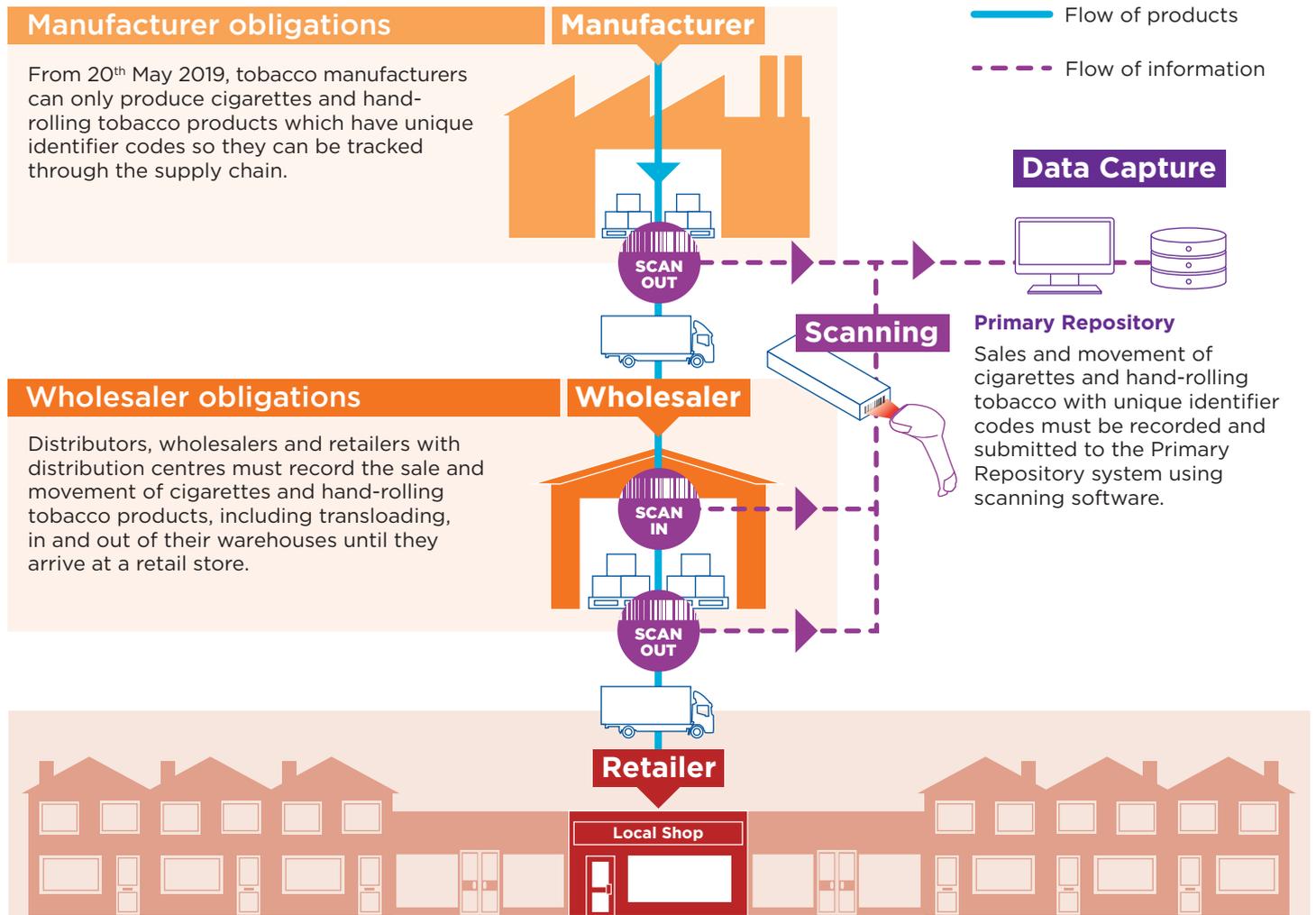


On 20th May 2019, track and trace will come into effect. The regulations are part of the EU Revised Tobacco Products Directive (2014/40/EU) which is now UK law.

The intention of the track and trace regulations is to ensure that legitimate tobacco products can be tracked through the supply chain, and that only retailers who have registered for codes for their business can purchase legitimate tobacco. The UK lost around £2.5bn to the illicit tobacco market in 2016/17, so the regulations are an important part of the fight against criminals buying and selling illegitimate products. At any time, if you suspect another business in your area selling illicit tobacco, or you have been approached to purchase illicit tobacco, you should call the HMRC fraud hotline on 0800 788 887.

How does track and trace work?

