IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT NO. 10643 OR"AN ACT TO EFFECTIVELY INSTILL HEALTH CONSCIOUSNESS THROUGH GRAPHIC HEALTH WARNINGS ON TOBACCO PRODUCTS,"OTHERWISE KNOWN AS "THE GRAPHIC HEALTH WARNINGS LAW"

WHEREAS, Republic Act No. 10643 (RA 10643) entitled "AN ACT TO EFFECTIVELY INSTILL HEALTH CONSCIOUSNESS THROUGH GRAPHIC HEALTH WARNINGS ON TOBACCO PRODUCTS" was approved on July 15, 2014 and took effect on August 7, 2014, fifteen (15) days after its complete publication in newspapers of general circulation;

WHEREAS, Section 16 of RA 10643 created an Implementing Rules and Regulations**(**IRR) Committee led by the Department of Health (DOH) and the Department of Trade and Industry (DTI) and to be composed of the Department of Justice (DOJ), Department of Finance (DOF), the Department of Environment and Natural Resources (DENR), the Department of Science and Technology (DOST), the Department of Education (DepEd), the National Tobacco Administration (NTA), and the Department of Agriculture (DA) to draft and issue the IRR for the effective implementation of RA 10643, after public consultations with stakeholders;

NOW THEREFORE, the following rules and regulations are hereby promulgated:

RULE I
GENERAL PROVISIONS

Section 1. Short Title

These Rules and Regulations shall be referred to as "The Implementing Rules and Regulations of RA10643" ("the Rules").

Section 2. Purpose

These Rules are adopted to ensure the effective implementation of RA 10643 and specifically to:

a. provideguidelines and procedures for compliance monitoring, reporting,inspections, and enforcement;

b. define the roles and responsibilities of implementing agencies and all persons and entities involved in implementation;

c. provide guidelines for ensuring timely and strict compliance with the templatesof the graphic health warnings and guidelines on the use of such templates, and the ban on misleading descriptors;

d. provide guidelines to ensure that the graphic health warnings and the ban on misleading descriptors promote the right to health and information of the people; and

e. provideother guidelines, procedures, and standards for the effective implementation of RA 10643.

Section 3. Coverage

These Rules are applicable to tobacco products that are locally manufactured or imported and introduced in the Philippine market, whether for sale, promotion, testing, research, or

any other purpose. Tobacco products intended or offered for export shall only be subject to the provisions of Rule III, Section2 of these Rules. No tobacco products intended or offered for export shall be distributed in the local market.

Section 4. Construction

These Rules shall be liberally construed to promote the intent, purposes and objectives of RA 10643. Any ambiguity in the interpretation hereof shall be resolved in favor of protecting and promoting the right to health of the people and instilling health consciousness among them pursuant to the state policy set out in Article II, Section 15 of the Constitution. The WHO FCTC and other relevant laws shall have suppletory application.

RULE II
DEFINITION OF TERMS

Section 1. Definition of Terms

For purposes of these Rules, the following terms shall mean or be understood as follows:

a. "Brand family" refers to two or more tobacco products manufactured, sold, or distributed under the same brand, business or company name,which use a common name or the same means of identification;

b. "Brand variant" refers to a brand on which a modifier is prefixed and/or suffixed to the root name of the brand, and/or a different brand that carries the same logo or design of the existing brand;

c. "Container" means any object used for or capable of holding one or more tobacco product packages;

d. "Display" means any visual presentation or exhibition of tobacco product packages usedfor the sale or offer of sale of tobacco products;

e. "Distributor" refers to any person or entity that distributes or supplies tobacco products to retailers and/or other persons and entities who are not end-users or consumers of tobacco products;

f. "Exact Replica" refers to the sampleprinted visual depiction of a tobacco product packaging submitted by manufacturers and importers to the BIR pursuant to an application for registration of new brands or variants of existing brands or new brands in accordance with Revenue Regulations No. 3-2006, and its amendatory issuances, which contain the graphic and textual health warnings and other additional information as required under RA 10643, and displays the dimension of the packaging in exact measurements and percentages;

g. "Graphic Health Warnings" refer to the photographic image printed on the tobacco product package, which accurately depicts the hazards of tobacco use and is accompanied by a textual warning related to the picture;

h. "Insert" means any communication inside an individual package and/or carton purchased at either wholesale or retail by consumers, such as a leaflet or brochure;

i. "Manufacturer" refers to any person or entity that is engaged in the business of manufacturing or assembling tobacco products;

