

Tobacco Track and Trace – Frequently Asked Questions

From 20 May 2019, an EU wide tracking system and anti-counterfeiting security features will be introduced for tobacco products. Under the Tobacco Products Directive 2014, all cigarettes and hand-rolling tobacco must have a unique identifier and security features applied to the packaging. This extends to all other tobacco products from 20 May 2024.

All those involved in the supply of tobacco products have various obligations which they must comply with including:

- applying for identifier codes from the ID Issuer
- affixing unique identifiers (UI) to packing at the point of manufacture, importation or re-aggregation.
- scanning the unique identifier as the tobacco product moves through the supply chain

Below is a question and answer guide to help you understand what the introduction of track and trace means for your business.

*Please note that the answers given reflect our current expectations of how the system will operate and remains subject to change.

Overview	
Which tobacco products are covered by the track and trace regulations?	All tobacco products, except for raw tobacco product, are covered by the track and trace regulations. This includes herbal smoking products unless they contain no tobacco and are used exclusively for medical purposes.
Can tobacco product that does not have a unique identifier still be sold after 20 May 2019?	From the 20 May 2019, all cigarettes and hand-rolling tobacco that is manufactured or imported into the UK must have a unique identifier. Cigarettes and hand-rolling tobacco that were manufactured or imported into the UK before 20 May 2019 can be sold until 20 May 2020.
Definitions	
Who is an economic operator?	An economic operator is any natural or legal person who is involved in trade of tobacco products including export.
What is a first retail outlet?	A first retail outlet is the location or building where the product is placed on the market for sale to the general public for the first time. This also includes vending machines.
What is the definition of a facility?	In the implementing regulations, a facility is a location, building or vending machine where tobacco products are manufactured, stored or sold.
What is a unique identifier code (UI)?	This is the code which will enable the identification of unit or aggregated packaging of tobacco products.
What is meant by aggregated packaging?	Aggregated packaging is the packaging that contains more than one unit packet of tobacco.
Identifier codes	
What identifier codes do I need to apply for?	There are three types of identifier code: <ul style="list-style-type: none"> • Economic operator identifier code (EOID)

	<ul style="list-style-type: none"> • Machine identifier code (MID) • Facility identifier code (FID) <p>All economic operators must apply for an economic operator identifier code and a facility identifier.</p> <p>Tobacco manufacturers and importers must also apply for machine identifier codes for each machine that is used in their manufacturing process.</p>
Will I need to pay for the identifier codes?	There will be no charge for the identifier codes. The ID issuer is only entitled to charge for the UIs that are applied to the unit and aggregated tobacco packaging.
When and how do I apply for the identifier codes?	HMRC are currently going through commercial process to appoint an independent third party to be the ID issuer for the UK.
	Once they have been appointed, HMRC and ID issuer will release the details of when and how identifier codes can be applied for.
Who is responsible for applying for the identifier codes?	Each economic operator is responsible for applying for their own identifier codes.
	The regulations allow for operators of first retail outlets to nominate another economic operator to apply for identifier codes on their behalf.
If an Economic Operator has several first retail outlets, would they need a facility identifier code for each outlet?	Yes, an FID code is required for each location or building.
If economic operator is purchasing another economic operators' business and their stock – would the EOID and FID codes need to be transferred to the new owner?	The EOID and the FID are linked to the business. The ID issuer would need to be notified of any changes to specific details, for example, the new economic operators registered name and email address but the EOID and the FID would stay the same.
If an Economic Operator operates in multiple EU countries, who would they apply to for their identifier codes?	The economic operator's EOID code would be the identifier code issued to them from the ID issuer they first applied to.
	Economic operators must notify an ID issuer of any identifier codes issued to them by another ID issuer.
Unique Identifiers (UI)	
How do I request a UI?	Once they have been appointed, HMRC and the ID issuer will release the details of the process to request unit level and aggregate level UIs.
How much will the UI cost?	The cost of the UIs will be set by the ID Issuer but they must be fair, reasonable and proportionate to the services provided and the number of UIs requested.
How will I receive a UI?	UIs will be supplied electronically but there is an option for each Member State to allow for physical delivery of UIs. HMRC are currently considering whether or not to allow the use of physical UIs. We will release further information once a decision has been made.
How long will it take to receive the UI?	The regulations require the ID issuer to supply electronic UIs within 2 days and, if permitted, physical UIs within 10 days of a request.

