ANNEX

**2nd Action Plan to fight the illicit tobacco trade 2018-2022**

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| **Item** | **Title** | **Description** | **Action** | **timeline** | **Responsible** |
| **A** | **Engaging Key Source and Transit Countries** |  |  |  |  |
| **A.1** | **Multilateral relations - FCTC Protocol** |  |  |  |  |
| A.1.1 | Making the Framework Convention on Tobacco Control (FCTC) Protocol an effective tool of global governance | Promote ratification and implementation of the FCTC Protocol in relevant third countries, esp. in the EU’s neighbourhood (notably candidate countries and potential candidates, and Neighbourhood countries) including via the EU’s institutional frameworks with the countries concerned | Targeted engagement with relevant countries  | Continuous | CommissionEEAS |
| A.1.2 | FCTC Protocol Implementation Support | Support Member States in implementing the FCTC Protocol via a dedicated project group for Member States | Guidance documentation  | 2019 | Commission |
| A.1.3 | Global Information Sharing Focal Point (GISFP) | Take a leading role in the Working Group on Tracking and Tracing Systems established at the 1st Meeting of the Parties (Geneva, 8-10 October 2018) which will discuss how to set up an effective and efficient GISFP, in close cooperation with the FCTC Secretariat (Art. 8 FCTC Protocol) | Contribute to a Report to be presented at the 2nd Meeting of the Parties under the FCTC Protocol  | 2020 | Commission |
| A.1.4 | Utilise new legal tools in international cooperation  | Actively contribute to the Working Group on Cooperation and Assistance established at the 1st Meeting of the Parties (Geneva, 8-10 October 2018) which will study how to implement the new legal tools (such as information sharing and mutual assistance) under Part V of the FCTC Protocol | Contribute to a Report to be presented at the 2nd Meeting of the Parties under the FCTC Protocol | 2020 | CommissionMember States |
| A.1.5 | Movement of tobacco producing and packaging machinery | Launch a feasibility study to develop a system to better control intra-EU movements of machinery used in the manufacture and packaging of tobacco products (Art 6 FCTC Protocol) | Feasibility study  | 2019 | Commission |
| A.1.6 | Prohibition to intermingle tobacco products with non-tobacco products in a single container in EU Free Trade Zones | Present a proposal of prohibiting to intermingle tobacco products with non-tobacco products in a single container in EU Free Trade Zones (Art. 12(2) FCTC Protocol) | Proposal presented | 2021 | Commission |
| A.1.7 | FCTC Secretariat Support | Support the FCTC Secretariat with expertise and materially in helping Parties with implementation of the FCTC Protocol | Technical assistance | Continuous | Commission |
| **A.2** | **Bilateral relations** |  |  |  |  |
| A.2.1 | Exchange of customs related information with third countries  | Follow up on Council Conclusions of 19 December 2016 on Enhanced Exchange of Customs-Related Information with Third Countries as well as the High Level Seminar organised by the Bulgarian Presidency on 7-8 June 2018 | Evaluation and possible follow-up measures if appropriate  | 2019 | Commission |
| A.2.2 | Strategic Administrative Cooperation Arrangement (SACA) with the General Administration of China Customs (GACC) | Effective implementation of the activities foreseen in the SACA following its signature in July 2018 | Completion of activities foreseen in the SACA  | 2021 | OLAF |
| A.2.3 | Customs Cooperation and Mutual Administrative Assistance Agreement (CCMAA) with China | Review of the 2004 Customs Cooperation and Mutual Administrative Assistance Agreement with China | Evaluation and possible follow-up measures if appropriate  | 2020 | Commission |
| A.2.4 | Administrative Cooperation Arrangement (ACA) with the United Arab Emirates  | Continue the discussions with the United Arab Emirates Federal Customs Authority to conclude an ACA with OLAF  | ACA signature | 2019 | OLAF |
| A.2.5 | Customs Cooperation and Mutual Administrative Assistance Agreement (CCMAA) with the United Arab Emirates  | Explore the feasibility of a Customs Cooperation and Mutual Administrative Assistance Agreement with the United Arab Emirates  | Conclusion of feasibility talks and possible follow-up measures if appropriate | Continuous | CommissionEEAS |
| A.2.6 | Approximation of excise duties by third countries | Negotiate new commitments with key candidate countries and potential candidates, and other relevant countries in the European neighbourhood to approximate their excise rates with the applicable EU levels  | Commitments to be obtained | Continuous | CommissionEEAS |
| A.2.7 | Customs cooperation with Belarus | Strengthen customs cooperation with Belarus through the appropriate framework | Strengthen effective engagement and cooperation | Continuous | CommissionEEASOLAF |
| A.2.9 | OLAF liaison officers | Increase number of OLAF liaison officers placed in key third countries, within available resource constraints | Increased number of OLAF liaison officers  | 2022 | CommissionOLAFEEAS |

