

UKRAINE

**TOBACCO
INDUSTRY INTERFERENCE
INDEX 2025**

Date of Publication: June, 2026

Acknowledgements:

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The Advocacy Center «Life» also thanks Dr. Mary Assunta and Mr. Yodhim Dela Rosa from the Global Center for Good Governance in Tobacco Control (GGTC) for technical assistance and editorial support.

This report is funded by the Bloomberg Philanthropies.

Abbreviations

HTP – heated tobacco product
WHO FCTC – World Health Organization Framework Convention on Tobacco Control
MP – Member of Parliament
COP – Conference of Parties
CSR – Corporate Social Responsibility
CMU – Cabinet of Ministers of Ukraine
DPSS – State Service of Ukraine on Food Safety and Consumer Protection
EBA – European Business Association
EU – European Union
TDP – Tobacco Product Directive
MoF – The Ministry of Finance of Ukraine
MoH – Ministry of Health of Ukraine
SRS – State Regulatory Service of Ukraine (SRS)
TAPS – tobacco advertising, promotion and sponsorship
EBA – European Business Association
AmCham – American Chamber of Commerce
NGO – non-governmental organization
UAH – Ukrainian hrynia
TI – tobacco industry

Background and Introduction

Complex emergency and war. The tobacco burden in Ukraine has been exacerbated by the full-scale military invasion launched by the Russian Federation on February 24, 2022. Ongoing war and missile attacks targeting civilian infrastructure have placed unprecedented strain on Ukraine's health system and infrastructure. As of February 2025, an estimated 3.7 million people remain internally displaced, and around 6.3 million have sought refuge in Europe. In total, 12.7 million people in Ukraine require urgent humanitarian assistance, with poverty rising due to widespread displacement¹. WHO reports that nearly 10 million people are affected by mental health disorders—largely driven by continuous exposure to the humanitarian crisis, ongoing hostilities, and psychological trauma². Doing tobacco control in this situation continues to be a challenge.

Tobacco use and smoking prevalence. 26.0% of adults (39.4% of men and 15.0% of women) used tobacco or nicotine products, with no significant change from 2023³. The prevalence of current cigarette smoking among adolescents declined markedly from 24.0% in 2005 to 9.2% in 2017, and further to 12.3% in 2023.

While total consumption remained stable, the proportion of male users declined significantly—from 44.0% to 39.4%—largely due to a decrease in occasional use. In 2024, 22.7% of the population (34.2% of men and 13.1% of women) used tobacco products, marking a 4.0 percentage point (–15%) drop from 2023. Notably, these figures reflect civilian populations and exclude over 1 million military and defense personnel, among whom tobacco use is presumed much higher.

Legislation. Ukraine adopted a comprehensive tobacco control law (Law No. 1978-IX) in January 2022⁴. The reporting period coincided with the law's implementation phase. Key features include: pictorial health warnings with annual rotation; a ban on flavorings in cigarettes and e-liquids; the EU-aligned nicotine limits in tobacco and e-liquids; prohibitions on advertising and promotion of e-cigarettes and heated tobacco products (HTPs); and new reporting norms for the tobacco industry.

In July 2023, a ban on most flavored tobacco products came into force, with a transition period until July 2024. The ban covers e-vapour products, capsule cigarettes, and flavored cigars and cigarillos. However, HTPs, nicotine pouches, and hookah tobacco are exempt.

Taxation. In 2024 Ukraine continued its 7-year tobacco tax increase plan, adopting a new tax framework in March 2025, valid until 2028. Key elements: taxes were adjusted to be calculated in euros; taxes on HTPs were set lower for a 3-year period compared to conventional cigarettes.

¹ IOM (2024), Localization and partnerships in IOM's Ukraine and regional response 2024, available at: <https://www.iom.int/sites/g/files/tmzbd12616/files/country/Ukraine/localization-and-partnerships-in-ioms-ukraine-and-regional-response-2024-final.pdf>

² WHO (2022) Scaling-up mental health and psychosocial services in war-affected regions: best practices from Ukraine, available at: <https://www.who.int/news-room/feature-stories/detail/scaling-up-mental-health-and-psychosocial-services-in-war-affected-regions--best-practices-from-ukraine>.

³ Telephone survey conducted in December 2024 (2000+ respondents).

⁴ Parliament of Ukraine, Law of Ukraine “On amendments to some laws of Ukraine regarding public health protection from the harmful effects of tobacco”, available at: <https://zakon.rada.gov.ua/laws/show/1978-20#Text>.

Tobacco industry. As of 2022, four transnational corporations dominated Ukraine's tobacco market: Philip Morris International (Philip Morris Ukraine), Japan Tobacco International (JT International Ukraine), Imperial Tobacco (Imperial Tobacco Production Ukraine), British American Tobacco (BAT Ukraine).

In 2023, BAT overtook Philip Morris as the leading cigarette market holder after Philip Morris closed its Kharkiv factory due to attacks. However, Philip Morris remained the leader in HTPs, with a 77% retail share in that segment. Together, transnational corporations held over 90% of the cigarette market in 2023. More than 20 national producers also operate in Ukraine⁵. The largest retail distributor is TEDIS Ukraine.

Market trends (Euromonitor 2023):

- Cigarette sales: ↑ by 2% (to 31 billion sticks);
- E-vapour sales: ↓ by 29%;
- Heated tobacco sales: ↑ by 12% (to 5.7 billion sticks).

Tobacco industry interference (TI). During the reporting period, the tobacco industry and associated front groups targeted two main policy areas:

- HTP taxation: The industry lobbied for preferential tax rates, eventually leading to a slower tax increase for HTPs compared to cigarettes.
- Indoor smoking ban: Campaigns were launched to reintroduce designated smoking areas in hospitality venues.

The industry maintained low-profile lobbying, primarily via front groups. Wartime restrictions and limited transparency in government/parliamentary activity hindered public oversight of lobbying efforts. Even during the war, the tobacco industry did not skip a beat in growing its business in Ukraine. PMI continued to expand its production and JTI restructured its business.

