

EUROPEAN COMMISSION
DIRECTORATE-GENERAL
TAXATION AND CUSTOMS UNION

The Director-General

Brussels,
taxud.c.2(2015)2842515 AB/sn

Smoke Free Partnership et al.
Rue de l'Industrie 24
B-1040 Brussels

Subject: Participation in the Eurasia Tax Forum

Dear representatives of tobacco control and public health organisations,

Thank you for your letter of 22 May last in which you express your concerns about my participation to the Eurasia Tax Forum 2015, organised by the International Tax and Investment Centre (ITIC) in Brussels on 1 July 2015.

I have taken note of your concerns regarding my participation in this event given the past activities of ITIC in relation to the World Health Organisation's Framework Convention on Tobacco Control (FCTC). However, I would like to assure you that the Commission takes its obligations as a party to the FCTC very seriously. As you have stressed in your letter, Article 5, paragraph 3, FCTC requires parties to protect their public health policies with respect to tobacco control from commercial and other vested interests of the tobacco industry. I can confirm that my participation in the Eurasia Tax Forum will have no bearing whatsoever on the Commission policy regarding the implementation of public health policies with respect to tobacco control.

Yours sincerely,



Heinz Zourek

c.c.: Mr Bergmann, Mr Carroll, Mr Hein, Ms Jones, Ms Bouw

22 May 2015

Mr Heinz Zourek
Director General for Tax and Customs Union
European Commission

Re: Your participation in the Eurasia Tax Forum, 30 June-2 July 2015

Dear Mr Zourek,

We are writing as representatives of European and international tobacco control and public health organisations to draw to your attention our concerns related to your announced participation to the Eurasia Tax Forum 2015 organised by the International Tax and Investment Center (ITIC)¹ in Brussels, on 1 July 2015.

The European Union as a Party to the WHO Framework Convention on Tobacco Control (FCTC) is legally bound to protect its policies from the commercial and vested interests of the tobacco industry. The guidelines to Article 6 of the WHO FCTC on tobacco taxation clearly state that tax policies are included in the obligations set out in Article 5.3.² The ITIC is an organisation funded and steered by the tobacco industry, indeed four of the major transnational tobacco companies (PMI, BAT, JTI, and ITG) are listed as sponsors³ and three of them are listed as represented on the Board of Directors⁴ of ITIC.

Since its establishment, ITIC has produced many publications on areas related to tobacco taxes and prices, investment and illicit trade in tobacco products and attempted to weaken the provisions of the Guidelines on article 6 of the FCTC⁵, as well as those of the current Tobacco Tax Directive⁶ and Tobacco Products Directive⁷. There is further evidence of a long history of ITIC activities on behalf of the tobacco industry documented by researchers on the Tobacco Tactics site⁸. This history was also referred to in a *Note Verbale* by the FCTC Secretariat ahead of

¹ <http://www.iticnet.org/images/ETF2015webagenda.pdf> (agenda last accessed 12 May 2015)

² [Guidelines for the implementation of Article 6 of the FCTC](#) (last accessed 18 May 2015)

³ http://iticnet.org/Sponsors_Roster (last accessed 13 May 2015)

⁴ http://iticnet.org/Sponsors_BoardOfDirectors (last accessed 13 May 2015)

⁵ For example, see <http://www.iticnet.org/file/document/watch/3835>

⁶ For example, see "The Illicit trade on Tobacco Products and How to Combat it, 2011,

<http://iticnet.org/file/document/download/2759> (last accessed 13 May 2015);

⁷ ITIC presentation to Kangaroo Group Meeting on 30 May 2011,

<http://iticnet.org/file/document/download/2839> (last accessed 13 May 2015); and

http://www.tobaccojournal.com/ITIC_warns_on_growing_illicit_tobacco_trade.50570.0.html

⁸ http://www.tobaccotactics.org/index.php/International_Tax_and_Investment_Center (last accessed 13 May 2015)



the Sixth Conference of the Parties for the FCTC in Moscow⁹, discouraging Parties from attending ITIC-sponsored events. Recently, concerns about the role played by the tobacco industry in ITIC led to the withdrawal of the World Bank from the ITIC-sponsored 2015 Asia-Pacific Tax Forum¹⁰. Finally, in a statement of 16 May 2015, the WHO urged all governments to “follow a non-engagement policy with ITIC”.¹¹

Recommendation 2.1 of the guidelines to Article 5.3 of the WHO FCTC specifically states that “Parties should interact with the tobacco industry only when and to the extent strictly necessary to enable them to effectively regulate the tobacco industry and tobacco products”. The participation of the European Commission in such a conference is not “strictly necessary”. DG TAXUD has already announced a stakeholder consultation on 28 May 2015, which will give ample opportunity for the tobacco industry to make its voice heard on the subject of tobacco taxation.

