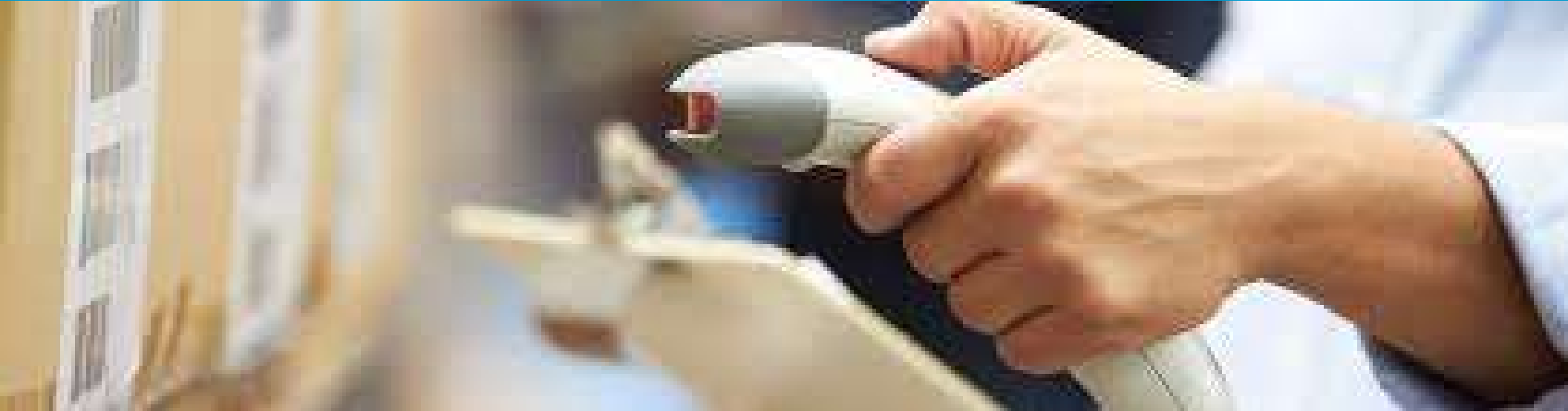




HM Revenue
& Customs

UK Tobacco Track and Trace overview

MOP3 - 12 February 2024



Establishing tobacco traceability in the UK



The UK introduced the EU track and trace system in May 2019

Supplier 1

The UK appointed a supplier via open tender to act as the UK ID issuer within the EU system



The UK adopted its own track and trace system in January 2021 at the end of the Transition Period

Supplier 2

UK appointed new supplier via open tender to act as the UK ID Issuer and supplier of the UK Tobacco Track and Trace (T&T) system



HM Revenue
& Customs

OFFICIAL

The UK facts & figures

- In the UK, approximately 1.6bn unit packets of cigarettes and hand-rolling tobacco (HRT) sold each year
- Manufacturing outside of the UK
- Illicit trade impacts on the UK from both non-UK duty paid product and counterfeit product
- Over 60,000 businesses and 90,000 facilities registered in the UK T&T system
- UK supplier issues digital ID codes which are applied to products and scanned through the whole supply chain

Paying for the system

UK law establishes that manufacturers and importers are responsible for all costs of the system

