# **ISRAEL**

# 2021 TOBACCO INDUSTRY INTERFERENCE INDEX

# Introduction

The state of Israel was early to enact tobacco control laws to combat smoking, including the restrictions on the Advertising and Marketing of Tobacco Products Law and the Prevention of Smoking in Public Places Law, both adopted in 1983. In 2003, Israel signed the WHO Framework Convention on Tobacco Control (WHO FCTC), and in May 2005 it ratified its membership of the Convention. During 2010, the Public Committee to Reduce Smoking and Its Harms, headed by Prof. Gamzo, adopted the recommendations of a professional team that worked within the Ministry of Health's 'Healthy Israel 2020' initiative, setting targets for the fight against smoking by 2020, and leading to the adoption of Government Resolution No. 3247 in May 2011 concerning a national plan to reduce smoking and its harms. The fight against smoking in Israel began vigorously, went through stronger and weaker periods, but came to a halt toward the end of 2013. The existing regulation has become outdated and was unable to keep up with the updated strategies of tobacco and nicotine companies. The rate of smoking among the adults in 2019 shows no change compared to the beginning of the decade<sup>1</sup>.

During 2017-2018, various steps were taken by the tobacco and nicotine industry to introduce new tobacco and nicotine products, such as JUUL and IQOS. On the side of public health, there was extensive regulatory activity in the area of tobacco control, including the ratification of Amendment no. 7 to the law prohibiting advertising, which included: defining e-cigarettes as a smoking product; a ban on advertising (with the exception of the print press); requirements for plain packaging and a ban on displaying tobacco and nicotine products in stores; definition of IQOS as a tobacco product for all intents and purposes and an order bringing taxation on IQOS to the same rates as cigarette tax; raising taxes on rolling tobacco to the same rates as the taxation of cigarettes; revision of the Prohibition on Smoking in Public Places Order and updating the basket of medicines to include smoking cessation treatments. Between March 2019 and June 2020, various sections of the law prohibiting advertising of tobacco and smoking products came into effect in four stages. This report examines the involvement and forms of influence of the tobacco and nicotine industry on the Israeli government in general and on tobacco control policy in particular throughout 2020 and up until March 2021. The report also covers several processes between 2017 and 2019, in cases that continued into 2020 or were directly relevant. To understand the complete picture, we recommend reading the 2020 Global Tobacco Industry Interference Index (Global Tobacco Index), which can be accessed at www.globaltobaccoindex.org

Compared to the Industry Intervention Index for 2020, it can be observed that the tobacco industry has changed its practices, from direct involvement in policy development during 2018-2019, in which regulation was promoted in the Knesset and government ministries, and subsequent attempts to influence its implementation, to activity through intermediaries and efforts to build a positive image through corporate social responsibility activities. These changes are the result of an increase in public and government exposure to the ways tobacco companies work, which have led to increased public criticism and tightening supervision by Knesset and government officials over the activity of the industry.

Also of relevance is a lawsuit from 2012 to 2021 filed by E. Cig Ltd. against the Ministry of Health, in relation to the regulation of e-cigarettes. Tel Aviv (Center) 49586-11-15 – E. Cig. Ltd. v. Ministry of Health: A claim submitted against the Ministry of Health in the total amount of NIS 3 million (approximately \$850,000) by a company that in 2012 sought to import and market electronic cigarettes and related products in Israel. The request was denied by the Ministry of health and the company later filed a petition with the High Court of Justice (HCJ 6665/12 E. Cig Ltd. v. Ministry of Health). In 2014, the court found that the Ministry of Health had exceeded its authority by prohibiting the company from acting as it requested, and consequently, the above noted lawsuit was filed in 2015 and was pending at the Tel Aviv District court. On April 5, 2021, the lawsuit was dismissed by the court.

# **Acknowledgements**

We thank Mr. Shabi Gatenio from the Association for Progressive Democracy; Adv. Elad Godinger, head of the Public Policy Unit at the Israeli Medical Association; Dr. Yael Bar Zeev, chairwoman of the Medical Society for the Prevention and Cessation of Smoking in the Israel Medical Association; and Adv. Amos Hausner, chairman of the Israeli Council for the Prevention of Smoking, for their contributions to this report. We also thank Ms. Mary Assunta and Mr. Yodhim Dela Rosa from the Global Center for Good Governance in Tobacco Control, a partner of STOP, for their advice in the preparation of this index.