We urge you, as the highest ranking representative of the European Commission on the agenda, to withdraw from the Eurasia Tax Forum, and to encourage other colleagues in the Commission to do the same. This would send a very strong signal to the health community worldwide that the EU is taking its legal obligations under the FCTC seriously.

We look forward to your response and remain at your disposal for any further information.

Yours sincerely,

Florence Berteletti
Director, Smoke Free Partnership

Archie Turnbull
President, Smoke Free Partnership



⁹ CSF/NB/14/25, as distributed in hard copy to all Delegations at COP5, Moscow, November 2014

¹⁰ <http://timesofindia.indiatimes.com/india/World-Bank-exits-event-funded-by-tobacco-companies/articleshow/47127313.cms> (last accessed 13 May 2015)

¹¹ <http://www.theguardian.com/business/2015/may/16/uk-tax-chief-smoking-health-dave-hartnett-tobacco-hmrc> (last accessed 18 May 2015)



Deborah Arnott
Chief Executive, Action on Smoking and Health (UK)
Board Member, Smoke Free Partnership



Alison Cox
Director of Cancer Prevention, Cancer Research UK
Board Member, Smoke Free Partnership



Susanne Logstrup
Director, European Heart Network
Treasurer, Smoke Free Partnership



John McCormack
Chief Executive Officer, Irish Cancer Society



Anne Lise Ryel
Secretary General, Norwegian Cancer Society



NORWEGIAN **CANCER** SOCIETY



Luk Joossens

Luk Joossens
Tobacco Control Advocacy Officer, European Cancer Leagues



Katrín Fjeldsted

Katrín Fjeldsted
President, Standing Committee of European Doctors (CPME)



COMITÉ PERMANENT DES MÉDECINS EUROPÉENS
STANDING COMMITTEE OF EUROPEAN DOCTORS

Nina Renshaw

Nina Renshaw
Secretary General, European Public Health Alliance



Dr. Francisco Rodriguez Lozano

Dr. Francisco Rodriguez Lozano
President, European Network for Smoking and Tobacco Prevention



ENSP
European Network for
Smoking and Tobacco Prevention

Peggy Maguire

Peggy Maguire
Director General, European Institute of Women's Health



Prof Johan de Sutter
Acting Chairman, European Chronic Disease Alliance

ecda

United to reverse the rise in chronic disease





Dr Gergana Geshanova
Chairperson, Smoke Free Life Coalition Bulgaria



Smoke Free Life
Coalition – Bulgaria

Yves Martinet
President, Comité National Contre le Tabagisme



Mervi Hara
Executive Director, Finland's ASH



Dr. Ross Morgan,
Chairperson, ASH Ireland

ASH
IRELAND

Aurelijus Veryga
President, Lithuanian National Tobacco and Alcohol Control Coalition
Antanas Goštautas
chairman of Union of Lithuanian Health Psychologists
Nijolė Goštautaitė-Midttun
Director, Lithuanian Mental Health Initiative

NTAK LITHUANIAN NATIONAL
TOBACCO AND ALCOHOL
CONTROL COALITION

M.R. Rutgers MSc
Directeur, Longfonds





Floris Italianer
Director, Dutch Heart Foundation

Dr Sofia Belo Ravara
Co-coordinator of the Portuguese Tobacco Control NGO Movement
CATR- Centre for Advocacy, Treatment and Rehabilitation, Lisbon, Portugal

Jan Peloza
President, NO EXCUSE Mladinska zveza Brez izgovora Slovenija

Ewy Thörnqvist
Secretary General, Think Tank Tobaksfakta Sweden

Sheila Duffy
Chief Executive, ASH Scotland



ONG portuguesas 
pelo controlo do tabagismo





11th Annual Eurasia Tax Forum

30 June-2 July 2015

Brussels

Tuesday, 30 June	
Venue: Sheraton Hotel, Place Charles Rogier 3	
3:00-6:00 PM	Registration Sheraton Hotel
3:30-5:30 PM	Pre-Conference Roundtable: Eurasia in a Changed Global Context Sheraton Hotel This roundtable will draw on economic and political expertise to translate for corporate executives how the impact of lower energy prices, regional disputes and global tensions is influencing the direction of economic and fiscal policy in Eurasian markets. Chair: Wayne Barford, Former Assistant Commissioner, Australian Taxation Office Speakers: <ul style="list-style-type: none">• Marat Terterov, Principal Coordinator, Energy Charter Secretariat• Christian Cleutinx, Senior Fellow, Netherlands Institute of International Relations Clingendael – CIEP

Evening

Welcoming Dinner

Remarks:

