



EUROPEAN COMMISSION
 DIRECTORATE-GENERAL
 TAXATION AND CUSTOMS UNION
 Indirect Taxation and Tax administration
Indirect taxes other than VAT

Brussels,
 taxud.c.2(2017)4837018

MEETING REPORT

- 1. Subject** Impact assessment on Directive 2011/64 and the possible consequences on tobacco farmers
- 2. Date and Place** 13 October 2016, Brussels
- 3. Participants** DG TAXUD: [REDACTED]
 Copa-Cogeca: [REDACTED]
 [REDACTED]

4. Summary of the discussion

Copa-Cogeca requested a meeting to explain the possible consequences of revision of Directive 2011/64/EU might have for farmers. Copa-Cogeca mentioned that many farmers work in rural areas where it is not possible to find an alternative source of income. Many of these farmers have 1 ha per family. The CAP reform heavily impacted the tobacco farming sector. Imposing excise duties on raw tobacco would have disastrous effects, according to Copa-Cogeca. TAXUD explained that during the evaluation it was reported that raw tobacco was diverted from the legal to the illegal circuit and that one of the options considered is to include raw tobacco in the scope of excisable goods to enable the use of the Excise Movement and Control (EMCS) system. Moreover, an impact assessment will be carried out to demonstrate the benefits and disadvantages of such an option, after measuring the scope of the problem.

Copa-Cogeca supports the efforts to eliminate illicit trade but believes that there will be many practical problems with implementation of such an option. For example, what would happen if the raw tobacco could not be harvested and is destroyed? Would this require authorities to come and check this? Copa-Cogeca suggests that other tools could be investigated to fight illicit trade, for instance, an interbranch-organization which focusses on the tobacco from producer to first buyer such as Italy and Spain have to regulate the national market.

Report by: [REDACTED]

c.c.: [REDACTED], TAXUD LIST C2