

Tracking and Tracing

for Economic Operators

Purpose of the document

This document is intended to provide a general overview on the:

- 1 New track & trace (T&T) requirements and timelines
- 2 New obligations of manufacturers and economic operators (EOs)
- 3 Solution initiated by participating manufacturers

What is Track & Trace?

What is track and trace?



Article 15(5) of the TPD* requires that ***all economic operators, from the manufacturer to the last economic operator before the first retail outlet, record the entry of all unit packets into their possession, as well as all intermediate movements and the final exit of the unit packets from their possession.***

Regulation



- Commission Implementing Regulation (EU) 2018/574 of 15th December 2017
- Commission Delegated Regulation (EU) 2018/573 of 15th December 2017

Requirements

- Carton and pack aggregation (all economic operators)
- Scan in & out until the last economic operator before the first retail outlet

Markets

- All 28 EU markets
- Applicable overseas territories
- EU Duty Free

Timing

- May 2019 for cigarettes and RYO/MYO
- May 2024 for other tobacco products

*Tobacco Products Directive or Directive 2014/40/EU

TPD Track & Trace legislation elements for manufacturers

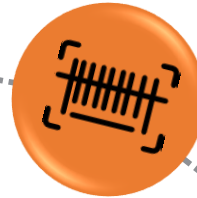
ID Issuer

Authority or body appointed by each Member State, responsible for supplying unique identifiers (UIs) and economic operator, facility and machine identifier codes and keeping a registry of all identifier codes it has issued



Unique Identifier (UID)

All unit packets of tobacco products produced in, destined for, or placed on the EU market will need to display a unique identifier (with predefined information on location and date of manufacture, destination, etc.)



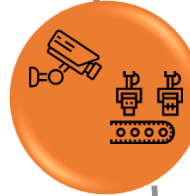
Provision of Equipment

Manufacturers have the obligation to provide all economic operators (to last economic operator before the first retail outlet) involved in the trade of tobacco products with the equipment that is necessary to read and transmit information relating to tobacco product movements to the repositories system



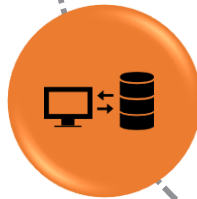
Anti-tampering device

Device capable of creating an unalterable independent record of the verification of the correct application and readability of the UID on the unit packets



Secondary Data Repository

The secondary repository will provide Member States and the Commission with an overview of tobacco product movements in the EU



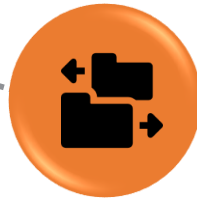
Security features

All unit packets of tobacco products placed on the EU must carry a tamper proof security feature composed of visible and invisible elements

