



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

Brussels,  
 taxud.c.2(2018)789905 [REDACTED]

## MEETING REPORT

- 1. Subject** Movement of Heat-not-Burn tobacco products
- 2. Date and Place** 25 January 2018, Brussels
- 3. Participants** DG TAXUD: Unit C2: [REDACTED], [REDACTED],  
 [REDACTED], Unit C3: [REDACTED], [REDACTED],  
 British American Tobacco: [REDACTED]

### 4. Summary of the discussion

BAT requested a meeting to discuss the issues they experience with the launch of Heat-not-Burn tobacco products in EU Member-States and the related movement of these products.

The Tobacco Excise Duty Directive (Directive 2011/64/EU) does not explicitly mention Heat-not-Burn tobacco products and BAT informed the Commission that some Member States are unsure how to treat and move these products for excise duty purposes. BAT experienced in particular problems in CZ where these products are not taxed for the time being.

TAXUD mentioned that the view of the Commission on the tax treatment of Heat-not-Burn tobacco products is mentioned in the recently published report on tobacco taxation, COM (2018) 17. In the Commission's view, a possible treatment of these products would be to tax them at the same rate as smoking tobacco under the directive. This view has also been shared with the delegates of the Indirect Tax Expert Group.

For all products covered by the Tobacco Excise Duty Directive, it implies the Excise Movement and Control System (EMCS) should be used.

It was clarified that the view above does not apply to e-cigarettes, which are not covered by Directive 2011/64/EU.

Furthermore, TAXUD informed BAT on the timeline for revision of the horizontal excise duty directive (Directive 2008/118/EC). One of the main objectives is to better align excise and customs procedures.

[Redacted]

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**Report by:** [Redacted]

c.c.: [Redacted] (Unit C3), TAXUD LIST C2