



MEETING OF THE SUBGROUP ON TRACEABILITY AND SECURITY FEATURES
~ SUMMARY RECORD~

DATE: 12 MARCH 2019

PLACE: BRUSSELS

1. Welcome and introduction

SANTE welcomed all participants to the third Meeting of the Subgroup on Traceability and Security Feature of the year. The Chair reminded the group that the minutes of the previous Subgroup meeting were circulated for comments.

The Chair reminded Member States that a workshop organised by Dentsu for Member States on the graphical user interfaces would take place on the following day. The group was also reminded that in April the Meeting of the Subgroup would take place in the same format as the February event, consisting of an open and a closed session. Providers of the relevant services (ID issuer, primary and secondary repository) would be invited to participate in the open session of the meeting.

The Chair presented the agenda of the meeting.

2. Update from the Commission

SANTE reiterated the importance related to the appointment of the ID issuers and reminded Member States of their legal obligation in this respect. Given the importance of having an appointed and operational ID issuer on time, SANTE informed Member States that Commissioner Andriukaitis had decided to send a letter to his counterparts in all Member States, including a traffic light risk categorisation based on the status updates received from national representatives. The aim of these letters is to encourage Member States who have not yet appointed an entity to do so as soon as possible, and to remind Member States who have already appointed their ID issuer to ensure that the entity becomes operational as early as possible, taking into account the potential consequences of failing to ensure the operational functionality in time. The need to register economic operators, facilities and machines in the system makes it desirable for ID issuers to be operational as of the beginning of May. In this respect, the group was also informed that Dentsu had indicated its readiness to provide the production environment necessary for ID issuers to register

identifier codes and unique identifiers in the system, in advance of the legal deadline, on 10 May.

SANTE noted that the Commission had delivered on all its obligations and that it monitors the situation closely, in particular with respect to ID issuers and the repositories system. The Commission will also continue to support Member States in implementing the legislation.

SANTE updated Member States on the development of the technical specifications and the common data dictionary. On 21 February 2019, Dentsu published the first version of the technical specifications for data exchange with the secondary repository/router, and the common data dictionary. A small update (v 1.1) of the specifications had followed in the week of the Subgroup meeting, correcting a number of clerical errors, which did not have any impact on system operations. Additionally, Dentsu implemented a sandbox environment on 6 March 2019. This sandbox will enable stakeholders to start testing the connections and the message interfaces. The group was informed that all relevant technical documents were available via Dentsu's online knowledge base and that access to the knowledge base was organised accordingly to different user groups (i.a. ID issuers, national competent authorities, repository providers, economic operators (and their IT integrators)) and must be approved individually by Dentsu. These restrictions were put in place to ensure that the integrity and security of the traceability system are not undermined. In response to a question from one participant, SANTE clarified that Implementing Regulation (EU) 2018/574 (hereafter: the Implementing Regulation) does not foresee to make available the documents with technical specifications in all EU languages. Nonetheless, Member States were free to provide courtesy translations of the documents relevant for economic operators on data exchange with the router, if they wish to do so.

SANTE informed Member States that a meeting with Dentsu and Amazon Web Services (AWS) took place last week. The group was informed that AWS will provide cloud services to Dentsu for the purpose of storing the traceability data. The aim of the meeting was to provide SANTE with information about the services provided by AWS. Specifically, SANTE aimed to understand how the confidentiality, integrity and availability of the traceability data were to be ensured. The outcome of the meeting was positive. Particularly, SANTE welcomed the extensive data security certification hold by AWS, which goes beyond basic industry standards, such as ISO 27001.

Subsequently, SANTE made reference to the obligation in Article 15(8) of Tobacco Products Directive 2014/40/EU (hereafter: TPD) requiring manufacturers and importers to concluded contracts with independent providers of repository services for the purpose of storing the traceability data. Following the approval of a proposed provider and the related draft contract by the Commission, Part A of Annex I to the Implementing Regulation furthermore requires that a copy of the signed contracts and the related declarations (on technical expertise and financial independence) are submitted to the Commission. In this regard, the group was updated on the status of manufacturer and importer notifications, which is necessary for Member States to ensure the appropriate enforcement of the obligation under the TPD to conclude repository contracts. In response to a follow-up question, SANTE clarified that the Commission continues to assess every notification received regarding a proposed provider and draft contract, in accordance with the procedures referred to in the legislation and explained on the dedicated SANTE website.

Finally, SANTE informed the group that a discussion (video conference) had taken place between Commission services and the Russian Federation. The technical meeting served to present the EU traceability system to the Russian counterparts. In turn, Russia gave a presentation to the Commission on its new traceability system for tobacco products. Finally, SANTE informed the group that a discussion (video conference) had taken place between Commission services and the Russian Federation. The technical meeting served to present the EU traceability system to the Russian counterparts. In turn, Russia gave a presentation to the Commission on its new traceability system for tobacco products, which it intends to extend to other products in short time.

