REPUBLIC OF IRAN

2020

TOBACCO INDUSTRY INTERFERENCE INDEX
Introduction

Islamic Republic of Iran ratified the WHO Framework Convention on Tobacco Control (FCTC) in November 2005. A comprehensive National Tobacco Control Law was developed and implemented in 2006 to reduce tobacco use. In 2008, Iran together with Parties to the FCTC, adopted the Article 5.3 Guidelines which provides specific measures to protect the government from tobacco industry interference. This report will assess the progress the government has made in implementing Article 5.3 Guidelines. The questionnaire used in this report is a global tool developed by the Southeast Asia Tobacco Control Alliance based on the specific recommendations from Article 5.3 Guidelines. The report will focus on instances of interference from the tobacco industry and government’s responses for the year 2019 compared with 2018. All information used in the report is obtained from the public domain. This report is an update on the report done in 2019 to review implementation, of Article 5.3. The lower the score is the better the compliance of Article 5.3 guidelines.

SUMMARY FINDINGS

Compared with the 2019 report, there is a deterioration (more than 10%) increase in the score. Overall, the National Tobacco Control Law provides strong measures to limit the influence of the industry on policy development. In 2018 the Iran Tobacco Planning and Supervision Center announced that import volume of cigarettes will reduce by 2 billion sticks, and last year there was some improvement within the Ministry of Health (MOH) to implement Article 5.3. However, in 2019, new licenses to increase local production of cigarettes were issued. The Industries Ministry approved new license for Philip Morris International (PMI) to manufacture Marlboro cigarettes locally but MOH opposed the approval and up to now this activity has been stalled.

1. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT
   The National Tobacco Control law and its bylaw ban any support of tobacco manufacturers to the programs and hence the tobacco industry cannot participate in policy development. The tobacco industry also is not part of the government delegation to FCTC related meetings.

2. INDUSTRY CSR ACTIVITIES
   The law bans tobacco related corporate social responsibility and there are no instances of CSR activities found.

3. BENEFITS TO THE INDUSTRY
   The government has not given any benefit to the tobacco industry. In fact, imported tobacco is taxed higher and cost more than local tobacco products.
4. **UNNECESSARY INTERACTION**  
Top level government officials do not attend any tobacco related functions nor foster any relationship with the tobacco industry.

5. **TRANSPARENCY**  
Ministry of Industry has a priority for privatization so they permit the Center for Tobacco Planning and Supervision for some action and it has plans to increase the area under tobacco cultivation. It is not clear how often the Center has to submit reports to its governing body; if the Center has a procedure for meeting with the tobacco companies and whether these reports are made available to the tobacco control committee.

6. **CONFLICT OF INTEREST**  
Although no government officials holds any office in the tobacco industry, a former head of a tobacco company has been appointed to a senior officer position in the Ministry of industry.

7. **PREVENTIVE MEASURES**  
There is no permit for the tobacco industry to attend or engage in any interaction with government officials. 
Article 4 of National law and its bylaw bans any support to tobacco manufacturers for their programs. None of the representatives of national tobacco company are allowed to attend any tobacco control policy making sessions. Article 20 of the National Tobacco Control Law states “It is the responsibility of the Committee to keep the technical Commission of the Parliament informed of the annual revenues derived from production and imports of cigarettes and tobacco products.” The government has put in place a policy to disallow the acceptance of all forms of contributions/ gifts from the tobacco industry. 
The adoption of a code of conduct for government officials is still in planning stage.

**Recommendations**  
a. The Ministry of Industry should coordinate with the Center for Tobacco Planning and Supervision to implement FCTC which obligates to reduce tobacco use and tobacco supply including not awarding new licenses to tobacco companies.

b. The government should expedite the adoption of a code of conduct for all government officials in their interaction with the tobacco industry which should be limited to only when strictly necessary.

c. There must be a registry on who is the representative of the tobacco industry.

