



## Enhanced Marking of Cigarettes under the *Tobacco Tax Act*

This bulletin was revised June 2008 to incorporate formatting changes and changes in ministry name and contact information only.

### Highlights

- Regulation 1034, R.R.O. 1990 has been amended to provide for enhanced tear tape for cigarette marking.
- **Effective July 1, 2004:**
  - Tear tape must be pressure sensitive.
  - Tear tape must include a code or symbol identifying the manufacturer of the tear tape.
  - “ON” must be printed (including embossment) in a visible location on the external side of the cigarette package.
- Fines and penalties relating to new provisions have been introduced.
- This bulletin provides general information. It is not exhaustive and should not be considered as a substitute for the *Tobacco Tax Act* and its regulations.

### Background

Ontario's Tobacco Marking Program	In 1990, Ontario introduced a system of marking taxable cigarettes to improve compliance with the Act. Under this system, distinctive marking on the tear tape is required on all packages of taxable cigarettes intended for sale in Ontario. The marking signifies that tobacco tax has been properly accounted for.
Exception	The prescribed markings are not applicable to cigarette packages destined for export or use by First Nations individuals and diplomats.
Registered Markers	Domestic cigarettes intended for taxable sale in Ontario are marked by manufacturers who must hold a permit to mark cigarettes issued by the Ministry of Finance.

### Definitions

“**indicium**” means a prescribed word or mark or both, and “**indicia**” means more than one indicium.

“**marked cigarettes**” means packages of cigarettes, cartons and cases that are marked or stamped with an indicium as required under the regulations.

“**tear tape**” means the pressure-sensitive plastic ribbon that is wrapped around a package of cigarettes to facilitate the opening of the cellophane wrapping that encloses the package.

“**tear tape manufacturer**” means a person who manufactures tear tape for use in respect of the manufacture or production of cigarettes in packages for sale in Ontario.

## Enhancements to Tear Tape and Markings

Tear Tape	<p>Effective <b>July 1, 2004</b>, every package of cigarettes that is intended to be sold in Ontario to a consumer who is required to pay tax under the Act shall be marked in the following manner:</p> <ul style="list-style-type: none"> <li>• The package shall be marked with a tear tape that is pressure sensitive to the satisfaction of the Minister.</li> <li>• The tear tape must include the code or symbol approved by the Minister to identify the manufacturer of the tear tape.</li> <li>• Existing indicium requirements continue, that is, the tear tape shall bear an indicium that meets the following specifications:             <ul style="list-style-type: none"> <li>• The indicium shall read “CANADA DUTY PAID — DROIT ACQUITTÉ — ONTARIO”.</li> <li>• The width of the indicium shall not be less than 4.5 millimetres.</li> <li>• The background colour of the indicium shall be opaque process yellow, 100 per cent.</li> <li>• The colour of the text shall be in process black, 100 per cent.</li> <li>• The text shall be in Helvetica eight point.</li> </ul> </li> </ul>
Other Markings	<p>In addition, effective July 1, 2004, the term “ON” shall be clearly printed (including embossment) in a visible location on the external side of every package of cigarettes.</p> <p>Effective July 1, 2004, no person shall sell, distribute, deliver or have in the person’s possession tear tape that is not marked in accordance with the Act or its regulations, or with the requirements of another jurisdiction</p>

## New Fines and Penalties

Penalty - Tear Tape not Marked in Accordance with Act	<p>Effective July 1, 2004, if a person sells, distributes, delivers or has in their possession tear tape that is not marked in accordance with the Act or with the requirements of another jurisdiction, then the person shall pay a penalty, when assessed for it, equal to the tax that would be payable, had the tear tape been affixed to packages of cigarettes and sold to a consumer liable to pay the tax.</p>
Offence	<p>Effective July 1, 2004, if a person sells, distributes, delivers or has in their possession tear tape that is not marked in accordance with the Act or with the requirements of another jurisdiction, then the person is guilty of an offence and on conviction is liable to a fine of not less than \$1,000 and not more than \$10,000, or a term of imprisonment of not more than two years, or to both.</p>

## Other Amendments

Please refer to [Tax Bulletin TT 1-2004 - New Requirements for Tear Tape Manufacturers and Markers of Cigarettes](#).

## Additional Information

If this bulletin does not completely address your particular situation, refer to the Act and related regulations, or contact the:

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The *Tobacco Tax Act* and Ontario's other public statutes and regulations may be obtained online at [www.e-laws.gov.on.ca](http://www.e-laws.gov.on.ca).

*Ce bulletin est disponible en français.*

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