Public consultation on the taxation of tobacco products and new products

Fields marked with * are mandatory.

Introduction

Excise duties are indirect taxes on the sale or consumption of specific products such as alcohol beverages and tobacco products. The rules of excise duties on these products are harmonised at EU level.

The EU taxation rules for tobacco products define and classify various tobacco products and lay down the relevant minimum tax rates. The purpose of these rules is to ensure the proper functioning of the internal market and a high level of health protection.

Tobacco taxation is a major instrument to discourage tobacco consumption and reduce smoking prevalence. The high number of smokers in the EU remains a major concern and price gaps between EU countries fuel unintended cross-border shopping.

The current rules date from 2010 and the minimum tax rates have now lost their effect. The rules are also not able to cope with market developments and the entry into the market of new products. Finally, concerns due to fraud remain high.

The current EU rules are therefore being reviewed to ensure that they remain fit for purpose and can contribute to the ambitions of the Europe’s Beating Cancer Plan.

The goal of this public consultation is to ensure that all relevant stakeholders have an opportunity to express their views on the current taxation rules of tobacco products and its future. This consultation will include questions on the effects of the current system, along with possible changes.

The questionnaire is divided into 4 sections, namely:

- Section 1 - on respondent's profile and details;
- Section 2 – on the taxation of traditional tobacco products;
- Section 3 – on tax regimes for new products (like products intended for inhalation and oral intake);
- Section 4 – on the control of the tobacco supply chain.

Please note that to participate in the public consultation you are not obliged to respond to all questions. Some of the questions are conditional on the type of respondent you represent, so you might not see all the questions and the numbering will be interrupted.
You can contribute to this consultation by filling in this online questionnaire. If you are unable to use the online questionnaire, please contact us using the email address below. You can submit your responses in any official EU language and respondents have the ability to attach supplemental materials. For reasons of transparency, organisations and businesses taking part in public consultations are asked to register in the EU’s Transparency Register.

About you

1 Language of my contribution
- Bulgarian
- Croatian
- Czech
- Danish
- Dutch
- English
- Estonian
- Finnish
- French
- German
- Greek
- Hungarian
- Irish
- Italian
- Latvian
- Lithuanian
- Maltese
- Polish
- Portuguese
- Romanian
- Slovak
- Slovenian
- Spanish
- Swedish

2 I am giving my contribution as
- Academic/research institution
- Business association
Company/business organisation
Consumer organisation
EU citizen
Environmental organisation
Non-EU citizen
Non-governmental organisation (NGO)
Public authority
Trade union
Other

3 First name
Maria

4 Surname
Chaplia

5 Email (this won't be published)
maria@consumerchoicecenter.org

10 Please indicate whether your organisation has received financial support from tobacco industry in the past 5 year

Yes
No

11 Organisation name
255 character(s) maximum
Consumer Choice Center

12 Organisation size
Micro (1 to 9 employees)
Small (10 to 49 employees)
Medium (50 to 249 employees)
Large (250 or more)

13 Transparency register number
Check if your organisation is on the transparency register. It's a voluntary database for organisations seeking to influence EU decision-making.

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*14 Country of origin

Please add your country of origin, or that of your organisation.

