



Tobacco in Canada

Addressing Knowledge Gaps Important to Tobacco Regulation
Environmental Scan – Spring 2021

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Logic will be discontinued in Canada soon and we want to thank you for being part of our journey.

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SHOP DEVICES AND **E-LIQUIDS**

June 30, 2021

Physicians *for a* Smoke-Free Canada

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I. FEDERAL GOVERNMENT ACTIVITIES

A) POLICY AND REGULATION

Progress indicators

- The federal government tracks 9 indicators towards its 3 tobacco control goals. No new data was released in this period to assess achievement.^{1 2}

Indicator	Target	2019-2020 Actual	Date for Target
Percentage of Canadian students (grades 7-12) who have used any tobacco product in the past 30 days (Females)	At most 10%	7%	April 2023
Percentage of Canadian students (grades 7-12) who have used any tobacco product in the past 30 days	At most 10%	8%	April 2023
Percentage of Canadian students (grades 7-12) who have used any tobacco product in the past 30 days (Males)	At most 10%	9%	April 2023
Percentage of Canadian students (grades 7-12) who have used a vaping product (e-cigarettes only) in the past 30 days (Males)	At most 10%	21%	April 2023
Percentage of Canadian students (grades 7-12) who have used a vaping product (e-cigarettes only) in the past 30 days	At most 10%	20%	April 2023
Percentage of Canadian students (grades 7-12) who have used a vaping product (e-cigarettes only) in the past 30 days (Females)	At most 10%	19%	April 2023
Percentage of Canadians (aged 15+) who have used any tobacco product in the past 30 days	At most 5%	17.8%	April 2035
Percentage of Canadians (aged 15+) who have used any tobacco product in the past 30 days (Females)	At most 5%	14%	April 2035
Percentage of Canadians (aged 15+) who have used any tobacco product in the past 30 days (Males)	At most 5%	21%	April 2035

Regulations implemented

- On June 23rd, the federal government finalized and published the Nicotine Concentration in Vaping Products Regulations.³
- On June 19, the federal government gazetted proposed regulations restricting vaping flavours and prohibiting certain categories of additives.⁴
- On May 12, Environment Canada included “Plastic manufactured items” to the Schedule 1 list of the Canadian Environmental Protection Act.⁵ Although this did not impose any direct regulatory requirements, it permits the government to develop risk management measures.

1 Government of Canada. Treasury Board. Infobase.

2 Government of Canada. Treasury Board Infobase.

3 Canada Gazette. Part II. Nicotine Concentration in Vaping Products Regulations: SOR/2021-123
<https://gazette.gc.ca/rp-pr/p2/2021/2021-06-23/html/sor-dors123-eng.html>

4 Canada Gazette, Part I: Volume 155
<https://gazette.gc.ca/rp-pr/p1/2021/2021-06-19/html/reg2-eng.html>

5 Canada Gazette. Order Adding a Toxic Substance to Schedule 1 to the Canadian Environmental Protection Act, 1999: SOR/2021-86
<https://gazette.gc.ca/rp-pr/p2/2021/2021-05-12/html/sor-dors86-eng.html>

- In April, the federal government introduced amendments to the Canadian Environmental Protection Act.⁶ The new law clarifies the objective of the law and the requirements on government and imposes new requirements on Ministers of Health and Environment. The bill did not progress beyond first reading.

Federal regulations in development

- The department adjusted its forward regulatory plan,⁷ identifying the following tobacco-related activities.

Title of Regulatory Initiative	Consultation	Date first included in Forward Regulatory Plan	Next step
Tobacco Products Labelling Regulations	fall 2018	April 1, 2015	Feb 2021: CG1 – “Fall 2021” (75 day) April 2021: unchanged
<p>February 2021: Proposed amendments to the Tobacco Products Labelling Regulations would change the health-related labelling of tobacco products and require package labelling for those products not yet subject to labelling requirements. Tobacco products being considered for modified labelling requirements may include cigarettes, little cigars, cigars, pipe tobacco, bidis, kreteks, and smokeless tobacco, while products that would be subject to new requirements may include water-pipe tobacco (also known as nargileh and shisha) and blunt wraps.</p> <p>April 2021: Proposed amendments to the <i>Tobacco Products Labelling Regulations</i> would update existing health-related labelling requirements and extend requirements to all tobacco products, including those not covered under existing regulations (e.g. tobacco products intended for use with a device, water pipe tobacco and novel tobacco products).</p>			
Amendments to the Tobacco Reporting Regulations	December 2, 2017	April 1, 2017	Feb 2021: CG1 – “Fall 2021” (75 day) April 2021: CG1- “Winter 2022” (75 day)
<p>February 2021: Amendments to the Tobacco Reporting Regulations (TRR) are being proposed to improve the information collected by Health Canada from manufacturers and importers of tobacco products and to require that the Minister disclose certain information to the public. The proposed amendments would be made under new regulation-making powers set out in the Tobacco and Vaping Products Act.</p> <p>April 2021: unchanged.</p>			
Vaping Products Reporting Regulations	August 2017	October 1, 2017	Feb 2021: CG1 – “Fall 2021” (75 day) April 2021: CG1- “Winter 2022” (75 day)
<p>February 2021: The objective of the proposed Vaping Products Reporting Regulations is to require manufacturers and importers of vaping products to provide timely and relevant information on their vaping products to Health Canada, which would then be used to inform the development of policies and regulations. Mandatory public disclosure of information by the Minister as well as measures to enhance compliance with the reporting requirements would also be included in the regulatory proposal.</p> <p>April 2021: unchanged</p>			
Concentration of Nicotine in Vaping Products Regulations	April, 2019	February, 2021	Feb 2021: CG1 – “Fall 2020” (75 day) April 2021: CG2 – “Summer 2021”

6 C-28. An Act to amend the Canadian Environmental Protection Act, 1999, to make related amendments to the Food and Drugs Act and to repeal the Perfluorooctane Sulfonate Virtual Elimination
<https://www.parl.ca/LegisInfo/BillDetails.aspx?Language=E&billId=11225029>