TI Interference Index. This is Ukraine's fifth report on tobacco industry interference, prepared by civil society experts with support from the Global Center for Good Governance in Tobacco Control (GGTC)⁶. It evaluates government responses based on WHO FCTC Article 5.3⁷. TI Index score rose from 44 (2023) to 50 (2025), indicating increasing industry influence and setbacks in public health. The preferential tax regime for HTPs and legitimized online sales of tobacco and nicotine products are seen as a major public health policy loss. The war and chronic crisis conditions have created opportunities for intensified lobbying, including undetected activities.

Data for this report was collected using the SEATCA questionnaire, covering 20 questions across 7 categories using publicly available sources between 1 April 2023 and 31 March 2025⁸. A lower score indicates better compliance with WHO FCTC Article 5.3.

⁵ UA.REGION, Business catalogue, <https://www.ua-region.com.ua/kved/12.00> (Accessed: April 20, 2025).

⁶ According to the SEATCA methodology, for the purpose of this report the term "government" includes all government institutions such as ministries, state services and institutions and their official representatives and staff, representatives of the Office of the President of Ukraine, and representatives of the Parliament of Ukraine, including MPs, their assistants and other official representatives.

⁷ Framework Convention on Tobacco Control, «Guidelines for implementation of FCTC Article 5.3, Geneva 2008, [decision FCTC/COP3(7)]. Available at: <https://bit.ly/3fLlpsn>. (Accessed: April 20, 2025).

⁸ Assunta, M. Dorotheo, E. U. SEATCA Tobacco Industry Interference Index: a tool for measuring implementation of WHO Framework Convention on Tobacco Control Article 5.3. April 2015. Available at: <https://bit.ly/3oV2y3G>. (Accessed: April 20, 2025).

Summary Findings

1 INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

(Summarize your evidence/ points in questions 1-4)

During the reporting period, the tobacco industry was involved in developing tobacco control policies, particularly in taxation that resulted in some public health gains loss. Thus, the participation of the tobacco industry in policy development somewhat increased.

The tobacco industry was involved in drafting and promoting legislation that which introduced tax benefit for heated tobacco products (HTPs) compared to conventional cigarettes in three-years perspective. The government acknowledged that a compromise on excise rates was reached with industry representatives. Additionally, the tobacco producers' association "Ukrtutun" opposed new excise taxes on certain products and challenged enforcement measures during martial law.

Several draft laws were initiated by Members of Parliament (MPs) with past ties to the tobacco industry or its front groups. These included attempts to restore hookah use in public venues, allow tobacco sales on Internet, blocking the bans on point-of-sale tobacco displays and introducing domestic tobacco farming through production quotas.

For example, the industry representatives were included in the working group for the new e-Tobacco reporting platform. This raises concerns over potential industry influence on data transparency and the classification of sensitive information. Notably, the Ukrainian government did not include any tobacco industry representatives or affiliated persons in its delegation to the WHO Framework Convention on Tobacco Control (FCTC) Conference of the Parties (COP10), nor did it accept any form of industry sponsorship for official participation.

2 INDUSTRY CSR ACTIVITIES

(Summarize your evidence/ points in question 5)

In the reporting period the government (its agencies and officials) were not spotted with receiving any CSR contributions. This assessment index slightly improved.

3 BENEFITS TO THE INDUSTRY

(Summarize your evidence/ points in questions 6-7)

A few legislative and regulatory activities concerning tobacco control were aimed at setting certain benefits or preferential regulation for the tobacco industry. This included, for example, MPs' legislation unsuccessful attempts to postpone the enforcement of the ban on flavored tobacco products, and successful government tax increase law that introduce lower taxation regime in three-year time compared with conventional tobacco products.

Besides, the tobacco front line groups expectedly lobbied tax benefits, and other preferences. For instance, the association "Ukrtutun", actively opposed the draft law aimed at prohibiting point-of-sales bill initiated by the government. Moreover, certain government institutions also opposed the point-of-sales bill.

Finally, a few MPs organized a letter campaign to Cabinet of Ministers of Ukraine (CMU) to challenge the enforcement procedures applied by the State Service of Ukraine on Food Safety and Consumer Protection (DPSS) in cafes, bars, and restaurants. These requests were compiled to support the complaints of the NGO “Ukrainian Hookah Association,” that may have vested interests to undermine compliance checks.

These developments illustrate the ongoing complexities and challenges in Ukraine's tobacco control efforts, with pushback from the tobacco industry and strategic legislative maneuvers by various stakeholders. Thus, the summarized assessment index degraded in this area.

4 UNNECESSARY INTERACTION

(Summarize your evidence/ points in questions 8-10)

The reporting period few cases of the unnecessary interactions and meetings were spotted. Government representatives conducted meetings with business associations and included their representatives into the working groups. Government investment agency supported publicly one of the tobacco companies and the enforcement authorities promoted the cooperation with TI on the illicit trade issues. Thus, the summarized assessment index degraded in this area as well.

5 TRANSPARENCY

(Summarize your evidence/ points in questions 11-12)

The national legislation in Ukraine does not mandate public disclosure of meetings between the government and the tobacco industry, with transparency governed by the law "On Access to Public Information." While this law allows for public access to information through specific requests, its effectiveness is hindered during martial law, with some authorities unlawfully delaying responses to conceal information. This has led to decreased transparency, particularly regarding tobacco industry interactions. Additionally, while the law requires registration of tobacco manufacturers and distributors, there is no system for disclosing or registering tobacco-affiliated organizations and lobbyists, reflecting a lack of regulation on lobbying activities. Overall, the transparency of government activities related to the tobacco industry has somewhat diminished, especially in wartime, but the adoption of new legislation created legal groups for higher transparency. Thus, the summary assessment index slightly improved.