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j. "Mastercase" means any box, or packaging of any form that is used to store or hold containers, reams/cartons, or any other tobacco product packaging for shipping or transport;

k. "Misleading Descriptor" refers to any number, mark, or term in any language that directly or indirectly creates the false impression or claims or misleads a consumer to believe that a particular tobacco product is healthier, safer, or less harmful than others;

l. "Noncompliant package" means any tobacco product packaging or labeling, including mastercases, inserts, onserts, or outside packaging and labeling, that fails to comply with the packaging and/or labeling requirements and specifications under RA 10643, these Rules, and other regulations and guidelines issued to further implement the provisions thereof;

m. "Obscure"means to cover, conceal, or cause, whether partly or fully, any change or effect that would lessen the visibility, legibility, or prominence of the Graphic Health Warning;

n. "Onsert" means any communication affixed to the outside of an individual package and/or carton purchased at either wholesale or retail by consumers, such as a brochure beneath the outer cellophane wrapping or glued to the outside of the cigarette package;

o. "Outside Packaging and Labelling" refers to any external packaging or labelling that contains tobacco products or packages, other than a mastercase, including, but not limited to, packaging that contains a set of tobacco product packages, such as a ream/carton.

p. "Principal Display Surface," otherwise referred to as "Principal Display Area" or "Principal Display Panel," means:

(1) In the case of a package and carton that has at least two (2) equal-sized sides or surfaces, other than the top and bottom, that may be displayed or visible under normal or customary conditions of sale or use, the areas of each of the two (2) largest surfaces;

(2) In the case of a spherical, cylindrical, or conical container of tobacco products, the two (2) largest surfaces that are predominantly displayed; and

(3) In the case of a package and carton that do not have a particular side or surface that is predominantly displayed or visible under normal or customary conditions of sale or use or those that are not described under subsections (p)(1) and (p)(2) of this Section, fifty percent (50%) of the three (3) dominant sides or the total surface thereof, whichever is bigger, which will ensure that the Graphic Health Warnings are visibly shown;

Diagrams of Principal Display Surfaces are attached to these Rules as **Annex A**, subject to further guidelines that may be issued by the DOH.

q. "Retailer" refers to any person or entity engaged in the direct sale or offer for sale of tobacco products to consumers or end-users;

r. "Side Panel" refers to the surface of the pack that has the largest surface available next to the principal display surface where Graphic Health Warnings must appear;

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s. "Tobacco Product Package" means the packet and package of tobacco products and any outside packaging and labeling of tobacco products for sale and distribution in the domestic market, importation, trade, exchange, or for exhibition, such as, but not limited to, packs, tins, boxes, pouches, flip-tops, slide and shell packages, cartons, packages containing one (1) product unit, or other containers of tobacco products containing the logo or trademark of the tobacco companies, primarily intended for consumers or for retail sale; and

t. "Tobacco Products" means products entirely or partly made of leaf tobacco as raw material that are manufactured to be used for smoking, sucking, chewing or snuffing, or by any other means of consumption.

RULE III
TECHNICAL STANDARDS AND REQUIREMENTS

Section 1. Packaging of Tobacco Products Manufactured and Imported for Introduction to the Philippine Market

A. General Provisions

1. Graphic Health Warnings on Principal Display Surfaces

All cigarette packages and other tobacco product packages, including package inserts and onserts, and any outside packaging and labeling, withdrawn from the manufacturing facilities or imported into the Philippine customs territory shall bear Graphic Health Warnings on fifty percent (50%) of the lower portion of the principal display areas or surfaces in accordance with the templates issued by the DOH.

2. Additional Information on Side Panels

All cigarette packages and other tobacco product packages shall bear additional information as prescribed by the DOH, namely additional health warnings, hotlines or websites for tobacco-related concerns, or tips on how to stop smoking, on an area of not more than thirty percent (30%) of the display surface of one (1) side panel.