Hon. Sander Loones

Vice Chairman, Committee on Economic and Monetary Affairs

European Parliament

La Maison du Cygne

Rue Charles Buls 21

Wednesday, 1 July

Venue: **WCO Conference Facility, Rue du Marche 30**

9:00-9:15 AM

Opening Remarks

Daniel Witt, President, ITIC

9:15-9:30 AM

Welcoming Remarks

Hon. **Othmar Karas**, Member, European Parliament;
Chairman, Delegation to the EU-Russia Parliamentary Cooperation Committee;
Member, Committee on Economic and Monetary Affairs and Special Committee
on Tax Rulings

9:30-12:30 PM

Session One: Regional Trade Blocs in a Global Economy

- *How do we minimize conflict and polarization in a world of competing trade blocs?*
- *Coexistence between the EU and the Eurasian Economic Union*
- *The tax and trade nexus in economic policy making*

Chair: **Dave Hartnett**, Former Permanent Secretary, Her Majesty's Revenue and Customs

Presentations:

- **Heinz Zourek, Director General, Tax and Customs, European Commission**
- Timur Suleimenov, Member of the Board, Minister of Economy and Financial Policy, Eurasian Economic Commission (EEC)
- Professor Jeffrey Owens, Director, Global Tax Policy Center, Institute for Austrian and International Tax Law, Vienna University of Economics and Business

10:45-11:15AM

Coffee Break

	<p>Session One: Regional Trade Blocs in a Global Economy (continued)</p> <p>Panel:</p> <ul style="list-style-type: none"> • Dmitry Kiyko, Deputy Minister of Finance, Belarus • Sergey Shtogrin, Auditor of the Accounts Chamber, Russian Federation • Giorgi Tabuashvili, Director General, Georgia Revenue Service • Ardak Tengebayev, Vice Minister of Finance, Kazakhstan
12:30-1:45 PM	Lunch
2:00-3:30 PM	<p>Session Two: The Challenge of Global Tax Issues</p> <ul style="list-style-type: none"> • BEPS • FATCA and Moves toward Better Information Exchange • Trends toward Multilateralism <p>Co-Chairs: Dave Hartnett, Former Permanent Secretary, Her Majesty's Revenue and Customs; and Wayne Barford, Former Assistant Commissioner, Australian Taxation Office</p> <p>Presentation: Professor Jeffrey Owens, Director, Global Tax Policy Center, Institute for Austrian and International Tax Law, Vienna University of Economics and Business</p> <p>Panel:</p> <ul style="list-style-type: none"> • Natalia Kornienko, Head of Tax Department, Gaidar Institute for Economic Policy, Russian Federation • Roman Nasirov, Commissioner, State Fiscal Service, Ukraine • Ardak Tengebayev, Vice Minister of Finance, Kazakhstan
3:30-4:00 PM	Coffee Break

<p>4:00-5:30 PM</p>	<p>Session Three: Tax and Shadow Economy Linkages</p> <p>This session will explore the interface between tax compliance, tax enforcement and efforts to counter illicit trade and shadow-economy activities. It will include key findings from ITIC's 2nd International Conference on the Shadow Economy and taxation, held in Bucharest (April 2015).</p> <p>Chair: Blake Marshall, Vice President, ITIC</p> <p>Presentations:</p> <ul style="list-style-type: none"> • Piotr Stryszowski, Project Manager, Directorate for Public Governance and Territorial Development, OECD • Dorel Fronea, Former Head, National Customs Authority of Romania <p>Panel:</p> <ul style="list-style-type: none"> • Liz Allen, Program Advisor, ITIC • Dmitry Kiyko, Deputy Minister of Finance, Belarus • Elena Razumova, Deputy Head of the Experts Department, Analytical Center of the Russian Federation
<p>Evening</p>	<p>Dinner</p> <p>Rouge Tomate 190 Avenue Louise</p>

Thursday, 2 July

Venue: WCO Conference Facility, Rue du Marche 30

9:00-10:30 AM

Session Four: Tax Trends Roundtable

This session will focus on the top tax trends as identified by delegates in a pre-conference survey (“What Keeps Eurasian Tax Officials Awake at Night?”)

Co-Chairs: Professor Sijbren Cnossen, University of Pretoria; and Dave Hartnett, Former Permanent Secretary, Her Majesty’s Revenue and Customs

10:30-11:00 AM

Coffee Break

11:00-1:00 PM

Session Five: VAT vs. Sales Tax

This panel will examine the feasibility of replacing the VAT by a retail sales tax, collected at the retail stage per se or under a comprehensive reverse-charge mechanism. A sales tax is currently under consideration in Kazakhstan and has also been the subject of discussion in Russia and other Eurasian countries.

