

To: [REDACTED] (TAXUD); [REDACTED] (TAXUD)
Cc: [REDACTED] (TAXUD); TAXUD UNIT C2
Subject: Meeting report with the German Association of Vapers, September 10 2019

Participants:

[REDACTED], [REDACTED] German Association of Vapers BfTG,
[REDACTED], Simply Europe

EC Taxud C2: [REDACTED]

Main points :

- **Presentation of the association**

[REDACTED] is managing director of [REDACTED], a German e-cigarette company. [REDACTED] of the German association of vapers BfTG, an association of small and medium-sized retailers and manufacturers of e-cigarettes and e-liquids. [REDACTED] of the newly created European e-cigarette federation, Independent European Vape Alliance (IEVA) which bring together some national associations and companies. It was noted that [REDACTED] is also a member of this association. [REDACTED] clarified that he is also the spokesperson for the European Citizens Initiative asking for smart regulation of vaping. It was noted that [REDACTED] is supporting this initiative and is a board member.

- **Market trends**

[REDACTED] explained that the market for e-cigarettes in Europe is essentially centred around small and medium businesses. He explained that most of the hardware is being imported from China, where most of the innovation is taking place. E-liquids are now mainly manufactured in Europe. He noted that consumers are price sensitive. He noted the trend for DIY solutions and to purchase the hardware online from Chinese websites delivered via the postal network. He noted the environmental impact of e-cigarettes.

- **Regulation**

[REDACTED] argued that e-cigarettes are developed exclusively for adult smokers. He referred to a DE study which found that 99 percent of all e-cigarette users are current or former tobacco smokers. This is based on customers of specialist e-cigarette shops. [REDACTED] discussed the degree of harmfulness of e-cigarette. He explained the registration process that companies have to go through under the TPD2. He noted that small and medium businesses are not in the same position as the big tobacco industry to handle regulation. He added that internet purchases are also heavily regulated in DE, and that despite this internet shopping is increasing.

- **Directive 2011/64/EU on the structure and rates of excise duty applied to manufactured tobacco :**

We took note of the association's position on the taxation of e-cigarettes. We noted that almost half of the EU Member States have introduced a tax regime for e-cigarettes. We provided for a clarification of the timing of the external study and the evaluation of the Directive.