B. Mastercases, Inserts, Onserts and Outside Packaging and Labelling

1. Mastercases

Mastercases that contain the logo or trademark of tobacco brands shall bear the textual warning "SMOKING KILLS". The textual health warning shall be printed in bold font, in the same single color as the trademark logo, and shall occupy fifty percent (50%) of each principal display panel, with the purpose that it shall be of equal prominence and visibility as the logo or trademark of tobacco companies.

2. Inserts

Graphic Health Warnings on inserts shall occupy fifty percent (50%) of allsides or surfaceareasthat have any form of printing thereon.

3. Onserts

Graphic Health Warnings on onserts shall occupy fifty percent (50%) of all sides or surfaceareas that may be displayed or visible under normal or customary conditions of use; Provided, that the onserts shall be affixed in such a manner that no part of the Graphic Health Warning printed thereon is obliterated, obscured, folded, severed or unreadable.

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No onserts shall be affixed or applied on a location where it is likely to obscure or cover, in part or in whole, the Graphic Health Warnings or the location where the internal revenue strip stamp is to be affixed as may be required by the BIR.

4. Outside Packaging and Labeling

All outside packaging and labeling shall bear Graphic Health Warnings on fifty percent (50%) of the principal display areas, in the same quality, color, and proportion and in accordance with the templates issued by the DOH; Provided, that for packages that have principal display areas that are disproportionate to the specifications provided in the templates issued by the DOH, tobacco manufacturers and distributors shall submit information on such outside packaging and labelling, and the DOH shall issue further guidelines accordingly.

5. Reams/Cartons

a. Non-transparent reams/cartons

Non-transparent reams/cartons shall bear Graphic Health Warnings on fifty percent (50%) of the principal display areas, in the same quality, color, and proportion and in accordance with the templates issued by the DOH.

b. Transparent reams/cartons

For reams/cartons that use transparent material on all principal display surfaces such that all tobacco product package units are visible from outside, the packages shall be placed inside the ream/carton in such a manner that the Graphic Health Warnings thereon are prominently displayed and not obscured by any part of the packaging.

c. Partly-transparent reams/cartons

For reams/cartons that use transparent material on one (1) principal display surface such that some tobacco product package units are visible from outside, the packages that are visible shall be placed inside the ream/carton in such a manner that the Graphic Health Warnings thereon are prominently displayed and not obscured by any part of the packaging. Such partly-transparent reams/cartons shall bear Graphic Health Warnings on fifty percent (50%) of the non-transparent principal display surface, in the same quality, color, and proportion and in accordance with the templates issued by the DOH.

Section 2. Packaging of Tobacco Products Intended or Offered for Export

Mastercases, reams/cartons, and packaging of tobacco products intended or offered for export shall bear on one (1) side panel the following markings and information: (1) "For sale only in (country of destination)", (2) "Made under authority of (company name of trademark owner)", (3) tax number assigned by the BIR to the domestic manufacturer that exports tobacco products; and (4) fiscal and regulatory marking requirements of the country where the tobacco products will be ultimately sold. Tobacco products intended or offered for export shall not be required to bear the Graphic Health Warnings required in the previous section.

Section 3. Specifications of Graphic Health Warnings and Additional Information

a. The graphic health warnings shall be printed in four colors /-cmyk-/ screen 133 lines per inch based on a source file of 300 dpi. It shall be printed using current

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available technology for purposes of providing vivid and realistic pictures, without the use of any border, frame or any other design that will effectively lessen the size of the warning;

b. The Graphic Health Warnings shall be printed or inscribed on the package in a color which contrasts conspicuously with the background of the package or its labels;

c. The Graphic Health Warnings shall be reproduced in the same quality, color and proportion as provided by the DOH in the templates or in the digital form, whichever is clearer and more vivid, without modification;

d. The text warning accompanying the photographic picture warning shall be worded in such manner that an ordinary layman will understand what the picture is about and what the ill-effects of smoking are on the health of the smoker and on the people around him;

e. The text warning shall be placed on areas of the photograph where it will not obscure the picture itself but will be prominently displayed;

f. The text shall use no more than twenty percent (20%) of the entire area of the Graphic Health Warnings and shall appear in clearly legible type and in contrast by typograph, layout and color, without the use of any border, frame or any other design that will effectively lessen the size of the textual warning;

g. The accompanying text shall be printed in Filipino on the front panel and English on the back panel. In the case of other containers where there is only one (1) external surface area, the accompanying text will alternately be in English or Filipino; and

h. The additional information to be printed on the side panels of tobacco product packaging shall be prominently displayed and the text thereto shall appear in clearly legible type and in contrast by typograph, layout and color, without the use of border or frame or any other design that will effectively lessen the size of the additional health warnings.

