

## **New Action Plan reaffirms Commission in leading role in fight against cigarette smuggling**

**With illicit tobacco trade depriving the European Union and its Member States of roughly €10 billion of public revenue every year, only a combination of targeted policy and enforcement measures addressing both supply and demand can stem the inflow of smuggled tobacco products into the EU. A new European Commission Action Plan on fighting illegal tobacco trade published today addresses the increasing global dimension of this phenomenon.**

Welcoming the adoption of the Plan, European Commissioner for Budget and Human Resources Günther H. **Oettinger** said: *"Fighting the global illicit tobacco trade is a priority for the European Union. We should all join forces to stop smugglers and I am happy that today we are identifying further ways to achieve this. I call on all EU Member States to join us in this effort. Signing up to the UN's protocol is an important step in this direction."*

The Action Plan builds on the EU's 2013 Strategy on fighting the illicit tobacco trade. With the recent entry into force of the World Health Organization Protocol to Eliminate Illicit Trade in Tobacco Products (FCTC Protocol) and the roll-out of the new EU traceability system, the Action Plan proposes initiatives focusing on policy, but also on enforcement.

For example, key actions include engaging leading source and transit countries for illicit tobacco trade, for example, by seeking to approximate excise duties in the case of neighbouring countries, so as to reduce the incentives underpinning smuggling.

On the operational side, the European Anti-Fraud Office (OLAF) plans to carry out targeted customs operations on the EU's land and sea borders, and also focus specifically on the supply of input materials used in the production of smuggled cigarettes. Moreover, the Action Plan emphasises the importance of operational cooperation between police and customs forces to take down illegal production sites in the EU.

*"With its unique investigative mandate, OLAF can coordinate anti-smuggling operations, ensuring smuggler networks are dismantled and perpetrators brought to justice,"* said Ville Itälä, OLAF Director-General.

The Commission is also committed to taking a leading role in the implementation and promotion of the FCTC Protocol, and to help raising the awareness of consumers about the risks associated with buying illicit tobacco products.

## **Background:**

The Commission set out its current strategy in the 2013 Communication "Stepping up the fight against cigarette smuggling and other forms of illicit trade in tobacco products" along with a 1st Action Plan. A 2017 Progress Report found the underlying Strategy still valid whilst reflecting on additional responses to keep-up with the ever-changing illicit tobacco trade. A public consultation of stakeholders on 23 March 2018 largely supported the findings made in that report. A 2015 Eurobarometer poll confirmed citizens' concerns.

In parallel, the European Anti-Fraud Office (OLAF) has stepped up its enforcement cooperation with national customs authorities with 1.6 billion cigarettes seized with the support of OLAF over the past three years.

The Protocol to Eliminate Illicit Trade in Tobacco Products is the first multilateral treaty to fight the illicit tobacco trade. It entered into force on 25 September 2018. It now has 48 Parties including 11 EU Member States and the EU; other Member States are engaged in national ratification processes. The EU took a leading role during the negotiation of this treaty and was also actively engaged in the first Meeting of the Parties ("MOP1") to the Protocol on 8 - 10 October 2018. This event marked a milestone in global efforts to fight this cross-border phenomenon. At MOP1, Parties to the Protocol agreed on concrete work projects for the next two years.

## **For further details:**

For statements of Commissioner Oettinger:

[https://ec.europa.eu/commission/2014-2019/Oettinger/announcements\\_en](https://ec.europa.eu/commission/2014-2019/Oettinger/announcements_en)

The following documents and events can be accessed at:

[https://ec.europa.eu/anti-fraud/policy/preventing-fraud\\_en](https://ec.europa.eu/anti-fraud/policy/preventing-fraud_en)

- Progress Report COM(2017) 235 Final 12.5.2017
- Strategy on stepping up the fight against cigarette smuggling and other forms of illicit trade in tobacco products COM(2013) 324 final 6.6.2013
- 1st Action Plan: SWD(2013) 193 final 6.6.2013
- Protocol to Eliminate Illicit Trade in Tobacco Products
- Eurobarometer No 443 of July 2016 survey
- OLAF/EESC Conference: "Fighting illicit tobacco – The stakeholder perspective"  
[https://ec.europa.eu/anti-fraud/media-corner/events\\_en](https://ec.europa.eu/anti-fraud/media-corner/events_en)

For documents on MOP1 under the FCTC Protocol:

<http://www.who.int/fctc/protocol/mop/en/>

**OLAF mission, mandate and competences:**

OLAF's mission is to detect, investigate and stop fraud with EU funds.

OLAF fulfils its mission by:

- carrying out independent investigations into fraud and corruption involving EU funds, so as to ensure that all EU taxpayers' money reaches projects that can create jobs and growth in Europe;
- contributing to strengthening citizens' trust in the EU Institutions by investigating serious misconduct by EU staff and members of the EU Institutions;
- developing a sound EU anti-fraud policy.

In its independent investigative function, OLAF can investigate matters relating to fraud, corruption and other offences affecting the EU financial interests concerning:

- all EU expenditure: the main spending categories are Structural Funds, agricultural policy and rural development funds, direct expenditure and external aid;
- some areas of EU revenue, mainly customs duties;
- suspicions of serious misconduct by EU staff and members of the EU institutions.

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