



## **Flash Report**

### **Meeting of the Subgroup on Traceability and Security Features**

#### **15 January 2024**

On January 15, 2024, the meeting of the Subgroup on Traceability and Security Features was held. The meeting was chaired by DG SANTE and attended by representatives of 25 Member States, as well as Iceland and Norway and other Commission services such as DG TAXUD and OLAF. During the meeting, the Chair informed the attendees about the Implementing Regulation (EU) 2023/448 that came into effect on December 21, 2023. Additionally, the latest version of the consolidated version of Implementing Regulation (EU) 2018/574 is now available online on EUR-Lex.

### **Updates from the Commission**

#### Reporting on the functioning of the system

The Commission emphasized the crucial role that Member States play in actively using the system, monitoring compliance, and promptly reporting any discrepancies.

#### Statistics on traceability system and data management

The Commission provided an overview of the system's overall functioning, including economic operators and system figures, as well as support activities. The Commission emphasized the crucial role that Member States play in actively using the system, monitoring compliance, and promptly reporting any discrepancies, given resource constraints.

The Commission also discussed the evolution of the Secondary Repository's requests from June to November 2023. Hence, the Commission provided a detailed breakdown of request types, which included Economic Operators, ID Issuer, Primary, Service Provider and Competent Authorities requests. User management statistics were presented, showing the breakdown of T&T users by country and role. The Commission also displayed the EU-wide breakdown of users of the traceability system. The Commission concluded by assuring participants they would provide additional updates on various topics to keep everyone informed of the latest developments.

#### Supply chain coverage and facilities

The Commission discussed the Key Performance Indicators (KPI) of the supply chain coverage and reports activities.

The Commission highlighted the distribution of facilities based on Member State and type.

Finally, the Commission wanted to draw attention to facilities registered as retail outlets that report product dispatches to the system.

#### Estimated Impact of Other Tobacco Products Inclusion in T&T System as of May 2024 and Other T&T topics

The Commission outlined estimates from tobacco sales volumes as reported in EUCEG (Common Entry Gate) and highlighted the system's expansion to include other tobacco products apart from cigarettes and roll-your-own tobacco from May 2024, according to Article 15(13) of TPD. The Commission emphasized the application of traceability obligations to these products and provided a brief update on contact information regarding national ID issuers. With the system's expansion, all the obligations that currently apply to cigarettes and roll-your-own tobacco will also apply to all other tobacco products from 20 May 2024.

### **Presentations from Member States**

During presentations from the Member States, one Member State brought attention to a case of illegal activity involving confiscating cigarettes that featured counterfeit user interfaces. The presentation shed light on the incident, providing further details about this notable case of illicit activity.

In addition, the Member State indicated that a check of T&T's Secondary repository had revealed that the Unique Identifiers (upUIs) of the products seized were not reported in the system, demonstrating the usefulness of T&T in the control of illicit activity.

Subsequently, representatives from another Member State presented two national projects designed to crack down on the illegal tobacco trade.

### **Discussion - tour de table**

The Commission played an active role in facilitating a Q&A and discussion session that aimed to delve into and address the critical inquiries that the Member States had raised. In this session, the Commission took the lead in creating a platform that allowed member states to ask questions and engage in discussions to find solutions to some of the most pressing issues raised.

### **Conclusion and next steps**

The Chair expressed gratitude towards all the participants for their valuable inputs and provided a comprehensive summary of the main points discussed during the meeting. Additionally, the Chair informed everyone that another Subgroup meeting is scheduled to take place by the end of 2024, providing an opportunity to delve further into the topics discussed and achieve the desired outcomes.