Section 4. Costs

All printing costs pertaining to packaging and labeling shall be shouldered by tobacco manufacturers and/or importers.

Section 5. Prohibition on Obscurement

Nothing shall be printed or applied on a location where it is likely to obscure or cover, in part or in whole, the Graphic Health Warnings or the location where the internal revenue strip stamp is to be affixed as may be required by the BIR. No part of the warning may be obliterated, obscured, folded, severed or become unreadable when the tobacco package is opened or closed or when a wrapper on the package is removed.

Section 6. Issuance of Graphic Health Warning Templates

a. A maximum of twelve (12) templates of Graphic Health Warnings shall be printed simultaneously and these shall be rotated periodically for each brand family and also for each brand variant, so that every twenty-four (24) months, the variations of the warnings shall appear in the market with approximately equal frequency and equal display of health warnings and messages on retail packages.

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b. Thirty days (30) days after the effectivity of RA 10643, the DOH shall issue a maximum of twelve (12) templates of Graphic Health Warnings to be rotated, as well as guidelines with respect to the specific pictures, design, or content of the information relating to the Graphic Health Warnings, and other information that must appear on the tobacco product packages.

c. The DOH shall consider the recommendations of leading nongovernment organizations (NGOs) that have established and proven records of dealing with tobacco-related diseases and deaths and that have no affiliation with the tobacco industry. All Graphic Health Warnings issued shall comply with the specifications above and must always present the devastating effects of tobacco use and exposure to tobacco smoke.

d. The initial set of templates is valid for two (2) years from implementation. Within one (1) year from the effectivity of the initial set of templates, the DOH shall issue a new set of templates, which will take effect upon expiration of the initial set. These new templates shall be valid for two (2) years and so on.

RULE IV
DESCRIPTORS

Section 1.Ban on Misleading Descriptors

Beginning on [March 5, 2016],[1]no cigarette packs or other tobacco product packages shall bear misleading descriptors or any number or descriptor such as "low tar", "light", "ultra-light", or "mild", "extra", "ultra", and similar terms in any language that claims or misleads a consumer to believe that a tobacco product, brand, brand family, or brand variant is healthier, safer, or less harmful.

The date of publication of the Graphic Health Warning templates on March 4, 2015 shall be the reckoning period of the issuance of the initial set of templates for purposes of complying with the timeline set by Section 8 of RA 10643.

RULE V
STANDARDS FOR COMPLIANCE

Section 1. Compliance Period

No person or legal entity shall manufacture, produce, import, or distribute cigarette packages and tobacco product packages, including package inserts and onserts, and any outside packaging and labeling, that do not meet the requirements of RA 10643, these Rules, and other regulations and guidelines issued for its effective implementation.

Beginning on[March 5, 2016],no tobacco product packaging shall be manufactured without the Graphic Health Warnings. Manufacturers, importers, and distributors shall ensure that all cigarette packages and tobacco product packages, including package inserts and onserts, and any outside packaging and labeling, withdrawn from the manufacturing facilities or imported into the Philippine customs territory, shall bear the prescribed highly visible full-color Graphic Health Warnings and comply with the ban on misleading descriptors.

The date of publication of the Graphic Health Warning templates on March 4, 2015 shall be the reckoning period of the issuance of the initial set of templates for purposes of complying with the timeline set by Section 15 of RA 10643.

[1] March 4, 2015 is the publication date of the Graphic Health Warning Templates on the Philippine Star.

Section 2. Prohibition on Sales

No person or legal entity shall sell or commercially distribute or display any cigarette or tobacco product without ensuring that the labels and packages, as well as any other container, receptacle, or holder used in displaying the cigarette or tobacco products, meet the requirements of RA 10643 or these Rules.

Beginning on [November 5, 2016], retailers and sellers of tobacco products shall ensure the removal from all displays of noncompliant tobacco products manufactured, imported, distributed or sold by them.

