SECURING NATIONAL TAX REVENUES

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Global Warning

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I am pleased to present the ninth issue of the WCO’s Customs and Tobacco report. This annual publication correlates and analyses the information provided by Members in relation to the worldwide trade in illicit tobacco products.

Customs plays a significant role in ensuring that global trade conforms with international requirements and that all taxes due are paid. Where goods are highly taxed, easily portable and penalties remain relatively light for trafficking, trans-national criminal organizations will take advantage of any weaknesses in Customs, revenue or other border controls to amass profits. They do not care whether, laws are flouted, consumers’ health is damaged, governments lose revenues, or legitimate businesses lose trade.

We have witnessed an unparalleled growth in illicit trade of tobacco products over recent years and we need to step up our efforts to tackle this problem. The present report makes very clear that Customs administrations worldwide are committed to rising to meet this challenge.

The substantive content of the 2010 report is based upon the analysis of seizure information provided by Members between 1 January 2010 and 31 December 2010, by spreadsheet, or by regular reports to the WCO Customs Enforcement Network (CEN) system.

The report focuses on significant illicit cigarette shipments. Members’ reports indicate that cases over the current threshold for analysis declined in 2010 whilst the smuggling of smaller consignments showed a significant increase. This is partially explained by some Members not having filed finalized reports at the date of publishing, improved anti-smuggling techniques and the introduction of stricter measures in some countries such as, increased penalties, and enhanced seizure or confiscation provisions in relation to vehicles and personal assets.

Specific patterns of the illicit trade in tobacco products vary from region to region. One interesting smuggling example however reported during the period highlighted that there are also some common themes. In this instance it concerned the use of empty intermediate bulk containers (IBCs), especially constructed for concealment of illicit tobacco. This concealment method was first detected by a Customs administration in Europe. Information on this smuggling technique was disseminated worldwide through the RILO network and as a result further
detections of a similar nature were made in Europe, Asia and the Pacific.

Initiatives like the expansion of Project Crocodile will enhance the dialogue between Customs worldwide and aid the smooth exchange of information on suspicious consignments of tobacco products. Cooperation between Customs administrations internationally and between Customs and other competent authorities at a national level is indeed the key for tangible achievements against these illegal activities.

The World Health Organization’s (WHO) Protocol on Illicit Trade in Tobacco Products is another important response to the challenges encountered by the competent health and law enforcement agencies in relation to tobacco control and abuse. The potential future impact of the Protocol on Customs is significant. I encourage Members to keep in close contact with national officials responsible for the Protocol’s development to ensure the negotiated text adequately reflects the Customs perspective.

In the meantime, I hope this report will assist you in the anti-smuggling efforts in a continuously evolving environment.

Kunio Mikuriya
Secrétaire général
Organisation mondiale des douanes
The Report is intended to highlight current and expected trends, as well as initiatives undertaken by Members to counteract the illicit trade of tobacco products, and may include contributions by third parties.

The Report is divided into two main sections:
- a global and regional overview of the illicit trade in cigarettes, and a section on items of particular interest.

The Report focuses primarily on the illicit trade in cigarettes as this appears to be the main challenge, according to the information submitted to the WCO Secretariat by its Members.

The second section briefly covers items of particular interest, such as the illicit manufacturing of tobacco products including the illicit trade in counterfeit cigarettes, progress with the Protocol on illicit trade in tobacco products within the WHO Framework Convention on Tobacco Control (FCTC), information on operations and projects tackling the illicit trade in tobacco products, and information on other initiatives undertaken by various entities, as a contribution for Customs administrations in the fight against the illicit trade in tobacco products at various levels.

**First section**

The analysis on illicit trade of cigarettes is based on a total of 3,521 pieces of information on cigarette seizures with a minimum limit of 100,000 pieces carried out in 2009 and 2010 by sixty-seven WCO Members.

The relevant figures recorded in the CEN database come to a total of 2,002 seizures in 2009 and 1,519 in 2010 accounting for around 3.5 billion pieces in 2009 and 3.2 billion pieces in 2010.

The figures show a remarkable decrease of both the number of seizures and the amount of contraband seized in 2010.

The question of the completeness of CEN data remains a challenge due to various reasons also of a technical nature.

Unfortunately not all seizures over the threshold of 100,000 pieces recorded in the territories of WCO Members were reported to the CEN database. It is therefore impossible to assess the degree of variation of the phenomenon of illicit trade over the years.

