



Brussels, 20 July 2022

## **Tobacco Europe's statement on the Wise Persons Group report** **TCG Plenary (12/07)**

Following the Trade Contact Group (TCG) Plenary meeting held on 12 July, Tobacco Europe AISBL, the umbrella organisation representing the common views of major European-based tobacco and nicotine products manufacturers<sup>1</sup>, would like to thank once again the TCG Secretariat & coordination for organising this meeting.

Special thanks for the work undertaken by the Wise Person Group (WSP), we are fully supportive of the report findings, including the recommendations.

As kindly requested by the chair, Mr Matthias Petschke (Director Customs, TAXUD.A), all stakeholders were kindly invited to share their intervention in writing, with TCG Secretariat.

Therefore, you'll find below Tobacco Europe's intervention which relates to both the customs duty exemption threshold for e-commerce (Recommendation 7 of the report) & the introduction of a new approach to data (Recommendation 2):

- On recommendation 7, we acknowledge that e-commerce has given new distribution channels for legitimate trade. However, counterfeiters have also successfully exploited these channels, and for instance, illicit trade goods are dispatched in small parcels with a value below the EUR 150 'de minimis' threshold.

OECD study on "Misuse of small parcels for trade in counterfeit goods"<sup>2</sup> has already acknowledged that "***the attractiveness of small shipments as a vehicle for illicit trade is also affected by the special treatment that many countries have established for low value shipments. Imports valued below de minimis levels are not generally subject to tariffs and taxes.***"

We therefore welcome the Wise Persons Group recommendation to remove the EU 'de-minimis' threshold and we call on the EU Commission to implement this recommendation as soon as possible.

- In line with the Wise Persons Group recommendation 2, we believe that a new data approach and enhanced customs risk profiles, targeting efficient enforcement, will benefit our members.

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<sup>1</sup> Members include British American Tobacco, Imperial Brands, and Japan Tobacco International

<sup>2</sup> See: <https://www.oecd-ilibrary.org/docserver/9789264307858-en.pdf?expires=1657872993&id=id&accname=guest&checksum=DB35A75BDB09B37607A18D1DE4781EC1>



The EU Commission should definitely continue to monitor new technologies and take these into account for the implementation of the 'new data approach' recommendation.

Our position paper submitted to Wise Person Group provides further details on the technologies that can support a 'new data approach'. We include this as an Appendix for ease of reference.

Tobacco Europe would welcome the opportunity to work with the EU Commission and to provide further input regarding new technologies that can support the EU in controlling the illicit trade, safety and security risks associated with e-commerce. These technologies may include blockchain and artificial intelligence solutions.