7 Health Canada. Forward Regulatory Plan: 2020-2022

Title of Regulatory Initiative	Consultation	Date first included in Forward Regulatory Plan	Next step
<p>February 2021: The purpose of the proposed Vaping Products Standards (Nicotine) Regulations is to prevent vaping product use from leading to the use of tobacco products by young persons and non-users of tobacco products. In particular, these regulations are intended to protect these individuals from inducements to use vaping products and from exposure to and dependence on nicotine that could result from the use of vaping products. The proposed regulations would set a limit on the concentration of nicotine in vaping products.</p>			
<p>April 2021: The purpose of the proposed regulations would be to protect young persons from inducements to use vaping products. The proposed regulations would set a limit on the concentration of nicotine in vaping products.</p>			
<p>Restrictions on Flavours in Vaping Products</p>	<p>April, 2019</p>	<p>February, 2021</p>	<p>Feb 2021: CG1 – “winter 2021” Apr 2021: CT1 – “spring 2021”</p>
<p>February 2021: The purpose of the proposed restrictions on flavours in vaping products is to prevent vaping product use from leading to the use of tobacco products by young persons and non-users of tobacco products. In particular, the proposed restrictions are intended to protect these individuals from inducements to use vaping products and from exposure to and dependence on nicotine that could result from the use of vaping products. The proposed regulations would set restrictions on flavours in vaping products.</p>			
<p>April 2021: The purpose of the proposed regulations would be to protect young persons from inducements to use vaping products. The proposed regulations would set restrictions on flavours in vaping products.</p>			
<p>Amendments to the Tobacco Access Regulations (Age Verification for Online Sales)</p>	<p>April, 2019</p>	<p>February, 2021</p>	<p>Feb 2021: CG1 – “Fall 2021” (30 day) Apr 2021: unchanged</p>
<p>Feb 2021: The purpose of the proposed amendments to the Tobacco Access Regulations (Age Verification for Online Sales) would be to protect the health of young persons from exposure to and dependence on nicotine that could result from the use of vaping products by restricting young persons from accessing vaping products and tobacco products through online retailers.</p> <p>The proposed regulations would amend current regulations to include vaping products, as they currently only apply to tobacco. The proposed regulations would also prescribe, in greater detail, the mechanisms that must be undertaken to verify age and identity in the context of online sales.</p>			
<p>April 2021: unchanged</p>			
<p>Regulations Amending the Vaping Products Promotion Regulations (Package and Design Features)</p>	<p>April, 2019</p>	<p>February, 2021</p>	<p>Feb 2021: CG1 – “Winter 2022” (75 day) April 2021: unchanged</p>
<p>February 2021: The purpose of the proposed restrictions on vaping products promotion (package and design features) would be to protect young persons and non-users of tobacco products from inducements to use vaping products. The proposed regulations would place certain limits on what promotional elements can appear on vaping product packages. They would also impose restrictions on design features that are appealing to youth to prevent their use in the manufacture of vaping products.</p>			
<p>April 2021: unchanged</p>			

Enforcement and compliance actions

- Health Canada advances efforts to acquire a “National Integrated Compliance and Enforcement Management Solution”⁸
- Health Canada invites proposals for multi-year tobacco and vaping surveys.⁹
- Health Canada puts out an advance notice of its plan to acquire a SimSmoke model for Canada.¹⁰
- Health Canada reported that from 260 online inspections of Instagram accounts associated with Canadian vaping establishments, 50% were in violation of the TVPA¹¹

Parliament

- During this period, there were no questions asked in the House of Commons or Senate regarding tobacco use or vaping.
- Vaping was discussed in a speeches by Oakville area MP, Pam Damoff, and the impact of Bill C-22 on illegal sales was identified by Charlesbourg MP Pierre Paul-Hus. (C22 would eliminate mandatory minimum sentences, including for tobacco offences).¹²

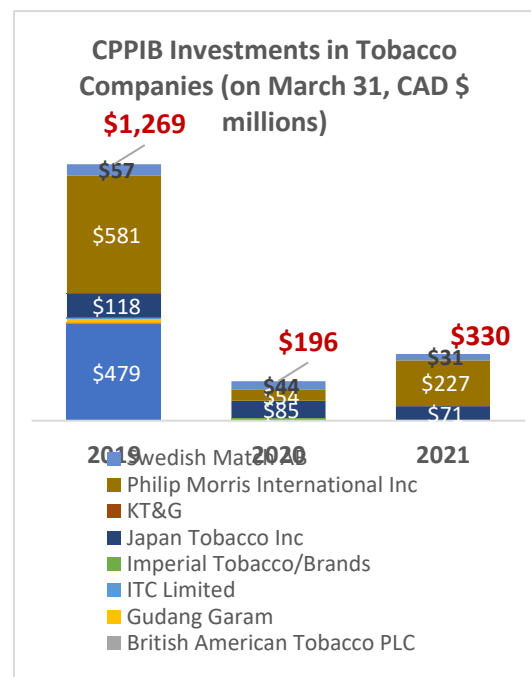
B) FINANCIAL POLICY

Tax rates

- The Federal budget, tabled on April 19, 2021 included a new tax on vaping products (at a suggested rate of \$1 per 10 ml of liquid or portion thereof) and an increase in federal tobacco taxes of \$4 per carton of cigarettes (and equivalent for other products).¹³ The tobacco tax took effect immediately, the vaping tax is scheduled to come into effect in 2022.

Investments

- The Canada Pension Plan Investment Board publishes its annual list of holdings. Investments in tobacco stock were higher in March 2021 than they were in March 2020, but lower than in the previous year.¹⁴



8 Notice of proposed procurement. Amendment date May 5, 2017. National Integrated Compliance and Enforcement Management Solution (NICEMS) (HT372-192532/A) <https://buyandsell.gc.ca/procurement-data/tender-notice/PW-XL-135-38567>

9 Tender Notice - Notice of Proposed Procurement (NPP) <https://buyandsell.gc.ca/procurement-data/tender-notice/PW-CY-031-79818>

10 Tender Notice. SimSmoke Model in Canada to evaluate impact of the Tobacco and Vaping Products Act and the emergence of novel products (1000230021) <https://buyandsell.gc.ca/procurement-data/tender-notice/PW-21-00954980>

11 Health Canada. Press release. Health Canada announces new restrictions to prevent youth vaping <https://www.newswire.ca/news-releases/health-canada-announces-new-restrictions-to-prevent-youth-vaping-835195869.html>

12 Justice Canada. Press Release. March 22, 2021. Bill C-22: Mandatory Minimum Penalties to be repealed

13 Finance Canada. Budget 2021. Annex 6: Tax Measures – Supplementary Information

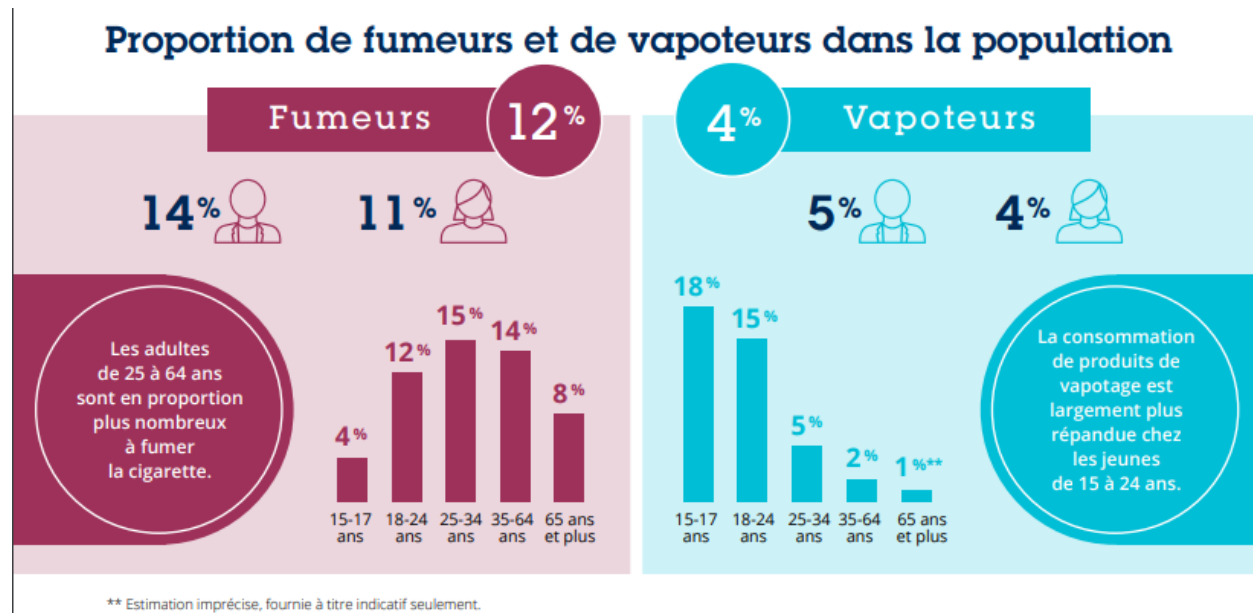
<https://www.budget.gc.ca/2021/rep/AnActtoimplementcertainprovisionsofthebudgettabledinParliamentonApril19,2021andothermeasures/rapport/anx6-en.html>

