

Licensing

This document relates to item 4.3 of the provisional MOP4 agenda and corresponds to document <u>FCTC/MOP/4/7</u>

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Key recommendations

- GATC welcomes the renewed focus on licensing under the Protocol, and encourages Parties to:
 - o set up a licensing system for as much of the supply chain as possible including but not limited to vendors, distributors, wholesalers, importers, and manufacturers.
 - o adopt, monitor and collect license fees and set up and enforce penalties related to licensing violations including loss of license.
 - o to share best practices they have with regards to licensing with other Parties and for Parties to seek out such practices from global examples.
- GATC encourages cooperation and coordination across all Protocol measures and licensing is not an exception and reminds Parties to request training and technical assistance from the Convention Secretariat when needed.
- GATC encourages the Convention Secretariat to remind Parties of their obligations under Article 6, facilitate the sharing of best practices in licensing, and provide an update on licensing at MOP5.

Key messages

- In order to intensify efforts to monitor and collect license fees, Parties need to have licensing in place. A licensing regime could require legal action and mechanisms for collection and distribution of licensing fees need to be put in place for the system to succeed.
- A system is only effective if it is actively administered and enforced and safeguarded from tobacco industry interference, and prioritizes health objectives.

What to expect

Parties are considering ways to significantly strengthen and prioritize the implementation of Article 6 on licensing as a core component for the Protocol's full and effective operation. This follows a previous decision (FCTC/MOP3(20)) that already urged Parties to accelerate action on their obligations under this Article.

Discussions will focus on ways to intensify Parties efforts in monitoring and collecting license fees. These fees, in accordance with national law, can be levied to support the administration and enforcement of the licensing system or for public health and related activities. Furthermore, Parties will need to cooperate with each other and/or through competent international/regional organizations to provide training, technical assistance, and cooperation for implementing licensing-related measures.



Why this is important

Licensing is a critically important measure within the framework of the Protocol to Eliminate Illicit Trade in Tobacco Products, as it provides the mechanism for controlling the legal supply chain. Licensing can be a first step towards establishing a track and trace system for some Parties and serves as a complementary measure for Parties with a track and trace system already in place under the Protocol. Article 6 establishes clear obligations for Parties to appropriately regulate licensing systems to ensure effective administration and enforcement, including through measures related to monitoring, maintenance, supervision, and accountability. By enforcing these fundamental regulatory structures, Parties enhance their control over the legal supply chain, which is essential for preventing the diversion of legally manufactured tobacco products into illicit channels.