3. Discussion

3.1. Article 37 of the Implementing Regulation

At the request of some Member States, the Group discussed the reading of Article 37(1) of the Implementing Regulation, which provides for stock exhaustion of cigarettes and roll-your-own tobacco that were manufactured in or imported into the Union before 20 May 2019.

With respect to the terms ‘manufactured in the Union’ and ‘imported into the Union’, the following was noted. ‘[M]anufactured in the Union’ refers to the point in time of manufacturing on the territory of the EU, that is, in any of the 28 Member States. ‘[I]mported into the Union’, which should be read in conjunction with Article 2(38) TPD, refers to the point in time when a product enters into the territory of the EU and has been released for free circulation. As such, also taking into account the provisions of the Union Customs Code (UCC), the term relates to products that originate from a non-EU territory and are released for free circulation in the EU (e.g. through the payment of import duties).

The group then discussed two further aspects in relation to this clause. The first aspect relates to the application of Article 37 to products stored in tax warehouses and custom warehouses. The second aspect relates to the enforcement of the provision in Member States.

With reference to the first aspect, there was agreement that based on a reading of the UCC tax warehouses were different from customs warehouses. The latter is used for the purpose of storing products that originated from outside the Union and for which import duty has not (yet) been paid, but this is not the case for tax warehouses, which are used to store products for which (excise) taxes have not (yet) been paid. Therefore, cigarettes and roll-your-own tobacco products, which are manufactured in the Union, or imported into the Union, before 20 May 2019, and are afterwards placed in a tax warehouse located on EU territory, will still benefit from the rules of Article 37(1) of the Implementing Regulation.

With reference to the second aspect, the group agreed that certain practical challenges could arise for products manufactured in another Member State. Given that the data of manufacturing currently is not yet visible from the unit packet, the application and enforcement of Article 37 inevitably would require on-site checks in factories. Tax stamps, in Member States where they are used, may give enforcement officers some indication, but will not provide clarity on the manufacturing date beyond doubt. Cooperation between Member States on this aspect was therefore considered important and should be facilitated whenever necessary and to the extent possible.

3.2. Acknowledgment messages

In light of the stock exhaustion clause, it would be likely that, in the first months after 20 May 2019, aggregated packaging containing both unit packets carrying permitted UIs and packets with non-valid legacy UIs (i.e. UIs generated under the industry's own traceability system, or UIs generated in run-up tests for the EU traceability system) travel along the supply-chain. This leads to a situation where scanning events will capture information relating also to legacy UIs, which are not registered in the traceability system, and send this information, as part of the aggregation message, to the traceability system. These UIs will fail validation in the system. Consequently, the related message from economic operators to the system will receive a negative acknowledgment message, due to the rule that where at least one UI is in error the entire acknowledgement message must be in error. The error message will contain information on the UI(s) concerned as well as the category of error(s) received, therefore allowing economic operators to review the reasons for the (partial) error.

To avoid unnecessary and disproportionate negative impacts on the legal supply chain, the group agreed as follows. In the period until 19 May 2020, messages related to both valid UIs and non-valid legacy UIs should be treated in a way that, despite of sending a negative acknowledgment message, the traceability system will process every existing UI, which forms part of the received message. In such event, the responsibility lies with the economic operator concerned to determine whether the products in question can be moved further in the supply chain despite of a received negative acknowledgment message, because the products benefit from Article 37(1) of the Implementing Regulation.

Finally, it was noted that this temporary exception only applied to cases of non-valid legacy UI in the first year after 20 May 2019. All other reasons (e.g. duplicate UI) will impose a prohibition on the product movement as such, until the error was rectified and the corrected message sent to the system and validated successfully.

SANTE reminded that Member States would be able to configure relevant automatic alerts in the system for these scenarios, in order to support enforcement activities.

3.3 Common security feature for duty free products

Following the request of some Member States, the group re-addressed the possibility to adopt a common security feature for duty free products. Certain stakeholder associations had approached SANTE on this subject matter as well, referring to apparent advantages of a common approach, especially in light of the centralised packaging process of duty free tobacco products in the EU. The Commission Decision on security features does not prohibit the adoption of a common security feature in multiple Member States, yet, at the same time, SANTE stressed that there is no legal basis for the Commission to impose a common security feature. Member States in such a common approach should initiate, and consequently drive, any process.

The group then shortly discussed the necessity of a common security feature for duty free tobacco products. A few Member States indicated that they could be interested in selecting a security feature together with other Member States. However, multiple Member States questioned the rationale behind the need for a common security

feature, in particular the assumption of a centralised packaging process. Like any other tobacco product, products sold in duty free shops must carry the combined health warnings, in accordance with the rules of the TPD (i.a. warning in the official language or languages of the Member State on whose market the product is placed). Therefore, individual packaging requirements applied across the Union, including in duty free areas.