14 CCPIB. Investments. https://cdn2.ccppinvestments.com/wp-content/uploads/2021/05/Canadian-Public-Disclosure_ibfs_EN_Q4F21_v2.htm

II. MONITORING AND SURVEILLANCE

Results from the first wave of the Canadian Postsecondary Education Alcohol and Drug Use Survey were released.¹⁵ The survey of 21,300 students was conducted between November 2019 and March 2020. The results found 1 in 10 post-secondary students smoked cigarettes (2% daily, 8% occasionally). About 1 in 5 vaped in the past month (7% daily, 4% weekly, 6% monthly).

The Quebec Survey on Tobacco and Vaping Products was released in May. The survey was conducted between July and November 2020, with 13,550 Quebecers participating.¹⁶



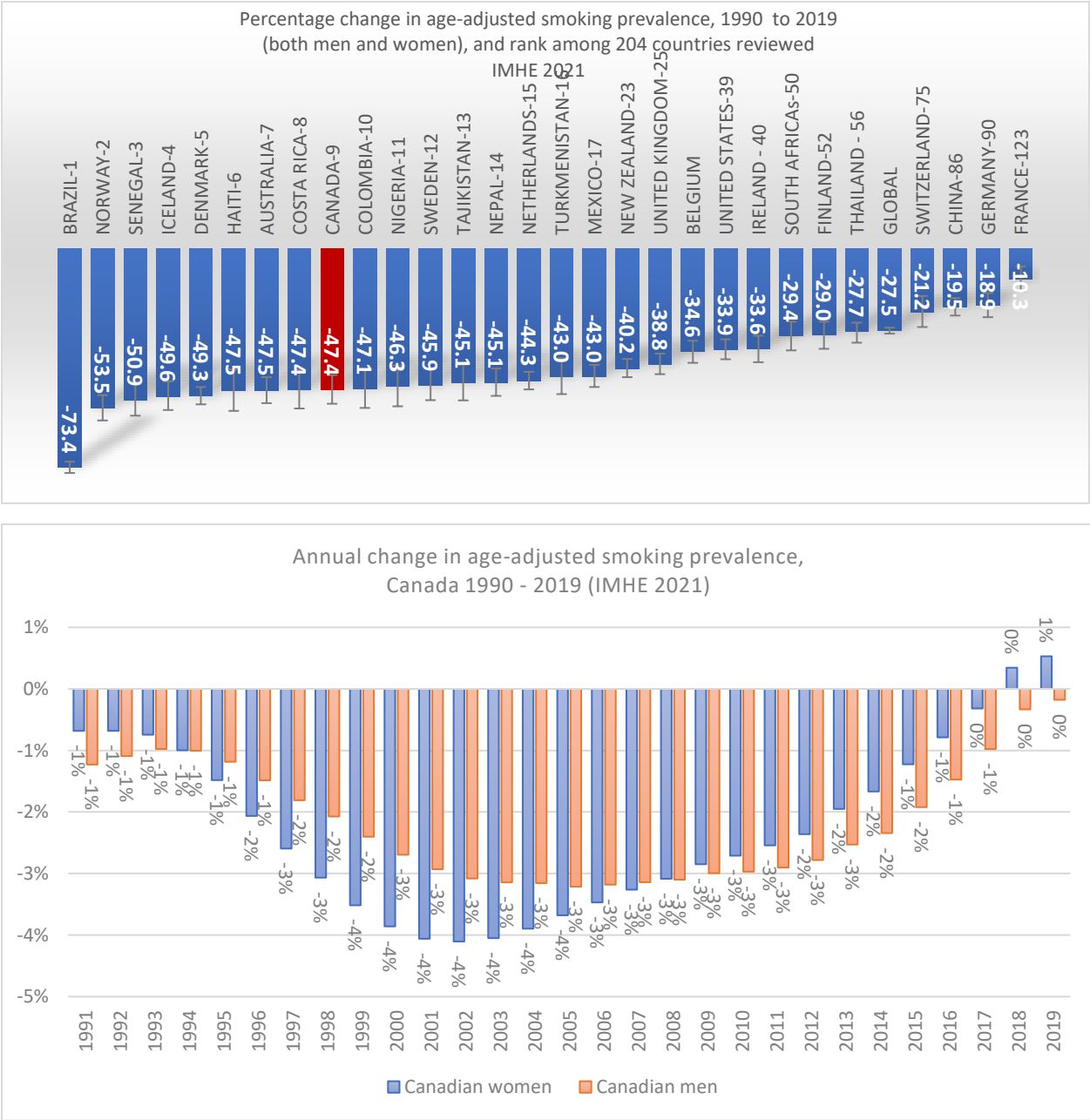
The Heart and Stroke Foundation, in collaboration with other organizations, released the results of a survey on youth vaping.¹⁷

15 Health Canada. Canadian Postsecondary Education Alcohol and Drug Use Survey, 2019/2020. <https://health-infobase.canada.ca/alcohol/cpads/>

16 Institut de la statistique du Québec. Consommation de tabac et des produits de vapotage au Québec en 2020 <https://statistique.quebec.ca/en/document/consommation-tabac-et-produits-vapotage-quebec-2020>

17 Al-Hamdani, et al. The 2020 Youth and Young Adult Vaping Project <https://www.heartandstroke.ca/-/media/pdf-files/what-we-do/news/yyav-full-report-2020-11-03.ashx?rev=2f4d3f02236f4a5fb6aac613b334a079#:~:text=The%202020%20Youth%20and%20Young%20Adult%20Vaping%20Project%2C%20conducted%20by,e%2Dcigarette%20users%20in%20Canada.>

The Global Burden of Disease Consortium and the Institute for Health Metrics and Evaluation produced age-adjusted and comparable tobacco smoking prevalence data for 204 countries between 1990 and 2019. Canada ranked 9th with respect to reduction in prevalence during that period, although the IMHE data shows that Canada’s progress against tobacco use has slowed down in recent years.¹⁸



18 GBD 2019 Tobacco Collaborators Spatial, temporal, and demographic patterns in prevalence of smoking tobacco use and attributable disease burden in 204 countries and territories, 1990–2019: a systematic analysis from the Global Burden of Disease Study 2019. <http://ghdx.healthdata.org/record/ihme-data/gbd-2019-smoking-tobacco-use-prevalence-1990-2019>

III. PROVINCIAL, MUNICIPAL AND OTHER ACTIVITIES

ALBERTA

- Alberta passes an order in council to proclaim the Tobacco and Smoking Reduction Amendment Act in force on July 31, 2021.¹⁹ The regulations under the act are finalized, allowing cigar and vaping lounges.²⁰

MANITOBA

- Manitoba passes legislation to expand smoke-free spaces (including areas under federal jurisdiction), against the expressed concerns of Indigenous nations and the Canadian Cancer Society.^{21 22}