# **Author**

Shira Kislev, Smoke Free Israel - The National Initiative to Eradicate Smoking.

# **Summary Findings**

# 1. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

During 2020, the government did not promote the approval of policy or legislation formulated by the tobacco and nicotine industry or in cooperation with it. Also there is no indication in the publicly available record of committee meetings or official discussions <u>at government offices</u>, to which representatives of the tobacco and nicotine industry were invited.

During 2020, following the FDA ruling on the marketing of IQOS cigarettes in the United States,<sup>2</sup> the Philip Morris Company advocated for a repeat debate on the regulation of IQOS in Israel. Despite several attempts by the company before the Knesset and the Ministry of Health, The Ministry of Health made a public announcement,<sup>3</sup> whereby:

"...The American Food and Drug Administration announcement does not change the regulatory status of IQOS cigarettes in the State of Israel."

And requests by Philip Morris to meet with Ministry of health representatives were declined.

# 2. INDUSTRY CSR ACTIVITIES

There was no indication in the publicly available record of such incidents of support, partnering or receiving contributions by the government, its agencies, or its officials.

All the same, considerable activity in the area of "corporate social responsibility" by the tobacco company Philip Morris, was noted. This included: the launch of its first Sustainability and Corporate Responsibility Report<sup>4</sup>; collaboration with the Institute for Corporate Responsibility in Israel in holding a public discussion on the topic, "Can a tobacco company be a sustainable company?" <sup>5</sup>; an offer by PMI Science to fund scholarships for students in the faculties of medicine; and the publication of calls for donations to the community.

In June 2020, an organization called Earthbound, acting on behalf of the FSFW Foundation, approached the Ministry of Foreign Affairs and the Volcani Agricultural Research Institute regarding the feasibility of cooperation in the field of tobacco agriculture in India and ostensibly to find alternatives to it<sup>6</sup>. Public health organizations wrote a letter to the Ministries of Foreign Affairs, of Agriculture and Rural Affairs, and of Health, revealing its connection to the tobacco company and requesting that they refrain from any collaboration, in accordance with the FCTC Convention<sup>7</sup>. As far as we know, the collaboration was not developed.

# 3. BENEFITS TO THE INDUSTRY

The implementation of the *Law Prohibiting Advertising and Restricting the Marketing of Tobacco and Smoking Products, 1983* began in March 2019, taking place in four stages until up to June 2020. However, monitoring and enforcement mechanisms have not yet been defined, and no government ministry is responsible for enforcing the law.

E-cigarettes have been sold in Israel since 2012. Despite the position of the Ministry of Health that e-cigarettes should be treated like regular cigarettes and despite the 2018 amendment to the law which requires the inclusion of e-cigarettes in the category of smoking products and subjecting them to the regulation enforced in this area<sup>8</sup>, the Israeli government has not imposed any sales tax on e-cigarettes. The result of this failure is the absence of any sales tax on e-cigarettes sold in Israel and the creation of a significant tax imbalance between these products and other tobacco and nicotine products, upon which significant taxes are imposed.

### 4. UNNECESSARY INTERACTION

There is no evidence in the public record of such activities during 2020 and up until March 2021.

### 5. TRANSPARENCY

The requirement to report meeting with the tobacco industry limited only to the Ministry of Health and does not apply to the rest of the government agencies. There is also no registry of tobacco industry entities, their affiliate organizations and representatives such as lawyers acting on their behalf.

### 6. CONFLICT OF INTEREST

No such movements of former politicians into positions in the tobacco and nicotine industry in 2020 were identified. However, there is the phenomenon of parliamentary advisers and assistants transitioning to positions in tobacco companies, sometimes without a "cooling off period" after holding a position in government.

## 7. PREVENTIVE MEASURES

Knesset Rules of Procedure, Rules of Ethics for the Knesset Member, including reference to a policy disallow the acceptance of all forms of contributions / gifts (monetary or otherwise). It is also required to obtain prior approval from the Ethics Committee in order to participate in a study visit abroad. The Knesset Regulations do not include an explicit reference regarding the prohibition of receiving of assistance or policy drafts from the tobacco and nicotine industry and its emissaries.