However, with reference to the number of seizures, some Members indicated that cases over the threshold were detected less in 2010 whilst the smuggling of smaller consignments showed an increase instead.

As far as the amount of contraband is concerned, it has to be noted that more notable seizures were recorded in 2009.

As a result of strict measures (increased penalties, seizures or confiscation of vehicles), smugglers tend to reduce the amount of contraband: the cigarettes can be concealed more easily and the penalties can be lower.

The bulk of the data is reported by European Members.

Almost 90% of the seizures were reported by Members affiliated to the three European RILOs. The contraband concerned accounts for around 80% of the total quantity of cigarettes reported to the CEN database.

Although the contribution from other regions needs to be improved in terms of input into the CEN, the figures confirm that the illicit trade in cigarettes is widespread.

The figures recorded in Eastern and Southern Africa are particularly noteworthy.

The largest seizure in 2010 was recorded in Greece.

With reference to the number of seizures, 20% of all seizures worldwide in 2010 were made in the top ten locations. More than one location recorded the same remarkable number of seizures.

Not surprisingly, nearly all sites are located in Europe where most of the seizures were reported from.
The top ten locations by quantity accounted for nearly one-third of the contraband seized globally in 2010. All are European except Busia and Malaba (Kenya).

Half of the contraband was detected at sea-ports, where around 16 % of global seizures were carried out. Nearly half of the seizures were made at inland locations, where 23 % of the contraband was seized in 2010 as compared with 35 % in the previous year.

There was a remarkable decrease in detections of significant shipments at rail locations. This is probably due to a lack of reporting.

Ukraine and Poland were the most frequent source for the contraband detected in Europe and destined for this region.

China was the source of the highest amount of contraband (21 % of the global quantity seized), followed by the United Arab Emirates (9 %).

Marlboro remains the most seized brand. It was also the brand most often counterfeited.

At a regional level other brands were also targeted by smugglers and involved shipments of genuine cigarettes.

A significant and growing threat is from cheap white cigarettes.

Large consignments of cigarettes are illegally moved across borders worldwide by criminal organizations. In some regions the phenomenon of “ant smuggling” is additionally recorded.

Smugglers continue to pose a challenge to Customs for the detection of contraband which is very well concealed inside legitimate goods. In this respect timber, door frames and rolled up goods continue to be reported as typical cover loads.

Syndicates are now using cover loads which they believe are high in density so as to circumvent checks at the scanning stations – there may be a belief that rubber could prevent or absorb X-rays.

2010 data show that more cases than in the past involved cigarettes concealed or simply loaded in the means of transport without the use of a cover load.

The courier and postal system is indeed being used to move cigarettes illegally. Large quantities are subdivided into a number of smaller quantities that are shipped individually. Although each individual shipment involves only a small quantity of cigarettes, the total quantity is significant.

**Second section**

As was the case in previous years, the figures show that more than half of the counterfeit contraband originated in China. The figures identify the United Arab Emirates as the second source in terms of both quantity and incidents. It cannot, however, be clearly stated whether this was the true origin of the consignments, or whether they were simply transshipped there.

Recognised for its success in combating illegal cigarette trades in the Asia/Pacific Region, Project Crocodile is now being considered for global implementation as combating the illegal cigarette trade is not just a regional concern.

Given the significant impact that the future implementation of the Protocol on the Illicit Trade of Tobacco Products will have on the Customs activities in this particular field, the WCO Secretariat strongly recommends that Customs administrations maintain close contact with the competent national office which will represent your country in the ongoing negotiations, with a view to ensuring that the negotiations on the text also reflect the Customs perspective.

In various occasions the alerts published by the WCO Secretariat led to additional seizures by the Customs services. The WCO Secretariat therefore invites all Customs administrations to continue providing information on seizures to the CEN database.

(Photography courtesy of Slovak Customs)
AIM AND OBJECTIVES

Since 2002 the WCO Secretariat has published an Annual Report analysing all seizures of tobacco products reported by WCO Members.

The Report is intended to highlight current and expected trends, as well as initiatives undertaken by Members to counteract the illicit trade of tobacco products, and may include contributions by third parties.