BRITISH COLUMBIA

- In its 2021 budget, released on April 20, British Columbia increased taxes on tobacco products, equivalent to \$6 per carton. The tax increase takes effect on July 1, 2021.²³

NEW BRUNSWICK

- New Brunswick adopts legislation (Bill 55) to require licensing of vaping retailers. The measure comes into force January 2022.²⁴
- New Brunswick adopts Bill 63 to end the sale of vaping liquids with flavours other than tobacco. Comes into force September 1, 2021.²⁵

NORTHWEST TERRITORIES

- NWT released a What We Heard report related to its consultation on banning the sale of flavoured vapour products.²⁶

NOVA SCOTIA

- Private member's legislation was introduced by MLA Tim Houston in **Nova Scotia**. If adopted the "Smoking Reduction Act" would require the government to implement and fund a virtual cessation program.²⁷

NUNAVUT

- Nunavut legislature adopted Bill 57, legislation to strengthen its Tobacco and Smoking Act.²⁸ The new law will:
 - raise the minimum age for sale from 18 to 19 (only PEI has adopted the higher minimum age of 21)
 - ban all flavours in vaping products (other than tobacco) (Nova Scotia and Prince Edward Island are the only other Canadian jurisdictions to have done this).

19 Alberta. Order in Council 202/2021. https://www.qp.alberta.ca/documents/Orders/Orders_in_Council/2021/2021_202.pdf

20 Alberta. Order in Council 212/2021 https://www.qp.alberta.ca/documents/Orders/Orders_in_Council/2021/2021_212.pdf

21 Manitoba. Province introduces proposed amendments to the smoking and Vapour products Control Act for a healthier Manitoba. <https://news.gov.mb.ca/news/index.html?item=50917>

22 The Smoking and Vapour Products Control Amendment Act. <https://www.canlii.org/en/mb/laws/astat/sm-2021-c-49/latest/attachment/c04921.pdf>

23 British Columbia. Tobacco Tax. <https://www2.gov.bc.ca/gov/content/taxes/sales-taxes/tobacco-tax>

24 Bill 55, An Act to Amend the Tobacco and Electronic Cigarette Sales Act. <https://www.gnb.ca/legis/bill/FILE/60/1/Bill-55-e.htm>

25 Bill 63, An Act to Amend the Tobacco and Electronic Cigarette Sales Act. <https://www.gnb.ca/legis/bill/FILE/60/1/Bill-63-e.htm>

26 NWT <https://www.hss.gov.nt.ca/sites/hss/files/resources/what-we-heard-banning-sale-flavoured-vapour-products-nwt.pdf>

27 Bill No. 79. Smoking Reduction Act. https://nslegislature.ca/legc/bills/63rd_3rd/1st_read/b079.htm

28 Nunavut. Bill 57. Tobacco and Smoking Act. Progress of Bills.

- ban internet sale of vaping products (Quebec is the only other jurisdiction to have done this)
- ban manufacturers or wholesalers from offering incentives to retailers (Quebec is the only other jurisdiction to have done this), and banning retailers from offering any incentives to customer
- ban the display of tobacco or vaping product prices (although a price list may be available).
- ban the sale at different prices to retailers or customers in the same municipality
- ban smoking in publicly funded housing

ONTARIO

- Ontario releases its spending estimates, allocating \$18.8 million to the Smoke-Free Ontario strategy.²⁹ This is less than half the amount in previous years (\$44.6 million in 2020-2021,³⁰ \$44.2 in 2019-2020³¹)

QUEBEC

- The Quebec government did not introduce vaping regulations, despite expectations to do so.

SASKATCHEWAN

- Saskatchewan's spring 2021 budget was tabled on April 6, 2021.³² Included in the budget were:
 - A 20% Vapour Products tax on the retail price of all vapour liquids, products and devices (effective September 1, 2021). The Vapour Products Tax Act was introduced in April.³³
 - A requirement for retailers of vapour products to have a Vapour Product Tax License
 - A new tax on heat-not-burn cigarettes, set at approximately 75% the rate of tax on tobacco cigarettes. The tax was is effective June 1, 2021, and is set at 20.5 cents per stick (in comparison with 27 cents for cigarettes)
- Saskatchewan modified its Tobacco and Vapour Product Regulations to prohibit the sale of some flavoured vaping products outside of adult-only specialty stores. Flavours that can be sold in general retailers are tobacco, mint and menthol.³⁴

29 Ontario Estimates 2021-2022. Health
<https://www.ontario.ca/page/expenditure-estimates-ministry-health-2021-22>

30 Ontario Estimates 2021-2022. Estimates. Health
<https://www.ontario.ca/page/expenditure-estimates-ministry-health-2020-21>

31 Ontario Estimates 2021-2022. Estimates. Health
<https://www.ontario.ca/page/expenditure-estimates-ministry-health-and-long-term-care-2019-20>







32 Saskatchewan Budget 2021.
<https://www.saskatchewan.ca/government/budget-planning-and-reporting/budget-2021-22/budget-documents>

33 Saskatchewan. Vapour Product Tax Act.
<http://docs.legassembly.sk.ca/legdocs/Bills/29L1S/Bill29-32.pdf>

34 Saskatchewan. Tobacco and Vapour Product Amendment Regulations
<https://publications.saskatchewan.ca/api/v1/products/112636/formats/126674/download>

RESEARCH ORGANIZATIONS

- Windsor University announced that it would be a smoke-free campus beginning in the fall of 2021.³⁵
- CAMH and partners released Lower Risk Nicotine Use Guidelines (LRNUG)³⁶

	Cigarettes	Waterpipe	Smokeless tobacco	Heat-not-burn (HNB)	E-cigarettes/vaping	Nicotine Replacement Therapy
How it enters the body:	 Smoke	 Smoke	 Chew or snuff	 Aerosol	 Aerosol	 Mouth or skin
What's in it:						
Tobacco	(Y)	(Y)	(Y)	(Y)	(N)	(N)
Nicotine	(Y)	(Y)	(Y)	(Y)	(Y)	(Y)
Does it increase risk or risk factors for...?						
Addiction	(Y)	(Y)	(Y)	(Y)	(Y)	(N)*
Respiratory illness	(Y)	(Y)	(N)	(?)	(Y)	(N)
Cancer	(Y)	(Y)	(Y)	(?)	(?)	(N)
Cardiovascular disease	(Y)	(Y)	(?)	(?)	(Y)	(N)
Reproductive health	(Y)	(Y)	(?)	(?)	(?)	(?)*

*NRT patches are not addictive. However, some patients might experience symptoms of addiction to short acting NRT.
 **Safer than smoking and use under the guidance of a healthcare professional.

PUBLIC HEALTH ORGANIZATIONS

Ontario's Association of Public Health Agencies (alPHA) adopted a resolution in June 21, calling on federal and provincial health ministers to take the following actions:

- A ban on all vapour product and e-substance flavours except tobacco;
- A cap on the nicotine concentration levels in any vapour product to 20 mg/mL, in alignment with the European Union Tobacco Products Directive;
- The application of the same plain and standardized packaging regime that is applied to commercial tobacco products and accessories to vapour products;
- The enforcement of strict age-verification measures for online sales, including age-verification at time of purchase and proof of legal age at delivery;
- Limit tobacco and vapour product and accessory sales to licensed, age-restricted tobacconists, specialty vape shops and cannabis retail shops respectively;
- The enactment of a tax regime on vapour products and the establishment of product set price minimums to discourage use of all tobacco and vaping products; and,
- An increase to the legal age for the sale and supply of tobacco and vaping products and accessories to 21 years of age.

