



World Customs Organisation

Rue du Marché, 30
B-1210 Brussels
Belgium

17th May 2015

Subject: World Customs Organization / ITIC active participation and co-operation

Dear Sir,

The World Customs Organisation (WCO) is an Observer to the COP /WHO FCTC Treaty and should be bound by FCTC Treaty Guidelines, including Article 5.3 of the said treaty. Accordingly there is no way the WCO should be allowing a tobacco front organisation to have a seat at the Brussels WCO table, at any time or in any place WCO holds meetings. Neither should FCTC signatory Parties be meeting with ITIC, an acknowledged tobacco front organisation which has tobacco industry sponsors and directors sitting on its board.

We would urge the WCO and thereby its member countries to heed the words of the WHO directorate and abide by the FCTC International Instrument Treaty requirements, listed under Article 5.3 thereof, and remove this front organisation ITIC from this and any future WCO Conference, study or joint co-operation.

http://www.who.int/fctc/guidelines/article_5_3.pdf

Observers to the Conference of the Parties

http://www.who.int/fctc/cop/observers_cop/en/ • **World Customs Organization**

I bring to your attention the following self explanatory statements from senior WHO personnel:

<http://www.theguardian.com/business/2015/may/16/uk-tax-chief-smoking-health-dave-hartnett-tobacco-hmrc>
Guardian Newspaper UK, 17 May 2015 Quote by Dr Doug Bettcher of WHO

QUOTE: “The UK is a signatory to the World Health Organisation’s framework convention on tobacco control, which was established to check the influence of tobacco companies and their front organisations. **In an unusual move, the organisation has openly called for governments to distance themselves from Itic.** “Itic has published extensively in favour of the tobacco industry’s false positions on excise taxation, investment and illicit trade in tobacco products,” said Dr Douglas Bettcher, director of prevention of noncommunicable diseases for the WHO. “Itic have used their international conferences, such as in Moscow in 2014 and in New Delhi earlier this month, to lobby government officials against tobacco taxation. This is despite tobacco taxation being the most effective and efficient measure to reduce demand for tobacco products. Parties to the WHO framework convention on tobacco control are obliged to protect their public health policies from interference by the tobacco industry and its allies. **In this light, WHO urges all countries to follow a non-engagement policy with Itic.**”

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<http://www.who.int/dg/speeches/2014/tobacco-control-cop6/en/>

WHO Director General, Dr Margaret Chan, speech extract, Moscow 2014

QUOTE: “ Most recently, and in a particularly brazen move, the tobacco industry brought its agenda and its voice here to the heart of tobacco control. Yesterday, **the International Tax and Investment Centre, whose board of directors includes several tobacco companies,** convened Parties and Observers to discuss tobacco tax and price policies without fully disclosing their vested interests. **Please, do not be fooled by them. Their agenda, at least, is easy to see: to undermine your power, your efforts to adopt the robust, expert-driven proposed guidelines on tobacco tax and price policy.** These guidelines, when used to implement the treaty’s Article 6, will protect children and young people, in particular, from initiating tobacco use. There is an exchange of views recorded in the mountains of internal industry documents that are now in the public domain. Let me share with you one such document. It records a discussion – an internal discussion – about whether the industry should consider children as part of its market. I remember very well one reply, which I would like to quote directly: **“They got lips? We want them.”** So ladies and gentlemen, this is the kind of tobacco industry tactic. They just want more and more market share. They could not care less if they are killing children. Again, don’t be fooled by them. What is the next challenge? The next challenge is that the tobacco industry is increasing its dominance over the market for electronic cigarettes. This should not come as a surprise. One company used this year’s World No Tobacco Day to call on WHO, and call on all of your governments, to promote electronic cigarettes as a way of protecting some of the lives that they themselves are killing with the other products they sell. We also heard a familiar argument. That company insists that it **“can and should be a part of this debate and possible solutions.” No way. As I have said before, giving any tobacco company a place at the negotiating table is akin to appointing a committee of foxes to take care of your chickens.”**

<http://www.wcoomd.org/en/media/newsroom/2014/march/wco-and-who-sign-statement-of-intent-to-combat-the-illicit-tobacco-trade.aspx>

WCO and WHO sign Statement of Intent to combat the illicit tobacco trade

The World Customs Organization (WCO) and the Secretariat of the World Health Organization’s Framework Convention on Tobacco Control (WHO FCTC) signed a Statement of Intent to further strengthen cooperation between the two organizations in the fight to combat the illicit tobacco trade, following the adoption in November 2012 of the WHO Protocol to Eliminate Illicit Trade in Tobacco Products. The Protocol aims to combat the illegal trade in tobacco products through control of the supply chain and enhanced international cooperation, thereby protecting people around the world from the health risks of tobacco, ensuring that all Customs, excise and other tax revenues due are collected and accounted for, and reducing the burden on national health systems. Of particular note is the fact that the Protocol contains an explicit reference to the need for cooperation between the WHO FCTC Secretariat and the WCO, the United Nations Office on Drugs and Crime (UNODC) and other bodies, hence the decision by the WCO and the WHO FCTC Secretariat to sign a Statement of Intent that provides a formal framework for their cooperation on eliminating the illicit tobacco trade.