6 CONFLICT OF INTEREST

(Summarize your evidence/ points in questions 13-15)

The Law of Ukraine No.2899 prohibits the tobacco industry from providing financial or other support to events, activities, individuals, or groups, including political parties, sports teams, artists, and educational institutions. It also bans financial support for public informational campaigns, including youth prevention programs, regardless of whether the support is publicized. The Law “On Political Parties in Ukraine” mandates public disclosure of financial contributions to political parties, with no violations reported during the period. However, concerns remain about

indirect cooperation with politicians through third parties like NGOs. Additionally, Ukraine has measures to prevent senior government officials from joining the tobacco industry, requiring dismissal within three days if a conflict of interest is confirmed. No dismissals or cases of government officials joining the tobacco industry were reported during the period, and public service employees are restricted from joining organizations they oversaw for one year after resignation. No considerable changes in this area observed.

7 PREVENTIVE MEASURES

(Summarize your evidence/ points in questions 16-20)

The transparency of interactions between the Ukrainian government and the tobacco industry has been a concern, as there is no specific procedure for disclosing records of such interactions. While government authorities and members of Parliament may publicize information about their meetings with the tobacco industry, there is no obligation to announce these meetings, and public access is limited. The law on Access to Public Information applies to these interactions, but transparency has decreased during the reporting period, with many meetings potentially going unreported. The parliament remains relatively more transparent, with many committee meetings accessible online by invitation.

There is no explicit policy guiding public officials on standards for dealing with the tobacco industry, though the Ethical Code for public servants generally regulates business interactions. The WHO FCTC Article 5.3 recommends avoiding conflicts of interest for government officials, and anti-corruption legislation could help implement this recommendation. Ukrainian legislation has improved regarding tobacco industry reporting requirements, aligning with EU TDP regulations, but the first reporting cycle is expected in 2025. The law prohibits the tobacco industry from providing financial support to various entities and activities, but enforcement of these provisions needs to be stronger. The government has no specific program to raise awareness about FCTC Article 5.3 policies, except within the Ministry of Health, and the public service system's transparency has been challenged by the current emergency situation and war. No considerable changes in this area observed.

Recommendations

Recommendation 1: Whole-of-government policy to limit industry participation in policy development.

- Consider development, adoption and implementation of an official government policy (per WHO FCTC 5.3 Guidelines) to reject partnerships or contributions from the tobacco industry in all branches of government, not just health. This document may also be grounded on the fact that TI was included in the list of organizations that support the war.

Recommendation 2: Mandate transparency of all interactions with the tobacco industry.

- Consider passing the regulations to require public disclosure of all meetings between public officials and the tobacco industry, as well as contributions, gifts, or support from tobacco-affiliated entities.

Recommendation 3: Strengthen conflict of interest prevention across all government sectors.

- More focus should be given to the enforcement and expanding the conflict of interest rules to apply across all levels of public service and parliament and require declaration of affiliations and funding sources of NGOs lobbying on tobacco issues.

Recommendation 4: Create and institutionalize a national awareness program on FCTC Article 5.3

- Mandate a training programs for parliamentarians, public servants, and law enforcement staff, including specific modules on detecting front groups and lobbying tactics.

Recommendation 5: Support independent monitoring activities/bodies for Industry Interference.

- Deepen the cooperation with the civil society to support/endorse independent public oversight/monitoring mechanism. Collaborate on the TI monitoring activities, protect civil society organizations and track enforcement of Article 5.3 and national regulations. Strengthen the collaboration with the WHO FCTC Secretariat and GGTC.

Country Name

Tobacco Industry Interference Index 2025

Results and Findings

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<p>Background. The Law of Ukraine “On Measures to Prevent and Reduce the Use of Tobacco Products and Their Harmful Effects on Public Health” No. 2899 (hereinafter – Law No. 2899) declares the primacy of public health policy over the financial, tax, and corporate interests of economic entities associated with the tobacco industry⁹. It also emphasizes the involvement of individuals and groups not affiliated with the tobacco industry in efforts to prevent tobacco use and mitigate its harmful effects on public health. However, this provision remains largely declarative, as there are no oversight mechanisms or administrative penalties for public officials who fail to comply.</p>						
INDICATOR I: Level of Industry Participation in Policy-Development						
<p>I. The government¹⁰ accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry or any entity or person working to further its interests.¹¹ in setting or implementing public health policies in relation to tobacco control¹² (Rec 3.4)</p>				3		
<p>In the reporting period, the tobacco industry was observed participating in the tobacco taxation policy development.</p> <ul style="list-style-type: none"> - The Ministry of Finance of Ukraine drafted and submitted to the parliament through CMU the Draft Law No. 11090, which raises the tobacco taxes by provided for lower excise taxes on HTPs than on tobacco products¹³. - During the discussion of draft law No. 11090 at the working group before the second reading, representative of the MoF stated that the compromise solution of 90 euros for cigarettes was reached together with the tobacco industry¹⁴. As the result, the law was later adopted and signed, effectively continued the tax increase for the conventional cigarettes but slower down the increase for HTPs. - Besides, Ukrainian association of the tobacco producers “UkrTobacco” sent a proposal to the parliament on the draft law ‘On Amendments to the Tax Code of Ukraine’ No. 10321, in which we oppose the reasonable introduction of excise taxes, in particular, on non-nicotine-containing oral products, cigarettes and tobacco products¹⁵. - UkrTobacco also sent an appealed to the Ministry of Health of Ukraine (MoH), stressing that tobacco legislation enforcement inspections should not be resumed, namely the introduction of the order ‘On Approval of the List of Grounds for Unscheduled State Supervision (Control) in the Field of Legislation on Measures to 						

⁹ Parliament of Ukraine, Law of Ukraine “On measures to prevent and reduce the use of tobacco products and their harmful effects on public health”. Available at: <https://zakon.rada.gov.ua/laws/show/2899-15#Text>. (Accessed: April 15, 2025).