The aim of the project is:

to produce a detailed situation report and analysis reviewing illicit activities related to tobacco products and counteracting measures on a worldwide basis, in order to support future-oriented risk analysis and thus to assist in the anti-smuggling efforts of Customs administrations worldwide.
APPROACH

Structure of the report and source of information

The Report is divided into two main sections: a global and regional overview of the illicit trade in cigarettes, and a section on items of particular interest.

The Report focuses primarily on the illicit trade in cigarettes as this appears to be the main challenge, according to the information submitted to the WCO Secretariat by its Members.

The second section briefly covers items of particular interest, such as the illicit manufacturing of tobacco products including the illicit trade in counterfeit cigarettes, progress with the Protocol on illicit trade in tobacco products within the WHO Framework Convention on Tobacco Control (FCTC), information on operations and projects tackling the illicit trade in tobacco products, and information on other initiatives undertaken by various entities, as a contribution for Customs administrations in the fight against the illicit trade in tobacco products at various levels.

The database within the WCO Customs Enforcement Network (CEN) system is the main source for this analysis on seizures carried out over the last two years.

With a view to the preparation of the present Report, Members were also requested to provide brief reports or situation sheets, which proved to be extremely useful for a more comprehensive regional overview, particularly where no data was available in the CEN.

Seventy-nine Members reported information on seizures of cigarettes and other tobacco products to the CEN database. In addition, some Members provided a brief aggregated report, either directly or via the competent RILO, while another two Members informed the WCO Secretariat that no seizures of tobacco products had been carried out during the period under review.

A table showing the number of seizures and related quantities, for each country entering information into the CEN database, is appended.

The table refers only to seizures of more than 100,000 cigarettes.

Caveat

Only seizures carried out by Customs, joint Customs and Police Units or by other law enforcement agencies having Customs powers are included in the analysis, where the relevant information was submitted to the CEN database or included in reports made available by the Members.

The provision of information to the CEN database is not mandatory.

For the submission of information to the CEN database, different reporting limits are set by different RILO regions. In order to

<table>
<thead>
<tr>
<th>Reporting limits (Tobacco commodity) by region – 1 piece = 1 cigarette</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Cigarettes: 100,000 pieces smoking tobacco: no limit</td>
</tr>
<tr>
<td>Smoking tobacco: no limit</td>
</tr>
</tbody>
</table>

(Photo courtesy of Serbian Customs)
allow consistent comparison amongst the different regions, the minimum common limit for all RILO regions has been taken into consideration. In the global and regional analyses, only seizures of 100,000 cigarettes or more have therefore been considered. Seizures amounting to a total which exceeds the specified limit but constitutes a summary of seizures made during a given period of time have not been included.

Seizures derived from the dismantling of illicit manufacturing are reviewed within the relevant paragraph.

In general, the regions being compared correspond to the geographical area which falls under the competence of a given RILO. Israel has been included in the Middle East region even though the country is affiliated to the Western Europe region.

In this Report the USA, Canada and Mexico form the North America region; a RILO has not yet been established there.

The CEN database is constantly being updated. The figures in the present Report may therefore be different from those taken into account in previous reports, and are subject to checking and constant review.

Regarding the data provided by the United Kingdom in particular, the reader should note the following two points: (i) all figures for the calendar year 2010 are subject to an ongoing data assurance activity and have yet to be published in the national Annual Report, which is likely to be available in December 2011. Therefore, these figures are not yet in the public domain and remain strictly provisional until published; (ii) the UK figures published by HMRC are provided on a fiscal year basis, and therefore the calendar year figures provided to the WCO will not reconcile with the HMRC figures when these are eventually published. The same applies to the 2009 figures, as these are also subject to an ongoing assurance and may be subject to change.

The issues regarding the publication of figures which are referred to in (i) above also apply to the data provided by most WCO Members.

Incomplete information

The production of any analytical report depends on the quality and quantity of the data made available. The information provided to the CEN database enables very good national or regional analyses to be carried out, but unfortunately does not permit the production of in-depth threat assessments at a global level. This is due to the remarkable differences in the quality and quantity of data made available by the individual Members over the years. Nonetheless the material continues to be sufficient to identify trends and highlight particular issues, providing support for policy and decision makers, and for field officers.

