

**To:** [REDACTED] (TAXUD); [REDACTED] (TAXUD); [REDACTED] (TAXUD)  
**Cc:** TAXUD UNIT C2  
**Subject:** Report meeting with ECMA December 14 2018

**Meeting with ECMA, December 14, 2018:**

The meeting was requested by ECMA to present its views on the ongoing evaluation of Directive 2011/64/EU (the Tobacco Excise Duty Directive)

**Participants:**

ECMA:

- [REDACTED] (ECMA)
- [REDACTED] (BdZ)
- [REDACTED] (Manifatture Sigaro Toscano)

EC Taxud C2: [REDACTED]

**Main issues presented by ECMA :**

- **Main characteristics of cigars and cigarillos:**  
ECMA presented the main characteristics of the market  
ECMA supported the conclusions on cigars and cigarillos of the Comm report of January 2018  
ECMA insisted that cigars and cigarillos continue to be treated differently from other tobacco products  
ECMA noted the 'low tax bearing capacity' of the industry
- **Border line cigarillos:**  
ECMA insisted that the the directive leaves sufficient flexibility to Member States to develop a tax structure to reduce the incentives for low-price cigarillos  
Participants noted that the production of so called borderline cigarillos were different from the more classic and traditional cigars and cigarillos  
They however noted that it would difficult to draw a line based on the technical specifications of these products
- **Definition of smoking tobacco:**  
Participants noted the alleged confusion in DE and SE after the EUCJ judgement on Eko Tabak
- **Directive 2011/64/EU on the structure and rates of excise duty applied to manufactured tobacco**  
We noted that ECMA position on a possible review of the rates as regards cigars and cigarillos was well noted, notably on maintaining the current 'tax gap'  
We indicated that we had taken note of ECMA submission to the OPC.  
We provided for a clarification of the timing of the external study and the evaluation of the Directive

[REDACTED]  
Policy Officer



**European Commission**

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