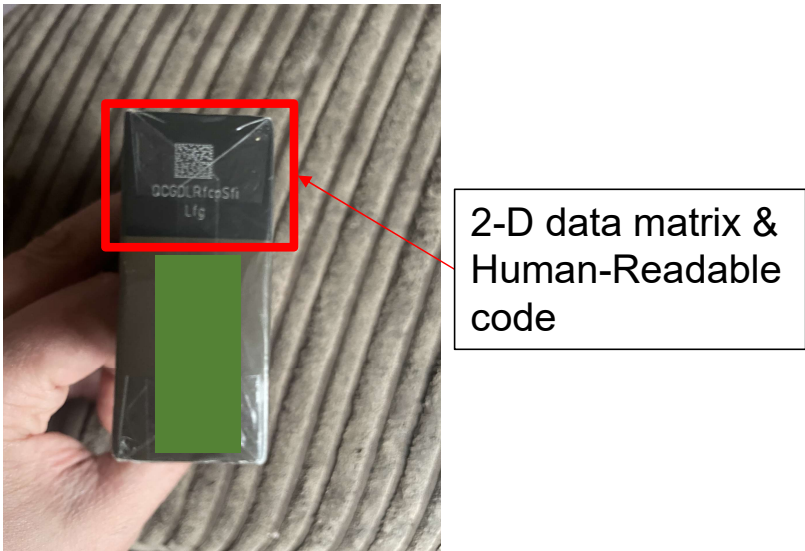
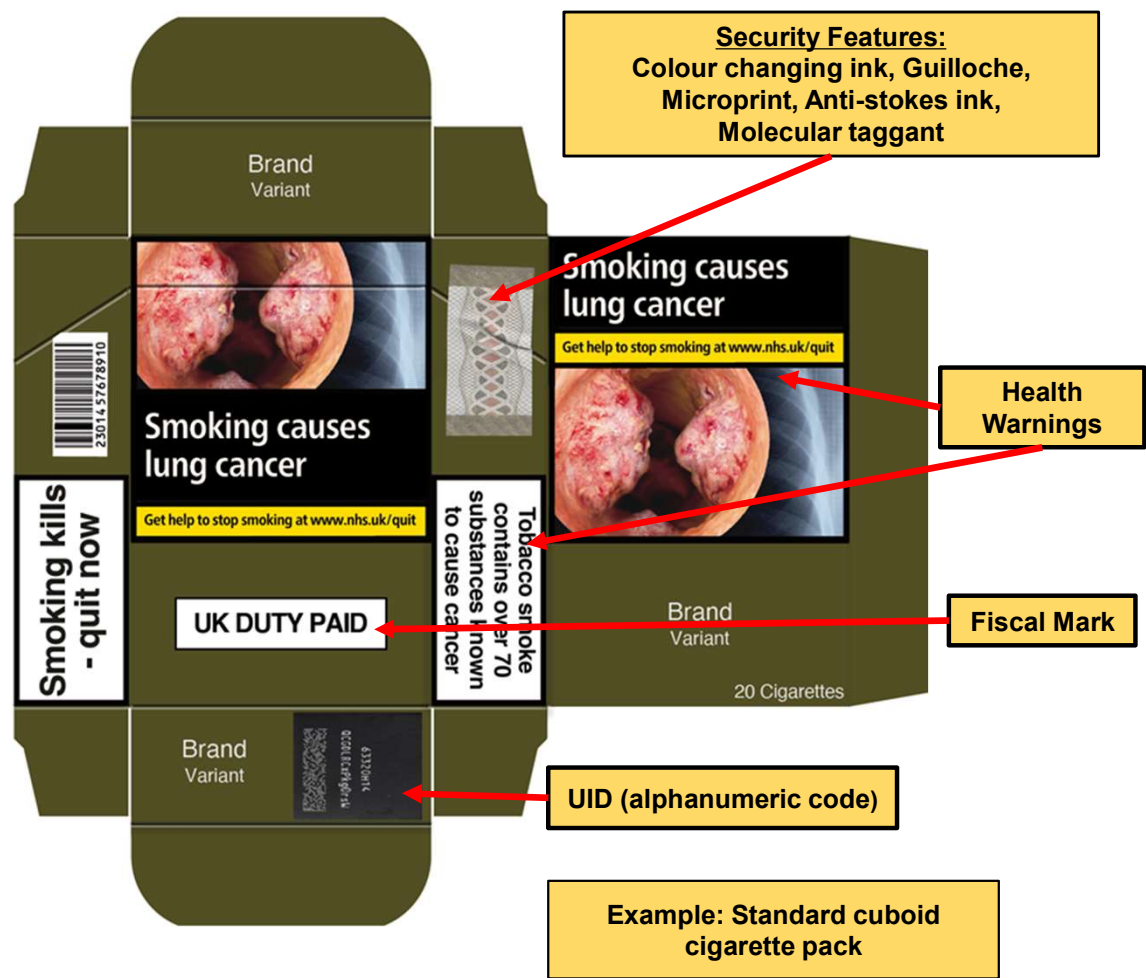
- Purchasing UK UIDs from the UK supplier to be applied to each individual product
- Paying for the scanning equipment & software needed by businesses to transmit supply chain messages
- Installing Anti-Tampering Devices (ATDs) on production lines
- Purchasing security labels from their chosen security printer
- Absorbing additional supplier costs due to changes in legislation