The WCO Secretariat and the RILOs continue to invest effort into improving the quality and quantity of the seizure information reported to the CEN database. Despite these efforts, some Members still have not reported, partially or totally, their records concerning seizures of cigarettes and other tobacco products carried out during the period under review. Moreover, in many cases the information provided to the CEN database was not very detailed, and in some cases it was contradictory. Whenever possible the analyst has performed a thorough cross-check of the information provided, or contacted the source of the information for details or clarifications in order to integrate or amend the data. Due to time constraints related to the production of the present Report, dialogue with the source of the information was not possible for all questionable
cases. Therefore the analyst has not taken into consideration, for the present Report, some records from the CEN database, where the information provided was completely unusable for the reason stated above.

Despite the fact that the submission of information to the WCO CEN database is not mandatory, most WCO Members, assisted by the competent RILOs or by the WCO Secretariat, enthusiastically share non-nominal information on Customs seizures and offences with a view to combating any illicit trafficking more effectively.

The situation is expected to improve in general when the nCEN application is implemented, making it easy for Members to transfer their national data to the CEN global database.

Forms of Electronic Data Interchange (EDI) are currently in place with some Member administrations in order to facilitate the transmission of information to the CEN database when huge numbers of seizures are involved. For some Members this procedure has been initiated recently, and therefore data may not be available for this year's Report.

**Notable seizures**

This paragraph highlights exceptionally large seizures (exceeding 20 million cigarettes) which may distort the analysis.

Both the number of such seizures and the quantities involved almost reduced by half showing almost the same figures as in 2008.

Notable seizures took place in 2 regions in 2009.

With the exception of one case, only seaports were involved.

Finally, it is interesting to note that in 2009 and 2010 there were some exceptionally large seizures of consignments of genuine cigarettes, whereas in the years 2007 and 2008 all the very large shipments seized involved only counterfeit cigarettes.
### Notable seizures / 2009: 13 seizures – 2010: 8 seizures

<table>
<thead>
<tr>
<th>Date</th>
<th>Quantity (pieces)</th>
<th>Region</th>
<th>Country</th>
<th>Location</th>
<th>Location type</th>
<th>Route</th>
<th>Brand</th>
<th>Counterfeit</th>
</tr>
</thead>
<tbody>
<tr>
<td>16/01/2009</td>
<td>43,300,000</td>
<td>Asia/Pacific</td>
<td>Malaysia</td>
<td>West Port</td>
<td>Seaport</td>
<td>UN-MY</td>
<td>Business Royal</td>
<td>Unknown</td>
</tr>
<tr>
<td>27/01/2009</td>
<td>25,236,610</td>
<td>W. Europe</td>
<td>Netherlands</td>
<td>Friesland</td>
<td>Inland</td>
<td>UN-DE-NL</td>
<td>Lambert&amp;Butler, Marlboro</td>
<td>Unknown</td>
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<tr>
<td>12/03/2009</td>
<td>32,400,000</td>
<td>West Africa</td>
<td>Cote d’Ivoire</td>
<td>Yopougon</td>
<td>Inland</td>
<td>TG-GH-CI</td>
<td>Supermatch</td>
<td>Unknown</td>
</tr>
<tr>
<td>15/04/2009</td>
<td>53,834,600</td>
<td>ECE</td>
<td>Bulgaria</td>
<td>Haskovo</td>
<td>Inland</td>
<td>UN-BG</td>
<td>Shipka, Nevada, Boro, River’s, Bacard, Optima, Shamdan, Victory, Cedar’s, Primo</td>
<td>No</td>
</tr>
<tr>
<td>25/04/2009</td>
<td>25,980,000</td>
<td>Middle East</td>
<td>Lebanon</td>
<td>Beirut</td>
<td>Seaport</td>
<td>AE-MT-LB</td>
<td>Gauloises</td>
<td>No</td>
</tr>
<tr>
<td>20/05/2009</td>
<td>26,150,360</td>
<td>Europe occ.</td>
<td>Malta</td>
<td>Marsaxlokk</td>
<td>Seaport</td>
<td>AE-MT-LB</td>
<td>Davidoff, Brilliant, Gitanes, Rothmans</td>
<td>No</td>
</tr>
<tr>
<td>20/05/2009</td>
<td>26,150,360</td>
<td>W. Europe</td>
<td>Malta</td>
<td>Marsaxlokk</td>
<td>Seaport</td>
<td>AE-MT-LB</td>
<td>Davidoff, Dunhill, Gauloises, Gitanes, Rothmans, Super Grands, Three Stars, Winchester</td>
<td>No</td>
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<tr>
<td>04/06/2009</td>
<td>20,172,000</td>
<td>W. Europe</td>
<td>Germany</td>
<td>Hamburg</td>
<td>Inland</td>
<td>CN-DE</td>
<td>Marlboro</td>
<td>Yes</td>
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<tr>
<td>15/07/2009</td>
<td>37,671,200</td>
<td>W. Europe</td>
<td>Netherlands</td>
<td>Breda</td>
<td>Inland</td>
<td>UN-NL-GB</td>
<td>Palace, Marlboro, Capital, Jin Ling, Sde plus deign, Raquel, Bon, GB, Gold Classic, Pontobcke</td>
<td>Unknown</td>
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<tr>
<td>15/07/2009</td>
<td>21,423,800</td>
<td>W. Europe</td>
<td>Belgium</td>
<td>Aiken</td>
<td>Inland</td>
<td>UN-BE</td>
<td>Regal, Palace, Sde plus deign, GB, Raquel, Camelford, Silk Cut, Q, Lambert&amp;BUTLER</td>
<td>Unknown</td>
</tr>
<tr>
<td>20/08/2009</td>
<td>25,000,600</td>
<td>W. Europe</td>
<td>Netherlands</td>
<td>Sint Philpsland</td>
<td>Inland</td>
<td>UN-NL</td>
<td>Capital, Benson&amp;Hedges, Oui, Raquel, Gold Classic, Marble, Regal, Marlboro</td>
<td>No</td>
</tr>
<tr>
<td>09/10/2009</td>
<td>25,597,000</td>
<td>Asia/Pacific</td>
<td>China</td>
<td>Shenzhen</td>
<td>Seaport</td>
<td>CN-HK</td>
<td>Palace, Chelsea, Superkings, Regal, Lambert&amp;BUTLER</td>
<td>Unknown</td>
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<tr>
<td>27/10/2009</td>
<td>120,304,000</td>
<td>W. Europe</td>
<td>Ireland</td>
<td>Greenore</td>
<td>Seaport</td>
<td>PH-IE</td>
<td>Palace, Chelsea, Superkings, Regal, Lambert&amp;BUTLER</td>
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</table>