¹⁰ The term “government” refers to any public official whether or not acting within the scope of authority as long as cloaked with such authority or holding out to another as having such authority

¹¹ The term, “tobacco industry” includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

¹² “Offer of assistance” may include draft legislation, technical input, recommendations, oversees study tour

¹³ <https://itd.rada.gov.ua/billInfo/Bills/Card/43855>

¹⁴ <https://drive.google.com/file/d/1A9Ro0fOBBdjQRBer6rPRCR7tZbQdjGJJ/view>

¹⁵ https://drive.google.com/file/d/1r7En0SfrUu9MQJ81S0vR5PXyhVSGnznp/view?usp=drive_link

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<p>Prevent and Reduce the Use of Tobacco Products and Their Harmful Effects on Public Health during the Period of Martial Law'. By this the industry intended to use the martial law to stop the enforcement procedures.</p> <ul style="list-style-type: none"> - The State Regulatory Service By its decision No. 1 of 01.01.2024, did not support the Law of Ukraine 'On Amendments to the Law of Ukraine "On Measures to Prevent and Reduce the Use of Tobacco Products and Their Harmful Effects on Public Health" regarding the prohibition of visible tobacco products and some other products in retail outlets. This draft law was important to close TAPS gap and ban point-of-sales advertising. 											
2. The government accepts, supports or endorses <u>policies or legislation drafted by or in collaboration with the tobacco industry.</u> (Rec 3.4)								3			
<p>As described in the previous section, the government claimed that the new taxation plan for 2025 – 2028 was aligned with the recommendation of the tobacco industry in the area of the HTP taxation (low tax increase compared with the conventional cigarettes).</p> <p>Besides the observations described in the section I, the following cases are worth mentioning here:</p> <ul style="list-style-type: none"> - The group of MPs registered the draft law No. 12288 on amendments to certain laws of Ukraine on creating conditions for economic activity in the field of recreational services, which intends to restore hookah smoking in public catering establishments and advertising of tobacco products (sale of tobacco products in a set with other goods and services)¹⁶. Some MPs had previous connections with the tobacco industry or its front groups. - One of MPs (MP Zablotskyi) initiated an alternative draft law No. 12091-2 (to draft law No. 12091) to block and oppose the adoption of the point-of-sales display ban initiative. This MP had previous connections with the tobacco industry front groups. - Another MP (MP D. Arakhamiya) initiated the draft law No. 12251, which provides for the establishment of quotas for the use of domestic raw tobacco for the production of tobacco products, which may facilitate the development of the tobacco farming in Ukraine¹⁷. - The group of MPs registered and advocated the draft law No. 10346, which introduced remote (online) sales of tobacco products. With good intends to regulate online market the legislators legitimize online sales and by this increased the availability of tobacco products to the public including minors, as age checks are not substantial. 											
3. The government allows/invites the tobacco industry to sit in government interagency/ multi-sectoral committee/ advisory group body that sets public health policy. (Rec 4.8)								2			
<ul style="list-style-type: none"> - In the reporting period various business association openly lobbied preferential tax regime for the tobacco products in Ukraine. This includes but not limited the Union of Ukrainian Entrepreneurs, EBA, AmCham, and others. - The Public Council at the Main Department of the State Tax Service in Zakarpattia region, during the discussion of draft law No. 9227, criticized the bill that bans 											

¹⁶ <https://itd.rada.gov.ua/billinfo/Bills/Card/45357>

¹⁷ <https://itd.rada.gov.ua/billinfo/Bills/Card/45324>

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<p>flavoured cigarettes¹⁸. This action did not influence the legislation but demonstrated low awareness of the public council on the government policies.</p> <ul style="list-style-type: none"> - During the process of elaboration of new tobacco industry reporting policies and specifically regulations for e-Tobacco platform, DPSS included the representative of UkrTobacco into the working group. The lobbying activities may result in the possibility for the tobacco industry to ‘classify’ most of the reported data and limit the public access to it. 						
<p>4. The government nominates or allows representatives from the tobacco industry (including State-owned) in the delegation to the COP or other subsidiary bodies or accepts their sponsorship for delegates. (i.e. COP 4 & 5, INB 4 5, WG)¹⁹ (Rec 4.9 & 8.3) For non-COP year, follow the previous score of COP year.</p>		1				
<ul style="list-style-type: none"> - The government did not nominate or allow representatives from the tobacco industry in the delegation to the COP10 or other subsidiary bodies, nor accepted their sponsorship for delegates in the reporting period. 						
INDICATOR 2: Industry CSR activities						
<p>5. A. Government agencies or their officials endorse, support, form partnerships with or participates in activities of the tobacco industry described as socially responsible. For example, environmental programs. (Rec 6.2)</p> <p>B. The government (its agencies and officials) receives CSR contributions²⁰ (monetary or otherwise, including CSR contributions) from the tobacco industry or those working to further its interests (eg political, social, financial, educational, community or other contributions (Rec 6.4) including environmental or EPR activities (COP10 Dec)). <i>NOTE: exclude enforcement activities as this is covered in another question</i></p>			2			
<ul style="list-style-type: none"> - In the reporting period the government (its agencies and officials) were not found receiving any CSR contributions. - At the same time, a few governmental organizations are listed to support the project of UkrTobacco – “No to contraband”²¹. 						
INDICATOR 3: Benefits to the Tobacco Industry						
<p>6. The government accommodates requests from the tobacco industry for a longer time frame for implementation or postponement of tobacco control law. (e.g. 180 days is common for PHW, Tax increase can be implemented within 1 month) (Rec 7.1)</p>				3		
<ul style="list-style-type: none"> - An alternative draft law No. 9227-1 to the main draft law Draft Law on Amendments to the Law of Ukraine ‘On Measures to Prevent and Reduce the Use of Tobacco Products and Their Harmful Effects on Public Health’ was initiated by MP Zablotskyi who previously was linked with the organizations affiliated with tobacco industry. By this initiative he proposed to provide a 36-month transition period for the ban on flavoured tobacco products. This tactic is often used to 						

