

<http://www.who.int/fctc/mediacentre/iticreminder/en/>

The screenshot shows a web browser displaying the WHO FCTC Media Centre page. The page features a navigation menu with options like 'Conference of the Parties', 'Protocol', 'Treaty Instruments', 'Implementation and resources', 'Reporting', 'Documents and publications', and 'Media centre'. The main content area displays a news article with the following text:

**ITIC: reminder of note verbale circulated to Parties on 24 September 2014**

The Convention Secretariat notes with concern the intensified efforts by ITIC – the International Trade and Investment Centre – to promote policies to Parties to the WHO FCTC that fall short of the requirements of treaty’s article 6 on taxes and prices and article 15 on eliminating illicit trade in tobacco products.

ITIC is not a legitimate forum to promote implementation of the WHO FCTC. It is a purported independent think tank that strives to influence governments to adopt measures in contravention of the treaty. ITIC receives funding from and includes representatives of all major tobacco multinationals on its Board. Furthermore, their publications are in blatant conflict with the provisions that Parties have committed to under the treaty and guidelines.

We would like to remind Parties that article 5.3 of the Convention and its guidelines call upon them not to interact with the tobacco industry and its front groups, including meetings organized by such entities (or limit their interactions to the strictly necessary to effectively regulate the tobacco industry and tobacco products).

[عربي](#)  
[中文](#)  
[English](#)  
[Français](#)  
[Русский](#)  
[Español](#)

- [Media centre](#)

**ITIC:** reminder of note verbale circulated to Parties on 24 September 2014

The Convention Secretariat notes with concern the intensified efforts by **ITIC** – the **International Trade and Investment Centre** – to promote policies to Parties to the WHO FCTC that fall short of the requirements of treaty’s article 6 on taxes and prices and article 15 on eliminating illicit trade in tobacco products.

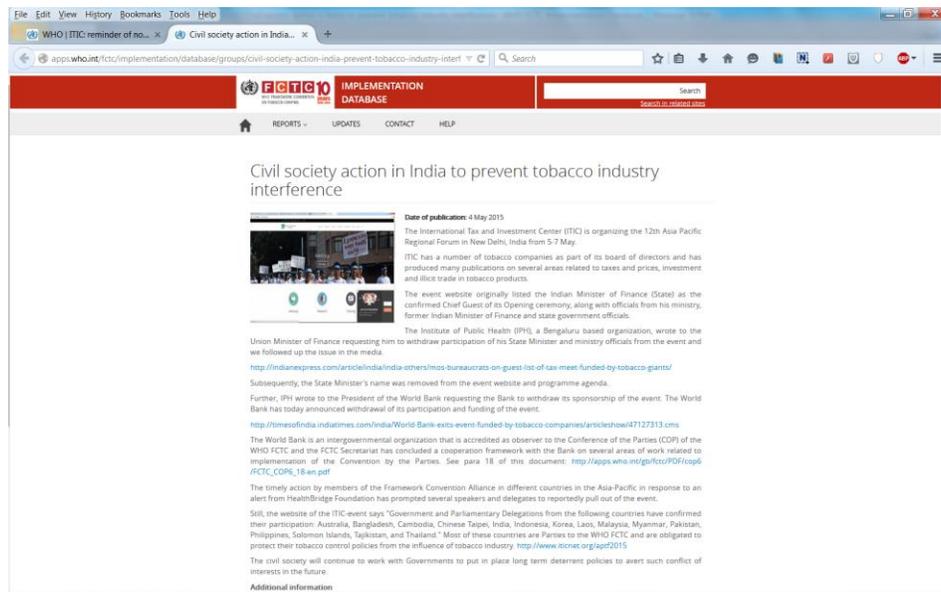
**ITIC** is not a legitimate forum to promote implementation of the WHO FCTC. It is a purported independent think tank that strives to influence governments to adopt measures in contravention of the treaty. **ITIC** receives funding from and includes representatives of all major tobacco multinationals on its Board. Furthermore, their publications are in blatant conflict with the provisions that Parties have committed to under the treaty and guidelines.

We would like to remind Parties that article 5.3 of the Convention and its guidelines call upon them **not to interact with the tobacco industry and its front groups, including meetings organized by such entities** (or limit their interactions to the strictly necessary to effectively regulate the tobacco industry and tobacco products).

