# **New Zealand Online Vape Selling Industry Current Situation:**

- > 59 New Zealand-based websites selling e-cigarettes
- > 68% had no detectable health warnings displayed
- > Only 25% mentioned <u>nicotine addiction</u> warning
- > Only 10% (6 out of 59) required age proof before purchase
- > 92% of the websites used at least one social networking site as part of their marketing, including Facebook (90%), Instagram (61%) and Twitter (39%)
- > Of the 52 accessible YouTube videos linked to New Zealand sales websites, none had health or addiction warnings
- > Of the five most popular online New Zealand vape companies, two offered more than 200 flavours on their websites (sweet flavors can be associated to vape addiction)
- > The websites were offering e-cigarettes and e-liquids at prices that were within the reach of many New Zealand children and adolescents, with the cheapest e-cigarette priced at NZD\$9.95 and the cheapest 10ml e-liquid refill on sale for NZD\$3.50. In comparison, a pack of 20 cigarettes was on sale for NZD\$24.50 at one online New Zealand store.

# Changes in New Vaping Bill:

### Sale to minors

Current law: Tobacco products must not be sold to persons under the age of 18 years. There is a lack of clarity about how the law applies to vaping products. There are no restrictions on the sale of devices to minors.

New Bill: Regulated products and toy regulated products (including tobacco products, vaping products and smokeless tobacco products) must not be sold to persons under 18 years of age.

## Advertising, sponsorship

Current Law: Advertising and sponsorship are prohibited for tobacco products. This includes vaping liquid containing nicotine manufactured from tobacco. There are no restrictions on the advertising of devices and non-nicotine vaping liquid.

New Bill: Advertising and sponsorship are prohibited (in addition to the existing prohibitions on tobacco products) for all vaping and smokeless tobacco product parts, including vaping liquids.

## Labelling / packaging

Current Law: There are no packaging restrictions or required health warnings for vaping products or smokeless tobacco devices.

New Bill: Tailored packaging requirements for vaping products and smokeless tobacco products will be set in regulations. There will be public consultation before these are finalised. It is proposed that New Zealand will follow the UK model.

## **Product safety**

Current Law: There are no product safety requirements.

New Bill: Products will need to comply with any product safety requirements that are set out in regulations, for example, maximum nicotine content of vaping liquids, standards for vaping liquid containers, and standards for vaping devices. These requirements will be publicly consulted on before being finalised. They will come into effect 6 months after the date on which the Act receives Royal assent. It will be the responsibility of the importer or manufacturer to ensure that products meet product safety requirements. Retailers must not sell products that do not meet safety requirements. The Bill allows for ingredients to be prohibited. Prohibited ingredients will be publicly consulted on before being finalised and published on the Ministry of Health's website. This will come into effect upon commencement of the Act. The Director-General of Health may issue warning statements about products if he or she has reasonable grounds to believe that the product poses a risk of harm to people. Other product-safety powers the Director-General will have include recall of products, and suspension and cancellation of product notifications.

### **Product notification**

Current Law: There are no product notification requirements

New Bill: Manufacturers and importers must notify products to the Ministry of Health before they can be sold in New Zealand. This will come into effect 6 months after the date on which the Act receives Royal Assent. While the primary responsibility is on the

importer or manufacturer, retailers must not sell regulated products that are not notified. A searchable database will be available to support retailers to meet this requirement. A fee will be charged for product notification. The fee will be consulted on and set out in regulations.

### **Flavors**

Current Law: There are no limits to the vaping liquid flavours that may be sold.

New Bill:

GENERIC RETAILERS: Only tobacco, mint and menthol flavoured vaping liquid may be sold. This will come into effect 6 months after the date on which the Act receives Royal Assent.

SPECIALIST VAPE RETAILERS: Any flavours that have not been prohibited may be sold. This will come into effect 6 months after the date on which the Act receives Royal Assent.

### Retailer registration

Current Bill: There are no provisions for retailer registration

New Bill:

GENERIC RETAILERS: There are no provisions for retailer registration.