Independence

UK has strict regulation in place to ensure that the system is independent from the tobacco industry. The UK system supplier and suppliers of ATDs & security labels must be independent in the following ways:

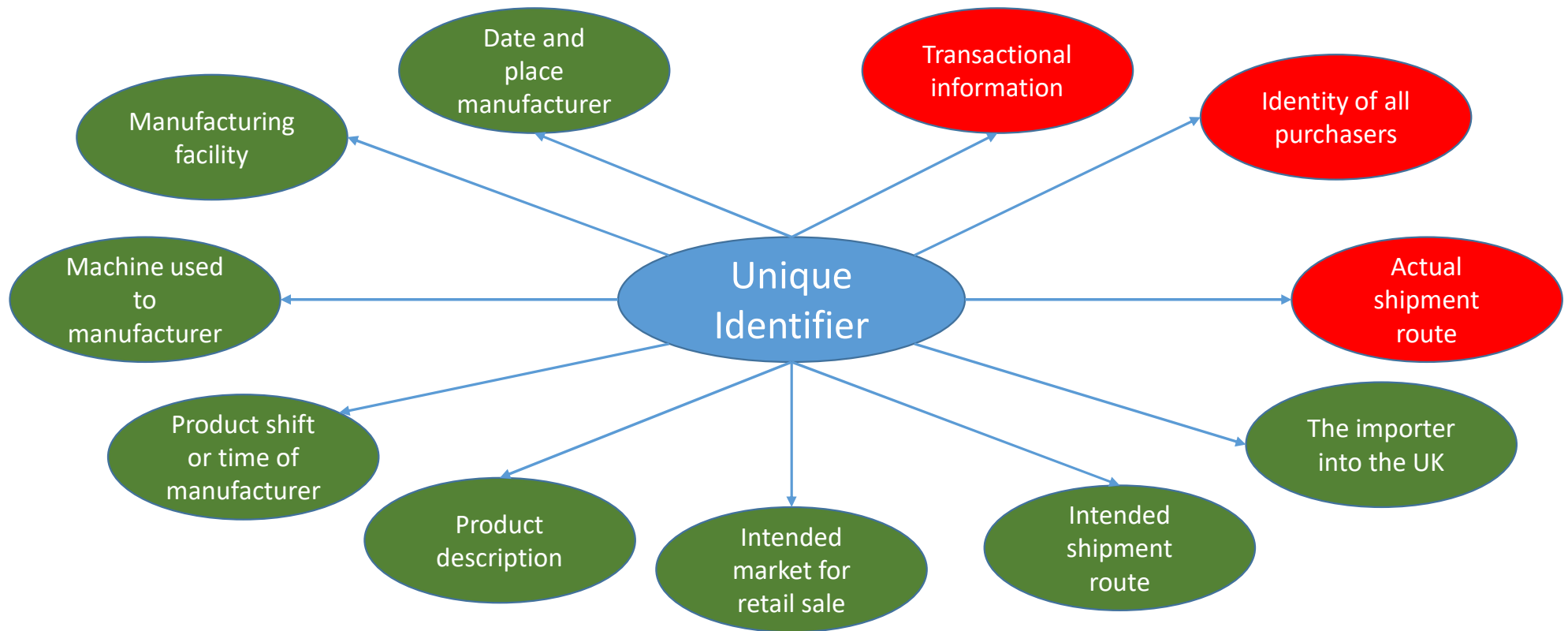
- Company structure
- Financial
- Management