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| **B** | **Limiting Supply** |  |  |  |  |
| **B.1** | **Securing the supply chain – new EU traceability system for tobacco products** |  |  |  |  |
| B.1.1 | Support in roll out of new traceability system | Support Member States in the roll out of the new EU traceability system foreseen under the 2014 Tobacco Products Directive | Assistance provided  | 2019 | Commission |
| B.1.2 | Promote EU traceability system in neighbouring countries | Offer assistance and support to countries in the EU’s wider neighbourhood (especially candidate countries and potential candidates, and Neighbourhood countries) to introduce similar and possibly integrated traceability systems  | Effective alignment of traceability systems in relevant countries | 2022 | CommissionEEAS |
| B.1.3 | Review of EU traceability system | Review the functioning of the EU track and trace system, in particular the selection procedures for independent third parties | Review  | 2021 | Commission |
| **B.2** | **Limiting supply of input materials** |  |  |  |  |
| B.2.1 | Movements of raw and cut tobacco  | Develop operational tools to better monitor and control cross-border movements of raw and cut tobacco within and into the EU, including by organising a technical workshop to analyse relevant national systems  | Measures taken to monitor and control movements of raw and cut tobacco | 2021  | CommissionMember States |
| B.2.2 | Curtailing access to filters | Analyse possibilities to curtail the access of illicit tobacco producers to acetate toe and cigarette filters in cooperation with relevant source countries | Report | 2022 | Commission |
| **B.3** | **Strengthening the customs framework** |  |  |  |  |
| B.3.1 | Excise Movement Control System | Extend the Excise Movement Control System (EMCS) created by Directive 2008/118 to business-to-business duty paid traffic so as to improve the monitoring of movements, based on the Commission's proposal of 25 May 2018 for a revision of that Directive | Adoption  | 2022 | European Parliament Council |
| B.3.2 | Technical assistance to Member States' customs investigative authorities | Support Member States in the acquisition of customs control equipment, based on the Commission's proposal of 12 June 2018 (COM(2018)474) | Programme adopted | 2019 | European ParliamentCouncil |
| **B.4** | **Strengthening enforcement, detection and sanctions** |  |  |  |  |
| B.4.1 | Enforcement framework |  |  |  |  |
| B.4.1.1 | Setting up EPPO | Set up a functioning EPPO that is well-equipped to investigate large-scale cases of illicit tobacco trade | EPPO operational | End of 2020 | CommissionEPPO |
| B.4.1.2 | OLAF legal framework | Commission proposal of 23 May 2018 to enhance the effectiveness of OLAF investigations by modifying Regulation 883/2013  | Adoption | 2019 | European Parliament and Council |
| B.4.1.3 | Implementation of Directive (EU) 2017/1371 | Monitor full implementation of Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests (PIF) by means of criminal law, as regards offences relating to the illicit tobacco trade  | Monitoring of full implementation  | As from July 2019 | Member StatesCommission |
| B.4.1.4 | OLAF-Europol Working Arrangements | Europol and OLAF to agree expanded working arrangements and the subsequent association by OLAF to Europol's Analytical Project Smoke | Working Arrangements agreed | 2019 | EuropolOLAF |
| B.4.1.5 | Strengthen coordination of customs enforcement  | Strengthen coordination of customs enforcement targeting the illicit tobacco trade at European level, including notably the work cycles under EMPACT (Europol) and the Operational Action Plan (Customs Cooperation Working Party) | Effective enforcement coordination | Continuous | EuropolMember States CommissionOLAF |
| B.4.1.6 | OLAF - WCO Memorandum of Understanding (MoU) | Upgrade and strengthen the 2003 OLAF-WCO cooperation arrangement on cigarette seizure data | MoU adopted | 2019 | OLAF |
| B.4.1.7 | Administrative sanctions | Commission proposal of a Directive on the Union legal framework for customs infringements and sanctions (COM/2013/0884 final)  | Adoption | 2020 | European Parliament and Council |
| B.4.2 | Operational activities |  |  |  |  |
| B.4.2.1 | Fight illegal tobacco production inside the EU | Strengthening operational cooperation between police and customs forces to detect and dismantle illicit tobacco production sites inside the EU | Illicit tobacco production sites detected and closed | Continuous | Member StatesEuropolOLAF |
| B.4.2.2 | Operational activity targeted on EU- Eastern land border | Carry out operational activities focusing on cigarette smuggling across the EU-Eastern land border | Volume seized and estimated financial impact | Continuous | Member StatesOLAFFrontex |
| B.4.2.3 | Operational activity targeted on Eastern Mediterranean, Adriatic and Black Sea | Carry out operational activities focusing on cigarette smuggling in the Eastern Mediterranean, Adriatic and the Black Sea | Volume seized and estimated financial impact | Continuous | Member StatesOLAF |
| B.4.2.4 | Operational activity targeted on Water Pipe tobacco | Carry out operational activities focusing on the smuggling of water pipe tobacco | Volume seized and estimated financial impact | Continuous | Member StatesOLAF |
| B.4.2.5 | Operational activity targeted on illicit tobacco sales over the internet | Carry out operational activities focusing on the sale of illicit tobacco products via the internet | Volume seized and estimated financial impact | 2021 | Member States OLAF |
| B.4.2.6 | Transit Procedures | Carry out joint intensified activities (JIA) to tackle infringements on transit procedures for excise products | Increase in detected infringements  | 2020 | Member States (via CELBET)OLAF |