The Canadian Paediatric Society issued a position statement on "Protecting children and adolescents against the risks of vaping".³⁷

35 Windsor University. Campus to go smoke-free this fall. April 22, 2021.
<https://www.uwindsor.ca/dailynews/2021-04-21/campus-go-smoke-free-fall>

36 CAMH. Lower-Risk Nicotine Use Guidelines.
<https://www.nicotinedependenceclinic.com/en/Pages/Lower-Risk-Nicotine-Use-Guidelin%E2%80%8Bes.aspx>

37 Canadian Paediatric Society. Protecting children and adolescents against the risks of vaping (April 2021)
<https://www.cps.ca/en/vaping>

IV. LITIGATION

- There were no public announcements with respect to the ongoing litigation between Canadian provinces and tobacco companies. This litigation is currently stayed until September 30, 2021..³⁸
- North Carolina and JUUL reached an out of court settlement, the terms of which include a payment to the state of \$40 million (to be used in ENDS cessation programs) and JUUL will restrict certain marketing activities.³⁹

V POLLING AND PUBLIC OPINION

Federal public opinion research

A number of federal government consumer research reports were made public during this period included a report on vaping:

- POR 020-20. Youth and young adult vaping cessation research: final report.⁴⁰
- POR 026-20. Qualitative Research Exploring Options for Warnings on Cigarettes – 2020⁴¹
- POR 095-15. Youth Vaping Prevention Campaign – Testing New Messages⁴²

VI. SELECTED INTERNATIONAL ACTIVITIES

WORLD HEALTH ORGANIZATION

- The World Health Organization commentary in advance of World No Tobacco Day urges governments to not consider e-cigarette use as quitting.⁴³
- The WHO releases a new technical manual on tobacco tax policy and administration.⁴⁴
- The FCTC Secretariat announced that COP9 would be held virtually from November 8 to 13 and MOP2 will be held from November 15 to 18.
- WHO's Study Group on Tobacco Product Regulation issued its eight report, focusing on regulation of heated tobacco, electronic nicotine and other novel nicotine delivery systems.⁴⁵
- WHO issued reports on litigation and novel and emerging tobacco products.^{46 47}

38 Ontario Superior Court. Stay Extension Order. March 30, 2021

39 North Carolina Attorney General Final Consent Judgment.
<https://ncdoj.gov/wp-content/uploads/2021/06/Juul-consent-order.pdf>

40 Earncliffe Strategy Group. Youth and Young Adult Vaping Cessation Research. Final Report
https://epe.lac-bac.gc.ca/100/200/301/pwgsc-tpsgc/por-ef/health/2021/020-20-e/Youth_Young_Adult_Vaping_Cessation_FINAL_EN.pdf

41 Quorus Consulting Group. Qualitative Research Exploring Options for Warnings on Cigarettes – 2020
<https://epe.lac-bac.gc.ca/100/200/301/pwgsc-tpsgc/por-ef/health/2021/026-20-e/026-20-e%20Report%20EN.pdf>

42 Environics. Youth Vaping Prevention Campaign – testing new messages : final report

43 World Health Organization. Quit tobacco to be a winner. May 19, 2021.
<https://www.who.int/news-room/commentaries/detail/quit-tobacco-to-be-a-winner>

44 WHO. WHO technical manual on tobacco tax policy and administration
<https://www.who.int/publications/i/item/9789240019188>

45 WHO study group on tobacco product regulation: Report on the scientific basis of tobacco product regulation: eighth report of a WHO study group. <https://www.who.int/publications/i/item/9789240022720>

46 L Litigation relevant to regulation of novel and emerging nicotine and tobacco products: Comparison across Jurisdictions
<https://www.who.int/publications/i/item/9789240020368>

47 Litigation relevant to regulation of novel and emerging nicotine and tobacco products: case summaries
<https://www.who.int/publications/i/item/9789240024182>

UNITED STATES

FDA Activities –

- The FDA made public the name of products and manufacturers of e-cigarettes which had applied for approval. (May 24, 2021) ⁴⁸
- The FDA announced that it will develop regulations to ban the sale of menthol cigarettes and flavored cigars. (April 29, 2021) ⁴⁹.

US Federal Trade Commission (FTC)

- The FTC released reports on Cigarette and Smokeless tobacco sales and promotions for 2019. ⁵⁰
- Trial of FTC anti-trust charges against the Altria-JUUL acquisition is held. ⁵¹

U.S. Congress:

- In June, the U.S. Congress held hearings on FDA regulation of e-cigarettes (in anticipation of September 9th enforcement of ban on sale of non-approved products). ⁵²

U.S. state and municipal actions

- Washington DC council voted to ban the sale of flavored tobacco products **Washington DC** Mayor signs law banning flavoured e-cigarettes ⁵³
- **North Carolina** Attorney General reaches an agreement with JUUL to settle a lawsuit. Terms include a payment of \$40 million and an agreement to restrict some marketing activities. Juul admits no wrongdoing. ⁱ
-

EUROPE

European Commission.

- The EU Commissions Scientific Committee on Health, Environmental and Emerging Risks (SCHEER) published its final opinion on e-cigarettes. ⁵⁴
- The EU Commission releases its report on the application of the 2014 Tobacco Products Directive. ⁵⁵

48 FDA. h Deemed New Tobacco Product Applications Lists <https://www.fda.gov/tobacco-products/market-and-distribute-tobacco-product/deemed-new-tobacco-product-applications-lists>

49 FDA Press release. FDA Commits to Evidence-Based Actions Aimed at Saving Lives and Preventing Future Generations of Smokers <https://www.fda.gov/news-events/press-announcements/fda-commits-evidence-based-actions-aimed-saving-lives-and-preventing-future-generations-smokers>

50 Federal Trade Commission Cigarette Report for 2019 and Smokeless Tobacco Report for 2019 <https://www.ftc.gov/reports/federal-trade-commission-cigarette-report-2019-smokeless-tobacco-report-2019>

51 FTC. Cases and Proceedings: Altria Group/JUUL Labs, In the Matter of. <https://www.ftc.gov/enforcement/cases-proceedings/191-0075/altria-groupjuul-labs-matter>

52 Oversight Subcommittee on Economic and Consumer Policy

<https://oversight.house.gov/news/press-releases/oversight-subcommittee-to-hold-hearing-with-acting-fda-commissioner-on-the-youth>

53 Washington. Statement from Mayor Bowser on the Flavored Tobacco Product Prohibition Amendment Act of 2021

<https://mayor.dc.gov/release/statement-mayor-bowser-flavored-tobacco-product-prohibition-amendment-act-2021>

B24-20 Flavored Tobacco Product Prohibition Amendment Act. <https://lirms.dccouncil.us/Legislation/B24-0020>

54 Scientific Committee on Health, Environmental and Emerging Risks SCHEER Opinion on electronic cigarettes https://ec.europa.eu/health/sites/default/files/scientific_committees/scheer/docs/scheer_o_017.pdf

55 European Commission. The Tobacco Products Directive: 2021 Application Report https://ec.europa.eu/health/tobacco/products/implementation/report_en

Denmark

- **Denmark** introduces legislation to impose DKK 1.5/ml of nicotine below 12 mg/ml and DKK 2.5/ml for strengths above, to be implemented in July 2022.⁵⁶ (*CAD 0.30 and 0.50*)
- In Denmark, manufacture of flavoured e-cigarettes is banned as of April 1 (retail sales ban comes into force in 2022).⁵⁷

Estonia

- Estonia suspended the tax on vaping liquids to reduce contraband.