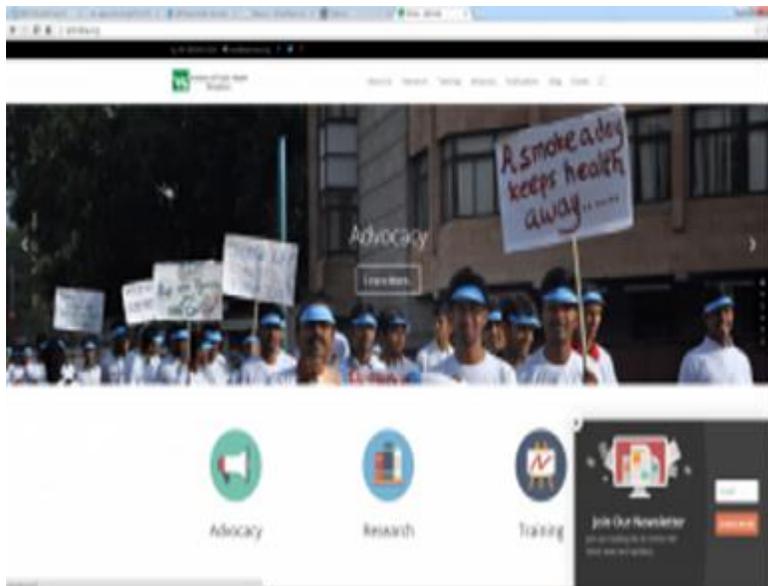
- [Topics](#)

© WHO 2015

<http://apps.who.int/ftc/implementation/database/groups/civil-society-action-india-prevent-tobacco-industry-interference>



## Civil society action in India to prevent tobacco industry interference



Date of publication:  
4 May 2015

The **International Tax and Investment Center (ITIC)** is organizing the 12th Asia Pacific Regional Forum in New Delhi, India from 5-7 May.

ITIC has a number of tobacco companies as part of its board of directors and has produced many publications on several areas related to taxes and prices, investment and illicit trade in tobacco products.

The event website originally listed the Indian Minister of Finance (State) as the confirmed Chief Guest of its Opening ceremony, along with officials from his ministry, former Indian Minister of Finance and state government officials.

The Institute of Public Health (IPH), a Bengaluru based organization, wrote to the Union Minister of Finance requesting him to withdraw participation of his State Minister and ministry officials from the event and we followed up the issue in the media.

<http://indianexpress.com/article/india/india-others/mos-bureaucrats-on-guest-list-of-tax-meet-funded-by-tobacco-giants/>

Subsequently, the State Minister's name was removed from the event website and programme agenda.

Further, IPH wrote to the President of the World Bank requesting the Bank to withdraw its sponsorship of the event. The World Bank has today announced withdrawal of its participation and funding of the event.

<http://timesofindia.indiatimes.com/india/World-Bank-exits-event-funded-by-tobacco-companies/articleshow/47127313.cms>

The World Bank is an intergovernmental organization that is accredited as observer to the Conference of the Parties (COP) of the WHO FCTC and the FCTC Secretariat has concluded a cooperation framework with the Bank on several areas of work related to implementation of the Convention by the Parties. See para 18 of this document:

[http://apps.who.int/gb/fctc/PDF/cop6/FCTC\\_COP6\\_18-en.pdf](http://apps.who.int/gb/fctc/PDF/cop6/FCTC_COP6_18-en.pdf)

The timely action by members of the Framework Convention Alliance in different countries in the Asia-Pacific in response to an alert from HealthBridge Foundation has prompted several speakers and delegates to reportedly pull out of the event.

Still, the website of the ITIC-event says "Government and Parliamentary Delegations from the following countries have confirmed their participation: Australia, Bangladesh, Cambodia, Chinese Taipei, India, Indonesia, Korea, Laos, Malaysia, Myanmar, Pakistan, Philippines, Solomon Islands, Tajikistan, and Thailand." Most of these countries are Parties to the WHO FCTC and are obligated to protect their tobacco control policies from the influence of tobacco industry.

<http://www.iticnet.org/aptf2015>

The civil society will continue to work with Governments to put in place long term deterrent policies to avert such conflict of interests in the future.

#### **Additional information**

Earlier, before the sixth session of the Conference of the Parties, it has been brought to the attention of the Convention Secretariat that ITIC, in cooperation with the Eurasian Economic Commission, is organizing a briefing on tobacco excise taxation in Moscow on 12 October 2014, one day before the opening of the COP, and inviting tax officials from Parties and WHO Member States that are observers to the COP to participate. The Convention Secretariat responded rapidly, by bringing to the attention of the Parties that ITIC has a number of tobacco companies as part of its board of directors; the Secretariat also advised Parties and accredited observers to the Convention not to participate at the event in the light of their obligations under Article 5.3 of the WHO FCTC and its guidelines.