¹⁸ <https://zak.tax.gov.ua/media-ark/news-ark/674825.html>

¹⁹ Please annex a list since 2009 so that the respondent can quantify the frequency, <http://www.who.int/fctc/cop/en/>

²⁰ political, social financial, educations, community, technical expertise or training to counter smuggling or any other forms of contributions

²¹ <https://www.nicontrabandi.org.ua/about>

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<p>delay consideration of the main draft law No. 9227, which proposes a complete ban on flavoured cigarettes²². However, the legislators did not accommodate this request.</p> <ul style="list-style-type: none"> - The UkrTobacco sent letters to the State Regulatory Service of Ukraine (SRS) to oppose the draft Law of Ukraine ‘On Amendments to the Law of Ukraine “On Measures to Prevent and Reduce the Use of Tobacco Products and Their Harmful Effects on Public Health” regarding the prohibition of visible tobacco products and some other products in retail outlets’²³. - Echoing the position of the tobacco industry that lobbies strongly against these regulations, the State Institution ‘Investment Promotion Office’ did not approve the draft law initiated by the State Service of Ukraine on Food Safety and Consumer Protection to ban the point-of-sales displays as a form of tobacco products promotion²⁴. - A group of MPs filed a series of similar requests to CMU to tackle the tobacco legislation enforcement procedures applied by the DPSS for cafes, bars and restaurants. The requests were compiled to support the complains of the NGO “Ukrainian hookah association”, with hidden intent to challenge the enforcement procedures and allow hookah smoking in designated areas²⁵. 											
<p>7. The government gives privileges, incentives, tax exemptions, subsidies, financial incentives, or benefits to the tobacco industry (Rec 7.3)</p>										4	
<ul style="list-style-type: none"> - As described above, MOF initiated the government draft law to increase tobacco taxes for 2025 – 2028. This legislation was adopted by the parliament and signed by the President of Ukraine on March 24, 2025. With this law the government abandons the policy of equal excise taxes for all tobacco products, even though budgetary needs are huge during wartime. By 2028, the excise tax for HTPs is expected to rise to €72 per 1,000 units, which is 20% less than the proposed tax rate for regular cigarettes in the same year. This difference creates an obvious tax incentive for the growing market of HTPs²⁶. 											
<p>INDICATOR 4: Forms of Unnecessary Interaction</p>											
<p>8. Top level government officials (such as President/ Prime Minister or Minister²⁷) meet with/ foster relations with the tobacco companies such as attending social functions and other events sponsored or organized by the tobacco companies or those furthering its interests. (Rec 2.1)</p>									3		
<ul style="list-style-type: none"> - The PDSS met with representatives of the European Business Association (EBA) that often lobbies for the tobacco industry. During the meeting, the participants discussed the “the problems of implementing the new legislation on the regulation of tobacco products.”²⁸ 											

²² <https://itd.rada.gov.ua/billInfo/Bills/Card/41866>

²³ https://drive.google.com/file/d/1gSimTq0yjPKEiXqJ8E13XX2YIDIEtfKZ/view?usp=drive_link

²⁴ <https://dpss.gov.ua/diyalnist/obgovorennya-proektiv-dokumentiv/2023>

²⁵ https://drive.google.com/drive/folders/1mmQPgSUE_p3mcC34q-5cdH6CJeuXdo8M

²⁶ <https://wiiw.ac.at/analysis-of-the-fiscal-and-health-impact-of-increasing-tobacco-excise-taxes-in-ukraine-ukrainian-version-analiz-fiskal-nogo-ta-medichnogo-vplivu-pidvischennja-akciziv-na-tjutjunovi-virobi-v-ukraini-dlp-6996.pdf>

²⁷ Includes immediate members of the families of the high-level officials

²⁸ <https://eba.com.ua/predstavnyky-tyutyunogo-komitetu-asotsiatsiyi-zustrilysya-z-novym-ochilnykom-derzhprodspozhyvsluzhby/>

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<ul style="list-style-type: none"> - The Bureau of Economic Security of Ukraine (BES) hosted a meeting with representatives of the Ukrtobacco. During the event, the participants discussed the results of the Bureau's work, systemic problems faced by the BES specialists, as well as proposals for further steps to combat illegal trafficking of excisable goods²⁹. - The State Agency 'Investment Promotion Office' (UkraineInvest) expressed support to Philip Morris as an investor in Ukraine and its development of the production and sale of tobacco products to Ukrainians. After the exposure of this case in media, all references to cooperation with Philip Morris International on the website of the State Institution 'Office for Attracting and Supporting Investments' disappeared³⁰. This shows low awareness of the government authorities on the Article 5.3 of the WHO FCTC. 												
<p>9. The government accepts assistance/ offers of assistance from the tobacco industry on enforcement such as conducting raids on tobacco smuggling or enforcing smoke free policies or no sales to minors. (including monetary contribution for these activities) (Rec 4.3)</p>										3		
<ul style="list-style-type: none"> - As per journalists' investigation, in his capacity as a Member of Parliament and Head of the Parliamentary Coalition, MP Arakhamia was spotted to use the car of businessman Borys Kaufman, owner of Tedis Ukraine LLC (a monopoly distributor of tobacco products). In a commentary to the media, he stated that he had 'friendly relations with Borys Kaufman.'³¹ - The National Policy of Ukraine highlights its cooperation with the tobacco companies on the legislation enforcement. The Strategic Investigation Department informed the public about a working meeting was held between representatives of law enforcement agencies and representatives of the tobacco industry to discuss "the fight against the illegal market of excisable goods"³². - The government cooperated with Ukrtobacco on the implementation of the tobacco reporting mechanisms. As the website of DPSS states, the government launches e-Tobacco project to streamline reporting on tobacco production and imports in Ukraine. The published press release provides the citation of the head of Ukrtobacco.³³ 												
<p>10. The government accepts, supports, endorses, or enters into partnerships or non-binding agreements with the tobacco industry or any entity working to further its interests. (Rec 3.1) <i>NOTE: This must <u>not</u> involve CSR, enforcement activity, or tobacco control policy development since these are already covered in the previous questions.</i></p>										2		
<ul style="list-style-type: none"> - In the reporting period the government continues its cooperation with the tobacco industry in the areas of countering illicit tobacco and setting up new excise taxes for HTPs. 												
INDICATOR 5: Transparency												
<p>11. The government does not publicly disclose meetings/ interactions with the tobacco industry in cases where such interactions are strictly necessary for regulation. (Rec 2.2)</p>										3		