**Total 2009**: 482,827,770, 13 seizures

<table>
<thead>
<tr>
<th>Date</th>
<th>Quantity (pieces)</th>
<th>Region</th>
<th>Country</th>
<th>Location</th>
<th>Location type</th>
<th>Route</th>
<th>Brand</th>
<th>Counterfeit</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/01/2010</td>
<td>79,000,000</td>
<td>ECE</td>
<td>Greece</td>
<td>Edipsos</td>
<td>Seaport</td>
<td>EG-GR-BG</td>
<td>Camelot</td>
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<tr>
<td>23/02/2010</td>
<td>31,450,000</td>
<td>W. Europe</td>
<td>Ireland</td>
<td>Dundalk</td>
<td>Seaport</td>
<td>RU-SE-IE</td>
<td>Regal, Superkings</td>
<td>Yes</td>
</tr>
<tr>
<td>25/03/2010</td>
<td>20,000,000</td>
<td>W. Europe</td>
<td>Spain</td>
<td>Las Palmas</td>
<td>Seaport</td>
<td>AE-ES-MA</td>
<td>American Legend</td>
<td>No</td>
</tr>
<tr>
<td>25/03/2010</td>
<td>20,000,000</td>
<td>W. Europe</td>
<td>Spain</td>
<td>Las Palmas</td>
<td>Seaport</td>
<td>AE-ES-MA</td>
<td>American Legend</td>
<td>No</td>
</tr>
<tr>
<td>09/04/2010</td>
<td>26,390,000</td>
<td>ECE</td>
<td>Lithuania</td>
<td>Vilnius</td>
<td>Inland</td>
<td>BY-LT</td>
<td>Saint George, Jin Ling</td>
<td>Unknown</td>
</tr>
<tr>
<td>10/04/2010</td>
<td>20,240,000</td>
<td>ECE</td>
<td>Greece</td>
<td>Thessaloniki</td>
<td>Seaport</td>
<td>EG-GR-UA</td>
<td>Capital, Yes</td>
<td>Unknown</td>
</tr>
<tr>
<td>10/06/2010</td>
<td>10,350,000</td>
<td>W. Europe</td>
<td>Italy</td>
<td>Taranto</td>
<td>Seaport</td>
<td>SG-AE-IT</td>
<td>Unknown</td>
<td>Unknown</td>
</tr>
<tr>
<td>22/09/2010</td>
<td>31,320,000</td>
<td>W. Europe</td>
<td>Italy</td>
<td>Gioia Tauro</td>
<td>Seaport</td>
<td>AE-IT-SI</td>
<td>Manchester</td>
<td>No</td>
</tr>
</tbody>
</table>