How long is the UI valid?	UIs are valid for 6 months from the date when they were issued.
How will the aggregate level UI work?	Aggregate level UI codes can be requested from the ID issuer or generated by the economic operator. Economic operators would then need to establish a link between the unit level UIs in the aggregated packaging and the aggregate level UI to meet the requirements.
If an economic operator already has aggregated level UI codes, can they be used?	Aggregate level UIs must meet the ISO/IEC 15459-1:2014 or ISO/IEC 15459-4:2014 standards. If the economic operators aggregated level UI can be used if they meet these standards.
Is there an upper limit for aggregate packaging? For example, could a trailer be marked with an aggregated UI?	There is no upper limit on what an aggregated ID can be applied to, so a trailer on the back of a truck or on a shipping container could count as aggregation of tobacco products.
Will an economic operator request the UIs from the ID issuer of the country they were manufactured in/first imported into the EU in or the country where they are destined for sale to the general public?	The regulations allow for each Member State to decide whether or not the tobacco products that are destined for sale to the general public in their country, must carry a UI issued by their ID issuer. HMRC are currently considering these options and we will release further information once a decision has been made.
Recording and transmitting movement of tobacco products	
When does the UI, unit or aggregated level, need to be scanned?	<p>To track the movement of tobacco product, the UI must be scanned when:</p> <ul style="list-style-type: none"> • the unit level UI is applied to the packaging • the aggregated level UI is applied to the packaging • the tobacco product is dispatch from a facility • the tobacco product arrives at a facility • tobacco product is moved from one vehicle to another and it does not enter or exit a facility. This is known as trans-loading. <p>The final scanning of tobacco product takes place when it is dispatched by the last economic operator to the first retail outlet.</p>
Is there a time limit for recording and transmitting the information for the movement of tobacco product?	<p>When tobacco product is dispatched or trans-loaded, the information must be recorded and transmitted within 24 hours prior to the occurrence of the dispatch or trans-loading event.</p> <p>When tobacco product arrives at a facility and is marked with the unit or aggregate level UI, the information must be recorded and transmitted within 24 hours from the occurrence of the event.</p> <p>From 20 May 2028, all applications of UI and arrival events must be recorded and transmitted within 3 hours from the occurrence of the event.</p>
Is the movement of tobacco product between stores allowed? If yes how would that work in practice?	Before the tobacco product is dispatched to the first retail outlet by an economic operator, any movement of the product between stores which have a different FID, must be recorded and transmitted (dispatch, arrival and trans-loading).