**Limitations of the report**  
This survey is based on information available only on the public domain. It is probably not comprehensive in providing all the information, particularly for questions on benefits given to the tobacco industry (Q6, Q7) and transparency (Q11, Q12). Further evidence is needed to corroborate information provided in this report.
## Results and Findings

### INDICATOR 1: Level of Industry Participation in Policy-Development

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<td>1.</td>
<td>The government accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry in setting or implementing public health policies in relation to tobacco control (Rec 3.1)</td>
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According to Article 4 of the National Tobacco Control Law, any policy-making, supervision, and issuance of permission for importing tobacco products shall be solely done by the government.

Although the production and importation of tobacco is under governmental monopoly, but they are not among the members of the National tobacco control headquarters. None of the representatives of national tobacco company have permission to attend in tobacco control policy making sessions.

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<td>2.</td>
<td>The government accepts, supports or endorses policies or legislation drafted by or in collaboration with the tobacco industry. (Rec 3.4)</td>
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According to article 4 of the National Tobacco Control Law, any policy-making, supervision, and issuance of permission for importing tobacco products shall be solely done by the government. None of the representatives of national tobacco company are allowed to attend in tobacco control policy making sessions.

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<td>3.</td>
<td>The government allows/invites the tobacco industry to sit in government interagency/ multi-sectoral committee/ advisory group body that sets public health policy. (Rec 4.8)</td>
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The government does not allow the National Tobacco Company, a government monopoly, to sit in government multi-sectoral committee that sets public health policy.

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<td>4.</td>
<td>The government nominates or allows representatives from the tobacco industry (including State-owned) in the delegation to the COP or other subsidiary bodies or accepts their sponsorship for delegates. (i.e. COP 4 &amp; 5, INB 4 5, WG) (Rec 4.9 &amp; 8.3)</td>
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The government delegation to the COP or any of its related meetings does not include any representative from the tobacco industry.

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1 The term “government” refers to any public official whether or not acting within the scope of authority as long as cloaked with such authority or holding out to another as having such authority.

2 The term, “tobacco industry” includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

3 “Offer of assistance” may include draft legislation, technical input, recommendations, oversees study tour.
### INDICATOR 2: Industry CSR activities

5. **A.** The government agencies or its officials endorses, supports, forms partnerships with or participates in so-called CSR activities organized by the tobacco industry. (Rec 6.2)  
5. **B.** The government (its agencies and officials) receives contributions (monetary or otherwise) from the tobacco industry (including so-called CSR contributions). (Rec 6.4)

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According to the Comprehensive National Tobacco Control Act in 2007, tobacco related CSR activities are banned. Article 5 of its bylaw bans any support of tobacco manufacturers to the programs: Grant of any aid, assistance and support-financial or non-financially producers, importers and exporters of tobacco products which may be considered publicity for tobacco products is forbidden.

Article 8 of the Act allows for “Up to 2% of the income aroused from the taxation is transferred to the Treasury Department and following legal proceedings in form of annual budgets, shall be allocated to public organizations, charity foundations and Non-Governmental Organizations (NGOS). This provides help to these institutions in order to strengthen and promote their educational, research and cultural activities in tobacco control and prevention programs.”

### INDICATOR 3: Benefits to the Tobacco Industry

6. The government accommodates requests from the tobacco industry for a longer time frame for implementation or postponement of tobacco control law. (e.g. 180 days is common for PHW, Tax increase can be implemented within 1 month) (Rec 7.1)

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According to publically available information, the government has not given any benefit to the tobacco industry. The national tobacco control law makes reference to increase tobacco tax. The price of tobacco products increased up to 2-fold for imported cigarettes and there has been an increased percentage of price for domestic products up to 50%.

International travellers are allowed to bring 200 cigarettes or 50 cigars or 250g of tobacco duty free into Iran.

The Tobacco Planning and Supervision center recently issued permits for 15 new cigarette brands and 30 new tobacco brands, requested by 28 tobacco companies.

