

Part III: PMI, Member States and European Commission (OLAF & Legal service)

Attendees:

- PMI: [REDACTED]
- KPMG: [REDACTED]
- Member States: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, , France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Malta, Netherlands, Poland, Romania, Slovakia, Slovenia, Spain, Sweden, UK;
- EU: [REDACTED]
- [REDACTED]
- [REDACTED]

Agenda:

5. Welcome and introduction by [REDACTED] OLAF.
6. Introduction on PMI activities by [REDACTED] PMI.
7. Project Star presentation by PMI and KPMG (see Annex 2),
8. Questions and answers from Member States

5. Welcome and introduction by [REDACTED] OLAF

[REDACTED] made an official announcement, in the presence of PMI, of the agreement in principle reached by OLAF and PMI to make Supplemental (seizure) Payments to all the New Member States, including Croatia when it signs the Agreement (for more details, see point 4.1 of the Minutes).

6. Introduction on PMI activities by [REDACTED]

From PMI, [REDACTED] confirmed the above political agreement on the Supplemental Payments. He underlined the importance of cooperation between OLAF and PMI such as on the control of the supply chain using advanced technological tools. He also drew the audience's attention to the trends in illicit trade of tobacco products, to the loss of revenue this illicit trade represents for governments (more than 11 billion € per year) and to the limited public awareness of it. He pointed out the agreements concluded with the EU concern only four main cigarette manufacturers and don't cover smaller companies. Law enforcement and judicial authorities should cooperate more at international level in order to tackle the criminals and to apply more severe punishments.

9. Project Star presentation by PMI and KPMG (see Annex 2)

10. Questions and answers from Member States

Question from [REDACTED] Member State 1

The [REDACTED] representative congratulated KPMG for the excellent analytical and statistical work. He underlined that the statistics provided by KPMG are the only tool Member States have at their disposal to check the global trends and figures. He was wondering whether these statistics could be sent to Member States earlier in the year (for example, in April). The KPMG representative replied that they could do more in this respect.

Question from [REDACTED] Member State 2

The [REDACTED] representative put a question to KPMG on the empty pack survey. KPMG expressed their readiness to provide more information on this issue.

Question from [REDACTED] Member State 3

The [REDACTED] representative expressed concern on the very short time period left to the Member States to digest the figures before they become public. He asked to have more time to analyse the figures. [REDACTED] (PMI) replied that the feedback from Member States was very important for PMI. They will try to adopt a more flexible schedule adjusted to the needs of Member States.

Question from [REDACTED] Member State 4

The [REDACTED] representative asked for clarification between "Unspecified brands" and "Illicit white brands" in the statistics presented by KPMG.

KPMG replied that, from 2009, packs which had no clear indication of origin were classified as 'Unspecified'. In prior years, such packs were classified as Duty Free.

Comment from [REDACTED] Member State 5

The [REDACTED] representative added that they were still analysing the figures and would come back later with further comments.

[REDACTED]
OLAF representative