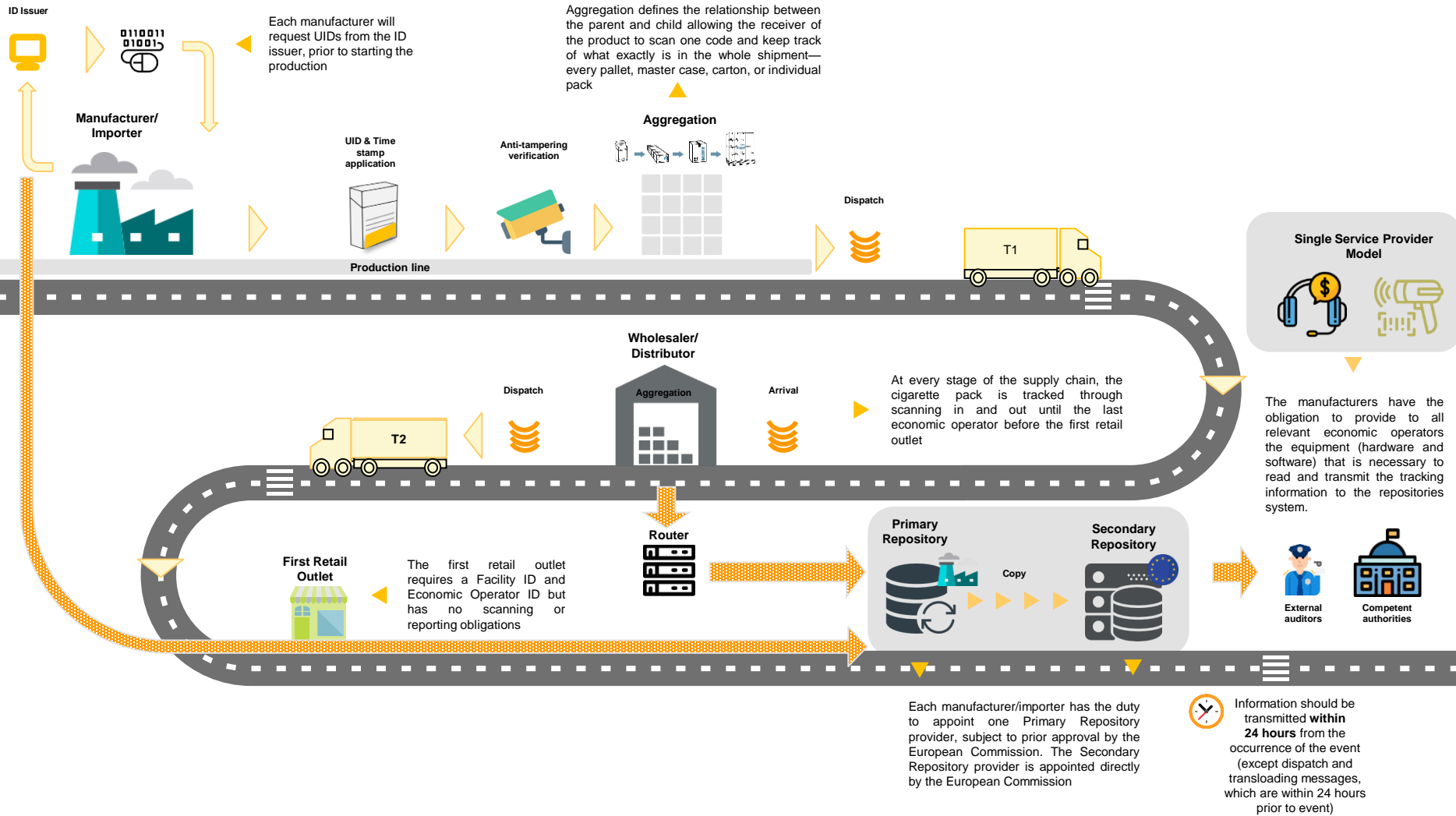


Primary Data Repository

Each manufacturer and importer will have to transmit the traceability information they have recorded to the primary repository contracted by them



How does this look in the journey of a tracked cigarette pack



What is not yet defined

ID Issuers

- It is responsibility of each Member State to appoint the relevant ID issuer in the market
- The deadline for each Member States to appoint an ID issuer is on May 6, 2019

