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For more information concerning the history of these regulations, please see the [Table of Regulations](#).

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CHAPTER H-3

HEALTH TAX ACT

TOBACCO MARKING REGULATIONS

Pursuant to section 20 of the *Health Tax Act* R.S.P.E.I. 1988, Cap. H-3, Council made the following regulations:

1. In these regulations

Definitions

- (a) “carton” means a container in the form of wrapper or paperboard box in which 15 or fewer packages of cigarettes are packed or in which 200 or fewer pre-proportioned tobacco sticks are packed; carton
- (b) “case” means a container in which 25 or more cartons of cigarettes are packed or in which 20 or more kits of pre-proportioned tobacco sticks are packed or 10 or more packages of fine-cut tobacco are packed; case
- (c) “cigarettes” includes pre-proportioned tobacco sticks; cigarettes
- (d) “manufacturer” means a person who manufactures, fabricates or produces cigarettes for distribution, sale or storage in Prince Edward Island; manufacturer
- (e) “package of cigarettes” means a container in which no fewer than 15 cigarettes and no more than 30 cigarettes are packed; package of cigarettes
- (f) “teartape” means the plastic ribbon that is wrapped around a package of cigarettes or fine-cut tobacco to facilitate the opening of the cellophane wrapping that encloses the package; teartape
- (g) “tobacco” includes cigarettes and fine-cut tobacco; tobacco
- (h) “unmarked tobacco” means packages of cigarettes, cartons, cases or packages that are not marked or stamped with an indicium. (EC876/95) unmarked tobacco

2. (1) A person may mark a package of cigarettes, a carton, case or a package of fine-cut tobacco with an indicium only if the person is a manufacturer who is the holder of a permit to mark tobacco. Permit to mark

(2) A person may stamp a package of cigarettes, a carton or a case with an indicium only if the person is the holder of a permit to stamp tobacco. Permit to stamp

(3) A wholesale vendor may import for sale in Prince Edward Island cigarettes that are acquired from a person, other than a person who holds *Idem*, importation by wholesale vendor

a permit to mark tobacco, only if the wholesale vendor is the holder of a permit to stamp tobacco.

Manufacturer,
permit to mark

(4) A manufacturer who holds a subsisting wholesale vendor's permit may apply to the Minister for a permit to mark tobacco.

Wholesale vendor,
permit to stamp

(5) A wholesale vendor, other than a manufacturer, may apply to the Minister for a permit to stamp tobacco.

Permit to mark

(6) The Minister may issue a permit to mark tobacco to an applicant.

Permit to stamp

(7) The Minister may issue a permit to stamp tobacco to an applicant provided

- (a) the applicant has paid all taxes due under the Act; or
- (b) a permit issued to the applicant under this section has not been cancelled within the previous five years.

Notification of
changes in business

(8) A person who is the holder of a permit to mark or stamp tobacco shall forthwith notify the Minister in writing,

- (a) if there is a change in the name of the business of the person;
- (b) if there is a change in the nature of the person's business;
- (c) if the person terminates the person's business; or
- (d) if the person closes or changes the location where packages of cigarettes, cartons or cases or packages of fine-cut tobacco are marked or stamped by the person.

Accounting

(9) Every person who is the holder of a permit to stamp tobacco shall account, in the return required by section 12 of the Act, for all indicia received from the Minister for stamping cartons. (EC876/95)

Sale of unmarked
tobacco

3. (1) A wholesale vendor shall not purchase, possess, store or sell in Prince Edward Island unmarked tobacco, unless the wholesale vendor holds a permit to purchase and sell unmarked tobacco.

Application for
permit

(2) A wholesale vendor may apply to the Minister for a permit to purchase and sell unmarked tobacco.

Permit, conditions

(3) The Minister may issue a permit to purchase and sell unmarked tobacco to an applicant if the applicant requires unmarked tobacco

- (a) for sale and delivery to those members of the Diplomatic Corps who are exempt from tax pursuant to section 39 of the Revenue Tax Act Regulations;
- (b) for resale in a jurisdiction outside Prince Edward Island in which the applicant is designated in writing to collect the tobacco tax levied by that jurisdiction.

(4) A retail vendor, except as provided in subsection (3), shall not purchase, possess, store or sell unmarked tobacco in Prince Edward Island. (EC876/95) Purchase, etc. of unmarked tobacco by retail vendor

4. (1) A manufacturer of tobacco shall not sell unmarked tobacco to a wholesale vendor unless the wholesale vendor is the holder of a permit issued pursuant to subsection 3(3) to sell unmarked tobacco. Sale by manufacturer

(2) Every wholesale vendor shall collect and remit the tax imposed by the Act in the manner set out in sections 5 and 7 of the *Revenue Administration Act* R.S.P.E.I. 1988, Cap. R-13.2 thereof from each retail vendor to whom the wholesale vendor sells packages of cigarettes, cartons or cases or packages of fine-cut tobacco that are marked or stamped with an indicium or cigars or other tobacco products. (EC876/95) Collection of tax by wholesale vendor

5. (1) Every wholesale vendor who sells tobacco products shall deliver pursuant to section 7 of the *Revenue Administration Act*, a return to the Minister in respect of the purchases, sales and distribution of tobacco products during the immediately preceding calendar month that shows Returns, wholesale vendors

- (a) the quantities of cigarettes, cigars and other tobacco products sold;
- (b) the name and address of the vendors to whom the tobacco products were sold;
- (c) the date of the sale of the tobacco products;
- (d) the shipping date of the tobacco products; and
- (e) the reference number of the invoice in respect of the sale of the tobacco products;
- (f) the amount of tobacco products in the possession of the wholesale vendor at the beginning of the month, the amount of tobacco products purchased, imported or otherwise acquired during the month and the amount of tobacco products in the possession of the wholesale vendor at the end of the month;
- (g) such other information or materials as the Minister may require.

