Federal Law/Regulation Summary

Minimum Age
- Only sell cigarettes, cigarette tobacco, roll-your-own tobacco or smokeless tobacco to anyone age 18 or older.*

* Retailers must also follow state or local tobacco laws, even if they are more restrictive. For example, in some states the minimum age is 19 -- AL, AK, NJ & UT.

*We Card* suggests that retailers contact their local authority for information on local minimum age requirements that exceed federal or state requirements.

**FDA Requirement: Under age 27 -- Minimum Age to Ask for Proof of Age Identification**
- Check photo ID of everyone appearing under age 27 who attempts to purchase cigarettes, cigarette tobacco, roll-your-own tobacco or smokeless tobacco and verify the customer is of legal age to purchase.
- Decline a sale when the customer has no photo ID, the photo ID contains no date of birth or the photo ID has expired.

Restricted Products
- FDA regulations apply to some, but not all, tobacco products.

- Cigarettes, cigarette tobacco, roll-your-own tobacco and smokeless tobacco products are prohibited from being sold to anyone younger than age 18 (See Minimum Age section).

Note: FDA has indicated its intention to regulate additional products in the future (electronic cigarettes, cigars, pipe tobacco, certain dissolvables that are not smokeless tobacco, gels and waterpipe tobacco. Most states already regulate these products. *We Card* recommends you treat these products as if they are age-restricted even if FDA or your state law does not.

- Do NOT break open cigarette or smokeless tobacco packages to sell products in smaller amounts.
- Do NOT sell single cigarettes, also called “loosies.”
- Do NOT sell cigarette packages containing fewer than 20 cigarettes.
- Do NOT give away free samples of cigarettes.
- Do NOT give away free samples of smokeless tobacco except from a “qualified adult-only facility” -- where no person younger than 18 is permitted to enter.
- Do NOT sell flavored cigarettes or flavored cigarette tobacco (other than menthol).

- Remove vending machines and self-service displays UNLESS you operate a “qualified adult-only facility” -- where no person younger than 18 is permitted to enter.
- Only sell cigarettes, cigarette tobacco, roll-your-own tobacco or smokeless tobacco in a direct,
face-to-face exchange. **

** Prohibits the sale of cigarettes, cigarette tobacco, roll-your-own tobacco or smokeless tobacco in vending machines, self-service displays, or other impersonal modes of sales, except in very limited situations.

Exception: The sale of cigarettes, cigarette tobacco, roll-your-own tobacco or smokeless tobacco through vending machines and self-service displays are allowed in qualified adult-only facilities where no person younger than 18 is permitted to enter.

Important: Some state laws prohibit tobacco product vending machines. Check your state law.

Acceptable Forms of Identification
Unless otherwise required by state or local law, FDA recommends that retailers accept only government-issued photographic identification with the bearer’s date of birth. (e.g., State-issued driver’s license or identification card, military identification card, passport or immigration card) for establishing a legal age to purchase cigarettes and smokeless tobacco products. The Photo ID is not acceptable if it has expired.

Fine/Penalty Schedule for Selling to Minors
FDA has a variety of enforcement tools to address retailers who violate Federal statutes or regulations, including civil money penalties, warning letters, seizures, injunctions, no-sale orders and/or criminal prosecution. Retailers who violate the regulations may also be in violation of state law and subject to state penalties or other related orders.

<table>
<thead>
<tr>
<th># of Violations</th>
<th>Fine</th>
<th>Fine*</th>
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<tbody>
<tr>
<td>1st</td>
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<td>Warning Letter</td>
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<td>5th in 36 months</td>
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<tr>
<td>6th or more</td>
<td>$11,000</td>
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</tr>
<tr>
<td>Repeated</td>
<td>No Sale Order</td>
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</tr>
</tbody>
</table>

*Reduced fine with FDA “approved” training program.
Affirmative Defense
Federal law provides that the FDA shall adopt regulations that may provide any retailer that implements the “approved training program,” a reduced civil money penalty if that retailer is found in violation. The FDA does not require such, but it recommends retailers train and educate their employees.

Until the FDA issues guidance or regulations on what constitutes an FDA “approved training program,” the FDA indicates “the agency intends to use a lower maximum civil money penalties schedule for all retailers who violate the regulations restricting the sale and distribution of cigarettes and smokeless tobacco products, whether or not they have implemented a training program. However, FDA may consider further reducing the civil money penalty for retailers who have implemented a training program.”

Minor Possession
Not applicable under Federal law

Sign Requirement
Not applicable under Federal law

Compliance Checks
FDA conducts compliance checks of retail stores to determine whether retailers are complying with the new federal law, using:

• Attempted purchases of tobacco using underage customers.
• Inspections of stores for other compliance requirements.
• Inspections of stores in response to public complaints to the FDA’s request for the general public to report suspected store violations (1-877-CTP-1373 or AskCTP@fda.hhs.gov)

The FDA indicates that it will conduct follow-up compliance checks on stores found in violation.

Visual Characteristics of a State-Issued License
Not applicable under Federal law

Other
Advertising, Labeling, and Promotion Requirements

• Prohibits the sale of cigarettes and smokeless tobacco in vending machines, self-service displays, or other impersonal modes of sales, except in very limited situations.
Exception: The sale of cigarettes, cigarette tobacco, and smokeless tobacco through vending machines and self-service displays are allowed in qualified adult-only facilities where no person younger than 18 is permitted to enter.

Important: Some state laws prohibit tobacco product vending machines. Check your state law.

- Prohibits the sponsorship of any athletic, musical, artistic, or other social or cultural event, or any entry or team in any event, in the brand name, logo, symbol, motto, selling message, recognizable color or pattern of colors, or any other indicia of product identification similar to, or identifiable with, those used for any brand of cigarettes or smokeless tobacco.

- Prohibits the sale or distribution of items, such as hats and tee shirts, with cigarette and smokeless tobacco brands or logos.

- Requires that audio ads use only words with no music or sound effects.

- Some forms of advertising require FDA notification

Retailers may advertise for FDA tobacco regulated products in their stores and in other “permissible forms” of advertising with no requirement to notify the FDA.

Other forms of advertising REQUIRE retailers to notify the FDA 30-days in advance

See We Card’s Understanding FDA Requirements for more detailed information -- see www.wecard.org - Resource Center.