Section 3. Prohibition on Obstruction of Display

No person or legal entity shall obscure or cover in part or in whole the Graphic Health Warnings in the selling areas. The Graphic Health Warnings shall be prominently displayed whenever the said packages are commercially displayed.

Section 4. Submission of Exact Replicas

Tobacco manufacturers and importers shall submit to the BIR exact replicas of tobacco product packaging and labelling, including inserts, onserts, reams/cartons, mastercases, and outside packaging and labelling, as a requirement in applying for registration in accordance with Section 156 of the National Internal Revenue Code, as amended, Revenue Regulations No. 03-2006 and 17-2012, and its amendatory regulations, and other relevant Revenue Issuances that may be issued by the BIR and/or the Secretary of Finance.The exact replicas shall be submitted in triplicate, with one copy each to be furnished to the BIR, the DOH, and the applicant.

Section 5. Registration and Certification

a. The Graphic Health Warnings Law Checklist

The Graphic Health Warnings Law Checklist is a simplified checklist and attestation that embodies the requirements of RA 10643 for tobacco product packaging. Tobacco manufacturers and importers shall accomplish the Checklist under oath and submit the same to the BIR, together with exact replicas of tobacco product packaging and labelling. The Checklist is attached to these Rules as **Annex B** and forms an integral part hereof, subject to further amendment by the BIR in accordance with subsequent templates and guidelines to be issued by the DOH.

Section 6. Registration of Cigarette Brands and Brand Variants with the BIR

For cigarette brands and brand variants, the exact replicas of the cigarette product packaging and labelling and the accompanying Graphic Health Warnings Law Checklist shall be a requirement in applying for registration in accordance with Section 156 of the National Internal Revenue Code, as amended, Revenue Regulations No. 03-2006 and its amendatory regulations, and other relevant Revenue Issuances that may be issued by the BIR or Secretary of Finance.

Pursuant to Section 16, Paragraph 2 of RA 10643, the BIR personnel evaluating the application shall validate or counter-check the contents of the Graphic Health Warnings Checklist based on the exact replicas of the cigarette product packaging and labelling submitted to the BIR.

The BIR shall approve the application for registration of the cigarette brands and brand variants and their corresponding packaging and labelling upon showing that the

exact replica submitted complies with the requirements of RA 10643, the National Internal Revenue Code of 1997, as amended, and the above mentioned Revenue Issuances. Any misdeclaration or misrepresentation of facts shall be subject to applicable penalties under RA 10643 and the penalties of summary cancellation or withdrawal of permit to engage in business as a manufacturer or importer of tobacco products pursuant to Title X of the NIRC or 1997, as amended.

Section 7. Compliance of Tobacco Products Other Than Cigarettes

For other tobacco products not covered by the preceding section, the exact replicas of tobacco product packaging and labelling and the duly accomplished Graphic Health Warnings Law Checklist shall be submitted to the BIR for endorsement to the DOH for validation or counter-checking of compliance with the requirements of RA 10643.

Section 6.Submission of List and Samples of Packaging and Labelling Types

Within thirty (30) days from the effectivity of these Rules, tobacco manufacturers and importers shall submit to the DOH a list and samples of all types of tobacco product packaging and labelling to be introduced to the market, including mastercases, reams/cartons, and non-conventional forms of packaging, for the guidance of the DOH in issuing further guidelines and templates.

RULE VI
ROLES AND RESPONSIBILITIES OF IMPLEMENTING AGENCIES

Section 1. Department of Health

The DOH shall have the following responsibilities:

a. Issue templates of Graphic Health Warnings, textual health warnings and additional information;

b. Issue guidelines with respect to the specific pictures, design or content of the information relating to Graphic Health Warnings, other information that must appear on tobacco product packages, and the ban on misleading descriptors;

c. Monitor and ensure compliance with such guidelines, templates, and quality standards set out in these Rules;

d. Implement appropriate administrative remedies for the violation of RA 10643 and these Rules, including, but not limited to, initial seizure and confiscation of non-compliant tobacco products and packages;

e. Exercise exclusive authority to conductan evaluation of the effectiveness of Graphic Health Warnings;

f. Conduct activities for health promotion and tobacco control and fund administrative costs from the proceeds generated from the enforcement of RA 10643; and

g. Allocate resources as necessary for the full implementation of RA 10643, including the designation of a full-time focal person or unit in the DOH.