The government does not require the tobacco industry submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other activities.

# Recommendations

- **Tobacco and Nicotine industry Registrar** A registry of tobacco and nicotine industry entities, their affiliate organizations and representatives must be established.
- **Reporting and transparency** The requirement to report meetings with the tobacco and nicotine industry currently limited to the Ministry of Health must be extended to apply to the whole government.
- **Knesset Rules of Procedure** It is required to update the rules of ethics for the Knesset member on the prohibition of receiving an offer of assistance and / or a draft policy from the tobacco and nicotine industry and its emissaries.
- **Training** A consistent action plan should be put in place to raise awareness among MKs and public servants of policies pertaining to the provisions of Article 5.3 of the FCTC Convention.
- **Cooling-off period** Since there are instances of former government officials moving to the tobacco and nicotine industry, a policy must be put in place, which provides a cooling period of at least 3 years.
- **Commercial engagements** Rules for commercial-related engagement by health institutions should be extended to apply to the whole government to prevent the tobacco and nicotine industry from approaching the non-health sector.

# **Results and Findings**

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INDICATOR 1: Level of Industry Participation in Policy-Development						
<b>1.</b> The government <sup>1</sup> accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry <sup>2</sup> in setting or implementing public health policies in relation to tobacco control <sup>3</sup> (Rec 3.1)		1				

During 2020, following the FDA ruling on the marketing of IQOS cigarettes in the United States<sup>10</sup>, the Philip Morris Company advocated for a repeat debate on the regulation of IQOS in Israel. The Philip Morris VP for regulation and media was allowed to speak at a hearing held by the Knesset Economic Affairs Committee on July 15, 2020<sup>11</sup>, where she argued that:

"... one of the issues that came up at the time, during legislation, and this was just raised by former MK Glick, is that 70% of existing smoker don't succeed in quitting. What is important to us and we have discussed it in the past, is that even those who don't quit smoking – some of them don't want to – must have an alternative that is less harmful to them. Only recently, just this week, the American Food and Drug Administration, the FDA, arrived at a decision that followed three years of a very very extensive examination, where it looked both at data submitted by Philip Morris and its own data. It arrived at the conclusion that there are alternative smoking devices based on heating tobacco rather than burning. Because they only heat and there is no combustion, they release significantly less harmful materials... The FDA decision is a historical ruling. We ask request that the Ministry of Health - as it has promised before this committee, as well as before the High Court of Justice – will initiate a discussion on how to change the definition of alternative products based on burning don't fall under the same category as cigarettes and are given.... We request that the Israeli regulator, like the FDA, bring into account and examine the entire array of scientific evidence..."

The Chairman of the Economic Affairs Committee, MK Yakov Margi, responded to Philip Morris' request in his summation<sup>12</sup>: "... if you believe as you said that it is relevant, please address the Ministry of Health. This Committee will not act on this subject. Period. End of discussion. Go to the Ministry of Health. Be my guest."

This is a far cry from the situation at the hearings held in 2018 by the same Economic Affairs Committee regarding the proposed *Amendment no. 7 to the law regarding advertising and marketing of Tobacco Products 2018*, where the committee chairperson and additional MKs requested that Ministry of Health representatives meet with representatives of the tobacco and nicotine companies and hear them out <sup>13</sup>. The Ministry acceded to this request and held one meeting with representatives of tobacco and nicotine product companies.<sup>14</sup>

In this case (a request for a repeat hearing on the regulation of IQOS cigarettes), the Knesset declined to mediate the tobacco company's request.

At another hearing held by the Knesset Labor, Welfare and Health Committee on September 8, 2020, Dr. Yosef Ribek, a consultant to the Philip Morris Co., was allowed to speak. Ribek attempted to make the argument about reduced harm, but was unable to finish speaking because of an uproar among MKs and public health officials who protested granting a representative of the tobacco industry the right to speak.<sup>15</sup>

The Ministry of Health made a public announcement on July 16, 2020, as part of the conclusions arrived at by the Committee to examine misleading of the public at Ministry of Health<sup>16</sup>, whereby:

".... The American Food and Drug Administration announcement does not change the regulatory status of IQOS cigarettes in the State of Israel."

And requests by Philip Morris to meet with Ministry representatives were declined.