3.4. Machine vote

SANTE recalled the two preferred readings that had originated during the previous meeting of the term ‘machine’, as referred to the Implementing Regulation:

View 1: The term ‘machine’ should be identified as the machine in the production line, which is responsible for the core manufacturing process (e.g. the cigarette maker), because it is the actual product that is tracked and traced.

View 2: The term ‘machine’ should be identified as the machine in the production line, which is used for the packaging process, because tracking and tracing is facilitated through the unique identifier and the latter is applied to the package.

The majority of Member States expressed their support for view no. 2 (Belgium, Bulgaria, Czech Republic, Denmark, Croatia, France, Spain, Greece, Lithuania, Luxembourg, Hungary, Malta, Netherland, Austria, United Kingdom, Sweden, Finland, Slovakia, Slovenia, Portugal, Latvia), whilst a few Member States supported view no. 1 (Latvia, Italy, Poland, Romania, Cyprus). Three Member States abstained in the vote (Germany, Ireland, Estonia). Ultimately, this is a matter of application and enforcement of the Regulation, which is the responsibility of Member States. The group agreed that a single approach per Member State, i.e. only one of the two discussed options should be adopted. SANTE encouraged Member States to communicate their position to stakeholders.

3.5. UI and data qualifiers

SANTE informed the participants that it had received questions related to the use of data qualifiers in UIs. At the outset, SANTE recalled that the rules on ID issuers and generating UIs in the Implementing Regulation referred to ISO 15459-2, and that the latter included a reference to ISO 15459-3 (common rules on unique identification). Therefore, in answering any questions related to the generation of UIs due regard should be given to the Implementing Regulation and ISO 15459. In this respect, SANTE confirmed that Article 8(4) of the Implementing Regulation does not prohibit the use of data qualifiers at the level of the generation of the unique identifier.

The group asked SANTE to elaborate further on this subject matter as a follow-up to the meeting, in order to ensure a harmonised approach across the Union. SANTE confirmed this request but, at the same time, encouraged Member States to seek feedback from ID issuers and, where applicable, their Issuing Agencies.

In any case, conclusions on this point should be presented at the Meeting of the Subgroup in April.

4. Questions & Answers (submitted by Member States)

On the difference between a flat file and the registries, SANTE recalled previous discussions on this topic. Article 2 of the Implementing Regulation defines ‘offline flat-files’ as ‘the electronic files established and maintained by each ID issuer that contain data in a plain text format allowing for the extraction of information encoded in the unique identifiers (excluding the time stamp) used at the unit packet and aggregated packaging levels without accessing the repositories system’. It follows that flat files enable to decode the information contained in the unique identifiers without having to access the information stored in the repositories system. For enabling competent authorities of Member States to read the information of the unique identifiers in offline mode, regular updates of the flat files must be downloaded onto the portable scanning devices. Registries, on the other side, are the records established and maintained by each ID issuer containing all the identifier codes generated for economic operators, facilities and machines along with the corresponding information. As such, information-wise registries overlapped with flat files only insofar that UIs combined with the flat files inform public authorities about the mandatory content of message 2.1 in Annex II, including the extraction of information from the concerned identifiers used in that message.

On reporting obligations for product movements between different retail outlets, SANTE note that in principle there are no reporting obligations for products that have already been placed on the market. In line with Article 15(5) of the TPD, the final reporting obligation lies with the last economic operator before the first retail outlet (i.e. message on dispatch to the first retail outlet). However, the group agreed that consistent movements of products between first retail outlets – opposed to single cases – could illustrate a ‘pattern’. In this scenario, it is likely that a national authority would investigate the possibility of an attempt to circumvent the rules by declaring a distribution activity as activity of a first retail outlet. Appropriate enforcement of the legislation by that Member State may therefore follow.

A Member State representative intervened to ask on the consequences for a first retail outlet to return to the distributor a tobacco product. SANTE referred to multiple previous discussions on this topic. The obligation to record the product arrival lies with the distributor that receives the product to its facility. Another Member State enquired whether in case of a transloading event the obligation to record the product return falls with the transport company or another economic operator. SANTE clarified that the first reporting obligation remains with the operator of the facility at which goods arrive after dispatch from the first retail outlet, i.e. there is no reporting of potential transloading of the products to be returned on their way from the first retail outlet to the point where the products are first stored upon their return..

On whether ID Issuers could require an entity registered with the ID issuer of another Member State to obtain an EO identifier code before a request for UIs is processed, SANTE specified that every request for UIs must take place in accordance with the rules on competence, as set out in the legislation. Especially where a Member State applies the second sentence of Art. 4(1), it is likely that an ID issuer will receive requests from operators using identifier codes issued by other ID issuers. ID issuers must accept these requests. For that reason, validation of the identifier codes used in messages to request UIs always takes place at the level of the repository system before UIs are transferred to the repository of the requesting party. SANTE recalled the offer of Dentsu to provide ID issuers with an additional interface to carry out verification checks on the existence of foreign identifier codes, as part of a pre-validation check. ID issuers may also put in place procedures to ensure the collection of fees for UIs, which may require the requesting parties to register with the ID

issuer. However, such procedures should not be confused with the registration procedure set out in Article 14 of the Implementing Regulation.