Related Articles:

Article 5



CSF/NV/14/25

**Sixth session of the Conference of the Parties to the WHO FCTC: issues related to Article 5.3 and the guidelines for its implementation**

The Convention Secretariat presents its compliments to the Permanent Missions in Geneva of the Parties to the WHO Framework Convention on Tobacco Control (WHO FCTC) and has the honour to refer to the sixth session of the Conference of the Parties to the WHO FCTC, which will be held from 13 to 18 October 2014 in Moscow, Russian Federation.

As part of its agenda, the Conference of the Parties (COP) will consider many topics related to economics and trade: the report and draft guidelines<sup>1</sup> on Article 6 (*Price and tax measures to reduce the demand for tobacco*), submitted by the open-ended drafting group established by the COP at its fifth session;<sup>2</sup> the status of the Protocol to Eliminate Illicit Trade in Tobacco Products;<sup>3</sup> and trade and investment issues relevant to implementation of the WHO FCTC.<sup>4</sup>

It has been brought to the attention of the Convention Secretariat that the **International Tax and Investment Center (ITIC)**,<sup>5</sup> in cooperation with the **Eurasian Economic Commission**, is organizing a briefing on tobacco excise taxation in Moscow on 12 October 2014, one day before the opening of the COP, and inviting tax officials from Parties and WHO Member States that are observers to the COP to participate. The Convention Secretariat would like to bring to your attention that ITIC has a number of tobacco companies as part of its board of directors and has produced many publications on several areas related to taxes and prices, investment and illicit trade in tobacco products.

In light of Article 5.3 of the Convention and the guidelines for its implementation adopted by the COP, the Convention Secretariat would like to inform the Parties and accredited observers to the Convention that this event is in no manner supported by the Convention Secretariat and cannot be considered as being in any way linked to the COP. The Ministry of Healthcare of the Russian Federation has also reassured the Secretariat that ITIC's event is in no manner supported by the Government of

<sup>1</sup> See document FCTC/COP/6/7, available at [http://apps.who.int/gb/fctc/PDF/cop6/FCTC\\_COP6\\_7-en.pdf](http://apps.who.int/gb/fctc/PDF/cop6/FCTC_COP6_7-en.pdf)

<sup>2</sup> See [http://who.int/fctc/guidelines/groups/art\\_6/en/](http://who.int/fctc/guidelines/groups/art_6/en/)

<sup>3</sup> See document FCTC/COP/6/6, available at [http://apps.who.int/gb/fctc/PDF/cop6/FCTC\\_COP6\\_6-en.pdf](http://apps.who.int/gb/fctc/PDF/cop6/FCTC_COP6_6-en.pdf)

<sup>4</sup> See document FCTC/COP/6/20, available at [http://apps.who.int/gb/fctc/PDF/cop6/FCTC\\_COP6\\_20-en.pdf](http://apps.who.int/gb/fctc/PDF/cop6/FCTC_COP6_20-en.pdf)

<sup>5</sup> See <http://www.iticnet.org>

**F C T C**WHO FRAMEWORK CONVENTION  
ON TOBACCO CONTROL

the Russian Federation. Furthermore, to the best of Secretariat's information, the event is also not supported by any Party or accredited observer to the WHO FCTC.

The Convention Secretariat would also like to take this opportunity to remind Parties of recommendations 4.9 and 8.3 of the guidelines for implementation of Article 5.3 of the WHO FCTC related to the composition of delegations to meetings of the COP and its subsidiary bodies. Furthermore, in line with Articles 4.2 and 4.4 (*Guiding principles*) and 5.1 (*General obligations*) of the WHO FCTC, the Secretariat would like to highlight the pertinence of involving different sectors of the government as part of their delegations, such as customs, finances, regulatory and law enforcement authorities among others.

The Convention Secretariat is available to respond to any queries related to the information contained in this note verbale and avails itself of this opportunity to renew to the Parties to the WHO FCTC the assurance of its highest consideration.

GENEVA, 19 September 2014



## **ITIC: A Foundation Directly Sponsored by Transnational Tobacco Companies**

- The International Tax and Investment Center (ITIC) is a U.S.-based non-profit research and education organization headquartered in Washington, D.C. ITIC describes itself as an independent clearinghouse for best practices in taxation and investment policy that provides “its sponsors a seat at the policymaking table.”
- ITIC’s main sponsors are large multinational corporations from the oil, alcohol and tobacco industries. ITIC’s sponsors include all of the leading transnational tobacco companies, and its Board of Directors includes representatives from BAT, PMI, JTI and Imperial Tobacco.<sup>i</sup>
- Internal tobacco industry documents made public through U.S.-based litigation settlements in 1998 disclose that ITIC has long played a role in facilitating the tobacco industry’s access to government officials. For example, a 1997 internal R.J. Reynolds memo describes ITIC’s role in assisting RJR and PMI in favourable tax reform in Russia.<sup>ii</sup>
- ITIC provides advice to governments on tobacco tax issues. They hold workshops and meetings and provide technical advice through paid experts. They sponsor reports on illicit trade, producing illicit trade estimates with poorly defined methodology and often exaggerated rates of illicit trade. ITIC uses their workshops, contacts and research to push for tax systems and rates that benefit the industry over public health.

