Decision No. 1871/1

Amendment of decision No. 3273/2 dated September 29th, 1983

The Minister of Finance,

Pursuant to the decree No. 29000 dated October 31st, 1992,

Pursuant to the legislative decree No. 151 dated June 12th, 1959 (organizing the government's control over the Régie Libanaise des Tabacs et Tombacs),

Pursuant to the decision No. 16 L. R. dated January 13th, 1935 (monopoly of tobacco and tombac),

Pursuant to the proposal of the Régie Libanaise des Tabacs et Tombacs, and following the opinion of Government's deputy at the Régie Libanaise des Tabacs et Tombacs, as well as the opinion of General Director of the ministry of Finance, and following the advice of State Council,

Decides the following:

<u>Article one:</u> the article one of the decision No. 3272/2 dated 29/09/1983 shall be deemed void and null, and shall be replaced by the renewed version of article one, which stipulates the following:

<u>Article one (renewed version):</u> the Head of Sale is licensed wholesaler who is responsible for the purchase of tobacco products from the Régie Libanaise des Tabacs et Tombacs, and then for the sale of such products to licensed retailers in accordance with the regulations:

"The Head of Sale shall be a natural person. The license is nominal; no whatsoever person shall have the right to invest in more than one Head of Sale License, nor shall have the right to enter into a partnership with whomever concerning the Head of Sale."

"The Head of Sale may be a group of natural persons, who form a nominal company of general partnership, save the number of partners shall never exceed four partners, in accordance with the provisions of the present regulation, whereas every partner shall comply with the conditions provided in article five hereof."

The Head of Sale shall never be deemed an employee of the Régie Libanaise des Tabacs et Tombacs, shall run its share in person, save the situations provided in the present decision, and shall comply with the provisions of the present decision solely.

<u>Article two:</u> the paragraph one of article two of the decision No. 3272/2 dated 29/09/1983, shall be deemed void and null, and shall be replaced by the following paragraph:

"Following the approval of the government's deputy, the Régie Libanaise des Tabacs et Tombacs shall have the right to entitle Head of Sales to supply tobacco to retailers in exchange to a payment of their net total purchase; namely after deducting charges from the invoice. The value of such payment shall be determined according to a decision issued by the Minister of Finance, as appropriate."

Article three: no amendments.

<u>Article four:</u> paragraph one of article four of the decision No. 3272/2 dated 29/09/1983 shall be deemed void and null, and shall be replaced by the following paragraph:

"Head of Sales shall provide their supply from agencies that the Régie Libanaise des Tabacs et Tombacs would have appointed. As well, they shall present a monthly statement of their sales following forms provided by the Régie Libanaise des Tabacs et Tombacs, the later shall be entitled to audit the statements at any time. The Head of Sale shall facilitate this mission under pain of penalties provided by paragraph two of article 15 hereof."

Article five:

- -1- Paragraph seven of article five of the decision No. 3272/2 dated 29/09/1983 shall be deemed void and null, and shall be replaced by the renewed paragraph seven as follows:
 - -7- "the Head of Sale shall have a rented, owed, or exploited store, or warehouse, which shall be located at ground or first floor in the Building in which the Head of Sale is located, whereas the area of either of them shall be not less than 48 meter square, and shall be equipped with technical specifications designed by the Régie Libanaise des Tabacs et Tombacs, which help to preserve tobacco's quality."
- -2- To the paragraph eight of article five of the decision No. 3272/2 dated 29/01/1983, shall be added the following:
 - -8- "to pay in Lebanese Pound the equivalent of ten thousand US Dollars, upon delivering the application, and shall be deemed due in accordance with the provisions of the renewed article nine. The aforementioned sum shall be returned in case of refusal of the application."

Article six:

- -1- To the paragraph one of article six of the decision No. 3272/2 dated 29/01/1983, shall be added the following expression:
- "... The Régie Libanaise des Tabacs et Tombacs shall settle the application within no more than two months, else the application shall be deemed refused."
- -2- Paragraph two of article five of the decision No. 3272/2 dated 29/09/1983 shall be deemed void and null, and shall be replaced by the renewed paragraph as follows:

"The annual fee payable to the Head of Sale shall be the equivalent of four hundred US Dollars in Lebanese Pound, following the relevant exchange rate in the day of payment."

"The aforementioned fee shall be paid by December 30th, of every year, otherwise the license shall be automatically deemed cancelled."

"On the cancelation of the Head of Sale license shall be applied the provisions of article 35 of the decision No, 2381 dated July 26th, 1960, save the provisions of paragraphs (a) and (b) of clause two of the aforementioned article."

<u>Article seven:</u> article seven of the decision No. 3272/2 dated 29/09/1983 shall be deemed void and null, and shall be replaced by the renewed article as follows:

Article seven (renewed):

"The Head of Sale shall be entitled to resign definitively from the profession, whereas he shall inform the Régie Libanaise des Tabacs et Tombacs at least three months in previous. In such case, the license of Head of Sale shall be deemed cancelled automatically, and in result the Régie Libanaise des Tabacs et Tombacs shall not be held responsible of whatsoever costs. Moreover, the sum provided in clause eight of renewed article five shall not be refunded to the Head of Sale."

Article eight: no amendment

<u>Article eight:</u> article nine of the decision No. 3272/2 dated 29/09/1983 shall be deemed void and null, and shall be replaced by the renewed article nine as follows:

Article nine (renewed):

"The sum provided in clause eight of article five shall be paid in one payment, and shall not include whoever licensed prior to the decision hereby."

