	Pack box of 20 pieces	145,00	150,00	3,00
MEMPHIS CLASSIC	Pack box of 20 pieces	145,00	150,00	3,00
MPV BIANCA	Foil pack of 20 pieces	140,00	150,00	3,00
MPV BLU	Foil pack of 20 pieces	140,00	150,00	3,00
MPV NERA	Pack box of 20 pieces	140,00	150,00	3,00
MS SLIM	Pack box of 20 pieces	125,00	150,00	3,00
MUSTANG GOLD	Pack box of 20 pieces	145,00	150,00	3,00
MUSTANG RED	Pack box of 20 pieces	145,00	150,00	3,00
NAZIONALE BOX	Pack box of 20 pieces	145,00	150,00	3,00
NAZIONALE L	Pack box of 20 pieces	110,00	150,00	3,00
NAZIONALI	Foil pack of 20 pieces	145,00	150,00	3,00
NAZIONALI FILTRO	Foil pack of 20 pieces	145,00	150,00	3,00
NEWS BLUE	Pack box of 20 pieces	145,00	150,00	3,00
NEWS RED	Pack box of 20 pieces	145,00	150,00	3,00
NEXT BLUE KS	Pack box of 20 pieces	145,00	150,00	3,00
NEXT KS	Pack box of 20 pieces	145,00	150,00	3,00

PETER STUYVESANT BLUE	Pack box of 20 pieces	145,00	150,00	3,00
PETER STUYVESANT GOLD	Pack box of 20 pieces	145,00	150,00	3,00
PETER STUYVESANT GOLD 100'S	Pack box of 20 pieces	145,00	150,00	3,00
PETER STUYVESANT INTERNATIONAL 100'S	Pack box of 20 pieces	145,00	150,00	3,00
RANGER FILTER MILD	Pack box of 20 pieces	142,00	150,00	3,00
RANGER MILD FILTER 100'S	Pack box of 20 pieces	145,00	150,00	3,00
ROCKIES	Pack box of 20 pieces	145,00	150,00	3,00
ROMA	Pack box of 20 pieces	125,00	150,00	3,00
RONHILL LIGHTS	Pack box of 20 pieces	110,00	150,00	3,00
RONHILL LIGHTS 100'S	Pack box of 20 pieces	115,00	150,00	3,00
RONHILL ULTRA	Pack box of 20 pieces	140,00	150,00	3,00
ROUTE 66 BLUE	Pack box of 20 pieces	140,00	150,00	3,00
ROUTE 66 RED	Pack box of 20 pieces	140,00	150,00	3,00
ROUTE 66 SUPER BLUE	Pack box of 20 pieces	140,00	150,00	3,00
SAX MUSICAL EMOTION (BLUE)	Pack box of 20 pieces	145,00	150,00	3,00
SAX MUSICAL PASSION (RED)	Pack box of 20 pieces	145,00	150,00	3,00
SAX MUSICAL SENSATION (ASURE)	Pack box of 20 pieces	145,00	150,00	3,00
VANTAGE BLUE	Pack box of 20 pieces	145,00	150,00	3,00
VANTAGE ROSSA	Pack box of 20 pieces	145,00	150,00	3,00
WALTER WOLF	Pack box of 20 pieces	110,00	150,00	3,00
WALTER WOLF LIGHTS	Pack box of 20 pieces	110,00	150,00	3,00
WALTER WOLF LIGHTS 100'S	Pack box of 20 pieces	115,00	150,00	3,00
WEST RED	Pack box of 10 pieces	140,00	150,00	1,50
WEST RED 20	Pack box of 20 pieces	140,00	150,00	3,00
WEST RED 25	Pack box of 25 pieces	140,00	150,00	3,75
WEST SILVER	Pack box of 10 pieces	140,00	150,00	1,50
WEST SILVER 20	Pack box of 20 pieces	140,00	150,00	3,00
WEST SILVER 25	Pack box of 25 pieces	140,00	150,00	3,75

	25 pieces			
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(1) Published in Official Gazette 1 August, 2005, n. 177. Issued by the Ministry of Economy and Finance.

(2) This measure is also cited, for coordination, in the note of art. 9, *L. 7 March, 1985, n. 76* and the paragraph 486 of Article 1, *L. 30 December, 2004, n. 311*.