Tobacco Track & Trace System – position of UI and Security Feature

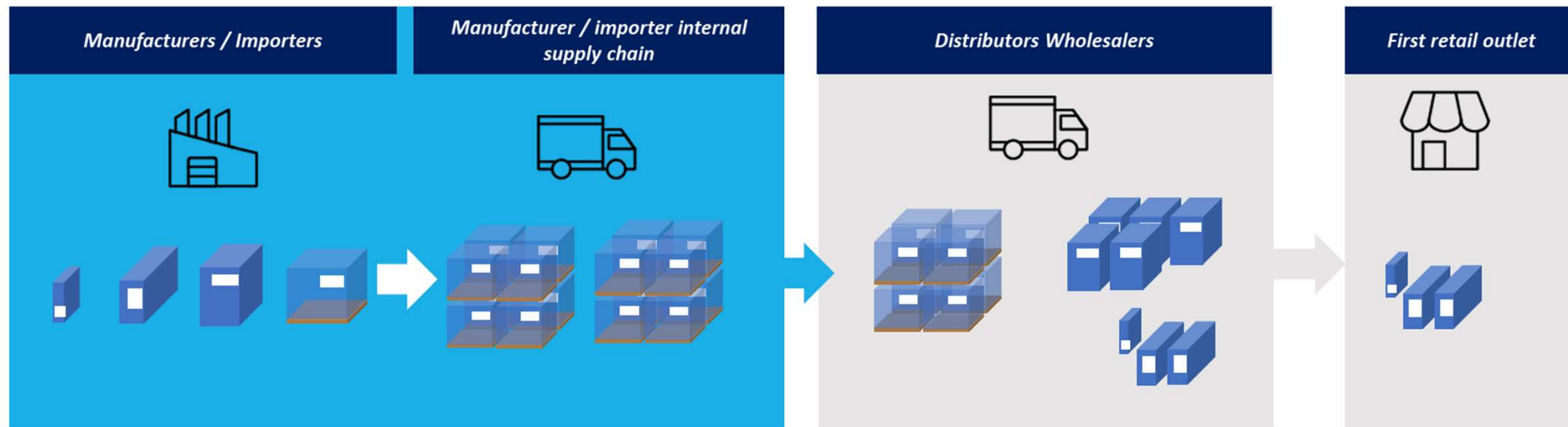


**Image courtesy of Action on Smoking and