### **Examples of ITIC Tobacco Work:**

- *Pro-Tobacco Policy Events:* ITIC has hosted conferences and seminars with government officials on tobacco taxation and illicit trade around the world. Representatives from the tobacco industry are often present and participate in these events.
- *Pro-Tobacco Technical Assistance:* In 2013, ITIC signed a Memorandum of Understanding with the Eurasian Economic Commission, the regulatory body of the Customs Union of Russia, Belarus and Kazakhstan, to provide information in the areas of tax policy and administration, and organize consultations, seminars, conferences, forums, and roundtable discussions. Tobacco control partners have indicated that the Eurasian Economic Commission is currently considering a tobacco tax harmonization proposal that would leave prices of tobacco products in the region among the lowest in the world.
- *Pro-Tobacco Research:* ITIC funds and published reports funded by the tobacco industry. Since 2013 alone, ITIC has published at least five reports for which it received input, data and financial support from the tobacco industry including: *Are Earmarked Taxes on Alcohol and Tobacco a Good Idea? Evidence from Asia*, *The Risks of Excessive Cigarette Taxation: Warnings for Australia*, *The Illicit Trade in Tobacco Products and How to Tackle It*, *Asia-11 Illicit Tobacco Indicator 2012*, and *Asia-11 Illicit Tobacco Indicator 2013: Update for the Philippines*. In addition, ITIC has published bulletins covering tobacco taxation in Africa, Eurasia, Southeast Asia, Lithuania, Singapore, Thailand, and Vietnam.<sup>iii</sup>
- *Pro-Tobacco Media Outreach:* ITIC publications on illicit trade are cited by media sources, and ITIC experts, including ITIC’s president, provide media interviews and author opinion pieces.

### **Recent Activities:**

- *Exaggerating Illicit Trade:* At an event on illicit trade hosted by the U.S. Chamber of Commerce in Panama City in March, ITIC claimed that 84% of cigarettes sold in Panama are illicit<sup>iv</sup>, more than double the estimates made by two credible independent studies, which reported illicit trade between 28% and 36% in Panama.<sup>v</sup>
- *Attacking Sponsors’ Competitors:* In June, 2014 ITIC released a PMI commissioned study on illicit tobacco in the Philippines, which claimed that illicit domestic cigarette consumption increased significantly from 2012 to 2013 after

a 2013 tax increase. The report argued that the tax increase triggered a large loss in government revenue, even though government figures show large increases in tax revenue.<sup>vi</sup> In the media, PMI's local subsidiary, Philip Morris Fortune Tobacco Corp used the report as a part of efforts to claim its competitor, Mighty Corp, was evading taxes.<sup>vii, viii</sup>

- **Poor Methodology:** In September 2013, the Tax Investment Center and Oxford Economics released a report estimating the extent of illicit cigarette consumption in 11 selected Asian countries.<sup>ix</sup> The report, funded by Philip Morris Asia, an affiliate of Philip Morris International, used potentially biased data provided by the tobacco industry and less than transparent research methods.

---

i ITIC Website. Accessed 2014 September 8. Available <http://www.iticnet.org/about/board-of-directors>

ii Griscom TC. Following are Highlights of May External Relations Activities and Issues Worldwide. Bates No: 525195828/5838. Accessed on February 19, 2014. Available from: <http://legacy.library.ucsf.edu/tid/cal93a00>.

iii International Tax and Investment Center. Publications. 2014. Available from: <http://www.iticnet.org/publications/bulletins>

iv Capital Finacuero. 84% del comercio de cigarillos en Panamá es ilícito. 2014. Available from: <http://www.capital.com.pa/84-del-comercio-de-cigarrillos-en-panama-es-ilicito/>

v Ministry de Salud, Panama. Global Adult Tobacco Survey, Panama 2013. Available from: [http://www.paho.org/hq/index.php?option=com\\_docman&task=doc\\_view&gid=24644&Itemid=](http://www.paho.org/hq/index.php?option=com_docman&task=doc_view&gid=24644&Itemid=)

vi International Tax and Investment Center & Oxford Economics. *Asia-11: Illicit Tobacco Indicator- 2013 Update for the Philippines*. 2014. Oxford: Oxford Economics..