On the possibility of sending UIs to manufacturers without receiving confirmation of correct validation from the router, SANTE confirmed that this is not permitted. The data flow in the legislation is clear in this regard (see Art. 9(3) of the Implementing Regulation). The ID issuer has to transmit the codes along with the required information (on identifier codes) via the router to the primary repository system. It follows that unique identifiers cannot be sent without being validated first by the router. If the router gives a negative response to the validation, an error message will be sent and the UIs will not be registered in the primary repository as valid.

Another question concerned which identifier code should be used for marking when two or more machines on the production line have different identifier codes. SANTE reminded Member States about the reasons for the earlier vote on the meaning of a machine. According to the Implementing Regulation, only one machine per production line can be registered in the traceability system. In the case that a machine is moved for use across several production lines, each combination of machine and production line must be registered with an identifier code.

The next question concerned the possibility for providers of primary repositories to add to the costs of the secondary repository a mark-up when issuing the respective invoices to manufacturers/importers. The group agreed that, if the mark-up related to aspects such as the invoicing process or general interactions with the secondary repository, these costs would fall within the scope of what the Regulation refers to as 'establishment, operation and maintenance of the repositories system'. Therefore, the costs should form part of the costs that providers of primary repositories pass on to manufacturers and importers. However, the costs have to remain proportionate to the services rendered and the UIs requested.

On products destined for exports manufactured in one Member State and temporarily stored in a tax warehouse located in another Member State, SANTE recalled that all products manufactured in the Union are subject to the traceability regime. This means that tax warehouses have to register as facilities in the traceability system, and the arrival to and dispatch from these warehouses must be recorded in the traceability system accordingly. This is furthermore supported by the fact that message 1.4 in Annex 2 to the Implementing Regulation allows to specify whether a facility has a tax excise warehouses status.

On validation of the identifier codes sent by ID issuers and UIs, SANTE recalled that validation always takes place at the level of the secondary repository/router. Validation refers to the check of completeness of the information submitted, including their format, as well as to the existence of the UIs/IDs. Verification of company information, such as the correct address of the requesting party, on the other hand, falls into the scope of the business relationship between ID issuer and requesting parties. Therefore, the ID issuer will be responsible for this type of verification, in accordance with its internal procedures and as agreed with the contracting Member State.

On the possibility to use the consignment note instead of the vehicle registration number to identify the transport vehicle in the case of courier companies, SANTE clarified that the objective of this requirement is to allow enforcement officers to

identify unambiguously the vehicle used to transport the products in question. The group doubted that a consignment note could allow for this.

Another question referred to aggregated level UIs and the need to transmit additional optional information (e.g. on SSCC) included in the UI to the secondary repository. SANTE recalled Article 11(4) of the Implementing Regulation, which allows economic operators to add additional information to aggregated level UIs, provided that the maximum character limit set out in the legislation is not exceeded. This information would form part of the aggregated level UI string. As such, it must be recorded and transmitted to the traceability system. This is also important in terms of validation when the aggregated UI is scanned throughout the supply chain. The string in the system must match the recorded information. Otherwise, the validation fails.

On identifier codes, a participant asked how, and by whom, the consent of the first retail outlet, referred to in Article 14(3) and 16(3) of the Implementing Regulation, should be verified. SANTE recalled that the Implementing Regulation states that any other registered economic operator may discharge the request of identifier codes for operators of first retail outlets only if the operator of the first retail outlet has given its consent. Having this in mind, from an enforcement perspective, competent national authorities may always request proof of the consent, if deemed necessary in a particular case.

The next point raised by a Member State related to the sale of tobacco products on aircrafts using trolley carts. Tobacco products are loaded onto these carts and then taken onto an aircraft for sale. After the carts have been used on the flight they are locked away with any remaining products staying in the cart. These carts are locked up securely when not on the aircraft, and are identifiable by unique identifiers. In line with previous discussions in the Subgroup on movable retail outlets, the Member State representative wondered whether these carts should be considered as a first retail outlet. The group agreed to this reading. SANTE added that it would be useful for identifying the carts to provide information on the respective ‘home airport(s)’ and, if applicable, the particular airlines served.

Further clarifications were requested from Member States in relation to the registration process. First, a participant asked whether economic operator identifier codes must be requested by economic operators for each national market in which they place their products. SANTE clarified that this is the rule for importers. All other economic operators and operators of first retail outlets must request an economic operator identifier code from the ID issuer competent for each Member State in which they operate at least one facility. In addition, the group sought clarity about the deactivation of identifier codes (EOID, MIC, FIC) in cases where an appointed ID issuer is replaced by another legal entity. SANTE confirmed that there would be no need for deactivation of identifier codes and therefore no need for a second registration. Data on previous registrations of codes should be maintained in the traceability system and should not be deleted for the duration of the system. Finally, one participant enquired about the validity of UIs before their application to the product. SANTE confirmed that a unique identifier code remains valid for a period of 6 months starting from the date of receipt of the UI by the economic operator.