Dr. Kunio Mikuriya, the Secretary General of the WCO, and Dr. Haik Nikogosian, the Head of the Secretariat of the WHO FCTC, signed the Statement of Intent during a bilateral meeting at WCO Headquarters on 20 March 2014, where Dr. Nikogosian also delivered a keynote address at the Joint Session of the WCO’s Permanent Technical Committee and Enforcement Committee. “The signing of this Statement of Intent will go a long way in further cementing the long-standing cooperation between the WCO and the Secretariat of the WHO FCTC, while facilitating the early entry into force of the Protocol” said the Secretary General of the WCO. “It is also a clear acknowledgement of the crucial role that Customs can play in fighting illegal cross-border trade, including the illicit trade in tobacco products that has a negative impact on societies across the globe,” emphasized Dr.

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Mikuriya. "As the Secretariat of the WHO FCTC, which is also the Secretariat of the new Protocol on illicit tobacco trade, we are pleased to further strengthen our cooperation with the WCO," said the Head of the WHO FCTC Secretariat, Dr. Haik Nikogosian. "The Protocol will provide Customs administrations with additional tools to fight illicit tobacco trade. To enable the early entry into force of this important treaty, the cooperation of Customs with the health and other government sectors will be critical," Dr. Nikogosian stressed. The WCO and the WHO FCTC Secretariat recognize that open and collaborative communications and working relations are fundamental to the success of their partnership, and have agreed to work together in the future to eliminate all forms of illicit trade in tobacco products globally, in line with the provisions of the Protocol. To date, the Protocol has 54 signatories and one ratification.

<http://www.wcoomd.org/en/media/newsroom/2014/september/wco-and-who-continue-dialogue.aspx>

WCO and WHO continue dialogue and cooperation to fight illicit tobacco trade Brussels, 15 September 2014 Press Release

The newly appointed Head of Secretariat of the World Health Organization's (WHO) Framework Convention on Tobacco Control (WHO FCTC), Dr. Vera Luiza da Costa e Silva, and the Secretary General of the World Customs Organization, Dr. Kunio Mikuriya, met in Geneva, Switzerland on 12 September 2014. The aim of the meeting was to continue developing existing ties of cooperation in the fight against illicit trade in tobacco products, following the signing of a Statement of Intent between both Organizations in March 2014. Dr. Mikuriya and Dr. da Costa e Silva explored concrete ways in which the WCO and the FCTC Secretariat could work together in raising awareness about the WHO Protocol to Eliminate Illicit Trade in Tobacco Products, sharing knowledge and technical expertise, as well as building capacities and promoting multisectorial dialogue and coordination between Customs, health and other relevant sectors. The meeting also served to discuss topics of mutual interest for the upcoming session of Conference of the Parties to the WHO FCTC to be held in October in Moscow. The Secretary General emphasized that Customs administrations have confronted the complexity of illicit trade in tobacco for decades and, due to its unique competencies in end-to-end supply chain management, will be a key authority in implementing the Protocol upon its entry into force. He stressed that close cooperation between all relevant authorities is necessary to ensure the maximum impact of all actions aimed at eliminating illicit trade in tobacco. In concluding the meeting, the Secretary General congratulated Dr. da Costa e Silva for her recent appointment and both Organizations reaffirmed their commitment to continue fostering open and collaborative communication and to work together in the future to counter the menace of illicit trade in tobacco products.

Article 5.3 of the FCTC Treaty is quite clear on the specific non- involvement of parties with the tobacco industry or the front organisations acting on their behalf.

The following WCO Conference scheduled for June, 2015 seeks to include a known tobacco front organisation, namely ITIC, International Tax and Investment Center. Not only does it seek to include this front group, it seeks to allegedly co-operate with them and to be hosted by them in total contradiction of FCTC policy.



WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUANES

2015 WCO Knowledge Academy for Customs & Trade

WCO Headquarters, Brussels, Belgium
15 – 26 June 2015

A two-week intensive academy focusing on the development of technical skills for Customs and Trade practitioners

<http://tinyurl.com/mpj8mmo>

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Excisable Products & Illicit Trade (2 days; 22-23 June 2015) (page 17)

Excise taxation and illicit trade will be the focus of the **module developed by ITIC Program Advisor Liz Allen in conjunction with the WCO Secretariat.** The aim of the module is to increase the awareness of “high flier” customs officials about excise tax policy, administration, enforcement and illicit trade issues.