Chair: Azamat Amrin, Head, Tax and Customs Policy Department, Ministry of National Economy, Kazakhstan

Presentation: Professor Sijbren Cnossen, University of Pretoria

Discussants:

- Suren Karayan, First Deputy Minister of International Economic Integration and Reforms, Armenia
- Natalia Kornienko, Head of Tax Department, Gaidar Institute for Economic Policy, Russian Federation

1:00-1:30 PM

Review and Conclusions

ITIC’s forward-looking approach to developing “Next Generation” leaders includes plans for identifying up-and-coming public-sector officials for future Forums in 2016 and developing a regional research network.

Co-Chairs: Daniel Witt, President, ITIC; and Timur Suleimenov, Minister of Economy and Financial Policy, Eurasian Economic Commission (EEC)

1:30-2:30 PM

Closing Luncheon

30th June 2015

Pierre Moscovici
Economic and Financial Affairs, Taxation and Customs
European Commission

Re: Your participation in the Eurasia Tax Forum, 30 June-2 July 2015

Dear Commissioner Moscovici,

I am writing to you as a member of the European Parliament, former Shadow Rapporteur on the Tobacco Products Directive and Rapporteur on the Protocol to Eliminate Illicit Trade in Tobacco Products to draw to your attention my concerns related to Commission participation to the Eurasia Tax Forum 2015 organised by the International Tax and Investment Center (ITIC)¹ in Brussels, tomorrow the 1st July 2015.

The European Union as a Party to the WHO Framework Convention on Tobacco Control (FCTC) is legally bound to protect its policies from the commercial and vested interests of the tobacco industry. The guidelines to Article 6 of the WHO FCTC on tobacco taxation clearly state that tax policies are included in the obligations set out in Article 5.3.² The ITIC is an organisation funded and steered by the tobacco industry, indeed four of the major transnational tobacco companies (PMI, BAT, JTI, and ITG) are listed as sponsors³ and three of them are listed as represented on the Board of Directors⁴ of ITIC.

Since its establishment, ITIC has produced many publications on areas related to tobacco taxes and prices, investment and illicit trade in tobacco products and attempted to weaken the provisions of the Guidelines on article 6 of the FCTC⁵, as well as those of the current Tobacco Tax Directive⁶ and Tobacco Products Directive⁷. There is further

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⁶ For example, see “The Illicit trade on Tobacco Products and How to Combat it, 2011, <http://iticnet.org/file/document/download/2759> (last accessed 13 May 2015);

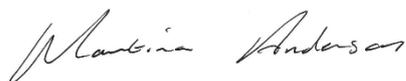
evidence of a long history of ITIC activities on behalf of the tobacco industry documented by researchers on the Tobacco Tactics site⁸. This history was also referred to in a *Note Verbale* by the FCTC Secretariat ahead of the Sixth Conference of the Parties for the FCTC in Moscow⁹, discouraging Parties from attending ITIC-sponsored events. Recently, concerns about the role played by the tobacco industry in ITIC led to the withdrawal of the World Bank from the ITIC-sponsored 2015 Asia-Pacific Tax Forum¹⁰. Finally, in a statement of 16 May 2015, the WHO urged all governments to “*follow a non-engagement policy with ITIC*”.¹¹

Recommendation 2.1 of the guidelines to Article 5.3 of the WHO FCTC specifically states that “*Parties should interact with the tobacco industry only when and to the extent strictly necessary to enable them to effectively regulate the tobacco industry and tobacco products*”. The participation of the European Commission in such a conference is not “strictly necessary”. DG TAXUD has already had a stakeholder consultation on 28 May 2015, which gave ample opportunity for the tobacco industry to make its voice heard on the subject of tobacco taxation.

To my knowledge Mr Heinz Zourek, Director General for Tax and Customs Union, will be attending the Forum. I urge you, as European Commissioner in the area of taxation, to encourage Mr Zourek and other colleagues in the Commission to withdraw from the Eurasia Tax Forum. This would send a very strong signal to the health community worldwide that the EU is taking its legal obligations under the FCTC seriously.

I look forward to your response.

Yours sincerely,



Martina Anderson MEP

⁷ ITIC presentation to Kangaroo Group Meeting on 30 May 2011, <http://iticnet.org/file/document/download/2839> (last accessed 13 May 2015); and http://www.tobaccojournal.com/ITIC_warns_on_growing_illicit_tobacco_trade.50570.0.html

⁸ http://www.tobaccotactics.org/index.php/International_Tax_and_Investment_Center (last accessed 13 May 2015)

⁹ CSF/NB/14/25, as distributed in hard copy to all Delegations at COP5, Moscow, November 2014

¹⁰ <http://timesofindia.indiatimes.com/india/World-Bank-exits-event-funded-by-tobacco-companies/articleshow/47127313.cms> (last accessed 13 May 2015)

¹¹ <http://www.theguardian.com/business/2015/may/16/uk-tax-chief-smoking-health-dave-hartnett-tobacco-hmrc> (last accessed 18 May 2015)