2.	The government accepts, supports or endorses <u>policies or legislation drafted</u> by or in collaboration with the tobacco industry. (Rec 3.4)	1		
	collaboration with the tobacco industry. (Rec 3.4)	'		

During 2020, the government did not promote the approval of policy or legislation formulated by the tobacco and nicotine industry or in cooperation with it.

<sup>1</sup> 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.

<sup>2</sup> The term, "tobacco industry' includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

<sup>3 &</sup>quot;Offer of assistance" may include draft legislation, technical input, recommendations, overseas study tour.

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3. 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)				3		

There is no indication in the publicly available record of committee meetings or official discussions <u>at government offices</u>, to which representatives of the tobacco and nicotine industry were invited.

Some Knesset committees do permit the participation of tobacco industry representatives or of lobbyists on its behalf at meetings, such as the hearing by the Economic Affairs Committee on the subject of "Implementation of the Law Prohibiting Advertising and Limiting Marketing of Tobacco and Smoking Products", 17 which was attended by the director of media and regulation for Philip Morris. The Knesset Labor, Welfare and Health Committee meeting on the subject "Reporting in accordance with Section 2 of the Law on the obligation to report the health damaged caused by smoking tobacco products, 2000 – Report of the Minister of Health on Smoking in Israel 2019", was attended by Dr. Yosef Ribek, a consultant for Philip Morris. 18

4. 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 & 5, INB 4 5, WG)<sup>4</sup> (Rec 4.9 & 8.3)

Israel did not attend or send representatives on its behalf to COP meetings between 2017 and 2019. The last time Israel sent a delegation from the Ministry of Health to the COP was in 2016.<sup>19</sup> The COP meeting planned for 2020 was postponed due to the Coronavirus pandemic.

# **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)
 B. The government (its agencies and officials) receives contributions<sup>5</sup> (monetary or otherwise) from the tobacco industry (including so-called CSR contributions). (Rec 6.4)

There was no indication in the publicly available record of such incidents of support, partnering or receiving contributions by the government, its agencies, or its officials. All the same, considerable activity in the area of "corporate social responsibility" by the tobacco company Philip Morris, was noted. This included: the launch of its first Sustainability and Corporate Responsibility Report; <sup>20</sup> collaboration with the Institute for Corporate Responsibility in Israel in holding a public discussion on the topic, "Can a tobacco company be a sustainable company?" <sup>21</sup>; an offer by PMI Science to fund scholarships for students in the faculties of medicine; and the publication of calls for donations to the community.

Regarding scholarships for medical students, the Ministry of Health wrote to the Dean of the Faculty of Medicine at the university, demanding that the granting of scholarships be prevented, even if this was a move made through student organizations, noting that it is exploring options to prevent similar moves in the future <sup>22</sup>.

During the reporting period, Philip Morris held two rounds of calls for support for civil society organizations. In February 2020, the call was publicized on the Ministry of the Interior's database, and following a petition from civil society organizations to the Ministry of the Interior and the Ministry of Health, the call was removed from the government website<sup>23</sup>. In February 2021, a call for support for social and environmental projects was distributed through social networks, with an emphasis on social organizations promoting Goals 5, 8, 10 and 12 of the UN Sustainable Development Goals (SDG's).<sup>24</sup>

In June 2020, an organization called Earthbound, acting on behalf of the FSFW Foundation, approached the Ministry of Foreign Affairs and the Volcani Agricultural Research Institute regarding the feasibility of cooperation in the field of tobacco agriculture in India and ostensibly to find alternatives to it<sup>25</sup>. Public health organizations wrote a letter to the Ministries of Foreign Affairs, of Agriculture and Rural Affairs, and of Health, revealing its connection to the tobacco company and requesting that they refrain from any collaboration, in accordance with the FCTC Convention<sup>26</sup>. As far as we know, the collaboration was not developed.

<sup>4</sup> Please annex a list since 2009 so that the respondent can quantify the frequency, http://www.who.int/fctc/cop/en/

<sup>5</sup> Political, social financial, educations, community, technical expertise or training to counter smuggling or any other forms of contributions.