7. The government gives privileges, incentives, exemptions or benefits to the tobacco industry (Rec 7.3)

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According to Article 18 of the executive bylaw of the National Tobacco Control Law, Iran Tobacco Company is obligated to comply with national standards in production and supply of tobacco products. Subsidizing the cultivation, growth and harvest of tobacco is not allowed in any manner.

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4 political, social financial, educations, community, technical expertise or training to counter smuggling or any other forms of contributions
In January 2018, the Head of Iran tobacco Planning and Supervision Center announced import volume of cigarettes will reduce by 2 billion sticks.\textsuperscript{ix}

However local production of cigarettes is increasing. In May 2018 Philip Morris International (PMI) has signed a memorandum of understanding with Iranian Tobacco Co. (ITC) for the import and the joint production of Marlboro cigarettes. Iran’s Ministry of Industry viewed this positively and said the agreement would benefit the country in terms of production, employment and combating smuggling.\textsuperscript{x} The ITC and the representative of Philip Morris International signed the MoU in the presence of the Industries Minister (Parliament’s Industry Commission). The offer to sign the MoU was discussed during a meeting which unanimously called on the Industry Ministry to sign it after conducting in-depth studies to make sure it served national interests.\textsuperscript{ii}

The tobacco industry regards Iran regulations as being suited for advertising and illustration of cigarettes into the supermarkets, free shops, groceries and other hot spots, which are most favourable places to introduce new and existing brands to entire consumers. There is no legal requirement to ban tobacco advertisement and promotion of cigarettes. The tobacco industry looks for ways to offer direct selling of fresh, original, duty free cigarettes from manufacturer to end user consumers.

### INDICATOR 4: Forms of Unnecessary Interaction

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<td><strong>8.</strong> Top level government officials (such as President/ Prime Minister or Minister\textsuperscript{5}) meet with/ foster relations with the tobacco companies such as attending social functions and other events sponsored or organized by the tobacco companies or those furthering its interests. (Rec 2.1)</td>
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Top level government officials do not attend any tobacco related functions nor foster any relationship with the tobacco industry.

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<td><strong>9.</strong> The government accepts assistance/ offers of assistance from the tobacco industry on enforcement such as conducting raids on tobacco smuggling or enforcing smoke free policies or no sales to minors. (including monetary contribution for these activities) (Rec 4.3)</td>
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The government does not accept any assistance or offers of assistance from the tobacco industry for enforcement activities.

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<td><strong>10.</strong> The government accepts, supports, endorses, or enters into partnerships or agreements with the tobacco industry. (Rec 3.1) \textsuperscript{NOTE: This must not involve CSR, enforcement activity, or tobacco control policy development since these are already covered in the previous questions.}</td>
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The Comprehensive National Tobacco Control Law does not allow the government to accept support, endorse, nor enter into partnerships or agreements with the tobacco industry.

\textsuperscript{5} Includes immediate members of the families of the high-level officials
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<th>INDICATOR 5: Transparency</th>
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<td>11. The government does not publicly disclose meetings/interactions with the tobacco industry in cases where such interactions are strictly necessary for regulation. (Rec 2.2)</td>
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In 2002, Iran Tobacco Company (ITC) reached agreements with several major transnational cigarette manufacturers, including British American Tobacco and Japan Tobacco. This enabled these companies to import and jointly produce tobacco products in Iran in cooperation with ITC. Both BAT and JT control over half of Iran’s cigarette market. Iranians smoke about 55 billion cigarettes annually.\[xii\]

Only 20% of raw tobacco needed for tobacco manufacturing is produced in Iran and the remaining 80% are imported from Latin America, Africa and India. Imported tobacco is 30-40% more expensive than local brands. According to the Center for Tobacco Planning and Supervision, “Plans have been made to increase land under tobacco cultivation by 500% to achieve self-sufficiency.” The Center for Tobacco Planning and Supervision has several responsibilities.\[xiii\]

It is not clear if the Center has a procedure for meeting with the tobacco companies, or how often the Center has to submit reports to its governing body; or if these reports are made available to the tobacco control committee. The Center has a plan to expand tobacco cultivation when the FCTC objective is to reduce tobacco use and Article 17 calls for providing assistance tobacco farmers to find alternate livelihoods.