Health (ASH)*

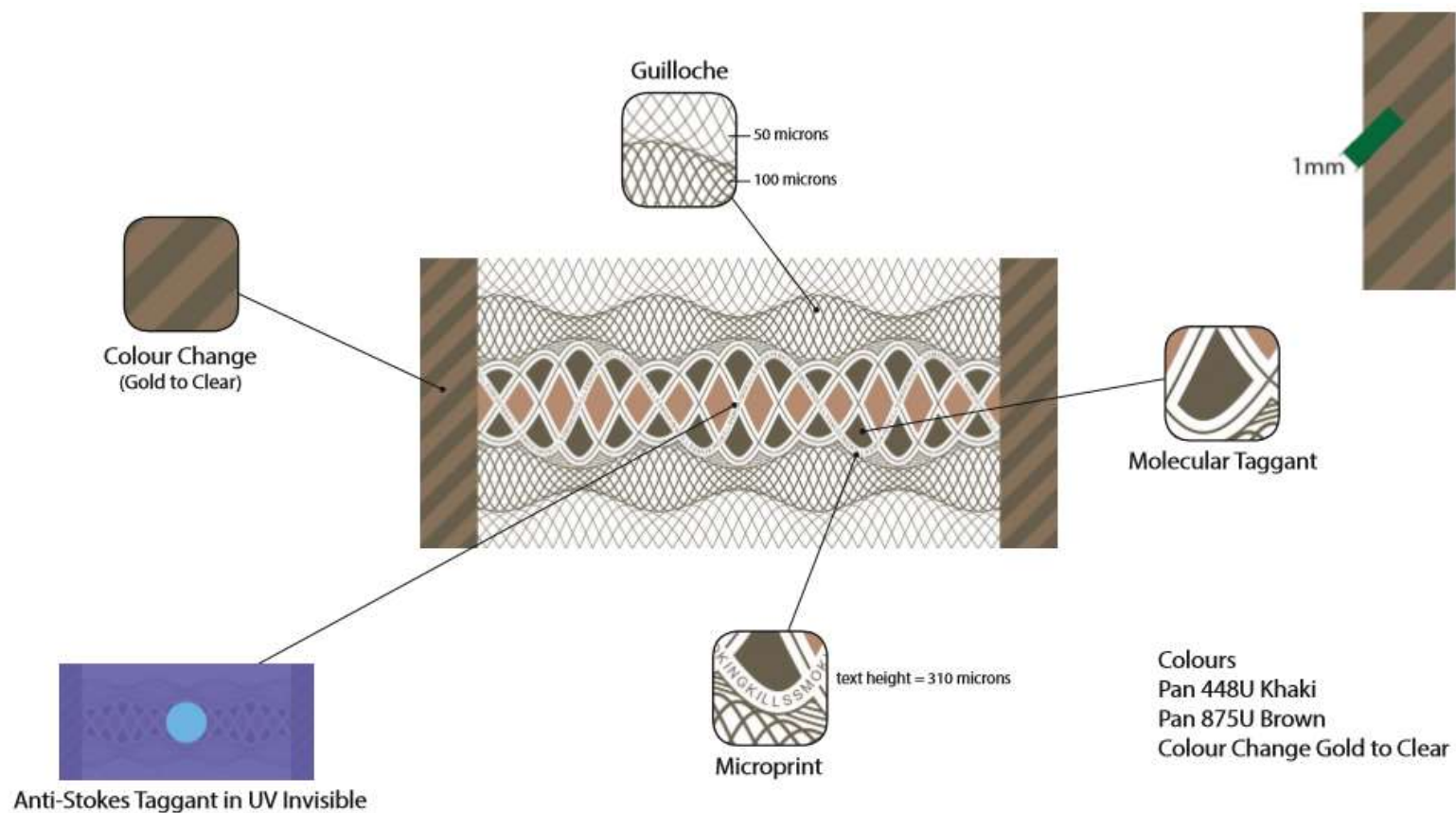
Tobacco Track and Trace – Unique Identifiers and information held in secondary repository system