5. Update from Member States

The Chair reiterated that this agenda point would be dedicated to both the status of the ID issuer appointment in Member States and other implementing measures (competent authority, Art. 4(1), Art. 35(2), security features).

During the update round, SANTE presented the answers that it had received from Member States to the two questionnaires. The answers provided at the meeting would be annexed to the summary record of the meeting. This would provide overall transparency, as well as necessary clarity, to stakeholders and ID issuers.

6. AOB

The ID issuer appointed by Spain gave a presentation to the group. SANTE thanked for the presentation and opened the floor for comments and questions. One question for clarification was tabled in relation to the format of the time stamp. SANTE reminded that, in accordance with the Implementing Regulation, the time stamp takes the form of a numeric sequence of eight characters, in the format YYMMDDhh. Any other format inevitably will trigger an error in validation.

One Member State asked when it would be possible to see an example of the graphical user interfaces. SANTE reminded Member States of the workshop organised by DENTSU on the following day.

7. Closing remarks

SANTE thanked Member States for their active participation. Participants were reminded about the upcoming meetings. Minutes of today's meeting, including Member State updates on the ID issuer and other implementing measures, would be circulated in coming days. The Chair closed the meeting.

List of participants

Austria	(Federal Ministry of Labour, Social Affairs, Health and Consumer Protection and Ministry of Finance - Tax and Customs Administration)
Belgium	(Excise & Customs and FPS HEALTH FPS Health and Food Chain Safety and Environment)
Bulgaria	(National Customs Agency)
Croatia	(Customs Administration)
Cyprus	(Department of Customs and Excise, Republic of Cyprus)
Czech Republic	(CAFIA, Ministry of Agriculture and STC)
Denmark	(Danish Safety Technology Authority)
Estonia	(Permanent Representation)
Finland	(Supervisory Authority for Welfare and Health)
France	(FRENCH CUSTOMS)
Germany	(Bundesministerium für Ernährung und Landwirtschaft, and Bundesdruckerei GmbH)
Greece	(Independent Authority for Public Revenues and Ministry of Finance, General Secretariat for Information Systems)
Hungary	(National Tax and Customs Administration)
Ireland	(Department of Health and Office of the Revenue Commissioners)
Italy	(custom monopolies agency)
Latvia	(State Revenue Service)
Lithuania	(State Tax Inspectorate Under the Ministry of Finance)
Luxembourg	(Directorate of Health)
Malta	(Customs Department)
Netherlands	(Ministerie van Volksgezondheid, Welzijn en Sport and Belastingdienst)
Poland	(Ministry of Finance)
Portugal	(Imprensa Nacional Casa da Moeda, Autoridade Tributaria e

	Aduaneria)
Romania	(C.N. Imprimeria Națională S.A.and National Agency for Fiscal Administration)
Slovakia	(Ministry of Finance, Financial Directorate and Slovak Permanent Representation)
Slovenia	(Minsitry of Finance, Ministry of Health of the Republic of Slovenia)
Spain	(Agencia Tributaria. Ministerio de Hacienda y Administraciones Públicas Comisionado para el Mercado de Tabacos. Ministerio de Hacienda y Administraciones Públicas and Ministry of Finance. Fabrica Nacional Moneda y Timbre)
Sweden	(Public Health Agency Sweden)
United Kingdom	(HM Revenues and Customs)

Observers

Norway	(Norwegian Ministry of Health and Care Services and Norwegian Directorate of Health)
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Commission:

DG SANTE

Filip Borkowski
Jan Hoffmann
Anna Mirandola
Sascha Löwenstein

Annex I
Update from Member States on appointment/operation of ID issuers

AUSTRIA	
Name of ID issuer	Monopolverwaltung (state monopoly agency)
Name of subcontracted party (if applicable)	Bundesrechenzentrum (Austrian Federal Computing Center)
Method of appointment	In house
Date of appointment (definite or best estimate)	13.10.2018
Unique identification code	LEAT1
Date of operation (definite or best estimate)	Test phase will start in March 2019

BELGIUM	
Name of ID issuer	INCERT (most possible option)
Name of subcontracted party (if applicable)	No
Method of appointment	Ministerial decree
Date of appointment (definite or best estimate)	April
Unique identification code	
Date of operation (definite or best estimate)	

BULGARIA	
Name of ID issuer	Printing Works of the Bulgarian National Bank
Name of subcontracted party (if applicable)	Yes
Method of appointment	Resolution of the National Assembly
Date of appointment (definite or best estimate)	November 2018 / State Gazette of 27.11.2018
Unique identification code	LEBGR
Date of operation (definite or best estimate)	April 2019

