



Brussels, 11 October 2022
TAXUD.C.2 (2022)

Meeting

Presentation of the report ‘Monitoring of the movements of raw tobacco at EU level: EMCS or a tailor made system? - legal and operational challenges’

11 October 2022, 15h00-16h20 online meeting via WEBEX

Minutes

Participants:

Parulski&Wspólnicy (2 participants), Universal Leaf Tobacco and European Federation of Tobacco Processors – Fetratob (4 participants)

DG TAXUD/C2 (3 participants)

Executive Summary

The meeting was convened at the request of Parulski&Wspólnicy, to present their report ‘Monitoring of the movements of raw tobacco at EU level: EMCS or a tailor made system? - legal and operational challenges’¹.

DG TAXUD clarified that the purpose of the meeting was only to have a technical discussion on the operational elements presented in the report.

Summary of the discussion

A representative from Parulski&Wspólnicy presented the main elements of the report ‘Monitoring of the movements of raw tobacco at EU level: EMCS or a tailor made system? - legal and operational challenges’.

¹ Commissioned by Universal Leaf Tobacco and the European Federation of Tobacco Processors (Fetratob)

DG TAXUD asked for clarifications on the raw tobacco supply chain and the role of merchants. A representative from Fetratab explained that generally raw tobacco moves from the farm where it is grown, to the 1st processor and finally to tobacco manufacturing facilities. Merchants may intervene as intermediaries but are not involved in the physical movement of the product. 2nd processors may intervene in the supply chain at the level of reconstituted tobacco production.

In response to questioning by DG TAXUD, representatives from Universal Leaf Tobacco and Fetratab clarified that 'green' raw tobacco is subject to weight variation over time and during transport. It must be processed within approximately one month otherwise its quality would degrade. Before processing, raw tobacco can be transported only during a short period of time. Processed tobacco is more stable and can be moved long distance over a longer period.

Representatives from Fetratab and Universal Leaf Tobacco explained the systems currently in place in Poland and Italy for the monitoring and control of raw tobacco movements. Representatives from Fetratab and Universal Leaf Tobacco highlighted that although these systems have been effective in reducing illicit trade according to information they have, they are not suitable for controlling cross-border movements.

Representatives from Fetratab and Universal Leaf Tobacco also referred to a pilot project with French customs authorities to track raw tobacco movements, based on pre-authorisation of shipments and compulsory registration of market participants.