**Total 2010**: 238,750,000, 8 seizures
WHO FCTC Protocol against Illicit Trafficking in Tobacco Products

Bearing in mind the severe health risk factors derived from smoking, the World Health Organization (WHO) launched the idea for an international instrument to control tobacco. This idea resulted in the development of the Framework Convention on Tobacco Control (FCTC) which came into force in February 2005.

The Convention which currently has 168 Contracting Parties is a comprehensive legal instrument for tobacco control. The aspect related to the illicit trade in tobacco products is included in Article 15 of the Convention. In this Article, the Parties to the Convention recognise that the elimination of all forms of illicit trade in tobacco products, including smuggling, illicit manufacturing and counterfeiting, is an essential component of global tobacco control. Article 15 states that the Parties shall adopt and implement effective legislative, executive, administrative or other appropriate measures with a view to eliminating illicit trade in tobacco products.

At its first session in February 2006, the Conference of the Parties (COP) noted that Article 15 did not go far enough in facilitating international cooperation to enable Parties to effectively eliminate the illicit trade. They decided, therefore, to establish an intergovernmental negotiating body (INB) to prepare a template for a Protocol on Illicit Trade in Tobacco Products which will build upon and complement the provisions of Article 15 of the FCTC. Since its establishment, the INB has convened in Geneva four times each year since 2007.

The INB consists of Parties to the FCTC and observers which are non-Party, international intergovernmental organizations (notably the WCO) and non-governmental organizations (for example the Framework Convention Alliance).

To date, key elements of the draft protocol include:

- measures to control the tobacco product supply chain (including tracking and tracing of tobacco products, licensing, anti-money laundering measures, and restrictions on internet sales of tobacco products)
- measures dealing with criminalization and enforcement (including the establishment of offences, sanctions, penalties, destruction, special enforcement techniques)
- international cooperative measures (including information sharing, cooperation in technical matters and in training, and mutual legal and administrative assistance)

It is extremely challenging to get consensus on binding measures to be implemented at an international level in the fight against the illicit trade in tobacco products. The fourth session of the INB ended in fact without a final agreement. Although the Parties did reach agreement on some significant provisions, other provisions were not finalized.

At the 4th session of the Conference of the Parties (COP) to the WHO Framework Convention on Tobacco Control (FCTC), which was held in Uruguay in November 2010, the Parties agreed that an informal working group will meet twice in 2011 and that the 5th Intergovernmental Negotiating Body meeting (INB5) will be held in early 2012, with a view to presenting a final Draft Protocol to the Conference of the Parties in Seoul, Korea, in the later part of 2012.

The COP decided to establish an informal working group to work during the period between the 4th session of the Conference of the Parties and the final session of the Intergovernmental Negotiating Body on those Articles in Part III (Supply Chain Control) of the draft Protocol that have not yet been agreed and on matters referred to the Conference of the Parties by the Intergovernmental Negotiating Body, as detailed in document FCTC/COP/4/DIV/6, which is publicly available on the website (www.who.int/gb/fctc).

The working group will also discuss: (i) the method of financing of the Protocol, currently referred to in Article 35 of the draft Protocol; (ii) whether the provisions on mutual legal assistance and extradition (cur-
rently referred to in Articles 30–32 of the draft Protocol) need to be retained in the draft Protocol; and (iii) how to cover the issue of protection of personal data in the draft Protocol.

The group will discuss and make proposals on how the text of the draft Protocol, and its implementation, can best complement existing relevant agreements and arrangements, including the United Nations Convention against Corruption and the United Nations Convention against Transnational Organized Crime, in order to maximize synergy and to avoid duplication.

This should involve discussions with the United Nations Office on Drugs and Crime, the World Customs Organization and other relevant international bodies.