The concept of the excise module is **to speak about excise tax policy, administration and illicit trade issues from ITIC and WCO.** Presentations will cover excise tax policy, tax administration and enforcement, tackling illicit trade, a review of illicit trade in excise products and **an ITIC perspective on effective implementation of the Illicit Trade Protocol.**

On Day Two, business representatives, the International Chamber of Commerce, and the European spirits trade association will present delegates with their particular perspectives on illicit trade and suppliers of “Track and Trace” technology for tobacco products. The intention is to present delegates with a wide range of perspectives on the subject of illicit trade in tobacco products so that they can appreciate the issues facing their senior managers when having to find a way forward through often conflicting views and pressures.

Duration: 2 days Day 1 – Monday 22nd June 2015, Excisable Products & Illicit Trade

Session I: Introduction and open discussion on Excise Taxation Policy

09:30 – 09.40 Introductions, Outline and Objectives

Excise Taxation Administration and Revenue Controls (to include Voluntary Compliance) – **Liz Allen** <http://www.iticnet.org/about/LizAllen>

09.40 – 10.10 Excise Taxation Policy – (30 mins) **Liz Allen** <http://www.iticnet.org/about/LizAllen>

10.10 – 11.00 Excise Tax Administration and Revenue Controls (to include Compliance Management) – **Liz Allen**

11:00 – 11:30 Coffee/Tea Break

Session II: Overview of Illicit Trade In Excise Goods

11:30 – 12:00 WCO: Illicit Trade Report 2013

WCO speaker TBD

WCO Perspective – WCO Compliance and Enforcement sub-directorate trends and patterns

WCO Speaker TBD

12:30 – 14:00 Lunch

Session III: Measuring Illicit Trade in Alcohol and Tobacco Products

14:00 – 14.30 The Illicit Trade in Tobacco Products and How to Tackle It – **Liz Allen**

Speakers:

14.30 – 15.00 Measurement methodologies and ASIA 14 Tobacco Products Study, **Oxford Economics** Speakers:

15.00 – 15.30 Measuring illicit trade in alcohol products – **Euromonitor** Speakers:

Session IV: Illicit Trade in Tobacco Products

16.00 – 16.30 Financial Action Task Force – **WCO**

16.30 – 17.00 Implementing Change Effectively – The Protocol to Eliminate Illicit Trade in Tobacco Products – **Liz Allen**

17.00 – 17.30 Legal Tools and Mechanisms to Counter Illicit Trade in Tobacco Products – **Interpol Legal Office** Speakers:

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17:30 – 19:00 Evening Reception Hosted By ITIC

Session IV: Industry Perspective on Illegal Trade and How to Tackle It

09:30 – 10:00 Keynote – BASCAP International Chamber Of Commerce Speakers:

10.00 – 10.30 **The Tobacco Industry** Speakers:

10.30 – 11.00 The Hydrocarbon Oils Industry Speakers:

11.00 – 11.30 Coffee/Tea Break

Session IV continued – Industry Perspective on Illegal Trade and How to Tackle It

11:30 – 12:00 The Spirits Industry Speakers:

12.00 – 12.30 The Beer Industry

<http://www.iticnet.org/about/LizAllen>

<http://worldcustomsjournal.org/media/wcj/-2012/2/Allen.pdf>

www.iticnet.org/file/document/watch/3993

[http://www.tobaccotactics.org/index.php/International Tax and Investment Center](http://www.tobaccotactics.org/index.php/International_Tax_and_Investment_Center)

<http://tobaccocontrol.bmj.com/content/early/2015/01/05/tobaccocontrol-2014-051937.full>

Peer reviewed report refutes Oxford Economics/ ITIC study and flawed methodology

http://tobaccocontrol.bmj.com/content/early/2015/01/05/tobaccocontrol-2014-051937.full/reply#tobaccocontrol_el_13564

[http://www.tobaccotactics.org/index.php/Tobacco Smuggling](http://www.tobaccotactics.org/index.php/Tobacco_Smuggling)

<http://tinyurl.com/mbdpl4e>

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<http://www.cancer.ie/about-us/news/big-tobacco#sthash.1S32fvjE.dpbs>

<http://www.theguardian.com/bat/0,,191282,00.html>

<http://truth-out.org/archive/component/k2/item/89987:oil-companies-dishonor-our-troops-and-undermine-our-security>

We reiterate, we would urge the WCO and thereby its member countries to heed the words of the WHO and abide by the FCTC International Instrument Treaty requirements, listed under Article 5.3, and remove this acknowledged tobacco front organisation, ITIC, from this and any future WCO Conference, study or joint co-operation.

Yours faithfully,

James Middleton

Chairman

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