

28th October 2019

Exchequer Secretary to the Treasury
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Dear Exchequer Secretary

HMRC Support with Tobacco 'Track and Trace' Implementation

We are writing to again raise our concerns, following our letter dated 19th July 2019 (MC2019/11036 PCU), about the support available for retailers and wholesalers to comply with the tobacco 'track and trace' regulations (Article 15 & 16 of the TPD 2014/40/EU). Our members continue to raise concerns about clarity of the regulations, particularly as new tobacco stock has now entered the supply chain. There are barriers to compliance outside of wholesaler and retailers' control, and further support is needed from HMRC to help businesses meet their requirements under the regulations.

We have been working closely with your officials to understand the tobacco track and trace regulations in the short timeframes available. After extensive consultation, we submitted a list of comprehensive questions to your officials on 30th September 2019 to help our members comply with the regulations (the list of questions is enclosed for your reference). We have still not received a response to the questions, and this is acting as a barrier to compliance. We seek your help in securing the answers to these questions and if possible, the publication of detailed guidance on the interpretation of the regulations.

We also seek urgent clarification on what tobacco manufacturers must provide wholesalers and retailers to comply with their obligations under the regulations. Our members have raised concerns that the funding does not cover the cost of replacement equipment, maintenance, and software and hardware for future sites. Moreover, retailers and wholesalers have also raised concerns that funding available, in some instances, only appears to cover one off implementation costs rather than the cost for businesses to fulfil their obligations for the lifetime of the regulations. We would welcome reassurances from HMRC that tobacco manufacturers must provide the necessary equipment to retailers and wholesalers for the lifetime of the regulations.

We are committed to working with your officials on the delivery of tobacco 'track and trace' and we hope that you can support HMRC to be more proactive to help businesses achieve compliance.

Yours sincerely



James Lowman
Chief Executive
Association of Convenience Stores



James Bielby
Chief Executive
Federation of Wholesale Distributors

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