- Afghanistan
- Åland Islands
- Albania
- Algeria
- American Samoa
- Andorra
- Angola
- Anguilla
- Antarctica
- Antigua and Barbuda
- Argentina
- Armenia
- Aruba
- Australia
- Austria
- Azerbaijan
- Bahamas
- Bahrain
- Djibouti
- Dominica
- Dominican Republic
- Ecuador
- Egypt
- El Salvador
- Equatorial Guinea
- Eritrea
- Estonia
- Eswatini
- Ethiopia
- Falkland Islands
- Faroe Islands
- Fiji
- Finland
- France
- French Guiana
- French Polynesia
- Libya
- Liechtenstein
- Lithuania
- Luxembourg
- Macau
- Madagascar
- Malawi
- Malaysia
- Maldives
- Mali
- Malta
- Marshall Islands
- Martinique
- Mauritania
- Mauritius
- Mayotte
- Mexico
- Micronesia
- Saint Martin
- Saint Pierre and Miquelon
- Saint Vincent and the Grenadines
- Samoa
- San Marino
- São Tomé and Príncipe
- Saudi Arabia
- Senegal
- Serbia
- Seychelles
- Sierra Leone
- Singapore
- Sint Maarten
- Slovakia
- Slovenia
- Solomon Islands
- Somalia
- South Africa
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<thead>
<tr>
<th>Country</th>
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<tbody>
<tr>
<td>Cameroon</td>
<td>Iceland</td>
<td>North Macedonia</td>
<td>Tunisia</td>
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<td>Turkey</td>
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<td>Indonesia</td>
<td>Oman</td>
<td>Turkmenistan</td>
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<td>Iran</td>
<td>Pakistan</td>
<td>Turks and Caicos Islands</td>
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<td>Iraq</td>
<td>Palau</td>
<td>Tuvalu</td>
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<td>Chad</td>
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<td>Paraguay</td>
<td>United Kingdom</td>
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<td>Clipperton</td>
<td>Jamaica</td>
<td>Peru</td>
<td>United States</td>
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<td>Cocos (Keeling) Islands</td>
<td>Japan</td>
<td>Philippines</td>
<td>United States Minor Outlying Islands</td>
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<td>Colombia</td>
<td>Jersey</td>
<td>Pitcairn Islands</td>
<td>Uruguay</td>
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<td>Comoros</td>
<td>Jordan</td>
<td>Poland</td>
<td>US Virgin Islands</td>
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<td>Congo</td>
<td>Kazakhstan</td>
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<td>Cook Islands</td>
<td>Kenya</td>
<td>Puerto Rico</td>
<td>Vanuatu</td>
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<td>Costa Rica</td>
<td>Kiribati</td>
<td>Qatar</td>
<td>Vatican City</td>
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<td>Côte d’Ivoire</td>
<td>Kosovo</td>
<td>Réunion</td>
<td>Venezuela</td>
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<td>Croatia</td>
<td>Kuwait</td>
<td>Romania</td>
<td>Vietnam</td>
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<td>Cuba</td>
<td>Kyrgyzstan</td>
<td>Russia</td>
<td>Wallis and Futuna</td>
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<td>Curaçao</td>
<td>Laos</td>
<td>Rwanda</td>
<td>Western Sahara</td>
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<td>Cyprus</td>
<td>Latvia</td>
<td>Saint Barthélemy</td>
<td>Yemen</td>
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</table>
The Commission will publish all contributions to this public consultation. You can choose whether you would prefer to have your details published or to remain anonymous when your contribution is published. For the purpose of transparency, the type of respondent (for example, ‘business association’, ‘consumer association’, ‘EU citizen’) country of origin, organisation name and size, and its transparency register number, are always published. Your e-mail address will never be published. Opt in to select the privacy option that best suits you. Privacy options default based on the type of respondent selected.

16 Contribution publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

- **Anonymous**
  Only organisation details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published as received. Your name will not be published. Please do not include any personal data in the contribution itself if you want to remain anonymous.

- **Public**
  Organisation details and respondent details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published. Your name will also be published.

I agree with the personal data protection provisions

Taxation of traditional tobacco products
17 In your opinion, how affordable are the following tobacco products in your country?

<table>
<thead>
<tr>
<th>Tobacco Product</th>
<th>Very affordable</th>
<th>Affordable</th>
<th>Not so affordable</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cigarettes</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Fine-cut tobacco for the rolling of cigarettes</td>
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<tr>
<td>Cigars and cigarillos</td>
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<tr>
<td>Pipe tobacco</td>
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<tr>
<td>Water-pipe tobacco</td>
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</tbody>
</table>

18 The tax rates on tobacco products vary substantially from one EU countries to another. In your view, should the EU increase the minimum tax rates applied to the following tobacco products?

<table>
<thead>
<tr>
<th>Tobacco Product</th>
<th>Yes, significantly</th>
<th>Yes, moderately</th>
<th>No, tax rates should not change</th>
<th>No, tax rates should decrease</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cigarettes</td>
<td></td>
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<td>Cigars and cigarillos</td>
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<tr>
<td>Other smoking tobacco (e.g. pipe and waterpipe tobacco)</td>
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</tbody>
</table>

19 The EU applies different tax rates to different tobacco products. In your view, is there a need to reduce the gap in tax levels between products?

Please, express your agreement/disagreement with the following statements.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Agree</th>
<th>Partly agree</th>
<th>Neutral</th>
<th>Partly disagree</th>
<th>Disagree</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>The gap between the taxation of cigarettes and fine-cut tobacco for the</td>
<td></td>
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<td>rolling of cigarettes should be reduced.</td>
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<tr>
<td>The gap between the taxation of cigarettes and cigarillos should be</td>
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<td>reduced.</td>
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<tr>
<td>The EU policy should tax all tobacco products at equivalent levels.</td>
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</tbody>
</table>
20 The difference in the price of cigarettes between EU Member States can fuel unintended levels of cross-border shopping. How important is it that EU policies contribute to reducing such differences?

- Very important.
- Moderately important.
- Barely important.
- Not important at all.
- Don’t know.

21 The affordability of tobacco products depends not only on price levels, but also on the average income of consumers; a circumstance which is different across EU Member States. In your view, should the EU consider disparities in income levels when setting the minimum tax rates for tobacco products?