As reported in the document mentioned above, within the discussions with the relevant international bodies, a particular issue is where the global information sharing focal point (see Article 7 of the draft Protocol) should be organizationally located.

In order to facilitate further negotiations at the final session of the Intergovernmental Negotiating Body, the working group will develop possible texts for those articles in Part III (Supply Chain Control) of the draft Protocol that have not yet been agreed.

Each WHO region will nominate not more than five Parties to participate in the working group, and each Party will not be represented by more than one person in the working group.

The first meeting of the informal working group will be held in Geneva from 4 to 8 July 2011. The second meeting will take place in October this year, again in Geneva. The exact date has not been set yet.

The current draft of the Protocol (document FCTC/COP/4/5) and other related documentation are available on the WHO Framework Convention Secretariat’s official website.

In particular, the WCO Secretariat would draw the attention to document FCTC/COP/4/4, containing a detailed overview of the status of negotiations on each Article of the draft Protocol at the closure of the fourth session of the Intergovernmental Negotiating Body.

Given the significant impact that the future implementation of the Protocol will have on the Customs activities in this particular field, the WCO Secretariat strongly recommends that Customs administrations maintain close contact with the competent national office which will represent your country in the ongoing negotiations, with a view to ensuring that the negotiations on the text also reflect the Customs perspective.

Bearing in mind that the Framework Convention is one of the most quickly and widely ratified international conventions, the WCO Secretariat strongly encourages its Members to examine the Protocol’s text and urges Customs administrations to pay attention to this important international initiative and participate in the process of developing the WHO Protocol to the extent possible and as deemed appropriate.

More information:
www.who.int/gb/fctc
www.wcoomd.org
www.fctc.org
The Illicit Trade in Tobacco Products and How to Tackle It

"The Illicit Trade in Tobacco Products and How to Tackle It" is a booklet issued by the International Tax and Investment Centre (ITIC). The publication was officially launched at the 4th “Counterfeiting and Piracy” (CAP) Group Meeting held in the WCO Headquarters on 19 April 2011.

The International Tax and Investment Centre (ITIC) serves as a clearinghouse for information on best practices in taxation and investment policy, and as a training centre to transfer such know how to improve the investment climates of transition and developing countries, thereby spurring formation and development of business and economic prosperity. Organized in 1993, ITIC is an independent, non-profit research and education foundation with offices in Russia, Azerbaijan, Kazakhstan, the Philippines, Ukraine, the United Kingdom, and the United States.

The author of this very comprehensive publication is Ms. Elizabeth Allen, a graduate of Bristol University, with over 35 years of management, operational and policy experience with Her Majesty’s Revenue and Customs (UK HMRC) and previously with HM Customs and Excise.

A special panel session was organized for the launching of the booklet.

The panel was moderated by ITIC President, Daniel A. Witt. The presentation of the important publication by its author, Ms. Allen, was followed by remarks on the brochure’s topic by Mr. Coffet Lebepe (Customs and Tax Attaché, Embassy of the Republic of South Africa in Brussels, Chairman of the CAP Meeting), Mr. Li Qunying, (Director, IPR Division, Policy and Legal Affairs Department, General Administration of Customs, People’s Republic of China), Mr. Allen Bruford (Deputy Director, Compliance and Facilitation Directorate, WCO) and by Mr. Patrick Heneghan (Global Head of Anti-illicit Trade, British American Tobacco).

The publication aims to raise awareness of the growing and evolving illicit trade in tobacco products. It is a compilation of facts and views from a wide range of sources including respected academics, private sector consultants, journalists, international enforcement organizations, government revenue authorities and industry. It defines the different aspects of illicit trade and provides information on ways of measuring its size. It analyzes the nature of the problem, its causes and consequences, and offers authorities best practice guidance on implementing anti-illicit trade strategies. Case studies are used to provide evidence of good practice and global efforts to tackle this serious problem.

In his foreword to the ITIC publication, the WCO Secretary General, Mr. Kunio Mikuriya, underlines the need to make governments and the public aware of the implication of illicit trade of tobacco products and gain their full support.

The publication is available on the ITIC’s website: www.iticnet.org
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- L’accroissement significatif du débit et du nombre de chargements inspectés
- La mise en évidence des régions d’intérêts sur l’image afin d’assister l’opérateur dans son processus décisionnel
- Une aide efficace au recouvrement des recettes fiscales

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