Section 2. Department of Trade and Industry

The DTI shall have the following responsibilities:

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a. Receive and hear complaints filed by the IACT, or any private citizen, corporation or organization, for any violation of RA 10643 or these Rules; and

b. Receive and hear complaints filed by the IACT *motu proprio* or upon any sworn written complaints by any member agency thereof; and

c. After notice and hearing, impose administrative fines of not more than Two million pesos (P2,000,000.00) [and other applicable penalties] for any violation of RA 10643 or these Rules.

Section 3. Department of Finance

The DOF shall supervise the performance of the following attached agencies in the implementation of RA 10643:

a. Bureau of Internal Revenue (BIR)

The BIR shall have the following responsibilities:

i. Ensure that internal revenue stamps are not affixed on non-compliant packages;

ii. Certify under oath, when required, that the tobacco products withdrawn are compliant with RA 10643 and these Rules; and

iii. Issue the corresponding revenue regulations to implement RA 10643 and these Rules.

b.Bureau of Customs (BoC)

The BoC shall be responsible for ensuring that tobacco products and packages imported and intended for the Philippine market are compliant with RA 10643 and these Rules.

Section 4. Department of Education

The DepEd shall have the following responsibilities:

a. Use Graphic Health Warning templates to educate children on the hazards of tobacco use and exposure to second hand smoke and the adverse socioeconomic and environmental consequences of tobacco production and consumption and ensure that these are incorporated into relevant subjects under the current curriculum as well as in the alternative delivery modes of learning of the agency; and

b. Develop and implement health promotion campaigns on tobacco control in coordination with the DOH with the use of proceeds generated from the enforcement of RA 10643.

Section 5. IAC-Tobacco (IAC-T)

The IAC-T shall have the following responsibilities:

a. Monitor compliance with RA 10643; and

b. Institute, *motu proprio* or upon any sworn written complaint, the appropriate action for any violation of RA 10643.

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Section 6. Protection Against Commercial and Vested Interests

To ensure the effectiveness of policies and processes in relation to the implementation and enforcement of RA 10643, all implementing agencies shall perform their roles and responsibilities in a manner that will ensure transparency and consistency with RA 10643 and these Rules and shall protect against the commercial and vested interests of the tobacco industry.

RULE VII
ENFORCEMENT AND PENALTIES FOR NON-COMPLIANCE

Section 1. Seizure and Confiscation of Non-compliant Tobacco Products and Packages

Beginning on [March 5, 2016], the DOH, through itsauthorized agents and representatives, with the cooperation and assistance of LGUs and law enforcement agencies, shall implement initial seizure and confiscation of non-compliant tobacco products and packages from all displays in the market in accordance with relevant administrative procedure.

Section 2. Procedure for Seizureand Confiscation

The following procedure shall be observed in the conduct of the seizure and confiscation:

a. The authorized officer or representative shall, immediately after the seizure and confiscation of non-compliant tobacco products and packages, physically inventory and photograph the same in the presence of the person from whom the non-compliant tobacco products were seized and confiscated or his/her representative, who shall be required to sign copies of the inventory report covering the products; and

b. The seized tobacco products and packages shall be turned over to the DTI, which shall have legal custody until after its final disposition of the same.

Section 3. Filing of Administrative Complaints

The IACT or any member agency thereof may, upon sworn written complaint, institute appropriate action for any violation of this act, which shall be decided by the DTI on its merits. Any private citizen, corporation or organization, may file complaints for any violation of this Act with the DTI.

Section 4. Procedure for Resolution of Complaints and Execution of Decisions

The resolution of complaints and execution of decisions on all cases filed with the DTI shall be governed by DTI Administrative Order No. 07, Series of 2006 and its amendments.

Section 5. Penalties for Non-Compliance

a. The following penalties shall individually apply to manufacturers, importers, and distributors of tobacco products as well as their agents/representatives for any violation of Sections 6 and 7, and Section 11 of RA 10643 insofar as they are responsible for providing display materials that are in violation of RA 10643:

    1. On the first offense, a fine of not more than Five hundred thousand pesos

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(P500,000.00);

2. On the second offense, a fine of not more than One million pesos (P1,000,000.00); and

3. On the third offense, a fine of not more than Two million pesos (P2,000,000.00) or imprisonment of not more than five (5) years, or both, at the discretion of the court: Provided, that the business permits and licenses, in the case of a business entity or establishment shall be revoked or cancelled.