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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)					4	

In May 2011, Government Resolution 3247, "National Plan to Reduce Smoking and its Harms",<sup>27</sup> was approved. In accordance with the resolution, a government bill on *Limiting Tobacco Advertising and Marketing (Amendment No. 7),* 2012, was submitted and discussed in 2012. <sup>28</sup> The Ministry of Health withdrew this bill in 2013 after interference and disruptions by tobacco companies <sup>29</sup>. Following a delay of five years, a bill on the "Prohibition of Advertising and Restriction of Marketing of Tobacco and Smoking Products, 2018" was proposed and debated as a private bill, in a softened version that included an exclusion of the print press from the blanket advertising ban, and did not include graphic warnings on packaging or the definition of authorities and regulatory and enforcement mechanisms for the law.<sup>30</sup>

The implementation of the *Law Prohibiting Advertising and Restricting the Marketing of Tobacco and Smoking Products,* 1983 began in March 2019, taking place in four stages until up to June 2020. However, monitoring and enforcement mechanisms have not yet been defined, and no government ministry is responsible for enforcing the law. On July 15, 2020, a follow-up discussion was held in the Knesset's Economic Affairs Committee, on the subject: "implementation of the law prohibiting advertising and restricting the marketing of tobacco and smoking products" The positions of government ministries and various government bodies, including the Ministry of Health, the Ministry of Justice, the Ministry of Internal Security and the police regarding the law's monitoring and enforcement mechanisms were presented at the hearing. Each of the parties argued that the responsibility for monitoring and enforcing the law did not fall under its jurisdiction or under its responsibility. At the conclusion of the hearing, the Ministry of Health was asked to re-submit to the Committee a government proposal to amend the law, which would grant oversight and enforcement authority to Ministry of Health officials, including the authority to impose financial sanctions.<sup>32</sup> As of the closing date of this report, such a draft bill has not been submitted to the Knesset's Economic Affairs Committee.

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

Amendment 7 to the law limiting advertising and marketing of tobacco products included a blanket ban on advertising, with the exception of the print press - a demand from the Minister of Health as a condition of the Ministry of Health's support for a private bill <sup>33</sup>. The law stipulates that an anti-smoking advertisement will appear alongside any permitted advertisement for tobacco and smoking products in a newspaper. The anti-smoking ad will contain Ministry of Health wording and take up the same area as the original tobacco product advertisement. The cost of advertising space for this anti-smoking message shall not borne by the Ministry of Health<sup>34</sup>. The very exclusion of the printed press from the blanket advertising ban is a definite benefit to tobacco and smoking companies. Furthermore, the Ministry of Health's decision to announce a year in advance the rotating monthly anti-smoking content, allows tobacco and smoking companies to adjust their own advertising accordingly<sup>35</sup>. The Supreme Court petition 2951/19 filed by the Smoke Free Israel initiative against the Knesset, the Israeli government and the Ministry of Health, demanded the rejection of the printed press exclusion from the blanket ban. The petition was rejected by the Court.<sup>36</sup> HCJ 7642/19 submitted to the Supreme Court by former MK Yehuda Glick and the Clean Air Association against the Minister of Health demanding the optimal management of an effective counter-awareness mechanism in the printed press<sup>37</sup>, was dismissed, following the entry of the Corona pandemic and the Ministry of Health statement that it will use counter-ads to the campaign regarding the dangers of smoking and Coronavirus.

E-cigarettes have been sold in Israel since 2012. Over the years, there has been considerable technological development that makes available a variety of various products in this market segment. Despite the position of the Ministry of Health that e-cigarettes should be treated like regular cigarettes and despite the 2018 amendment to the law which requires the inclusion of e-cigarettes in the category of smoking products and subjecting them to the regulation enforced in this area<sup>38</sup>, the Israeli government has not imposed any sales tax on e-cigarettes. The result of this failure is the absence of any sales tax on e-cigarettes sold in Israel and the creation of a significant tax imbalance between these products and other tobacco and nicotine products, upon which significant taxes are imposed. Therefore, Smoke Free Israel has submitted a petition to the Supreme Court (HCJ 7875/20) <sup>39</sup>. This petition is pending, and the hearing is scheduled for December 2021.