(2) Every manufacturer who sells tobacco products shall deliver a return to the Minister in respect of the production, manufacturer's purchases, sales and distribution of tobacco products during the immediately preceding calendar month that shows *Idem*

- (a) the amount of marked cigarettes with the indicium "NOVA SCOTIA-NOUVELLE ÉCOSSE",
 - (i) that the manufacturer is in possession of at the beginning of the month,
 - (ii) that the manufacturer has manufactured, produced, imported or otherwise acquired during the month, and

(iii) that the manufacturer is in possession of at the end of the month;

(b) total shipments and transfers of marked tobacco with the indicium “NOVA SCOTIA-NOUVELLE ÉCOSSE” into the Province of Prince Edward Island according to recipient wholesale vendor;

(c) total shipments and transfers of unmarked tobacco into the Province of Prince Edward Island according to recipient wholesale vendor;

(d) such other information or materials as the Minister may require.
(EC876/95)

Indicia, packages

6. (1) Every package of cigarettes that is intended to be sold in Prince Edward Island to a consumer who is required to pay tax under the Act shall be marked on the teartape with an indicium that meets the following specifications:

1. The indicium shall read “NOVA SCOTIA-NOUVELLE ÉCOSSE”.
2. The width of the indicium shall not be less than 4.5 millimetres.
3. The background color of the indicium shall be in Pantone Purple U, 100%.
4. The color of the text shall be in process black, 100%.
5. The text shall be in Helvetica 8.

Fine-cut tobacco

(2) Every package of fine-cut tobacco that is intended to be sold in Prince Edward Island to a consumer who is required to pay tax under the Act shall be marked:

(a) on the teartape with an indicium that meets the following specifications:

1. The indicium shall read: “CANADA DUTY PAID - DROIT ACQUITTÉ - NOVA SCOTIA - NOUVELLE-ÉCOSSE”.
2. The width of the indicium shall not be less than 4.5 millimetres.
3. The background color of the indicium shall be Pantone Purple U, 100%.
4. The color of the text shall be in process black, 100%.
5. The text shall be in Helvetica 8; or

(b) on the stamp required under the *Excise Act* - (Canada), with an indicium that meets the following specifications:

1. The indicium shall read “CANADA DUTY PAID - DROIT ACQUITTÉ - NOVA SCOTIA - NOUVELLE-ÉCOSSE”.
2. The background color of the indicium shall be Pantone Purple U, 100%.
3. The color of the text shall be in process black, 100%.
4. The text shall be in Helvetica 8.

(3) Every carton that is intended to be sold in Prince Edward Island to a consumer who is required to pay tax under the Act shall be marked or stamped with an indicium that meets the following specifications: *Idem, cartons*

1. The indicium shall read "NS - NE".
2. The width of the indicium shall not be less than 2.9 centimetres.
3. The height of the indicium shall not be less than 1.4 centimetres.
4. The indicium shall be surrounded by a border that is a thickness of 1.5 point.
5. The background color of the indicium shall be in Pantone Purple U, 100%.
6. The color of the text and boarder shall be in process black, 100%.
7. The text shall be in Helvetica bold 10, upper-case lettering.

- (4) A carton of cigarettes *Marking of cartons*
- (a) that is manufactured or acquired after the date these regulations come into force, for sale in Prince Edward Island to a consumer who is required to pay tax under the Act shall be marked by the affixing or imprinting of the indicium; and
 - (b) that is imported for sale in Prince Edward Island to a consumer who is required to pay tax under the Act shall be stamped by the affixing of the indicium.

(5) The indicium referred to in subsection (3) shall be affixed or imprinted, as the case requires, on each end sticker that seals the end flaps of the carton or, if the carton is a paperboard box, at each end of the box. *Idem*

(6) Every case that contains packages of cigarettes and cartons or packages of fine-cut tobacco that are marked or stamped in accordance with this section shall be marked or stamped by printing on the case the indicium "NS - NE". *Marking of cases*

(7) The letters "NS - NE" shall be printed on two sides of the case and shall meet the following specifications: *Idem*

1. The text shall be in block letters and 38.1 millimetres in height.
2. The coloring of the text shall be process black, 100%. (EC876/95; 682/96)

7.(1) A vendor may distribute a package of cigarettes or carton of cigarettes or a package of fine-cut tobacco free of charge only if the package or carton is marked or stamped with an indicium in accordance with section 6 and tax has been paid in accordance with section 3 of the Act. *Distribution*

Idem

(2) A vendor may distribute a case of cigarettes free of charge only if the case has the indicium "NS - NE" printed on it in accordance with subsection 6(7) and tax has been paid in accordance with section 3 of the Act. (EC876/95)

Seizure

8. (1) An inspector may, without warrant, seize, hold and dispose of tobacco which is not marked in the manner prescribed in these regulations.

Disposal

(2) Tobacco seized under subsection (1) is forfeited to Her Majesty in right of the Province and may be disposed of by the Minister by tender to the highest bidder and the proceeds of the sale shall be paid into the Consolidated Fund. (EC876/95)