CROATIA	
Name of ID issuer	Agencija za komercijalnu djelatnost d.o.o. (AKD D.O.O)
Name of subcontracted party (if applicable)	-
Method of appointment	Ordinance
Date of appointment (definite or best estimate)	Date of appointment-Ordinance entered into force on 19.07.2018_State Gazette,No. 61/2018 from 11.07.2018 National application of Article 4(1)-derogation- Ordinance on Amendments of Ordinance- entered into force on 15.12.2018, State Gazette, No. 110/2018, from 7.12.2018.
Unique identification code	LEAKD Information related to unique identification code of appointed ID issuer has been made publically available http://wp1.edifice.org/iso-15459-license-plate-2/list-of-license-plate-codes-assigned-by-edifice/
Date of operation (definite or best estimate)	April 2019

CYPRUS	
Name of ID issuer	Greek ID issuer - General secretariat of information systems
Name of subcontracted party (if applicable)	-
Method of appointment	-
Date of appointment (definite or best estimate)	-
Unique identification code	LE GR 1
Date of operation (definite or best estimate)	-

CZECH REPUBLIC	
Name of ID issuer	State printing works of securities
Name of subcontracted party (if applicable)	Atos IT Solutions
Method of appointment	Resolution of the Government of the Czech Republic
Date of appointment (definite or best estimate)	17.10.2018
Unique identification code	LESTC
Date of operation (definite or best estimate)	March 2019/April 2019

DENMARK	
Name of ID issuer	Wordline SA
Name of subcontracted party (if applicable)	
Method of appointment	Public procurement
Date of appointment (definite or best estimate)	05.03.2019
Unique identification code	LEWL2
Date of operation (definite or best estimate)	Ready to be tested in March

ESTONIA	
Name of ID issuer	-
Name of subcontracted party (if applicable)	-
Method of appointment	Contract after negotiation
Date of appointment (definite or best estimate)	ASAP and in time
Unique identification code	-
Date of operation (definite or best estimate)	-

FINLAND	
Name of ID issuer	To be determined/ Decision will be made on the 12 th of March 2019
Name of subcontracted party (if applicable)	To be determined
Method of appointment	Tender for a concession (procurement process)
Date of appointment (definite or best estimate)	Beginning of April 2019
Unique identification code	To be determined
Date of operation (definite or best estimate)	May 2019

FRANCE	
Name of ID issuer	-
Name of subcontracted party (if applicable)	-
Method of appointment	Decree State Council
Date of appointment (definite or best estimate)	Estimated March 2019
Unique identification code	-
Date of operation (definite or best estimate)	20.03.2019

GERMANY	
Name of ID issuer	Bundesdruckerei GmbH
Name of subcontracted party (if applicable)	-
Method of appointment	Legal act / contract / decree
Date of appointment (definite or best estimate)	Best estimate: In due time
Unique identification code	QCBDR
Date of operation (definite or best estimate)	Best estimate: The ID issuer will be fully operational on 10 th May 2019.

GREECE	
Name of ID issuer	General secretariat of information systems
Name of subcontracted party (if applicable)	Pending (contract with subcontractor to be signed in next weeks)
Method of appointment	Ministerial Decision (Government Gazette 2434/B'/26.06.2018)
Date of appointment (definite or best estimate)	26.06.2018
Unique identification code	LEGR1
Date of operation (definite or best estimate)	-

HUNGARY	
Name of ID issuer	ND Nemzeti Dohanykereskedelmi Nonprofit Zrt.
Name of subcontracted party (if applicable)	Still cannot be named (ongoing)
Method of appointment	Decree 72/2018, Government decree
Date of appointment (definite or best estimate)	06.05.2018
Unique identification code	LEHU1
Date of operation (definite or best estimate)	Still depends

IRELAND	
Name of ID issuer	Allexis s.r.o.
Name of subcontracted party (if applicable)	N/A
Method of appointment	Public procurement
Date of appointment (definite or best estimate)	End of February 2019 (estimated).
Unique identification code	QCALL
Date of operation (definite or best estimate)	1 May 2019

ITALY	
Name of ID issuer	Custom Monopolies agency
Name of subcontracted party (if applicable)	-
Method of appointment	National decree
Date of appointment (definite or best estimate)	April 2019
Unique identification code	Not yet
Date of operation (definite or best estimate)	April 2019

LATVIA	
Name of ID issuer	VAS „Latvijas Radio un televīzijas centrs
Name of subcontracted party (if applicable)	SIA “ZZ Dats”
Method of appointment	Law
Date of appointment (definite or best estimate)	29.12.2018
Unique identification code	IAC not acquired yet
Date of operation (definite or best estimate)	Operational by end of the March