²⁹ <https://ukrtyutyun.com/novyny/>

³⁰ <https://center-life.org/novyny/zaiava-pro-neprypustymist-spryanniia-kabinetom-ministriv-ukrainy-rozvytku-tiutiunovoi-kompanii-kolaboranta/>

³¹ <https://bihus.info/golova-prezydentskoyi-frakcziyi-davyd-arahamiya-brav-mashyny-u-biznesmena-yakyi-maye-pidozry-vid-nabu-ta-sap/>

³² <https://dsr.npu.gov.ua/news/spivpratsia-u-borotbi-z-nelehalnym-ryнком-tiutiunovykh-vyrobiv-vidbulasia-zustrich-spivrobitnykiv-natspolitsii-z-predstavnykamy-biznesu>

³³ https://dpss.gov.ua/news/uriad-vprovadzhuie-proiekt-etiutiun-dlia-vporiadkuvannia-informatsii-shchodo-vyrobnytstva-ta-importu-tiutiunu-v-ukraini?fbclid=IwZXh0bgNhZWOCMTAAAR0Z2gBD2oq31_obeJLzY-dXhR1IQiYAhDbj4wzAZFOrrWlyBxTH9JRTmkY_aem_czmb0SfVost2Pxxhi2LYrA

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<ul style="list-style-type: none"> - The national legislation does not directly require the government to disclose meetings/ interactions with the tobacco industry publicly. The transparency of activities of the government representatives, policymakers and local authorities is regulated by the law “On Access to Public Information”. According to Article 1 of this law, “Public information is the information, recorded or documented by any means and at any drivers, which was received or created during the fulfilment by the subjects of the authorities of their duties under the current legislation, or which has the subjects of authority, and other administrators of public information, determined by this Law. Public information is open, except in cases established by this law”. - However, such information might be received through separate requests for public information from the respected information holder as established by this law. This law remains one of the key instruments for receiving various internal information and data from the authorities of different levels for advocacy and research groups and anti-corruption organisations. - At the same time access to public information during martial law is complicated and might be restricted. The shadow report of advocacy groups highlight that some administrators of public information unlawfully apply the delay when they want to conceal information, or when they want to hide the information, and not when there is no possibility to provide a response to a request. Therefore, this mechanism has been abused by those administrators who do not want to provide open information³⁴. To conclude, it is hard to evaluate the level of public transparency of the tobacco industry meetings with government representatives, particularly in wartime. Consideration should be given to the fact that many such meetings stay unreported. 												
12. The government requires rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists (Rec 5.3)										3		
<ul style="list-style-type: none"> - The main development in the reporting period in this field is the new legislation requirements for tobacco products aligned with EU TPD. Official registration of the tobacco manufacturers, and the license holders for the wholesale and retail distribution, export and import operations, and this data is open to the public. The official registry of the manufacturers and distributors of tobacco products is regularly updated and published by the State Fiscal Service of Ukraine³⁵. - The government, however, has no operational system for the disclosure or registration of tobacco affiliate organisations and individuals acting on behalf of the tobacco industry, including lobbyists. Generally, this reflects that national legislation specifically does not regulate lobbying activities. 												
INDICATOR 6: Conflict of Interest												
13. The government does not prohibit contributions from the tobacco industry or any entity working to further its interests to political parties, candidates,								1				

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https://dejure.foundation/dostup_do_publichnoyi_informaciyi_ta_vyklyky_dlya_sudovoyi_vlady_v_umovax_viny/?fbclid=IwAR3bonVwZZNMi948fNxQFH2Yng2CpRNEYbmxciV-081dks9PYJSWLpEOpIs

³⁵ The State Fiscal Service of Ukraine (2023). Available at: <https://bit.ly/3fHOsOH>. (Accessed: April 10, 2025).

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or campaigns or to require full disclosure of such contributions. (Rec 4.11) I Never 5 Yes						
<ul style="list-style-type: none"> - The Law of Ukraine No.2899, “On Measures of Prevention and Reduction of Use of Tobacco Products and Their Harmful Influence on People’s Health”³⁶ prohibits all forms of financial or other support by the tobacco industry to events, activities, individuals, or groups, including political parties or politicians, sportsmen or sports teams, artists or artist groups, and educational institutions of any form of ownership. The law also prohibits the tobacco industry from providing financial support to informational campaigns or events for the public, including youth prevention programs. These prohibitions apply regardless of whether the financial contribution or support is publicized. - The Law “On Political Parties in Ukraine”³⁷ also requires the public disclosure of financial contributions to political parties. No cases to disclose the violation of this legislative norm were spotted in the section in the reporting period. However, cooperation with politicians through various third parties like analytical centres or NGOs is a concern that requires case-by-case journalist investigations. 						
14. Retired senior government officials form part of the tobacco industry (former Prime Minister, Minister, Attorney General) (Rec 4.4)		1				
<ul style="list-style-type: none"> - Ukraine has some protective legislative measures in place to prevent senior government officials to become a part of the tobacco industry. The Article 28 of the Law of Ukraine “On Principles of Prevention and Counteraction to Corruption”, states that civil servants in respect of whom a conflict of interest has been confirmed must be dismissed within 3 days, or measures must be taken to resolve the conflict of interest. - During the reporting period, no examples of dismissal of civil servants due to conflict of interest were found. The public service employees, according to the Law of Ukraine "On Prevention of Corruption"^{38, 39} are restricted by law to occupy any position in the organizations or companies that they coordinated, cooperated with or oversight when performing their public service functions during one year after the resignation. No cases of government officials forming part of the tobacco industry were disclosed during the reporting period. 						
15. <u>Current government officials</u> and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)		2				
- No disclosures in this section. However, with high chances the previously reported cases remain actual.						
INDICATOR 7: Preventive Measures						
16. The government has put in place a procedure for disclosing the records of the interaction (such as agenda, attendees, minutes and outcome) with the tobacco industry and its representatives. (Rec 5.1)				3		