vii Rodriguez JC. Philippines lost nearly P16-B on illegal cigarette sales in 2013- study. ABS-CBNews.com. 2014 June 5. Available from: <http://www.abs-cbnnews.com/business/06/05/14/philippines-loses-nearly-p16-b-illegal-cigarette-sales-study>

viii Castro R. Philip Morris Fortune Tobacco asks gov't to adopt tax stamp scheme. 2014 July 31. Available from: <http://www.interaksyon.com/business/92353/philip-morris-fortune-tobacco-asks-govt-to-adopt-tax-stamp-scheme>

ix International Tax and Investment Center and Oxford Economics (2013). *Asia-11 Illicit Tobacco Indicator for 2012*. Oxford: Oxford Economics.

## Address to the Sixth Session of the Conference of the Parties to WHO FCTC



**Dr Margaret Chan**

**Director-General of the World Health Organization**

Address to the Sixth Session of the Conference of the Parties to the WHO Framework Convention on Tobacco Control Moscow, Russian Federation 13 October 2014 – (Extract)

### QUOTE

“ Most recently, and in a particularly brazen move, the tobacco industry brought its agenda and its voice here to the heart of tobacco control. Yesterday, the **International Tax and Investment Centre**, whose board of directors includes several tobacco companies, convened Parties and Observers to discuss tobacco tax and price policies without fully disclosing their vested interests. Please, do not be fooled by them.

Their agenda, at least, is easy to see: to undermine your power, your efforts to adopt the robust, expert-driven proposed guidelines on tobacco tax and price policy. These guidelines, when used to implement the treaty’s Article 6, will protect children and young people, in particular, from initiating tobacco use. There is an exchange of views recorded in the mountains of internal industry documents that are now in the public domain. Let me share with you one such document. It records a discussion – an internal discussion – about whether the industry should consider children as part of its market. I remember very well one reply, which I would like to quote directly: **“They got lips? We want them.”**

So ladies and gentlemen, this is the kind of tobacco industry tactic. They just want more and more market share. They could not care less if they are killing children. Again, don’t be fooled by them. What is the next challenge? The next challenge is that the tobacco industry is increasing its dominance over the market for electronic cigarettes. This should not come as a surprise. One company used this year’s World No Tobacco Day to call on WHO, and call on all of your governments, to promote electronic cigarettes as a way of protecting some of the lives that they themselves are killing with the other products they sell.

We also heard a familiar argument. That company insists that it **“can and should be a part of this debate and possible solutions.”**

**No way. As I have said before, giving any tobacco company a place at the negotiating table is akin to appointing a committee of foxes to take care of your chickens.”**



Dr Douglas William Bettcher is the Director the Department for Prevention of Noncommunicable Diseases, World Health Organization (WHO) Geneva, Switzerland

guardian.co.uk

THE GUARDIAN [Winner of the Pulitzer prize 2014](#)

<http://www.theguardian.com/business/2015/may/16/uk-tax-chief-smoking-health-dave-hartnett-tobacco-hmrc>

## Former UK tax chief under fire for joining smoking lobbyists

Health campaigners are furious that Dave Hartnett joined Washington group that opposes tobacco taxation a year after leaving HMRC

### QUOTE

“ The UK is a signatory to the World Health Organisation’s framework convention on tobacco control, which was established to check the influence of tobacco companies and their front organisations. **In an unusual move, the organisation has openly called for governments to distance themselves from Itic.** “Itic has published extensively in favour of the tobacco industry’s false positions on excise taxation, investment and illicit trade in tobacco products,” said Dr Douglas Bettcher, director of prevention of noncommunicable diseases for the WHO. “Itic have used their international conferences, such as in Moscow in 2014 and in New Delhi earlier this month, to lobby government officials against tobacco taxation. This is despite tobacco taxation being the most effective and efficient measure to reduce demand for tobacco products. Parties to the WHO framework convention on tobacco control are obliged to protect their public health policies from interference by the tobacco industry and its allies. **In this light, WHO urges all countries to follow a non-engagement policy with Itic.**”

[https://treaties.un.org/pages/ViewDetails.aspx?src=TREATY&mtdsg\\_no=IX-4&chapter=9&lang=en](https://treaties.un.org/pages/ViewDetails.aspx?src=TREATY&mtdsg_no=IX-4&chapter=9&lang=en)