SPECIALIST VAPE RETAILERS: Retailers may apply to the Director-General of Health to be a "specialist vape retailer" and for their nominated premises to be "approved vaping premises". Approval criteria include that the premise is a fixed permanent structure and that 85% of total sales from the retail premise are or will be from vaping products. Other criteria may be set out in regulations. Approved vaping premises must be R18 and the retailer must take all practicable steps to prevent under-18s from entering. The Bill requires specialist vape retailers to report sales information annually (by 31 January) to the Ministry of Health. A fee will be charged for specialist vape retailer applications. The fee will be consulted on and set out in regulations.

## Trading names

Current Law: There are no restrictions on trading names.

### New Bill:

GENERIC RETAILERS: Words like 'vape' and 'vaping' in trading names are prohibited.

SPECIALIST VAPE RETAILERS: Words like 'vape' and 'vaping' in trading names may be used

## Give-aways, discounting, and loyalty points

Current Law: Give-aways, discounting and loyalty points are prohibited for tobacco products. This includes vaping liquid manufactured from nicotine.

### New Bill:

GENERIC RETAILERS: Give-aways, discounting and loyalty points are prohibited for regulated products (including tobacco products, vaping products and smokeless tobacco products).

SPECIALIST VAPE RETAILERS: Give-aways, discounting and loyalty points are allowed for vaping products but not for other regulated products (including tobacco products)

### Reasons Behind the New Bill:

- > a response to the increasing number of people using e-cigarettes without having any prior addiction to smoking, and consequently becoming addicted to the nicotine present in most e-liquids
- > to discourage potential new users from picking up vaping, while having as little of an impact as possible on those who need it

# How Will It Affect Bidi™ Sticks?

- ➤ To be able to sell a variety of flavors, the retail stores would have to be a Specialist Vape Retailer.
- > Non-specific stores (like convenience stores) can only sell vape flavors in tobacco, mint, and menthol.
- ➤ Specialist Retailers (Vape shops) can sell all Bidi Sticks flavors.
- ➤ Only specialist retailers can conduct the "Recycle your BidiTM Stick, We'll Give You A New One" initiative due to the giveaway restriction on the new vape law.

# How is Bidi<sup>™</sup> Stick Different?

- > Bidi™ Stick actively follows all FDA packaging and labeling requirements. Compliance includes nicotine addiction warning statements placed in a visible location on all labeling, packaging, and advertisements.
- > With the goal of solidly supporting against underage purchases, Kaival Brands Innovations Group, Inc., the exclusive and authorized distributor of Bidi™ Stick, ensures and provides age verification capabilities for its website. For any attempt of purchase of any product within the BIDI™ Stick website, a comprehensive and mandatory public search is done to ensure and confirm the age qualification of the customer prior to completing the transaction. In the instance that the verification system fails to confirm the real age of the purchaser, they will be requested to present and submit a copy of a government-issued identification card. Their purchase transaction will be placed on pending until a BIDI™ Stick customer service representative confirms the authenticity of the identification card.
- > Bidi<sup>™</sup> Stick ensures a comprehensive traceability process to all its products and is transparent about the process on how to create a Bidi<sup>™</sup> Stick.
- > Another Bidi™ Stick prime feature that elevates this brand above its competitors is its child-proof packaging.
- > Bidi<sup>™</sup> Stick supports and values the government's advocacy against underage access of vape products and all marketing restrictions are complied with to make sure the Bidi<sup>™</sup> Stick does not appeal to the underaged population. Bidi<sup>™</sup> Stick diligently follows legal marketing practices for its products across all media platforms.
- > To avoid improper disposal of nicotine and batteries, Bidi Stick promotes the recycling of our products to help the environment and a mindset of caring for the environment to our users. Bidi Stick launches the new platform that places it at the forefront, ahead of its competitors in leading the vaping industry to a sustainable operation process. True to its tagline, "Save your Bidi. Save our Planet."

### References:

Electronic cigarette online marketing by New Zealand vendors.

http://www.legislation.govt.nz/bill/government/2020/0222/21.0/LMS314075.html

Cheat sheet: What's the deal with the new vaping law?

Vaping and smokeless tobacco