³⁶ Parliament of Ukraine, Law of Ukraine “On measures to prevent and reduce the use of tobacco products and their harmful effects on public health”. Available at: <https://zakon.rada.gov.ua/laws/show/2899-15#Text>. (Accessed: April 22, 2023).

³⁷ Verkhovna Rada of Ukraine (2021), law “Political Parties in Ukraine”. Available at: <https://zakon.rada.gov.ua/laws/show/2365-14#Text>. (Accessed: April 10, 2023).

³⁸ Department of Justice, «ANTI-CORRUPTION RESTRICTIONS ON PERSONS WHO HAVE STOPPED ACTIVITIES RELATED TO THE PERFORMANCE OF STATE OR LOCAL GOVERNMENT FUNCTIONS». Available at: https://minjust.gov.ua/m/str_38636. (Accessed: May 20, 2023).

³⁹ Parliament of Ukraine, Law of Ukraine "On Prevention of Corruption", available at: <https://zakon.rada.gov.ua/laws/show/1700-18>

						0	1	2	3	4	5
<ul style="list-style-type: none"> - As described in the section to indicator 11, there is no certain procedure for disclosing the records of the interaction (such as agenda, attendees, minutes and outcome) with the tobacco industry and its representatives. The government authorities, local authorities, and members of the Parliament may publicize different types of information regarding their interactions with private sectors, including the meetings and events with tobacco companies and their front groups as news feeds or for public relations purposes. There is no obligatory announcements of such meetings and the public access (except mass media) is limited, and in most cases, minutes and transcripts are kept private. At the same time, the parliament remains more transparent, and many committee meetings are accessible online – by invitation. - The law on Access to Public Information fully applies to the interactions between the government and the tobacco industry. However, the government's transparency decreased during the reporting period, and many such meetings may still need to be reported. 											
17. The government has formulated, adopted or implemented a code of conduct for public officials, prescribing the standards with which they should comply in their dealings with the tobacco industry. (Rec 4.2); <i>Yes – for whole of government code; Yes but partial if only MOH</i>								3			
<ul style="list-style-type: none"> - No specific policy in place prescribes explicitly the standards with which public officials should comply in their dealings with the tobacco industry. The Ethical Code for public servants and local authorities⁴⁰ does not explicitly cover interactions with the tobacco industry but generally regulates business interactions. - The WHO FCTC Article 5.3 and its implementation guidelines recommend that the Parties “avoid conflicts of interest for government officials and employees” (recommendation No. 4). Anti-corruption legislation could potentially safeguard the implementation of this recommendation. Thus, Article 1 of the law “On Corruption Prevention”⁴¹ has definitions of the conflict of interests as a potential conflict of interest - the presence of a person's private interest in the sphere in which they perform its official or representative powers, which may affect the objectivity or impartiality of its decisions or the commission or non-execution of actions in the exercise of these powers; private interest - any property or non-property interest of a person, including due to personal, family, friends or other non-governmental relationships with individuals or legal entities, including those arising from membership or activity in public, political, religious or other organizations. This law refers to all types of government servants and officials, members of Parliament, members of judiciary systems, and even to non-governmental workers in the sphere of anti-corruption. This provision could provide a vital prevention mechanism for the government and public officials. - In the reporting period, no progress was observed in implementing a code of conduct for public officials or prescribing the standards to comply with in their dealings with the tobacco industry. 											
18. The government requires the tobacco industry to periodically submit information on tobacco production, manufacture, market share, marketing							2				

⁴⁰ NADS (2021), Ethical code for public servants and local authorities, available at: <https://nads.gov.ua/news/etichnij-kodeks-derzhavnih-sluzhbovciv-ta-posadovih-osib-miscevogo-samovryaduvannya>

⁴¹ Verkhovna Rada of Ukraine (2021), Law of Ukraine on corruption prevention with recent changes. Available at: <http://zakon.rada.gov.ua/laws/show/1700-18>. (Accessed on 31.03.2023).

	0	1	2	3	4	5
expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other TAPS activities such as CSR or EPR (COP10), as well as on tobacco industry entities, affiliated organizations and individuals acting on their behalf, and tobacco industry funded groups and their research and marketing activities (Rec 5.2, 5.3, and COP9 and 10 Decision)						
<p>The Ukrainian legislation was substantially improved regarding reporting requirements for the tobacco industry and fully aligned with the EU TDP regulations. However, the normative work was still undergoing, and the first reporting cycle is expected in 2025.</p> <p>New requirements for the substances, ingredients and emissions are set by the tobacco control law No. 2899 in Article 11 and include all types of tobacco products (excluding HTPs) and e-liquids for e-cigarettes. The law specifies what information should be provided by tobacco manufacturers/importers and what information should be publicly available. As of March 2025, MoH developed the necessary bylaw to enforce these provisions, however, the online platform is still not fully operational. As the tobacco industry tried to influence this regulation, there might be a risk that important information would be referred as 'classified' and not available for public use.</p>						
19. The government has a program / system/ plan to consistently ⁴² raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)				3		
<p>No activities were spotted in support of this indicator. However, as public service system is highly challenged by current emergency situation and war, and the transparency mechanisms have degraded, the government has no program or activities to raise awareness within its departments on policies relating to FCTC Article 5.3, except for MOH.</p>						
20. The government has put in place a policy to disallow the acceptance of all forms of contributions/ gifts from the tobacco industry (monetary or otherwise) including offers of assistance, policy drafts, or study visit invitations given or offered to the government, its agencies, officials and their relatives. (3.4)			3			
<p>The law prohibits all forms of financial or other support by the tobacco industry to events, activities, individuals, or groups, including political parties or politicians, sportsmen or sports teams, artists or artist groups, and educational institutions of any form of ownership. The law also prohibits the tobacco industry from providing financial support to informational campaigns or events for the public, including youth prevention programs. These prohibitions apply regardless of whether the financial contribution or support is publicized. However, the enforcement measures of these provisions could be better monitored and stronger.</p>						
TOTAL				50		