As part of the proceedings in this case, a representative of Smoke Free Israel approached the Federation of Israeli

Chambers of Commerce, which has represented e-cigarette companies in similar proceedings, for the purpose of informing them of the filing of the petition. In this context, it emerged that the State of Israel allowed representatives of e-cigarette companies in the Federation of Chambers of Commerce to present their position on the issue as part of the Ministry of Finance's handling of the issue. The head of the Tax Authority recently announced that he has approved the outline recommended by the Ministry of Health and that the imposition of the tax is awaiting the decision of the Minister of Finance<sup>40</sup>. The involvement of e-cigarette companies in shaping regulation on the subject through its representation in the Federation of Chambers of Commerce grants these companies access to the regulatory process and allows it to influence the process through this representation. This situation appears to be out of line with the FCTC provisions which prohibit any involvement - direct or indirect - of e-cigarette companies in shaping regulations related to them. The activity of e-cigarette companies' representatives in the Federation of Israeli Chambers of Commerce should be seen as a direct (or at least indirect) involvement in the procedure. As part of the amendment to the Sales Tax Order (Exemption) (Amendment), 2012, the purchase amount permitted per person of duty-free products was changed. As of February 2012, a person over the age of 18 may purchase up to one packet (200 cigarettes) or the equivalent of 250 grams of rolling tobacco at the Duty Free<sup>41</sup>. **INDICATOR 4: Forms of Unnecessary Interaction** 8. Top level government officials (such as President/ Prime Minister or Minister<sup>6</sup>) meet with/ foster relations with the tobacco companies such as attending social functions 0 and other events sponsored or organized by the tobacco companies or those furthering its interests. (Rec 2.1) There is no evidence in the public record of such activities during 2020 and up until March 2021. 9. The government accepts assistance/ offers of assistance from the tobacco industry on enforcement such as conducting raids on tobacco smuggling or enforcing smoke 0 free policies or no sales to minors. (including monetary contribution for these activities) (Rec 4.3) There is no evidence in the public record of such activities during 2020 and up until March 2021. 10. The government accepts, supports, endorses, or enters into partnerships or agreements with the tobacco industry. (Rec 3.1) 0 NOTE: This must <u>not</u> involve CSR, enforcement activity, or tobacco control policy development since these are already covered in the previous questions. There is no evidence in the public record of such activities during 2020 and up until March 2021. **INDICATOR 5: Transparency** 11. The government does not publicly disclose meetings/ interactions with the tobacco 4 industry in cases where such interactions are strictly necessary for regulation. (Rec 2.2) Beginning with the Minister of Health Report on Smoking in Israel, 2016 in its revised version published in February 2018, Chapter 10, "Report on meetings with tobacco companies", is dedicated to reporting meetings (at this stage, only of Health Ministry representatives) with tobacco and smoking industry representatives<sup>42</sup>.

The 2019 Minister of Health Report on Smoking in Israel stated that there were no meetings between Ministry of Health representative and representatives of tobacco and smoking product companies during 2019<sup>43</sup>. The 2020 Minister of

The requirement to report meetings with representatives of smoking products companies is limited only to the Ministry

Health Report on Smoking in Israel has yet to be published at the closing of this report.

of Health and does not apply to other government officials.

<sup>6</sup> Includes immediate members of the families of the high-level officials.

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<b>12.</b> 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)				3		

The Knesset Law (Amendment 25), 2008, Additional Chapter 12: Lobbyists, was enacted in Israel in 2008, <sup>44</sup> and includes the requirement that lobbyists and their clients register, that they wear an orange identification tag in the Knesset building, as well as prohibitions against providing favors and misinformation. The law applies only to Knesset members and their meetings with lobbyists within the Knesset's premises, and does not apply to government ministers or to public officials.

Under the Coronavirus pandemic the shape of activities of the 23rd Knesset underwent changes. Among other things, entrances to the Knesset were significantly reduced, and many discussions took place through a virtual interface such as Zoom. This impacted lobbyists' ability to influence, as they were not allowed to enter the Knesset itself. On the one hand, the power derived from their physical presence in the Knesset and being in direct contact with Knesset members, heads of Knesset committees and their assistants has diminished. On the other hand, attendance registration was also affected by the changes in the operation of the Knesset and the committees. For example, during virtual Zoom discussions the orange identification tag - used as an aid to Knesset members to identify speakers on behalf of industry was not used.

