



News release

New tobacco excise stamp on cigarette packages “One step closer against tobacco contraband” – Jean-Pierre Blackburn

Ottawa, Ontario, September 14, 2009... The Honourable Jean-Pierre Blackburn, Minister of National Revenue and Minister of State (Agriculture and Agri-Food), is pleased to announce that the Canada Revenue Agency (CRA) has made significant progress toward the introduction of a proposed new tobacco excise stamp on cigarette packages in 2010.

“My colleague, the Honourable Jim Flaherty, Minister of Finance, has proposed legislative amendments to the *Excise Act, 2001* that would give me the authority to control the design, manufacture, and issuance of new tobacco excise stamps,” said Minister Blackburn. “These amendments would limit the quantities of stamps that are issued to the manufacturers of tobacco products, would define who can receive and possess the stamps, and would require anyone who has tobacco stamps to account for them.”

The CRA has already developed proposals for the new Excise Stamp Administration Regulations as well as amendments to the Stamping and Marking of Tobacco Products Regulations to complement the proposed legislative amendments announced by Finance Canada.

“Our proposals would make sure that the new stamps are issued only to the holders of tobacco licences and other prescribed persons, such as those who import tobacco products,” declared Minister Blackburn. “Every package of tobacco products would have to be stamped with the appropriate tobacco excise stamp in a conspicuous place and in a manner that seals the package, with the stamp remaining affixed to the package after it is opened.”

The proposed new state-of-the-art tobacco excise stamp would contain both overt and covert security features, much like those found on Canadian currency such as the 5, 10, and 20 dollar bills. The specific details of these security features will not be made public, but the proposed new tobacco excise stamps would allow the CRA and its enforcement partners, among them the Royal Canadian Mounted Police, the Canada Border Services Agency, and the provinces, to more easily detect and respond to counterfeit and illicit tobacco products.

The public will be able to comment on the guidelines and directives related to the tobacco stamping regime. The subjects will include the process and procedures for ordering and approving the issuance of stamps; the possession, transportation, and use of the stamps; the definition of “importer of tobacco products”; and the accountability framework for the stamps that will reconcile the number of stamps received, wasted, returned, or unaccounted for.

For more information about the proposed new excise duty stamping regime for tobacco products, see the attached fact sheet. Those with questions or comments can write to Tobacco.stamp@cra.gc.ca.

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