ADDITIONAL QUESTIONS

Based on COP9 and COP10 Decisions highlighting Article 5.3 recommendations

A. LIABILITY: Government has adopted or enforced mandatory penalties for the tobacco industry in case it provided false or misleading information (Rec 5.4)
 [5.4 Parties should impose mandatory penalties on the tobacco industry in case of the provision of false or misleading information in accordance with national law.]

⁴² For purposes of this question, "consistently" means: a. Each time the FCTC is discussed, 5.3 is explained. AND b. Whenever the opportunity arises such when the tobacco industry intervention is discovered or reported.

Evidence

According to the Law of Ukraine 'On Measures to Prevent and Reduce the Use of Tobacco Products and Their Harmful Effects on Public Health' (No. 2899-IV), Article 11(1), the manufacturers and importers of the tobacco products must provide a comprehensive set of information, including but not limited to:

- all ingredients of tobacco products,
- emissions of tar, nicotine and carbon monoxide,
- new or modified products.

Violation of this provision is considered an administrative offence, and the fines are defined as 30,000 UAH for the first offence, and 50,000 UAH for the second. As the reporting mechanism is being elaborating, this provision has not been yet enforced.

B. KH RESOURCE DATABASE: Government adopted and implemented measures to ensure public access to information on TI activities

[5.5 Parties should adopt and implement effective legislative, executive, administrative and other measures to ensure public access, in accordance with Article 12(c) of the Convention, to a wide range of information on tobacco industry activities as relevant to the objectives of the Convention, such as in a public repository.]

Evidence

While Ukraine has general transparency laws, it has not adopted specific, comprehensive measures to proactively ensure public access to information on tobacco industry activities, as recommended by the WHO FCTC Article 5.3.

The current implementation is partial, inconsistent, and lacks dedicated oversight.

The Law of Ukraine "On Access to Public Information" ensures access to information held by public authorities, including information about meetings or correspondence with the tobacco industry. Some information on legislative processes and stakeholder consultations is published online (e.g., via government websites or open data portals). However, publication of tobacco-related interactions maybe limited to occasionally, official press releases or news articles mention meetings between authorities and tobacco industry representatives — like those discussing illicit trade. Some regulatory updates and consultations are publicly available (e.g., on the Ministry of Health or Parliamentary Committee websites), but they are not always detailed.

Annex A: Sources of Information

	TOP MULTINATIONAL TOBACCO GROUPS	MARKET SHARE	BRANDS	SOURCE
1	British American Tobacco Ukraine	35–40%	<i>Rothmans, Kent, Lucky Strike, Pall Mall, Vype / Vuse</i> (e-cigarettes)	https://www.bat.com
2	Philip Morris International (PMI Ukraine)	Cigarettes: ~30%; Heated tobacco: 77% retail volume share	<i>Marlboro; Parliament; Bond Street; HEETS</i> (IQOS tobacco sticks); <i>TEREA</i> (for IQOS ILUMA)	https://www.pmi.com
3	Japan Tobacco International (JTI Ukraine)	~15–20%	<i>Winston; Camel; LD; Logic</i> (vape products)	https://www.jti.com
4	Imperial Brands (Imperial Tobacco Ukraine)	~10% or lower	<i>Davidoff; West; Parker & Simpson; blu</i> (e-vapour systems)	https://www.imperialbrandsplc.com

	TOP LOCAL TOBACCO GROUPS	MARKET SHARE	BRANDS	SOURCE
1	Вупнуку Tobacco Factory (Львівська тютюнова фабрика)	5–8% total (mainly low-price brands)	<i>Marvel; Kiss; Corsair; Compliment</i>	http://lvivtabak.com.ua
2	LLC “Tobacco Company Megapolis” (ТОВ “Тютюнова компанія Мегаліс”)	Retail – dominant		http://tedis.ua/

	TOP TOBACCO INDUSTRY ALLIES/ FRONT GROUPS	TYPE (FRONT GROUP, AFFILIATE, INDIVIDUAL)	SOURCE
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1	UkrTutun (УкрТютюн, UkrTobacco) – Ukrainian Association of Tobacco Producers	Primary industry lobby group representing BAT, PMI, JTI, and Imperial.	https://ukrtyutyun.com/
2	Ukrainian Hookah Association (Асоціація кальянної індустрії)	Represents businesses related to hookah (shisha) products, venues, and lounges.	https://youcontrol.com.ua/catalog/company_details/44603368/
3	TEDIS Ukraine (Distributor)	Tobacco distributor	http://tedis.ua/
4	American Chamber of Commerce in Ukraine	Lobby front group representing BAT, PMI, JTI, and Imperial.	https://chamber.ua/
5	European Business Association	Lobby front group representing BAT, PMI, JTI, and Imperial.	https://eba.com.ua/en/
6	SUP (Union of Ukrainian Entrepreneurs)	Lobby front group representing BAT, PMI, JTI, and TEDIS Ukraine (Distributor)	https://sup.org.ua/en/
7	GROWFORD Institute	AFFILIATE	https://www.growford.org.ua/en/