The Association for Progressive Democracy has been managing an index of lobbyists and their clients since 2012<sup>45</sup>. The index data is derived from the registry of lobbyists on the Knesset website.<sup>46</sup> Throughout the year of the report (2020), the total number of lobbyists ranged from 111 to 117, a low number that was the result of the political crisis and the regulations on entering the Knesset during the Covid-19 pandemic. There are ten lobbyists working for the Philip Morris Company (represented by lobbying company under the name *Policy*), all of whom are registered as representatives of Philip Morris. Lobbyist Shlomo Peretz continued to represent JTI until the end of 2020, but since the beginning of 2021 he no longer represents the company, and it has no representation in the Knesset at this stage. The same applies to other tobacco companies (Dubek and the forum of vaping products importers in the Manufacturers' Association).

There is no official registry or database of entities belonging to the tobacco and smoking products industry, or their affiliates, branches, and representatives, including lawyers working on their behalf.

# **INDICATOR 6: Conflict of Interest**

**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)

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*The Law on Financing of Political Parties, 1973, Section 8*<sup>47</sup> prohibits receiving contributions from corporations in general, not necessarily from tobacco and smoking companies.

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

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No such movements of former politicians into positions in the tobacco and nicotine industry in 2020 were identified. However, there is the phenomenon of parliamentary advisers and assistants transitioning to positions in tobacco companies, sometimes without a "cooling off period" after holding a position in government. Such cases are known in the past, and it is an accepted practice, as per the case of Adv. Coral Aviram, formerly an advisor to the Minister of Labor and Welfare, who was appointed Manager of Regulatory Affairs at Philip Morris.<sup>48</sup>

**15.** <u>Current government officials</u> and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)

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Keren Barak, a strategic consultant and lobbyist for large firms in the Israeli market in recent years, who, among others, represented JUUL, was elected in April 2019 as a Knesset member for the Likud party, and has served as a Knesset member for the last 4 terms (21st, 22<sup>nd</sup>, 23rd and 24<sup>th</sup> Knesset).<sup>49</sup>

# **INDICATOR 7: Preventive Measures**

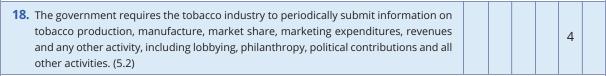
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<b>16.</b> The government has put in place a procedure for disclosing the records of the interaction (such as agenda, attendees, minutes and outcome) with the tobacco industry and its representatives. (Rec 5.1)			2				
Beginning with the 2016 Minister of Health Report on Smoking in Israel, in its revised version published in February 2018, includes Chapter 10: "Reporting on meetings with tobacco companies", detailing meetings (at this stage, only of Health Ministry representatives) held with tobacco and smoking companies <sup>50</sup> .							
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)				3			

In January 2017, following an investigation that revealed the arrangement of meetings with the Minister of Health and senior Ministry officials in exchange for a fee<sup>51</sup>, the Director General of the Ministry appointed an external review team to formulate recommendations and procedures for holding meetings with parties in the business sector in general, and tobacco companies in particular.<sup>52</sup> To the best of our knowledge, the review team's conclusions have not yet been published.

In August 2018, the Association for Progressive Democracy contacted the Directors General at the ministries of Health, Finance, and Economy, calling on them to formulate policies and publish clear guidelines on meetings with tobacco companies and their representatives, in accordance with Section 5.3 of Framework Convention on Tobacco Control (FCTC). Beginning in August 2018, the Director General of the Ministry of Health sent out an order to comply with the FCTC Convention and minimize meetings with tobacco companies as much as possible.<sup>53</sup> In March 2019, the Ministry of Finance published on its website guidelines on holding meetings with representatives of tobacco companies, their lobbyists or representatives.<sup>54</sup> According to the new rules, such meetings will be held "for essential reasons only" and only subject to special approval by the head of the division and unit and after a notification of the Director General of the ministry<sup>55</sup>. The Ministry of Economic Affairs responded that requests for meetings by tobacco companies would be submitted for examination by the Ministry's legal team, which will provide guidelines on acting in accordance with section 5.3 of the Framework Convention.<sup>56</sup>