- Yes, definitely.
- Yes, partly.
- Not at all.
- Don’t know.

22 Please feel free to add any further comments regarding a possible revision of the EU rules on the taxation of traditional tobacco product:

Smoking should be seen as a matter of consumer choice and personal responsibility. Tobacco products should not see any further scrutiny. The evidence regarding the effectiveness of taxes, marketing and other restrictions is too weak to justify such interventions. Furthermore, such policies encourage illicit trade. Tobacco price disparity between the EU and other countries in Europe is a contributing factor; however, that also demonstrates that despite anti-tobacco efforts, demand for cigarettes doesn’t go away.

Adult consumers should be encouraged to make responsible choices bearing in mind the consequences of their actions. Long-shot policies based on respect for consumer choice such as education should be preferred over restrictions.

Taxation of new products

Note: In this section, any reference to the taxation of electronic cigarettes and heated tobacco products always refers to the consumable parts (i.e. liquids for e-cigarettes, sticks and capsules etc.) and never to the hardware (i.e. electronic device) component.

23 Various new products appeared on the EU market in the past few years. In your view, should the EU harmonise tax rules and minimum rates for such products?
Please, provide separate answers for the following products.
24 If the EU establishes a minimum tax on heated tobacco, the tax amount should be …
- Lower than tax levels applied to fine-cut tobacco for the rolling of cigarettes.
- Similar to tax levels applied to fine-cut tobacco for the rolling of cigarettes.
- Higher than tax levels applied to fine-cut tobacco for the rolling of cigarettes but lower than cigarettes.
- Similar to tax levels applied to cigarettes.
- Don’t know.

25 If the EU establishes a minimum tax on e-cigarettes, the tax amount should be …
- In line with the highest levels currently applied in EU Member States* (e.g. approximately € 0.3/ml).
- In line with the lowest level currently applied in EU Member States* (e.g. approximately € 0.1/ml).
- None.
- Don’t know.

(*) with reference to EU Member States that have adopted an ad hoc tax on e-cigarettes

26 If the EU establishes a minimum tax on other smokeless products for chewing or nasal use, the tax amount should be…
- In line with tax levels applied to smoking tobacco.
- In line with tax levels applied to heated tobacco.
- In line with tax levels applied to e-cigarettes.
- None.
- Don’t know.
27 Should the EU’s harmonised rules also cover products containing cannabidiol (CBD)?

- Yes, always.
- Only products intended for smoking.
- Only products intended for smoking or inhalation (but not those for oral intake).
- No, never.
- Don’t know.

28 Please feel free to add further comments regarding possible EU tax regimes for new products:

As a global consumer group representing millions of consumers in Europe and globally, we have been working on spreading the harm reduction message to help spread awareness about vaping as a life-saving tool both among smokers and non-smokers. In light of the EU Beating Cancer plan, Dutch vape flavour ban, and proposed German tax on nicotine e-liquids, it appears that the European Union and Member states have decided to turn a blind eye to smokers and push them into abstinence through coercion. Such an approach is disastrous and should be reconsidered.

Control of the tobacco supply chain

29 Tobacco tax fraud in the EU amounts to approximately EUR 10 billion annually. How serious do you believe is the problem of illicit tobacco products trading in your country?

- Major problem.
- Moderate problem.
- Limited problem.
- Not a problem.
- Don’t know.

30 There is evidence of an increase in the unlawful production of cigarettes in clandestine factories within the EU. Should the EU take further action to support Member States in fighting against these practices?

- Yes, definitely.
- Maybe.
- No.
- Don’t know.
31 Movements of manufactured tobacco products are tracked and monitored across the EU through an electronic control system to avoid fraud. Such a system could be extended to raw tobacco to address the risk of illicit manufacturing.

To what extend do you agree with the following statements?

<table>
<thead>
<tr>
<th></th>
<th>Agree</th>
<th>Partially agree</th>
<th>Neutral</th>
<th>Partially disagree</th>
<th>Disagree</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Movements of raw tobacco across the EU should be tracked and monitored through an electronic control system harmonised at the EU level.</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
</tr>
<tr>
<td>Such a system would be able to contribute to reduce illicit manufacturing.</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
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<tr>
<td>Other approaches should be considered.</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
</tr>
</tbody>
</table>

32 Please feel free to add any further comments regarding enhanced controls of raw tobacco supply chain and the adoption of relevant measures at the EU level:

33 If you wish to upload a complementary document, please use the upload button below:

Only files of the type pdf, txt, doc, docx, odt, rtf are allowed

Please note that the uploaded document will be published alongside your response to the questionnaire, which is the essential input to this open consultation. The document is an optional complement and serves as additional background to better understand your position.

Contact

Contact Form