UID

- It is responsibility of each ID Issuer to define the length of the UID

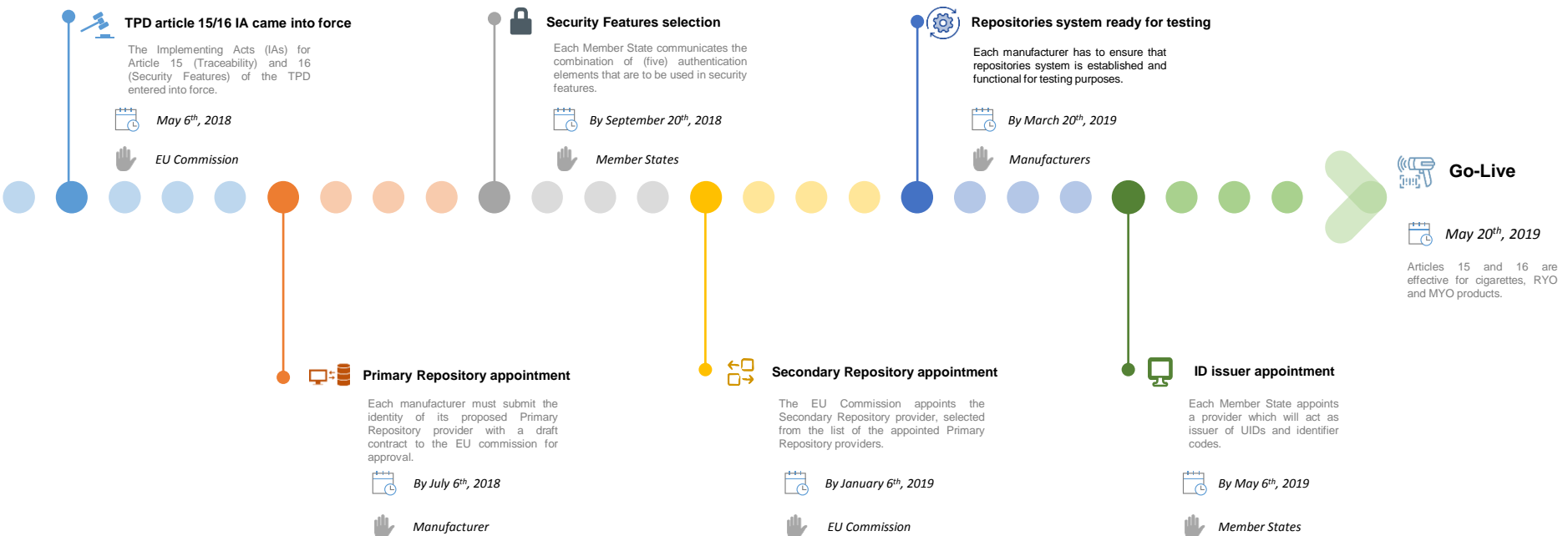
Interfaces

- The exact requirements of the data structure has not laid out yet
- This can only be done once the secondary repository is confirmed (latest by January 6th, 2019)

Registration process

- It is responsibility of the ID Issuer of each Member State to define the registration process for:
 - Economic Operators (EOID) and their
 - Facilities (FID)