Finland

- Finland proposes to amend its Tobacco Act, including expanding plain packaging to vaping products and strengthening controls on other novel nicotine devices.⁵⁸

Germany

- The finance committee of the German legislature approved proposals from the finance ministry to increase tobacco taxes and to impose a tax on vaping liquids based on the quantity of nicotine (€0.02 per mg of nicotine from July 2022 until 2024, when it will be increased to €0.04 per mg of nicotine).⁵⁹

Hungary

- Hungary is required by the Court of Justice of the European Union to raise its excise taxes. EU guidelines require excise taxes on tobacco products to be 60 percent of the average retail price and at least 90 euros for 1000 cigarettes.⁶⁰
- **Hungary** proposes amendments which will impose a regulatory fee on e-cigarette suppliers (including nicotine-free).⁶¹

Ireland

- Ireland releases its Healthy Ireland Strategic Action Plan,⁶² which signals an intention to review tobacco and vaping taxes and to further restrict e-cigarette advertising.

Lithuania

- Lithuania introduces legislation to ban all flavours except tobacco, to come into effect July 1, 2022. .⁶³

56 Denmark. L 217 Proposal for an Act amending the Act on various consumption taxes and the Collection Act <https://www.ft.dk/samling/20201/lovforslag/L217/index.htm>

57 Denmark. Lov om ændring af lov om forbud mod tobaksreklame m.v., lov om tobaksvarer m.v., lov om elektroniske cigaretter m.v. og forskellige andre love1). <https://www.retsinformation.dk/eli/lt/2020/2071>

58 Finland: Proposal to amend the Tobacco Act for Consultation: <https://stm.fi/-/ehdotus-tupakkalain-muutokseksi-lausuntokierrokselle-14.6.-saakka>

59 Federal Ministry of Finance. Press Release. March 24, 2021

<https://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2021/2021-03-24-tobacco-duty-modernisation-act.html>

60 European Court of Justice. C-856/19. Action brought on 25 November 2019 — European Commission v Hungary (Case C-856/19)

61 Hungary. Notification to EU. 2021/202/HU (Hungary) Amendment to Act XLII of 1999 on the protection of non-smokers and certain regulations on the consumption and distribution of tobacco products

62 Healthy Ireland Strategic Action Plan 2021-2025

<https://www.gov.ie/en/publication/441c8-healthy-ireland-strategic-action-plan-2021-2025/>

63 LIETUVOS RESPUBLIKOS TABAKO, TABAKO GAMINIŲ IR SU JAIS SUSIJUSIŲ GAMINIŲ KONTROLĖS ĮSTATYMO NR. I-1143 92 STRAIPSNIO PAKEITIMO

ĮSTATYMAS. Registered June 16, 2021

<https://e-seimas.lrs.lt/portal/legalAct/lt/TAP/fc4af810ce7111eb91e294a1358e77e9?positionInSearchResults=8&searchModelUUID=b0013575-75ea-4e12-b071-f58ce9cfe63c>

Sweden

- The Swedish parliament voted in favour of a committee report to reject the government's proposals to include nicotine in its proposed new strategy on tobacco and other problematic drug use.⁶⁴

Netherlands

- **Netherlands** government tables report on effect of flavourings on young people.⁶⁵
- **Netherlands** Council of Ministers approves a ban on flavours in E-cigarettes.⁶⁶

United Kingdom

- The UK Ministers of Health and the Environment propose that tobacco companies fund the clean up of cigarette litter.⁶⁷
- The Royal College of Physicians released recommendations to government on new tobacco control strategies. (May 2021)⁶⁸
- The UK All Party Parliamentary Group releases its recommendations for the revised UK Tobacco Control Plan.⁶⁹
- The UK House of Commons held a "Westminster Hall debate" on the government's tobacco control plan.^{70 71}

64 Sveriges Riksdag. Vote: Report 2020/21: SoU25 A renewed strategy for alcohol, drugs, doping, tobacco and nicotine policies and gambling 2021–2025, Proposition 30
https://www.riksdagen.se/sv/dokument-lagar/dokument/omrostning/omrostning-betankande-202021sou25-en-fornnyad_H819SoU25p30
<https://www.riksdagen.se/sv/aktuellt/2021/jun/8/socialutskottet-foreslar-nej-till-regeringens-andts-strategi/>
Socialutskottet föreslår nej till regeringens ANDTS-strategi

65 Rijkinstituut voor Volksgezondheid en Milieu. Zoete smaken maken e-sigaretten aantrekkelijk
https://www.tweedekamer.nl/kamerstukken/brieven_regering/detail?id=2021Z05279&did=2021D11683

66 Netherlands government. Rijksoverheid. Banned flavoured e-cigarettes. News Release. May 21, 2021.

67 U.K. Government. Government explores next steps to clean up tobacco litter in England.
<https://www.gov.uk/government/news/government-explores-next-steps-to-clean-up-tobacco-litter-in-england>

68 Royal College of Physicians. Smoking and health 2021: A coming of age for tobacco control?
<https://www.rcplondon.ac.uk/projects/outputs/smoking-and-health-2021-coming-age-tobacco-control>

69 Delivering a Smokefree 2030: The All Party Parliamentary Group on Smoking and Health recommendations for the Tobacco Control Plan. 2021
<https://ash.org.uk/wp-content/uploads/2021/06/APPGTCP2021.pdf>

70 U.K. House of Commons Library. Recommendations for the forthcoming Tobacco Control Plan
<https://commonslibrary.parliament.uk/research-briefings/cdp-2021-0080/>

71 U.K. Hansard. Westminster Hall. June 10, 2021
<https://hansard.parliament.uk/commons/2021-06-10/debates/7A9F973D-6799-4D16-A598-4E47525353B0/TobaccoControlPlan>

OTHER REGIONS

Australia

- Australia releases guidelines for how e-cigarettes can be advertised to the public.ⁱⁱ

Bhutan

- Bhutan moves to end its ban on cigarette sales, in response to concerns about COVID-19 being transmitted by smugglers.⁷²

New Zealand

- New Zealand launches a consultation on a new Action plan to achieve its 2025 smoke-free goal. (April 15, 2021).⁷³ The proposed plan includes a number of innovations, including:
 - Reducing the level of nicotine in cigarettes
 - Reducing tobacco retail availability from 6,000 to 300 retailers
 - Smoke-free generation (increasing the legal age to smoke)

VII. CORPORATE AND MARKET DEVELOPMENTS

PUBLIC RELATIONS / INTERFERENCE

International:

- In advance of FCTC COP9 efforts to frame the World Health Organization as “not fit for purpose” were advanced, including by the Institute of Economic Affairs,⁷⁴ and others.⁷⁵

Domestic:

- RBH joins Imperial Oil, Dow Chemical and others in launching the environmental advocacy group Circular Great Lakes organization.⁷⁶
- RBH announces it has given \$75,000 in funding to community groups⁷⁷
- BAT uses carbon-offset to claim that Vuse is a carbon-neutral product.⁷⁸
- Philip Morris ends its sponsorship if the Ferrari “Mission Winnow” racing car.⁷⁹



