Document 05b

PHILIP MORRIS INTERNATIONAL MANAGEMENT SA

Dentsu Aegis Network

███████████

███████████████████

Avenue de l'avant-Poste 4
1005 Lausanne

Lausanne, 6 February 2019

Dear ████████,

Congratulations on your recent appointment as secondary repository provider for the EU tobacco tracking and tracing system. You will have a crucial role to ensure that the system will be operational by May 20, 2019. Recently, we have been informed by the European Commission that you will finalise a first version of the common data dictionary and list of specifications by February 21st.

We expect the data dictionary to provide all concerned parties clarity on, among others:

- uniformity in code length and structure of the unit-level unique identifiers (UIs);
- the procedure for the registration of Economic Operators, Facilities and Machines across Member States;
- the technical interactions and messages for automated UIDs' issuing upon request by importers and manufacturers;
- how to integrate manufacturers and primary repository systems with the secondary repository and the router.

In Attachment I, you will find an overview of all the steps Philip Morris International (PMI) has taken to ensure operational readiness for a timely implementation of Articles 15 and 16 of the TPD. There are however several elements in the system where we will need the assistance of the European Commission and Member States, the Secondary Repository and of the appointed ID issuers.

In this context, PMI has developed an on boarding procedure for appointed ID issuers, with technical requirements on how to connect their systems with production environments (please see Attachment II). Some of the main topics of concern are:

Identifier Codes for Economic Operators, Facilities and Machines

The Commission Implementing Regulation (EU) 2018/574 provides for clear rules on the ID issuers competent for issuing the identifier codes for economic operators, facilities and machines. Particularly for facilities and machines, the only ID issuer competent is the one for the territory in which the facility of machine is located. As such, the common data dictionary should provide common agreed guidelines not only as to the structure and length of the identifier codes, so as to avoid the risk of non-unique codes (i.e., the same facility (or machine) is not identified with different codes, or that the same code is given to different facilities by different ID issuers). Otherwise, this could have a severe impact on the effectiveness of the available information for monitoring and reporting purposes.

We fully support the approach of by the European Commission that ID issuers which have made the most progress on how to perform this registration most efficiently will be guiding on a uniform procedure and technical specifications to be included in the data dictionary.

Integrating of ID issuers system with production environments

As explained in more detail in Attachment II, the number of individual UIs which will need to be generated, and the frequency at which this will happen, will require the setup of an interactive system between the ID issuer and the systems of the importers and manufacturers that ensures an automated issuing of UIs upon request. While some ID Issuers started to proposed manual processes only, this is critical that they also allow automated systems integration for electronic ordering. It will be very important that the data dictionary provides clarity on the exact content and structure of the message that needs to be sent by the systems of the manufacturer or importer to allow an automated generation and issuing of codes by the competent ID issuer.

Ensuring operational readiness of the whole system

Given the late implementation in several Member states, there are growing concerns that not all ID issuers will be fully operational by May 20, 2019 and that the procedures for the appointment of the ID issuers might not even be finalised by this date in some other Member States. This would have a severe consequences since an only partial implementation of the system would make it impossible for economic operators to meet the requirements of the Implementing Regulation concerning reporting requirements.

To avoid this, it is imperative that at least all economic operators, facilities and machines will be provided with their unique identifier codes as soon as possible. As stated above, your role in this is crucial to ensure that Member States will be able to meet their obligations from this perspective. The guidance you will provide via the common data dictionary on a common structure and code length for UIs will also help ID issuers to become operational quicker and might facilitate also the on boarding process within production environments by increasing predictability and reducing complexity.

We would also like to ask you what is expected from us as manufacturer and from our primary repository provider, to ensure that you will be able to start testing the repositories systems by March 21, 2019.

Given all these elements, are you planning to have a meeting with all appointed ID Issuers and primary repository providers to discuss all these matters in greater detail and work towards a consensus, before you will be finalizing the first draft of the common data dictionary by February 21, 2019?

We thank you in advance for your attention and hope that you find our remarks both informative and useful. Please do not hesitate to contact us if you would have any further questions or would like to meet to go more into detail on some of the more technical aspects raised.

Illicit Trade Prevention

Attachments:
Attachment 1: State of preparations inside PMI
Attachment II: PMI on boarding document