

APPENDIX E

	AT	BE	DE	DK	EL	ES	FI	FR	IE	IT	LU	NL	PT	SE	UK
VAT	20%	21%	16%	25%	18%	16%	22%	19.6%	19%	20%	12%	19%	19%	25%	17.5%
SPECIFIC EXCISE	21.38 € per thousand	18.7474€ per thousand	61.7 € per thousand	81.7 € per thousand	4.2699 € per thousand	3.91 € per thousand	15.13 € per thousand	7.41 € per thousand	124.94€ per thousand	3.86 € per thousand	11.8914 € per thousand	53.27 € per thousand	40.69 € per thousand	21.96 € per thousand	154.34 € per thousand
AD VALOREM EXCISE	42%	45.84	24.23%	21.22%	53.86%	54%	50%	55.19%	18.46%	54.26%	46.84%	20.51%	23%	39.2%	22%
CUSTOMS DUTY	57.6%	57.6%	57.6%	57.6%	57.6%	57.6%	57.6%	57.6%	57.6%	57.6%	57.6%	57.6%	57.6%	57.6%	57.6%

1. Method to be used for calculation.

For purposes of Supplemental Payments under Art. 4 of the Agreement, the minimum retail sales price to the public, all taxes included, shall be calculated on any Philip Morris Cigarettes seized, and the taxes and duties owed under Art. 4 of the Agreement, if any, shall be calculated on the basis of those that would have been due had the product been sold at that minimum sales price to the public, in the Member State of seizure.

The method of calculation of customs duties, excise taxes and V.A.T., as applicable, for each Member State or the EC shall be the method normally employed by that Member State or by the EC.

The Parties may agree upon formulas or electronic spreadsheets that implement the above method.

2. Arbitration

If, on occasion of receipt by a Member State of a Supplemental Payment, disagreement arises as to the results of these calculations, the relevant Parties shall meet and confer within 5 days of receipt of the Supplemental Payment by the Member State, in a good faith attempt to resolve these differences. If agreement cannot be reached within 10 days thereafter, then the relevant Parties shall each have recourse to Arbitration under Art. 12.02 of the Agreement to determine the amounts to be paid under Art. 4 of the Agreement in that instance.

3. Amendments

The above table and markups shall be updated as modifications are made to the underlying tax rates, upon any New Member State acceding to the EC or becoming a party to the Agreement, or at any time as otherwise agreed in writing by the Parties.