72 East Mojo. Bhutan set to legalise tobacco products to control Covid-19 spread <https://www.eastmojo.com/neighbourhood-watch/bhutan/2021/06/26/bhutan-set-to-legalise-tobacco-products-to-control-covid-19-spread/>

73 New Zealand Ministry of Health. Smokefree Aotearoa 2025 Action Plan <https://www.health.govt.nz/publication/proposals-smokefree-aotearoa-2025-action-plan>

74 Institute of Economic Affairs. The Impact Of COP9 On Vapers. <https://iea.org.uk/wp-content/uploads/2021/06/Impact-Of-COP9-On-Vapers.pdf>

75 Letter to Dr. Ghebreyesus, signed by David Agrams, Clive Bates, David Sweanor and Raymond Niaura. May 31, 2021.

76 Circular Great Lakes. Partners. <https://www.circulargreatlakes.org/partners>

77 Great Outdoors Fund. Unsmoke Canada Cleanups Program Grants \$75,000 in Funding to Help Clean Up Canadian Communities <https://www.newswire.ca/news-releases/unsmoke-canada-cleanup-program-grants-75-000-in-funding-to-help-clean-up-canadian-communities-803981349.html>

78 BAT. News Release. BAT's Vuse becomes world's first global carbon neutral vape brand. May 28, 2021 https://www.bat.com/group/sites/UK__9D9KCY.nsf/vwPagesWebLive/DOC3FBTS

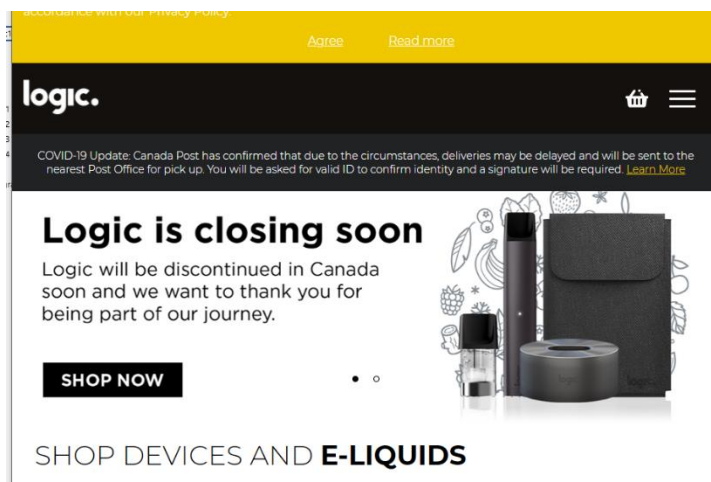
79 Tobacco Journal International. Mission Winnow logo will no longer feature on Ferrari. June 21, 2021

- Ian Irvine’s funding by Foundation for a Smoke-Free World is made public.⁸⁰
- In coordination with other countries, the Canadian vaping industry mounted “World Vape Day” on May 30.⁸¹
- JUUL leaves the Canadian Vaping Industry Trade Association,⁸² citing differences in approach
- The Canadian Vaping Association reported that it had met with 265 members of parliament in April and May 2021, including 26 MPs whom they met on two occasions in that period, and 28 cabinet ministers.⁸³
- A charter challenge is planned against New Brunswick’s restrictions on flavours. The lead plaintiff is Charles Byram, working with Doug Elliot of Cambridge LLP. A Go-fund-me campaign raised \$148,000 of the \$150,000 needed in 3 days.⁸⁴
- A number of demonstrations were held by vaping organizations to protest plans to restrict flavours. These included a demonstration in Montreal April 23, 2021 (droitsdesvapoteurs.ca)
- RBH hosts a “Harm Reduction Forum”, inviting a wide range of Canadians working in public health.⁸⁵ Presenters include: Nick Falvo, Alexandra King, Brandy Stanovich, Heather Petterson, Monty Ghosh, Jane Foster, Ron Pohar, Renee Merrifield. Jane Foster is a consultant to RBH.
- The Canadian Vaping Association opens a portal for “vapers to tell their story”.⁸⁶



CORPORATE PLANS

- JTI announces to customers that it is ceasing vaping sales in Canada in August 2021.⁸⁷
- Philip Morris moves to acquire a nicotine gum company located in Canada.⁸⁸
- JUUL changes its senior management in Canada. Michael Nederhoff left his



80 BOTEC. A Multi-disciplinary Study of the Drivers of Smoking Cessation in Canada <https://ssrn.com/abstract=3774423>

81 Rights4Vapers. Canadian Vapers Unite for World Vape Day. May 30, 2021. <https://www.newswire.ca/news-releases/canadian-vapers-unite-for-world-vape-day-820120222.html>

82 JUUL Labs. Our commitment to resetting the vaping products category in Canada. April 9, 2021. <https://www.juulabs.com/our-commitment-to-resetting-the-vaping-products-category-in-canada/>

83 <https://lobbycanada.gc.ca/app/secure/oc/lrs/do/cmmLgPblcVw?comlogId=507614&searchPage=clientOrgCorpSummary&sMdKy=1623678781936>

84 https://www.gofundme.com/f/save-vape-flavours-for-adults-in-new-brunswick?utm_campaign=p_cp_display&utm_medium=copy_link&utm_source=customer

85 Canadian Science Policy Centre. Smoke-free devices provide an effective alternative to significantly reduce risk for Canadians <https://sciencepolicy.ca/posts/smoke-free-devices-provide-an-effective-alternative-to-significantly-reduce-risk-for-canadians/>

86 Canadian Vaping Association. Press release. <https://www.globenewswire.com/en/news-release/2021/04/14/2210310/0/en/The-Canadian-Vaping-Association-launches-platform-for-vapers-to-tell-their-story.html>

87 Logicvapes.ca. June 6, 2021.

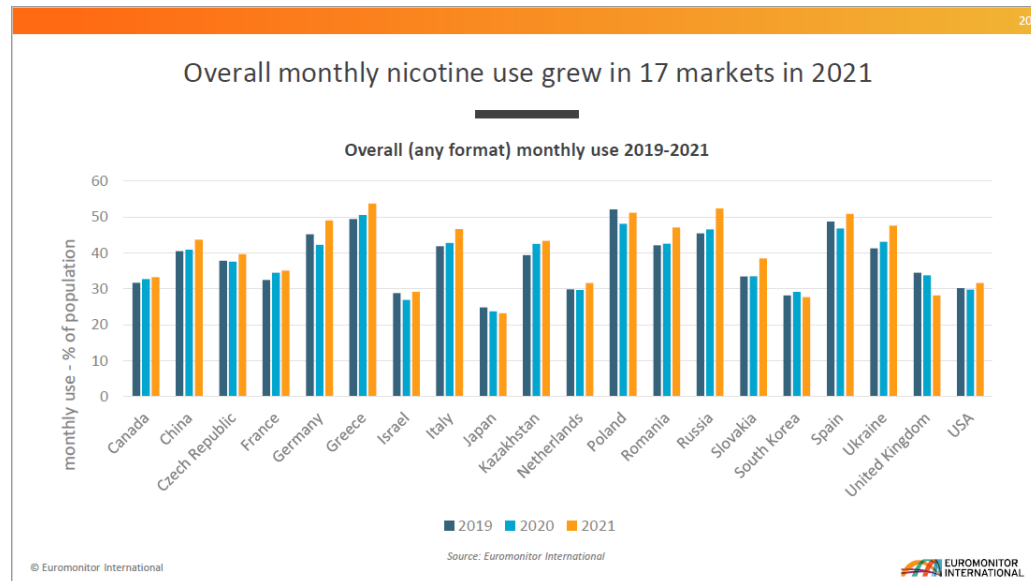
88 Tobacco Reporter. PMI Eyes Nicotine Gum Manufacturer. June 18, 2021.

