



## Israel



## **Summary of Findings**

## I. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

Despite the Ministry of Health's (MoH) position that electronic cigarettes should be treated as regular cigarettes, and the 2018 amendment of the law that provided for the inclusion of electronic cigarettes as a smoking product thus subjecting them to the regulation enacted in this area, the Israeli government has not acted to impose any purchase tax on electronic cigarettes. This omission, and the lack of any purchase tax on electronic cigarettes and other tobacco and nicotine products sold in Israel, have led to a significant tax distortion.

The pressure by Philip Morris and its representatives to change the existing IQOS cigarette regulation still continues, but has failed to reach success with the regulatory authorities.

#### 2. INDUSTRY CSR ACTIVITIES

The government, its agencies, or officials have made no endorsement, collaboration, or acceptance of tobacco industry's (TI) charitable contributions.

#### 3. BENEFITS TO THE INDUSTRY

In November 2021, an order for the taxation of electronic cigarettes including the taxation of existing inventories was signed and published. The order was immediately entered into force. The importers' requests to release their inventories before the electronic cigarette tax's implementation were discussed by the Finance Committee a number of times. However, in light of the changes in the orders of taxation and the tax rate on all various forms of electronic cigarettes all requests were dismissed. A person over the age of 18 may bring electronic cigarette liquid in an amount not exceeding 10ml, or up to 5 units of single use electronic cigarettes.

#### 4. UNNECESSARY INTERACTION

Philip Morris Israel assisted with the financing of a professional seminar concerning smuggling and illicit tobacco trade, in which it provided training to law enforcement officials from the Israel Police, the Israel Border Police, the Tax Authority, and others. It launched a snitch line-style campaign in cooperation with the Federation for Intellectual Property and the Elimination of Illicit Trade, and its representatives were seen involved in enforcement activities on the ground together with the State of Israel's proper law enforcement officials.

#### 5. TRANSPARENCY

The MoH reports on smoking in Israel for 2020 and 2021 stated that no meetings were conducted between the Minister of Health's representatives and TI representatives. The MoH Report on Smoking in Israel for 2022 has not yet been published. The obligation to report meetings with persons representing the TI is limited to the MoH only, and does not apply to all government entities.

#### 6. CONFLICT OF INTEREST

There is no official and regulated registry of entities for the TI, their subsidiaries, branches, and representatives, such as legal counsels, acting on their behalf.

No transitions of retired politicians to positions in the TI have been identified during the report period.

#### 7. PREVENTIVE MEASURES

The government does not require the TI 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.

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There is no information available on government websites with respect to promoting awareness on WHO FCTC Article 5.3.

The Knesset Rules of Procedure and the Rules of Ethics for Members of the Knesset include prohibiting the acceptance of all forms of contributions or gifts, monetary or otherwise. In addition, the Knesset's Ethics Committee's approval is required to participate in any study visits abroad. However, the Knesset Rules of Procedure do not include any explicit reference to the prohibition of accepting assistance and/or policy drafts from the TI and its representatives.

### Recommendations

- I. Create a tobacco and nicotine industry registry, including their affiliates and representatives.
- 2. Require mandatory reporting and transparency on meetings with the TI representatives. Currently, this is limited to the MoH regarding its reports on smoking in Israel. This should be extended to apply to all government entities.
- **3.** Prohibit acceptance of offers of assistance from the TI in the Knesset Rules of Procedure and the Rules of Ethics for Members of the Knesset.
- 4. Develop a consistent action plan to increase awareness among members of Knesset and public officials regarding the policy arising from the provisions of Article 5.3 of the WHO FCTC.

- **5.** Develop an exit policy for former government officials who want to work with the TI. A policy should provide for a cooling-off period of at least 3 years.
- **6.** Prevent commercial engagements with the TI. Existing guidelines for the commercial engagement of health institutions should be extended to apply to the entire government.