LITHUANIA	
Name of ID issuer	State tax inspectorate
Name of subcontracted party (if applicable)	Worldline and Insoft
Method of appointment	Public procurement for subcontractor
Date of appointment (definite or best estimate)	January 2019, finished
Unique identification code	After agreement/contract with company Worldline on March 15 th Waiting response from 'AIM' for prefix 'KLT'
Date of operation (definite or best estimate)	As soon as possible

LUXEMBOURG	
Name of ID issuer	Incert G.I.E.
Name of subcontracted party (if applicable)	-
Method of appointment	Ministerial Decree
Date of appointment (definite or best estimate)	23.11.2018
Unique identification code	-
Date of operation (definite or best estimate)	End of March

MALTA	
Name of ID issuer	Opsec
Name of subcontracted party (if applicable)	N/A
Method of appointment	Public negotiation procedure
Date of appointment (definite or best estimate)	13.11.2018
Unique identification code	Now issued through ITSA: WAAØ
Date of operation (definite or best estimate)	End of April 2019

NETHERLANDS	
Name of ID issuer	ATOS
Name of subcontracted party (if applicable)	Worldline
Method of appointment	Concession
Date of appointment (definite or best estimate)	31.01.2019
Unique identification code	LEWL1
Date of operation (definite or best estimate)	<p>01.03.19 – pilot</p> <p>20.03.19 – testing in test environment for EO's</p> <p>23.04.19 - Production environment available for registration of EO's and processing of the bulk registration forms</p> <p>10.05.19 - Dentsu live in production</p> <p>14.05.19 - Start of ID issuing - Service fully operational</p> <p>20.05.19 – Start date of TPD</p>

POLAND	
Name of ID issuer	Polish Security Printing Works (PWPWS.A.)
Name of subcontracted party (if applicable)	N/A
Method of appointment	Legislative process is still in progress
Date of appointment (definite or best estimate)	April 2019
Unique identification code	QCPWPW
Date of operation (definite or best estimate)	No later than 15 May

PORTUGAL	
Name of ID issuer	Imprensa Nacional Casa de Moeda - INCM
Name of subcontracted party (if applicable)	N/A
Method of appointment	Decree
Date of appointment (definite or best estimate)	Concluded 15/02/2019
Unique identification code	It will be based on GS1
Date of operation (definite or best estimate)	02.05.2019 / Start testing in March

ROMANIA	
Name of ID issuer	Compania Nationala Imprimeria Nationala S.A. , The national printing house of Romania
Name of subcontracted party (if applicable)	N/A
Method of appointment	Government decision (No. 1020/2018 M.O.F 38/15.01.2019
Date of appointment (definite or best estimate)	15.01.2019
Unique identification code	LECNI
Date of operation (definite or best estimate)	Recently appointed, not clear yet.

SLOVAKIA	
Name of ID issuer	Datacentrum (Public Authority under the Ministry of Finance)
Name of subcontracted party (if applicable)	Subject of public procurement
Method of appointment	Legal act
Date of appointment (definite or best estimate)	01.05.2019
Unique identification code	LEDTC
Date of operation (definite or best estimate)	To be determined after appointment

SLOVENIA	
Name of ID issuer	Not yet appointed
Name of subcontracted party (if applicable)	
Method of appointment	Public tender will be published online. The legal base for tender was adopted on 7.03.2019. It was published in OJ on 8.3 (OJ, No 14 14.2019)
Date of appointment (definite or best estimate)	May 2019
Unique identification code	
Date of operation (definite or best estimate)	May 2019

SPAIN	
Name of ID issuer	Fabrica Nacional de Moneda y timbre (www.fnmt.es)
Name of subcontracted party (if applicable)	Not yet decided
Method of appointment	Ministerial order HAC 1365/2018 (BOE OJ nr. 308-22/DEC/18)
Date of appointment (definite or best estimate)	Definite: 23.12.2018 (BOE (OJ) nr. 308 of 22.12.2018)
Unique identification code	1E
Date of operation (definite or best estimate)	20 of March (testing) 20 of May (production)

SWEDEN	
Name of ID issuer	Public Health Agency Sweden appointed by 1 March, but actual ID issuer will be procured
Name of subcontracted party (if applicable)	Procurement started (last day for tender 19 th of March)
Method of appointment	Public procurement
Date of appointment (definite or best estimate)	End of April
Unique identification code	Pending procurement
Date of operation (definite or best estimate)	May 2019, with possible delay

UNITED KINGDOM	
Name of ID issuer	De la Rue
Name of subcontracted party (if applicable)	Atos
Method of appointment	Concession contract
Date of appointment (definite or best estimate)	February 25 th 2019
Unique identification code	QCGDLR
Date of operation (definite or best estimate)	In time for May

Annex II

Update from Member States on other implementing measures (competent authority, Art. 4(1), Art. 35(2), security feature)

AUSTRIA	
Name of competent authorities	Ministry of Finance and Ministry of Health
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	Yes
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Yes, via website and law