position as president, and Eric Omwega assumes the role.⁸⁹

- PMI appoints a new CEO, Jacek Olczak.⁹⁰
- JUUL ends its participation in the Canadian Vaping Industry Trade Association.⁹¹
- Philip Morris moved to acquire NRT manufacturer Fertin.⁹²

MARKET DEVELOPMENTS

- Euromonitor reports that overall monthly nicotine use increased in Canada in 2021 (as it did in 17 markets)⁹³



Manufacturing

- In the spring of 2021, Philip Morris launched its first vapour product in Finland,⁹⁴ subsequently introducing to New Zealand, Check Republic and Italy.

Agriculture

⁸⁹ Convenience Store Central. Michael Nederhoff leaves Juul Labs Canada. April 14, 2021.

⁹⁰ Philip Morris. Press release. "I am humbled and excited"—Jacek Olczak commits to accelerating progress on his first day as CEO of PMI. May 5, 2021.

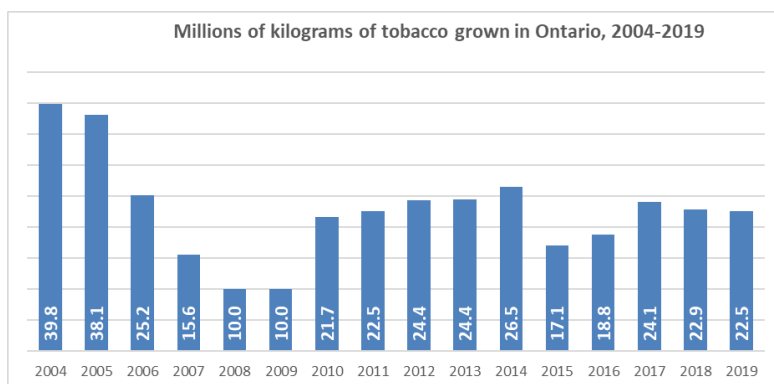
⁹¹ Tobacco Reporter. Juul Leaves Canadian Industry Association <https://tobaccoreporter.com/2021/04/12/juul-leaves-canadian-vaping-industry-trade-association/>

⁹² Philip Morris International. Philip Morris International Announces Agreement to Acquire Fertin Pharma. July 1, 2021

⁹³ Euromonitor. Consumer Attitudes Towards Tobacco and Nicotine Products May 2021. https://go.euromonitor.com/webinar-tobacco-210511_nicotine-survey.html

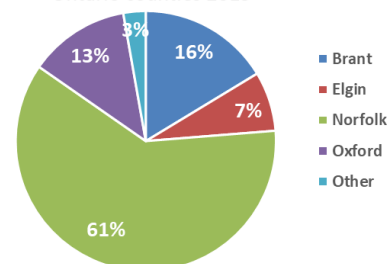
⁹⁴ PMI Investor Information April 2021. <https://philipmorrisinternational.gcs-web.com/static-files/4913aa5a-249e-4601-ad4a-e68e3750d4be>

- Data released by the Ontario government shows that tobacco production in 2019 was double the amount in 2008, when farmers were compensated for relinquishing their licenses.⁹⁵ Norfolk county produces more than half of Ontario's crop.



Vapour products

Share of tobacco production, Ontario counties 2019

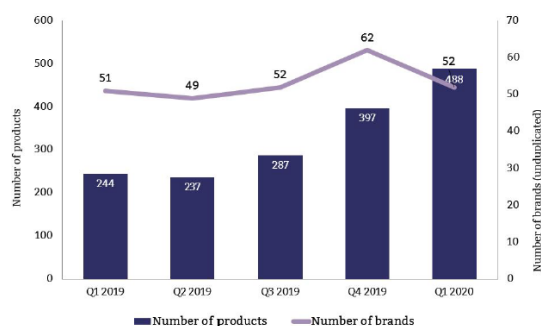


• E-cigarette intelligence reported that the number of vaping products sold in Canada has doubled over 1 year, and the price has continued to decline⁹⁶

- Italian trade analysts Finaria reported that Canada had the third most valuable e-cigarette market, with U.S. \$1.08 billion in revenue in 2020, following the United Kingdom (\$3.1 billion) and the United States (\$6.2 billion).⁹⁷

Hardware brands and products

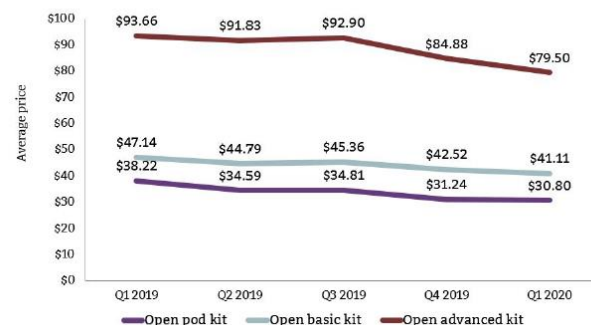
The number of products has doubled since Q1 2019



Source: ECigIntelligence, Jan 2020

ECigIntelligence
Regulatory and Market Intelligence for the e-Cigarette Sector

Open system pricing



- BAT introduced a new model of its ePOD. The marketing profiles a new charging system (magnetic charger) which allows for use while charging.



⁹⁵ Ontario government. Ontario field crop area and production estimates by county.

<https://data.ontario.ca/dataset/ontario-field-crop-area-and-production-estimates-by-county>

⁹⁶ E-cigarette intelligence mailing: Interested in the Canadian market? You cannot miss our new data. April 26, 2021

⁹⁷ Finaria E-cigarettes to become \$20.8 billion worth industry in 2021, a 10% jump YoY

<https://www.finaria.it/pr/e-cigarettes-to-become-20-8b-worth-industry-in-2021-a-10-jump-yoy/>

INTELLECTUAL PROPERTY

New trademarks:

BAT filed trademarks for:

- flavoured Cannabis product designs: Smooth berry CBD,⁹⁸ Chilly Mango CBD,⁹⁹ Cool Mint CBD¹⁰⁰
- non-specific flavours: Velvety Mix,¹⁰¹ Exotic Mix,¹⁰² Rich Mix.¹⁰³

i North Carolina Attorney General Final Consent Judgment.

<https://ncdoj.gov/wp-content/uploads/2021/06/juul-consent-order.pdf>

ii Australia. Therapeutic Goods Administration. Advertising nicotine e-cigarettes and liquid nicotine to the Australian public

<https://www.tga.gov.au/advertising-nicotine-e-cigarettes-and-liquid-nicotine-australian-public>

98 Trademark database: Trademark # 2108037

99 Trademark database: Trademark # 2108014

100 Trademark database: Trademark # 2108008

101 Trademark database: Trademark # 2113910

102 Trademark database: Trademark # 2112616

103 Trademark database: Trademark # 2112624