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| **C** | **Limiting Demand** |  |  |  |  |
| **C.1** | **Awareness raising** |  |  |  |  |
| C.1.1 | Eurobarometer on illicit tobacco | Gather objective data, at national level, on the public perception of the illicit tobacco trade, as a follow-up to the Special Eurobarometer 443 of 2016  | Publication of Eurobarometer report  | 2019 | Commission |
| C.1.2 | Awareness raising campaigns | Provide a platform allowing Member States to exchange good practices with awareness raising campaigns focusing on the risks associated with buying illicit tobacco products | Good practices exchanged between Member States | 2020 | CommissionMember States |
| **C.2** | **Reduce Incentives** |  |  |  |  |
| C.2.1 | Rates and structures applied to manufactured tobacco | Review the minimum rates applicable under Directive 2011/64/EU regarding the structure and rates of excise duty applied to manufactured tobacco, on the basis of the conclusions of the Commission's Report of 12 January 2018 (COM(2018)017) | Report on progress in reviewing minimum rates | 2020 | Commission |

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| **D** | **Analysis and Intelligence** |  |  |  |  |
| **D.1** | **Data collection and analysis** |  |  |  |  |
| D.1.1 | Enhance reporting | Systematic reporting by Member States of relevant seizures and intelligence in the AFIS application (CIS+), facilitated by implementing the "one seizure-one report" approach and based on orientations to be discussed at a technical workshop for customs authorities | Comprehensive coverage in CIS+ | 2020 | Member StatesCommission |
| D.1.2 | Upgraded IT tool for seizure statistics | Provide Member States with an upgraded IT tool for the reporting on seized cigarettes and for intelligence sharing in the tobacco area (CIS+) | IT application provided | As from 2018 | Commission |
| D.1.3 | Data analysis | Provide support to Member States' analytical capacities to detect illicit consignments, including through expert meetings and appropriate IT infrastructure  | Technical assistance | Specific project on tobacco products as from 2019 | Commission |
| D.1.4 | Risk analysis on the Excise Movement Control System (EMCS) | Make better use of data from the Excise Movement Control System (EMCS) for the purpose of risk analysis  | Report  | Until 2020 | CommissionMember States |
| D.1.5 | Use of data generated by the EU traceability system for tobacco products for data analysis | Support Member States by providing practical and analytical means of using the information collected in the track and trace data storage system  | Assistance offered to Member States | As from 2020 | Commission |
| D.1.6 | Measuring the illicit tobacco market | Feasibility study on measuring the illicit tobacco market as a basis for informed operational and policy decision making | Publish the study and if appropriate launch pilot to test the methodology | 2020 | Commission |
| D.1.7 | EU Tobacco laboratory | Provide chemical and technical analysis on selected samples of seized tobacco products, and promote the capacities of the laboratory facility to national customs services | Number of analyses offeredPromotional activities  | Continuous | CommissionOLAF |
| **D.2** | **Enhanced co-operation and co-ordination** |  |  |  |  |
| D.2.1 | Annual report on the illicit tobacco trade | Provide an annual report to inform Member States' Customs authorities on gathered information on the illicit tobacco trade | Report  | As from 2019 | OLAF |
| D.2.2 | Exchange of information with Member States on illicit tobacco trade | Exchange information with Member States' experts on trends and possible remedies in the framework of the Commission's Expert Group on Fighting the Illicit Tobacco Trade (FITT) | Two annual meetings | Continuous | CommissionMember States |
| D.2.3 | Cooperation in strategic analysis | Sharing of strategic analyses between OLAF and Europol, and other relevant public entities, as appropriate | Analysis shared and discussed | Continuous | OLAFEuropolOther relevant public entities |
| D.2.4 | Stakeholder conference on the illicit tobacco trade | Organise an event with stakeholders to inform on trends in the illicit tobacco trade and to discuss public perceptions of that challenge | Stakeholder conference organised | 2022 | Commission |