In February 2021, the Ministry of Finance concluded a long-term project and published new and comprehensive guidelines which require Ministry of Finance officials to report in detail to their superiors on meetings with lobbyists.<sup>57</sup> The guidelines do not mention tobacco company lobbyists specifically. According to the new regulations, meetings between Finance Ministry officials and lobbyists will take place only if coordinated in advance and the topic is agreed upon in advance. Furthermore, officials are required to report to their superiors regarding the time, the participants and the contents of the meeting. Staff at the ministry will receive refresher training regarding these guidelines once a year, and the Ministry will periodically evaluate the need to update these guidelines.<sup>58</sup>

In February 2019, the Association for Progressive Democracy contacted the Knesset Attorney General to request that Knesset members report on their meetings with representatives of tobacco and smoking products companies<sup>59</sup>. The Knesset Attorney General's reply stated that international treaties, such as the FCTC, do not have power over Knesset members' parliamentary conduct and cannot prevent meetings and/or require publicizing such meetings. This would require primary legislation, or at least a clear provision in the Knesset's bylaws or in the ethics rules for Knesset members. At the same time, the Knesset Attorney General agreed to "... draw the attention of the Knesset members to the contents of the FCTC, in order to emphasize the sensitivity of meetings with representatives of tobacco companies ..." <sup>60</sup>



Under the *Prohibition of Advertising and Restriction of Marketing of Tobacco and Smoking Products Law, 5743-1983*<sup>61</sup>, tobacco and smoking companies are required to report annually to the Ministry of Health the following:

- 1. Expenses on permissible advertising, including details and costs by newspaper, publication date, ad size, and counter ads (as of June 1, 2020). Prior to June 2020, they were required to report expenses for advertising, promotions and sponsorships.
- 2. The contents of smoking products marketed in Israel: components, emissions and, if available, toxicological information for each product separately (as of June 1, 2020).

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The Ministry of Health has yet to make public the data from tobacco companies regarding expenses on permissible advertising. This data is supposed to be included in the Minister of Health Report on Smoking which is to be submitted to the Knesset and discussed before May 31, 2021.<sup>62</sup>

The Ministry of Health also has yet to publicize on its website data from tobacco and nicotine product companies regarding the contents of smoking products marketed in Israel, as required by law.<sup>63</sup>

In response to a query from MK Ofer Cassif to the Minister of Health regarding the extent of the implementation of the reports of the tobacco and nicotine companies, the Ministry of Health replied:

"The Ministry of Health does not have information about all manufacturers and importers active in Israel, and the Ministry is working to obtain this data. Therefore, the Ministry of Health does not know if all the tobacco product companies active in Israel have submitted their reports as required.

As noted, the Ministry of Health does not have a list of all smoking products companies active in Israel and therefore we are not able to confirm that all the companies required by the law prohibiting advertising and restriction of marketing of tobacco and smoking products to submit annual reports to the ministry of Health – both regarding expenses on advertising and on the contents and emissions from smoking products – do in fact submit them as required.

A list of smoking products importers and manufacturers – including all the data the makes it possible to establish contact so as to monitor compliance with the reporting requirement – is to be found at the Taxation Authority, but it is defined as confidential information and permission from the Ministry of Finance is necessary for it to be provided to the Ministry of Health. The Ministry of Health has begun the process of obtaining the data from the Minister of Finance..." <sup>64</sup>

The National Health Insurance Law, 1984, requires the reporting of every donation over NIS 2,500 from each donor to the health system. 65 Reports from 2011 onwards do not show any donations from tobacco and smoking companies. 66

The government does not require the tobacco industry submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other activities.

**19.** The government has a program / system/ plan to consistently<sup>7</sup> raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)

There is no information available on government websites regarding actions related to FCTC Article 5.3. In the Israeli 2020 report to the COP, it is noted that there is no consistent plan of action to raise awareness regarding policies related to Article 5.3.<sup>67</sup>

**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)

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Knesset Rules of Procedure, Rules of Ethics for the Knesset Member, including reference to a policy disallow the acceptance of all forms of contributions / gifts (monetary or otherwise). It is also required to obtain prior approval from the Ethics Committee in order to participate in a study visit abroad<sup>68</sup>.

The Knesset Regulations do not include an explicit reference regarding the prohibition of receiving of assistance or policy drafts from the tobacco and nicotine industry and its emissaries.

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<sup>7</sup> 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.

# **ENDNOTES**

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