Aggregate codes



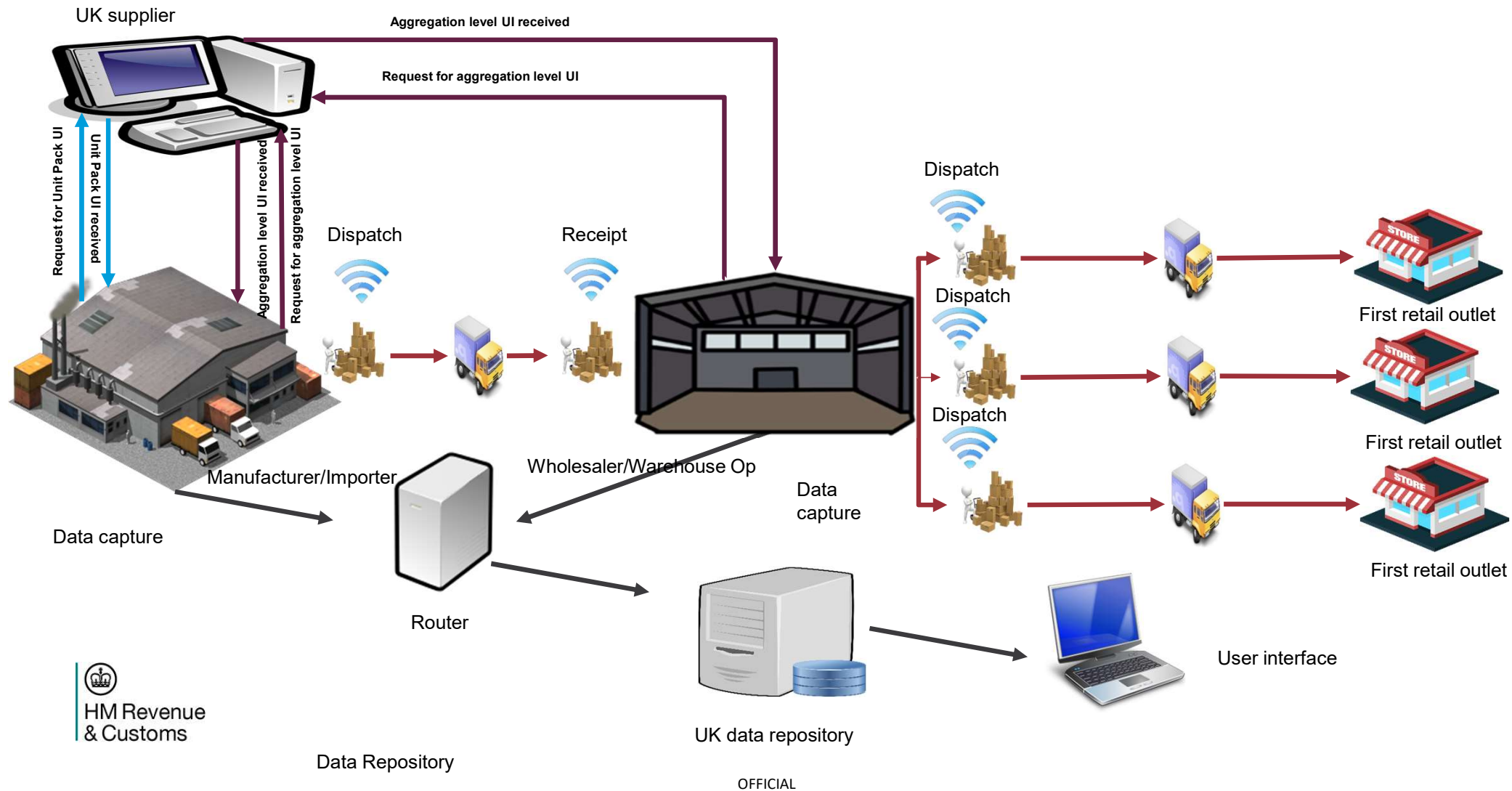
Tobacco track & trace – UK Security Feature Label



HM Revenue
& Customs

OFFICIAL

Tobacco track & trace - Operational System Structure



Digital coding solution

Code pairing definition

The capacity to link a foreign code (UI) with a UK code (UI)

For imported products (e.g. produced in the EU) to not have both the EU and UK codes, the EU code is physically preserved, but digitally associated to the UK code.

What?

Why?