The following diagram details how tobacco products will move through the supply chain and the checks that need to take place under the new regulations.



Retailer obligations

To purchase cigarettes and hand-rolling tobacco with unique identifier codes, retailers must have an: **Economic Operator Identifier Code (EOIC)** (for their business) AND **Facility Identifier Code (FIC)** (for each store they sell tobacco from and for each premises which stores tobacco) by 20th May 2019.

Retailers will need to make sure that they share their identifier codes with their suppliers when:

My EOIC code is...
My FIC code is...

Can I have your codes please?

Yes, my codes are...

- 1 **Ordering tobacco remotely**
- 2 **Purchasing tobacco at a cash and carry**

Clarification about scanning

Retailers are not required to scan or track tobacco products that they receive in-store or the movement of tobacco products between their stores.

What do retailers need to do?



Retailers must have an Economic Operator Identifier Code for their business **AND** a Facility Identifier Code for each store they sell tobacco from and for each premises which stores tobacco.



STEP 1: EOIC

STEP 2: FIC

Retailers can apply for their identifier codes on De La Rue's (government appointed ID issuer) website:
<https://eutpd.uk.delarue.com>

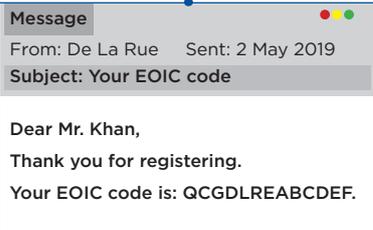
STEP 1: To apply for an Economic Operator Identifier Code (EOIC)

1. Create account.
2. Provide business details, including: address, country, VAT or Tax number, excise number.
3. Provide contact details, including: first name, last name, email, phone number.
4. Once completed, retailers will receive an email **within two working days** with their Economic Operator Identifier Code.

Please note: Businesses do not need to provide their billing information if they do not scan tobacco products.

STEP 2: To apply for a Facility Identifier Code (FIC)

1. Once the Economic Operator Identifier Code has been received, retailers must log into their account.
2. Select facilities, create new facility.
3. Provide information related to the store, including: address, country, excise number.
4. Once completed, the Facility Identifier Code is **immediately generated**.



What to look for

Economic Operator and Facility Identifier Codes will contain 13 characters. The first six characters refer to the ID issuer identifier code, which is: QCGDLR. Economic Operator Identifier Codes will include an 'E' while Facility Identifier Codes will include an 'F'. The code will then be followed by six other characters, for example:

- **Economic Operator Identifier Code** - QCGDLR**E**ABCDEF.
- **Facility Identifier Code** - QCGDLR**F**ABCDEF.

Bulk upload process

Wholesalers and multiple retailers with a large number of stores can use a bulk upload process to apply for their Facility Identifier Codes. To do this, retailers will first need to apply for their EOIC following Step 1 above and then complete a Bulk Integration Template, which you can request from Julie.Byers@acs.org.uk. The Bulk Integration Template should be sent to De La Rue by 30th April 2019.

Third party applications

Third parties, including wholesalers, can apply for Economic Operator Identifier Codes and Facility Identifier Codes on behalf of retailers.

However, it is up to each wholesaler to determine whether they will offer this service to their customers and it is still the retailer's responsibility to ensure that they have their identifier codes.

Regardless of who applies for the code, retailers can trade with any wholesaler to purchase tobacco.



Sell through

Retailers have until **20th May 2020** to sell through cigarettes and hand-rolling tobacco produced before **20th May 2019**, which do not have unique identifiers or security features.

Penalties



If retailers breach the regulations (in any of their stores), they could lose their Economic Operator Identifier Code and their ability to purchase cigarettes and hand-rolling tobacco. Retailers would commit an offence under the regulations, if they have:

- Sold illicit tobacco on three or more occasions within any 12-month period and where illicit tobacco has been seized.
- Failed to rectify their non-compliance after being issued a compliance notice (for example, a retailer has not applied for a code).
- A conviction for selling illicit goods under the customs and excise Acts.
- Received a penalty exceeding £10,000 for selling illicit goods within the last 12 months.
- Not used their identifier code in the last 12-months.
- Deliberately provided false information in an application to the UK ID Issuer for an identifier code.

It is up to the enforcement officer to determine how long an Economic Operator Identifier Code would be deactivated for. During this time, retailers cannot apply for another Economic Operator Identifier Code.

Please note: Offences apply cumulatively to the business rather than applied to each store.

CONTACT

For more details on this guidance, contact a member of the ACS team on 01252 515001. For more details on ACS:

Visit: www.acs.org.uk

Call: 01252 51500

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