



**Independent  
Retail Europe**

**DRAFT IMPLEMENTING REGULATION  
AMENDING (EU) 2018/574 A TRACEABILITY  
SYSTEM FOR TOBACCO PRODUCTS  
- COMMENTS OF INDEPENDENT RETAIL EUROPE -**

**DECEMBER 2022**



## EXECUTIVE SUMMARY

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Independent Retail Europe welcomes the amendments to the tobacco traceability system. Our retailers wish to sell exclusively high quality products that comply with the EU tobacco product and consumer safety legislation. Retailers are the central connector between manufacturers and consumers and therefore key to the success of the traceability system.

The tobacco traceability system seeks to ensure that the Commission and the Member States receive the data they need for the traceability system to function properly. The changes in the draft implementing act and its annex appear to solve gaps in and problems with the track and trace information system, some of which were reported by Independent Retail Europe to the European Commission.

The current traceability system is designed in a way that does not tolerate human error. However, human beings, who sort, pack and transport the products, also handle the products in the warehouses. Human beings make mistakes, doubly scanning an item or scanning the wrong item. The system should be designed in a way that if operators can prove that there has been a handling mistake in their logistic chain, the mistake can be corrected in the system to avoid products being blocked in warehouses or destroyed. We make additional proposals in this direction.

## COMMENTS OF INDEPENDENT RETAIL EUROPE ON A TRACEABILITY SYSTEM FOR TOBACCO PRODUCTS

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### Reactivation of UIs

If tobacco products are destroyed or stolen, economic operators shall promptly transmit a deactivation request of the UI according to Article 32.6 specified in point 2.3 of Section 2 of Chapter II of Annex II. The standardised messages however, do not open the possibility to correct the messages.

Our members report situations where failures in logistics and transport chains lead to temporary losses / mix-up of products. Employees in warehouses are human beings, making human mistakes. There are cases, where employees scan products twice or mix up products when commissioning or decommissioning products. In case of a mix up a Unit A may leave the warehouse even though unit B is scanned. Unit A has thus a valid UI, but leaves the warehouse under the UI of Unit B. Subsequently, the trader will relocate unit B even though it has allegedly left the warehouse. Further handling this Unit B will cause error messages. Both units A and B have valid UIs. If a product is recuperated, any further handling of the product is impossible because the UI of the product Unit B that is still in the warehouse is already used for an aggregation. There should be a possibility to correct messages and reactivate aggregated UIs in order to ensure that compliant products can continue to be sold.

- The system should acknowledge human errors and allow for the correction
- Article 32.6 and 7 should take account of these situations and include provisions on the reactivation of aUIs.
- We highly welcome the added point 2.4 of Section 2 of Chapter II of Annex II on the reactivation of UIs
- We would like to ask the Commission to add such a correction message to point 2.3 of Section 2 of Chapter II of Annex II, Deact\_Reason1, 6 – storage finding; 7-other. So that the previous messages can be corrected.

### Sequenced validation

If a manufacturer aggregates UIs, the following operator needs to handle the aggregated UI before disaggregating the UI. The following operator may not handle the individual UI instead of the aggregated UI.

Members have reported situations where the aggregated UIs get damaged during the transport. This is cumbersome when products arrive in the warehouses of retailers. The retailer will not be able to scan the aggregated UI and will have to return all aggregated products. This would not be necessary if the retailer could scan the UIs on a different level.

Data in the repository system will help to confirm that all the individual UIs have previously been aggregated to the UIs that has no readable data carrier anymore. We invite the EU Commission to make a smart use of the available data in order to simplify processes on the ground.

- We suggest that in cases where data carriers of the aggregated UI are damaged, operators can handle the products on the basis of the lower aggregation level (i.e. boxes instead of the pallet).
- We highlight that data is available. We invite the EU Commission to make a smart use of the available data in order to simplify processes on the ground.

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*Established in 1963, **Independent Retail Europe** (formerly UGAL – the Union of groups of independent retailers of Europe) is the European association that acts as an umbrella organisation for groups of independent retailers in the food and non-food sectors.*

*Independent Retail Europe represents retail groups characterised by the provision of a support network to independent SME retail entrepreneurs; joint purchasing of goods and services to attain efficiencies and economies of scale, as well as respect for the independent character of the individual retailer. Our members are groups of independent retailers, associations representing them as well as wider service organizations built to support independent retailers.*

*Independent Retail Europe represents 23 groups and their over 403.900 independent retailers, who manage more than 759.000 sales outlets, with a combined retail turnover of more than 1,314 billion euros and generating a combined wholesale turnover of 484 billion euros. This represents a total employment of more than 6.620.000 persons.*

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