EU TPD Track and Trace timelines

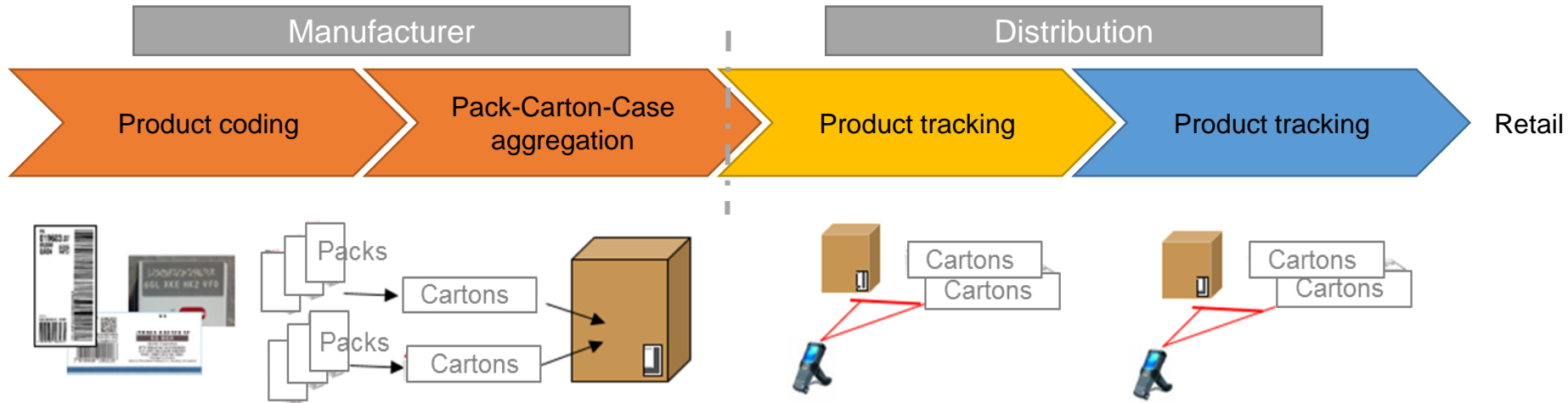


Target timeline as defined in IA

Key player

T&T obligations

EU TPD Track and Trace impacted processes & scope





Article 15.7

Member States shall ensure that the **manufacturers provide** all economic operators in the trade of tobacco products, from manufacturers to the last economic operator before the first retail outlet, including importers, warehouses and transporting companies, with the **equipment that is necessary for the recording of the tobacco products** purchased, sold, stored, transported or otherwise handled. That equipment shall **be able to read and transmit the recorded data** electronically to a data storage facility pursuant to paragraph 8.

Article 15.5

Member States shall ensure that **all economic operators** involved in the trade of tobacco products, from the manufacturer to the last economic operator **before the first retail outlet, record the entry** of all unit packets into their possession, as well as all **intermediate movements** and the **final exit** of the unit packets from their possession.

Main responsibilities for manufacturers and economic operators

	 Manufacturers	 Economic Operators
Registration process	<ul style="list-style-type: none"> • Request identifier codes for themselves, their facilities and machines from relevant ID issuer 	<ul style="list-style-type: none"> • Register as an Economic Operator and register facilities, following the registration process defined by each Member State
Marking of tobacco packaging with unique identifiers	<ul style="list-style-type: none"> • Request UIDs for tobacco packaging from relevant UID issuer • Apply UIDs on packs and verify • Mark aggregated codes and link to packs 	<ul style="list-style-type: none"> • Generate aggregated IDs (if applicable) <i>(See Slide 13 for explanation)</i>
Repositories system	<ul style="list-style-type: none"> • Selection and establishment of the 'primary repositories' • Costs of the repositories system 	<ul style="list-style-type: none"> • N/A
Provision of equipment	<ul style="list-style-type: none"> • Manufacturers are obliged to provide to EOs the scanner plus software necessary to read and transmit the recorded data to the repositories system 	<ul style="list-style-type: none"> • Source the equipment needed to read and transmit recorded data to the repositories system
Recording obligations	<ul style="list-style-type: none"> • Record product movement and relevant transaction events • Transmit required information within the necessary timeframe • Ensure UID encoding using the correct data carriers 	<ul style="list-style-type: none"> • Scan in-, arrival, outbound movements of tobacco products at relevant facilities. Record and report trans loading events. • Record relevant events (e.g. arrival, dispatch, returns, invoicing and payment where applicable) • Transmit required information within the necessary timeframe

**What does an Economic Operator
need to do?**

Economic Operators Obligations

Registration



- **Register as an Economic Operator**, following the registration process defined by each ID Issuer/Member State
- Request an **Economic Operator Identifier code (EOID)**
- Request a **Facility Identifier code (FID)**

Registration Process Status



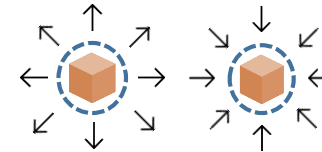
- **ID Issuers will be established for the UK and Ireland:** Contacts, details and registration procedure are TBC

Source Equipment needed to read and transmit the recorded data



- **Source the equipment** needed via the single point of contact (SPOC), which is being set up to handle the requests for participating manufacturers

Disaggregation/ Deactivation/ Aggregation



- Generate aggregated IDs (if applicable)
- Aggregation refers to any packaging containing more than one unit packet of tobacco products