HM Revenue
& Customs

OFFICIAL

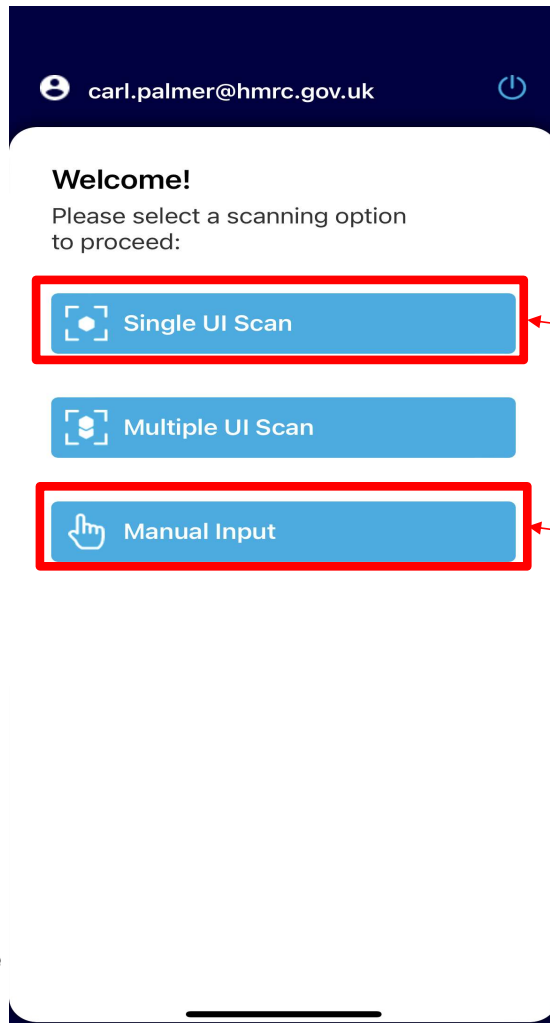


HM Revenue
& Customs

UK Tobacco Track and Trace data



T&T App Tracking



Scan 2-D datamatrix
on bottom of packet

Manually input human-
readable code

OFFICIAL

T&T App Tracking Results

Positive
result

Results

UI Status Timeline Hierarchy

UI EXIST

UID: [redacted] aYups [redacted]

Generated on
20/02/2023 05:25:13

UID status
Activated

State
Retail outlet

Product type
Roll your own tobacco

Unit type
Unit Packet

LAST EVENT

Event type
27 EVD - Delivery with W to Retail Outlet

NON-EXISTENT UI

Negative
result

Results

UI Status Timeline Hierarchy

NON-EXISTENT UI

UID: [redacted] 1234 [redacted]

Generated on
01/01/0001 00:00:00

UID status
N/A

State
Does not exist

Product type
N/A

Unit type
N/A

LAST EVENT





Event type


























OFFICIAL



HM Revenue
& Customs

T&T Tracking results

LEWL16hzENTGDgbHGa	
WaYupsq	
8RbRZ0Ag	
WQChNV	
/4hm2Mz	
 hzENTGDg	Lower level UIs list upUIs list ▼
 8RbRZ0Ag	Lower level UIs list upUIs list ▼
 WQChNV	Lower level UIs list upUIs list ▼
 /4hm2Mz	Lower level UIs list upUIs list ▼

-  20/02/2023 05:25 am  2.1 IRU - Generation of upUIs 
-  27/02/2023 12:06 am  3.A1 PAR - Code Pairing 
-  27/02/2023 12:06 am  3.1 EUA - Activated 
-  27/02/2023 12:49 am  3.2 EPA - Aggregation 
-  27/02/2023 12:49 am  3.2 EPA - Aggregation 
-  27/02/2023 12:49 am  3.2 EPA - Aggregation 
-  28/02/2023 01:30 pm  3.4 ERP - Arrivals 
-  15/05/2023 09:20 pm  3.2 EPA - Aggregation 
-  15/05/2023 09:34 pm  3.3 EDP - Dispatch 

OFFICIAL

Data reporting

- Registration data (Business details - VAT/Excise number)
- Product type (Cigarettes, HRT etc)
- Manufacturer (Market share)
- Brand (total volumes in UK market)
- Individual product (prevalence of specific products in specific areas)
- By individual business (e.g. all products purchased by a business)
- By facility (how many of which products)
- Geographical (Prevalence of tobacco sales in a certain area/postcode)



Sanctions & Enforcement

- Compliance notices
- Suspension or deactivation of EOID
- Seizure of products
- Increasing scale of fines
- Trading Standards
- Referrals to HMRC
- Using data to proactively influence enforcement activity

Questions