BELGIUM	
Name of competent authorities	Ministry of Finance and Ministry of Public Health
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	Not yet decided
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	No not yet – will be in ministerial decree

BULGARIA	
Name of competent authorities	National Customs Agency
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	N/A
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Yes. National legislation

CROATIA	
Name of competent authorities	Ministry of Finance, Customs Administration
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	N/A
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	We sent letter to our economic operators that our tobacco stamp is in line with requests from TPD and Commission Implementing Decision, so it will be used as security feature

CYPRUS	
Name of competent authorities	Department of Customs and Excise
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Letters, website

CZECH REPUBLIC	
Name of competent authorities	Czech Agricultural And Food Inspection Authority Ministry of Agriculture
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	Yes
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Letter to EOS (14.9.2018) Website

DENMARK	
Name of competent authorities	The Danish Safety Technology Authority
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	No
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Public decree

ESTONIA

Name of competent authorities	
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	Yes
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Yes, via the website of the Ministry of Social Affairs and our customs authority (Tax and Customs Board)

FINLAND	
Name of competent authorities	<ol style="list-style-type: none"> 1. Supervisory Authority for welfare and Health (Valvira) 2. The Customs 3. The Municipalities
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	In Finland we don't have anything in our national legislation concerning this issue. Therefore the answer (for the time being) is No
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Yes. They were notified by letter and the security feature can also be found at the website of the Ministry of Social Affairs and Health Decision made by Ministry of Health

FRANCE	
Name of competent authorities	French Customs and Ministry of Health
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Inform by letter, website, Ministry Order

GERMANY	
Name of competent authorities	To be determined
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Planning: Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	Planning: No
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Tax stamp

GREECE	
Name of competent authorities	<ul style="list-style-type: none"> - Ministry of Finance - Independent Authority for Public Revenue
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	Not yet discussed
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Ministerial Decision (Government Gazette 735/B'/04.03.2019)

HUNGARY	
Name of competent authorities	Minister without portfolio responsible for national property management
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	No
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Yes, we have in two legal sources -72/2018 gov. decree -45/2016 decree of the Ministry of National Economy

IRELAND	
Name of competent authorities	Revenue Commission
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	Under discussion
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Yes E-mail (20.09.2018 and 12.03.2019). Revenue Webpage

ITALY	
Name of competent authorities	Health Ministry – Economy and Financial Ministry
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Not
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator’s own traceability system for exports under 10kg)	Not
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	National Decree of 28 th August 2018

LATVIA	
Name of competent authorities	State revenue service (Tax administration)
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	No
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Will be notified by ruling of cabinet of Ministers – law in the making.

LITHUANIA

Name of competent authorities	State Tax Inspectorate
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	No
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	No
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Law and website

LUXEMBOURG

Name of competent authorities	Ministry of Health
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	Still under discussion
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Is ongoing

MALTA	
Name of competent authorities	Ministry of Finance, Customs Department
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes, Malta applies this derogation
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	There are no Maltese importers of RYO. Tobacco Manufacturers export their product outside of EU
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Notified by e-mail and meetings

NETHERLANDS

Name of competent authorities	To be Confirmed
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	No
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Yes – link to website & letters

POLAND	
Name of competent authorities	Ministry of Finance
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	No
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Yes, via law

PORTUGAL	
Name of competent authorities	Customs and tax authority Authority for Food and Economic security Health Directorate General
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	N/A
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Tax Stamp

ROMANIA	
Name of competent authorities	National Agency for Fiscal Administration – General Directorate of Customs
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Decision in course of Approval
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	Not yet
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Yes by e-mail

SLOVAKIA	
Name of competent authorities	Ministry of Health Ministry of Finance Financial Directorate
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	Not discussed yet
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Tax Stamp is our security feature – communicated through legislation

SLOVENIA

Name of competent authorities	Ministry of Health and Ministry of Finance – Financial Administration
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator’s own traceability system for exports under 10kg)	No
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	With rules on the security features of tobacco products (Official Journal no. 10/19)

SPAIN	
Name of competent authorities	Comisionado para el Mercado de Tabacos – Ministry of Finance
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	No
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Yes www.hacienda.gob.es Ministerial Decree HAC/1365/2018

SWEDEN	
Name of competent authorities	Public Health Agency of Sweden
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes, the Swedish ID-issuer is competent for the Swedish Market
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	Not formally decided but probably no to start off with
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Yes, via our website and also stated in regulations

UNITED KINGDOM	
Name of competent authorities	HM Revenue and Customs
Do you apply the second sentence of Art. 4(1) of Implementing Regulation 2018/574? (on ID issuer competence)	Yes
Do you apply Art. 32(5) of Implementing Regulation 2018/574? (on use of postal operator's own traceability system for exports under 10kg)	Yes
Have you notified your permitted security feature(s) to economic operators? How was it notified (link to website, law, etc.)?	Yes. Link to website, e-mail