Scan and transmit

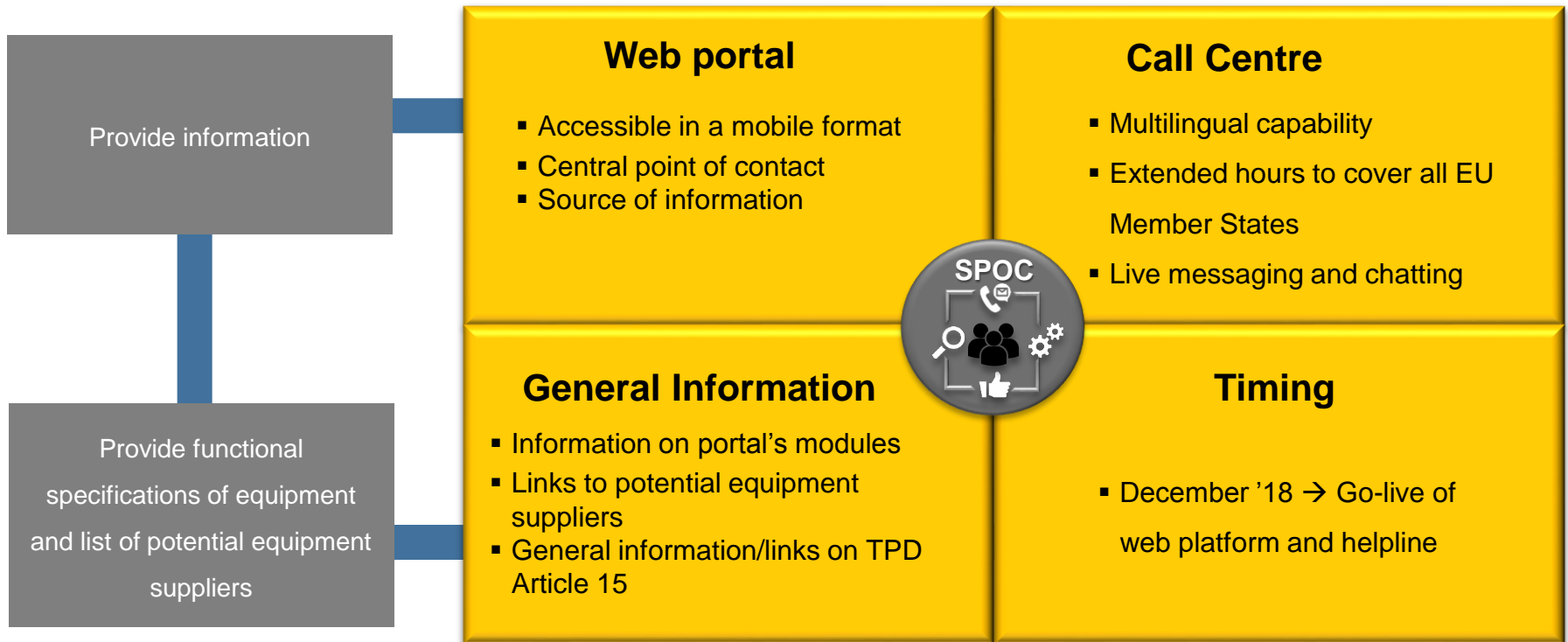


- **Scan in-, arrival, outbound movements** of tobacco products at relevant facilities. Record and report trans loading events.
- **Record** relevant events (e.g. arrival, dispatch, returns, invoicing and payment where applicable)
- **Transmit** required information within the necessary timeframe

How will equipment be provided?

Role of Single Point of Contact

Manufacturers will work with an independent 3rd party to act as a **Single Point of Contact (SPOC)** to assist all Economic Operators (EOs) to provide them with the scanners and software to read and transmit the recorded data to the repositories system.



More details on the exact procedure will follow soon