If the guilty officer is a foreign national, he shall be deported after service of sentence and/or payment of applicable fines without need of further deportation proceedings and shall be permanently barred from re-entering the Philippines.

Each withdrawal or importation into the Philippine customs territory of noncompliant tobacco packages, regardless of size, for sale to the market, after the compliance date shall constitute one (1) offense. An additional penalty of One hundred thousand pesos (P100,000.00) per day shall be imposed for each day the violation continues after having received the order from the DTI notifying the company of the infraction.

b. The following penalties shall individually apply to retailers/sellers of tobacco products as well as their agents/ representatives for any violation of Sections 6 and 7 of RA 10643, insofar as they are involved in the display, offering for sale and selling of the covered products, as well as Section 11 of RA 10643:

1. On the first offense, a fine of not more than Ten thousand pesos (P10,000.00);

2. On the second offense, a fine of not more than Fifty thousand pesos (P50,000.00); and

3. On the third offense, a fine of not more than One hundred thousand pesos (P100,000.00) or imprisonment of not more than one (1) year, or both, at the discretion of the court. The business permits and licenses, in the case of a business entity or establishment shall be revoked or cancelled.

Each day that noncompliant tobacco packages are found in the retail establishments of the retailers after the compliance date shall constitute one (1) offense. An additional penalty of Five thousand pesos (P5,000.00), per day shall be imposed for each day the violation continues after having received the order from the DTI notifying the retailers of the infraction.

Provided, that the imposition of the fines shall take into consideration the annual gross sales, capital investment and employee size of the manufacturers, importers and distributors, and in the case of retailers and sellers, their total assets.

Provided, further, that where the retailer is also a distributor, or in any manner sells or offers for sale tobacco products to persons or entities other than end-users or consumers, such person or entity shall be treated as a distributor for purposes of imposition of penalties.

c. **Administrative Fines**

The administrative fines that may be imposed by the DTI for any violation of RA 10643 shall not exceed Two million pesos(P2,000,000.00);Provided, that the imposition of the fines shall take into consideration the annual gross sales, capital investment and employee size of the manufacturers, importers and distributors,

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and in the case of retailers and sellers, their total assets.

Section 6. Utilization of Proceeds of Administrative Fines

Pursuant to Section 16, the proceeds of administrative fines imposed for any violation of RA 10643 or these Rules shall be used for health promotion campaigns on tobacco control of the DOH and the DepEd subject to usual accounting and auditing rules and regulations; Provided, that such health promotion campaigns on tobacco control should include innovative activities that are intended to have high impact or visibility.

The DOH and the DepEd, jointly and in coordination with the DTI, shall promulgate the guidelines for the effective implementation of this Section.

RULE VIIIVIII
FINAL PROVISIONS

Section 1. Compliance with Existing International Conventions

Nothing in RA 10643 or these Rules shall modify the measures adopted to give effect to the obligations of the Philippines under international conventions existing at the time of the enactment of RA 10643.

Section 2. Strict Compliance

Absolutely no extensions of time to comply with the provisions of RA 10643 shall be granted to tobacco manufacturers and importers or any other affected party.

Section 3. Separability Clause

If any clause, provision, paragraph or part thereof shall be declared unconstitutional or invalid, such judgment shall not affect, invalidate or impair any other part hereof but such judgment shall be merely confined to the clause, provision, paragraph or part directly involved in the controversy in which such judgment has been rendered.

Section 4. Effectivity Clause

These Rules shall take effect fifteen (15) days after its publication in the Official Gazette or in a major daily newspaper of national circulation in the Philippines. The DOH shall ensure the filing of a copy with the Office of the National Administrative Register.

Section 5. Repealing Clause

All administrative orders, rules, regulations, memoranda, circulars, resolutions, and other issuances that are contrary to or inconsistent with the provisions of RA 10643 are hereby modified, superseded, or repealed accordingly.

Adopted this ___ day of ____ 2015in Manila, Philippines.

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