12. The government requires rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists (Rec 5.3)   x

The Iranian Tobacco Company is responsible for manufacturing, importing, exporting and disturbing all forms of tobacco under high level government observation. There is a presence of transnational tobacco companies: PMI, BAT, JTI and KT&G. There is no registration of affiliated organizations and individuals representing the tobacco companies. There is no registered system for tobacco growers yet.

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<th>INDICATOR 6: Conflict of Interest</th>
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<td>13. The government does not prohibit contributions from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns or to require full disclosure of such contributions. (Rec 4.11)</td>
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The National Tobacco Control Law does not allow any contributions from the tobacco industry or any entities working to further its interest.

14. Retired senior government officials form part of the tobacco industry (former Prime Minister, Minister, Attorney General) (Rec 4.4)   x

There is a reverse appointment of a former head of tobacco company to a senior officer position in the Ministry of industry.\[xiv\]

15. Current government officials and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)   x
No government officials or relatives hold a position in the tobacco business including in consultancy position.

**INDICATOR 7: Preventive Measures**

16. The government has put in place a procedure for disclosing the records of the interaction (such as agenda, attendees, minutes and outcome) with the tobacco industry and its representatives. (Rec 5.1)  

There is no permit for the TI to attend or engage in any interaction with the government. According to article 4 of the National Tobacco Control Law, any policy-making, supervision, and issuance of permission for importing tobacco products shall be solely done by the government. As well as the Article 5 of National law and its bylaw bans any support of tobacco manufacturers to the programs. None of the representatives of national tobacco company are allowed to attend in tobacco control policy making sessions.\(^{xv}\)

17. The government has formulated, adopted or implemented a code of conduct for public officials, prescribing the standards with which they should comply in their dealings with the tobacco industry. (Rec 4.2)  

After an EMRO workshop on Article 5.3 in Lebanon 2018, there is some movement to implement a plan for a code of conduct. According to contact and communication between Tobacco Prevention and Control Research Centre and MOH this issue was rise and discussed in many meetings.* These activities show that there is preparation of a plan to raise awareness on policies related to Article 5.3 FCTC and a draft of regulation on it was in agenda of MOH.** It needs follow up.

18. The government requires the tobacco industry to periodically submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other activities. (5.2)  

Article 20 of the National Tobacco Control Law states “It is the responsibility of the Committee to keep the Professional Commission of the Parliament informed of the annual revenues derived from production and imports of cigarettes and tobacco products.” However, it is not clear how detailed this information is. There are transnational tobacco companies present and unclear whether data from these companies are also provided.

19. The government has a program / system/ plan to consistently\(^{6}\) raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)  

Article 4 of National law and its bylaw bans any support of tobacco manufacturers to the programs. None of the representatives of national tobacco company are allowed to attend in tobacco control policy making sessions.\(^{xvi}\) However there is no specific plan to raise awareness on Article 5.3

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\(^{6}\) For purposes of this question, “consistently” means: a. Each time the FCTC is discussed, 5.3 is explained. AND b. Whenever the opportunity arises such when the tobacco industry intervention is discovered or reported.
20. The government has put in place a policy to disallow the acceptance of all forms of contributions/ gifts from the tobacco industry (monetary or otherwise) including offers of assistance, policy drafts, or study visit invitations given or offered to the government, its agencies, officials and their relatives. (3.4) [x]

The government has put in place a policy to disallow the acceptance of all forms of contributions/ gifts from the tobacco industry. [vii]

TOTAL 34