<u>Article nine:</u> article ten of the decision No. 3272/2 dated 29/09/1983 shall be amended; wherein the expression "or whoever responsible of running the license" shall replace the expression "or whoever responsible for running the company". As well, to the article ten abovementioned shall be added the following paragraph:

"It shall be prohibited to empower another Head of Sale, or the father, mother, daughter in law, or a sibling of the latter. As well, the power of attorney shall not exceed the period of three months of the year. However, in case the Head of Sale suffered decease, whose treatment requires more than three months, in accordance with a medical report acknowledged by the Régie Libanaise des Tabacs et Tombacs; the power of attorney shall be approved for no more than one year, after which the license shall be automatically deemed cancelled, in case the Head of Sale did not resume his job duly."

<u>Article ten:</u> article eleven of the decision No. 3272/2 dated 29/09/1983 shall be deemed void and null, and shall be replaced by the renewed article eleven as follows:

Article eleven (renewed)

"The Head of Sale shall be entitled to assign his License to whomever replaces him in order to run the same business in the same district or in another district, provided that the new store shall comply with the requirements. As well, the assignee must comply with the provisions of article five."

"The assignment shall not be deemed true and applicable without the approval of the Régie Libanaise des Tabacs et Tombacs on the assignment document."

<u>Article eleven:</u> article twelve of the decision No. 3272/2 dated 29/09/1983 shall be deemed void and null, and shall be replaced by the renewed article twelve as follows:

Article 12 (renewed)

"When the Head of Sale deceases, the license shall be listed on the inheritance. Within a delay set by the Régie Libanaise des Tabacs et Tombacs, the inherents shall assign the management of the license and their rights in such license to a responsible that enjoys the provisions of article 9 abovementioned. The license shall be assigned within no more than one year following the decease; otherwise it shall be deemed cancelled automatically."

Article thirteen (old): no amendments

<u>Article twelve:</u> article fourteen of the decision No. 3272/2 dated 29/09/1983 shall be deemed void and null, and shall be replaced by the renewed article fourteen as follows:

Article fourteen (renewed):

"In case of stagnation of products at the stores of Régie Libanaise des Tabacs et Tombacs for at least a month, the agent of the brand shall be entitled to be supplied from the Régie Libanaise des Tabacs et Tombacs, who shall have the right to decide the quantity it wishes to conserve in its stores."

Article thirteen: article 15 of the decision No. 3272/2 dated 29/09/1983 shall be amended as follows:

- -1- Paragraph two of the second clause, and consequently, the number two shall be attributed to paragraph three, which provides: "different laws, regulations, and instructions of the Régie Libanaise des Tabacs et Tombacs."
- -2- The amount of both fines provided in the "second" clause shall be multiplied by 100.
- -3- Paragraph two of the "third" clause shall be canceled, as well the paragraph three of the same clause shall be deemed void and null.
- -4- The expression "partner" shall be removed from the first line of the "fourth" clause that shall become as follows: "the Head of Sale or whoever person who runs the license shall be deemed responsible..." (no amendment on the remaining part).
- -5- In the "fifth" clause the expression "the Régie Libanaise des Tabacs et Tombacs shall reconsider the penalty in accordance with the objection and following the interrogation of the Head of Sale, when needed" shall be deemed void and null, and shall be replaced by the following expression:

"The Régie Libanaise des Tabacs et Tombacs shall be entitled to reconsider the penalty in accordance with the objection and shall be entitled to hear and interrogate the Head of Sale, when needed." (no amendment on the remaining part).

<u>Article fourteen:</u> clause five of the article 16 of the decision No. 3272/2 dated 29/09/1983 shall be deemed void and null, and shall be replaced by the renewed clause five as follows:

-5- "Apply all arrangements and instructions provided by the Régie Libanaise des Tabacs et Tombacs."

<u>Article fifteen:</u> article seventeen of the decision No. 3272/2 dated 29/09/1983 shall be deemed void and null, and shall be replaced by the renewed article seventeen as follows:

Article seventeen (renewed):

"Payments shall be paid to the Head of Sales via direct discount on the original invoice upon purchase, and could be paid directly by agencies at the end of every month. As well, the Régie Libanaise des Tabacs et Tombacs shall be entitled to decide the mean of payment in accordance with its own assessment and as the occasion may require."

Article eighteen (old): no amendments.

<u>Article sixteen:</u> article nineteen of the decision No. 3272/2 dated 29/09/1983 shall be deemed void and null, and shall be replaced by the renewed article nineteen as follows:

Article nineteen (renewed):

"Shall be exempt whoever had paid the sum provided in the article nine (renewed) to a natural person, to whom the license is attributed through assignment of sale, provided that the license had been attributed to the seller or the assignor before the amendment of the decision No. 3272/2 dated 29/09/1983, provided that the assignment or sale shall take place on a later date of the present amendment."

<u>Article seventeen:</u> present Head of Sales shall be considered personnel or partners, in accordance with their license, and shall be exempted from the procedures required to obtain a license. However, all other provisions of the decision No. 3272/2 dated 29/09/1983 as amended shall be applicable on them. Consequently, they shall duly pay the annual fee of 1993 by December 30th, 1993.

<u>Article eighteen:</u> the Régie Libanaise des Tabacs et Tombacs shall be entitled to fix the amount of shares and distribute them among Head of Sales, in respect to the principle equality.

<u>Article nineteen:</u> the present decision shall be published in the Official Gazette, and shall be applicable upon issuance.

Beirut, 18/06/1993

To be communicated to:

- Prime Ministry (National Archive Department)
- Official Gazette Department (2)
- Deputy of the government at the Régie Libanaise des Tabacs et Tombacs (1)
- Controller at the Régie Libanaise des Tabacs et Tombacs (1)

- Administrative Department (1), with the file.

Minister of Finance(Signature & Seal)