	<p>If tobacco product is sold by the operator of a first retail outlet to another first retail outlet, then this movement does not need to be recorded. It is important to note that the operator of the first retail outlet must be placing the tobacco product on sale to the general public in their store and not just other traders.</p> <p>Tobacco product is classed as reaching the first retail outlet when it enters the facility where it will be sold to the general public.</p>
How would you scan tobacco products out of a facility if they sit in a sealed truck for more than 24 hours?	Tobacco products must be scanned within 24 hours prior to their dispatch from a facility. However, as there is no upper limit for aggregated packaging, an option would be to mark the trailer with an aggregate level UI. The tobacco products are aggregated when moved in to the trailer and then the trailer can be scanned 24 hours prior to the dispatch event to meet the requirements.
What will be the process for an economic operator returning tobacco back through the supply chain, reverse distribution? For example tobacco product sent to the distribution centre in error, damaged tobacco product that needs to be returned.	<p>If tobacco product has entered a facility but needs to be returned to the economic operator it was last dispatched from, it would be scanned as normal stating the FID of the facility it is being returned to.</p> <p>If the tobacco product is not accepted on arrival at a facility due to damage, the economic operator who the tobacco product is returned to, would scan the products on its arrival at their facility. If the tobacco product is then destroyed, the economic operator would request the deactivation of the UI stating that the product has been destroyed.</p>
Would an operator of a first retail outlet need to request an aggregate level UI if they are returning tobacco product for refund in aggregate packaging?	<p>An operator of the first retail outlet can return tobacco product in aggregate packing without an aggregate level UI. There is no requirement for operators of first retail outlets to scan tobacco product on arrival or dispatch.</p> <p>The economic operator who the product is returned to must scan the highest level UI on the packaging on arrival at their facility.</p>
If the cab on a trailer swapped, is this classed as a trans-loading event?	<p>When tobacco product is dispatched from a facility, the mode of transport and its vehicle identification is recorded and transmitted along with other information. Vehicle identification includes the licence number plate, train number, plane/flight number, ship name or other identification.</p> <p>If the vehicle information remains the same as when the product was scanned for dispatch and the tobacco product remains linked to the dispatch event, this would not be classed as a trans-loading event.</p>
If the economic operator in possession of the tobacco product changes when it is trans – loaded, does this need to be recorded?	No, when recording and transmitting trans-loading event information, the details of the economic operator in possession of the tobacco product is not required.
Recording and transmitting transactional event information	
What transactional events must be recorded?	<p>Information for the following transactional events must be recorded:</p> <ul style="list-style-type: none"> • issuing an order number

	<ul style="list-style-type: none"> • issuing an invoice • receipt of a payment
Is there a time limit for recording and transmitting transactional information?	<p>Transactional event information must be recorded and transmitted within 24 hours from its occurrence. From 20 May 2028, all transactional event information must be recorded and transmitted within 3 hours from its occurrence. .</p> <p>A transactional event is considered to have occurred once it can be associated with relevant unit packs for the first time.</p>
What if an economic operator does not issue order numbers or invoices?	The economic operator would only record and transmit the information for the receipt of a payment.
How would an economic operator record and transmit the order information if it's not fulfilled in one shipment?	<p>If an order is fulfilled in multiple shipments but has one order number, you must record and transmit the details of the order number when ALL tobacco product UIs have been associated with that order.</p> <p>If you generate a different order number for each shipment, then you would record and transmit one transactional event per order number, even if they've come from one economic operators order.</p>
Data Capture	
Will all economic operators be using the same equipment/process to record and transmit information?	<p>The requirements for recording and transmitting information apply to all economic operators involved in the tobacco supply chain up until the first retail outlet.</p> <p>There are some exceptions to the time limits for small and medium businesses and the full details will be published in the tobacco track and trace guidance on Gov.uk.</p> <p>The Tobacco Products Directive includes the requirement for the tobacco manufactures and importers to provide all economic operators involved in the tobacco supply chain, from the manufacturer/importation to the last economic operator before the first retail outlet, with the equipment to record and transmit the information required.</p> <p>How this requirement will be met by the tobacco manufacturers and importers has not been finalised yet and more information on this will follow.</p>
Can economic operators build their own data capturing systems or will they have to be provided by a 3rd party that has been chosen by HMRC?	<p>The track and trace data recorded and transmitted by tobacco manufacture and imports will be captured and stored in a data capture system known as the primary repository. Manufactures and importers must appoint a third party supplier who is independent from the tobacco industry, to provide this system.</p> <p>For all other economic operators, the track and trace data will be recorded and transmitted via a router which will be provided by a supplier who will be chosen by the EU Commission.</p>

How will the Commission chose a supplier for the router?	<p>The EU Commission will appoint one of the suppliers of the primary repository systems to provider the router for all other economic operators.</p> <p>They will also be responsible for providing a storage system which will hold a copy of the track and trace data held in the primary repository. This is known as the secondary repository system.</p>
How long will economic operators have to ensure our systems can integrate with the router?	<p>The EU Commission will appoint a provider of the router and secondary repository system in November. All systems must be established and ready for testing by 20 March 2019.</p>