Unione Nazionale Tabacco

38th Congress UNITAB EUROPE

Raw tobacco shipments: the state of the art

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TOBACCO PROCESSING AND CUSTOMS CODES

From the Farm

↓

Raw tobacco in leaf
(Packing in cartons approximately 100Kg)
Customs Code: **2401 10**

→

From the First Processor

→

Stripped tobacco (strips)
(Packing in cartons approximately 140-200Kg)
Customs Code: **2401 20**

By-products
(dust, stems, other by-products)
Packing in cartons approximately140-200Kg)
Customs Code: **2401 30**

“They are not finished products intended for the final consumer, but always require a further stage of processing (manufacturing → cigarettes, cigars, manufactured tobaccos).”

INCORRECT APPLICATION OF CUSTOMS CODES

Due to a misinterpretation of Directive 2011/64/EU of 21 June 2011 on tobacco excise duties (TED), in the last two years there have been frequent customs seizures and disputes concerning raw tobacco:

- Failure to acknowledge the correct customs classification of raw tobacco in leaf and of products from the first processing.

  Codes involved: 2401 10 – 2401 20 – 2401 30

- Submission of samples to laboratories for smokability tests

"If one of the three smokability tests a positive result, the tobacco in question is reclassified under CN code 2403 and therefore considered a manufactured tobacco product subject to excise duties pursuant to Directive 2011/64/EU."

INCORRECT APPLICATION OF CUSTOMS CODES

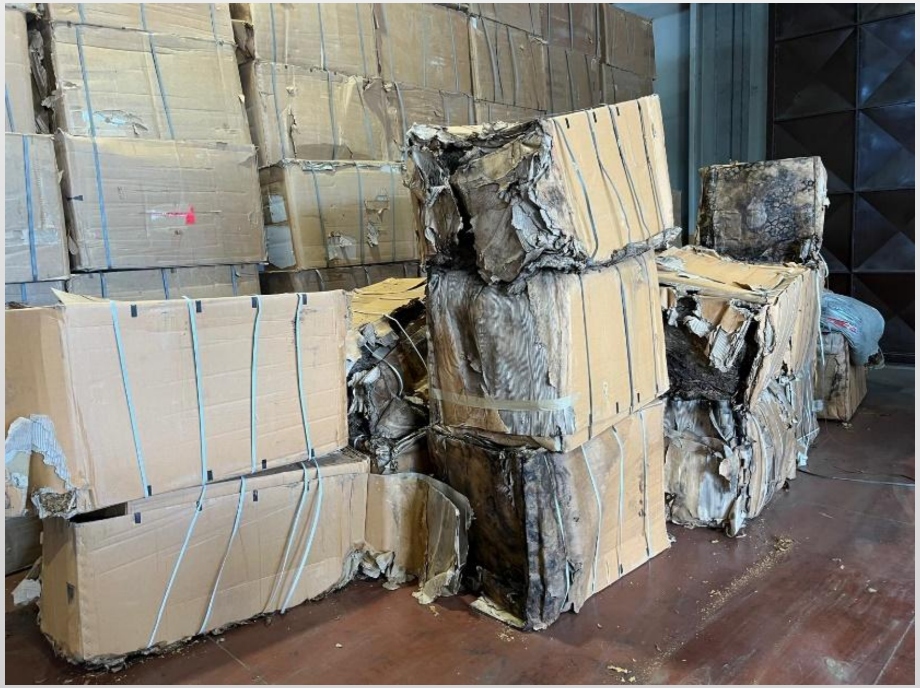
Due to the non-recognition by customs and other regulatory authorities of the customs codes declared on raw tobacco products, negative impacts on the supply chain occur.

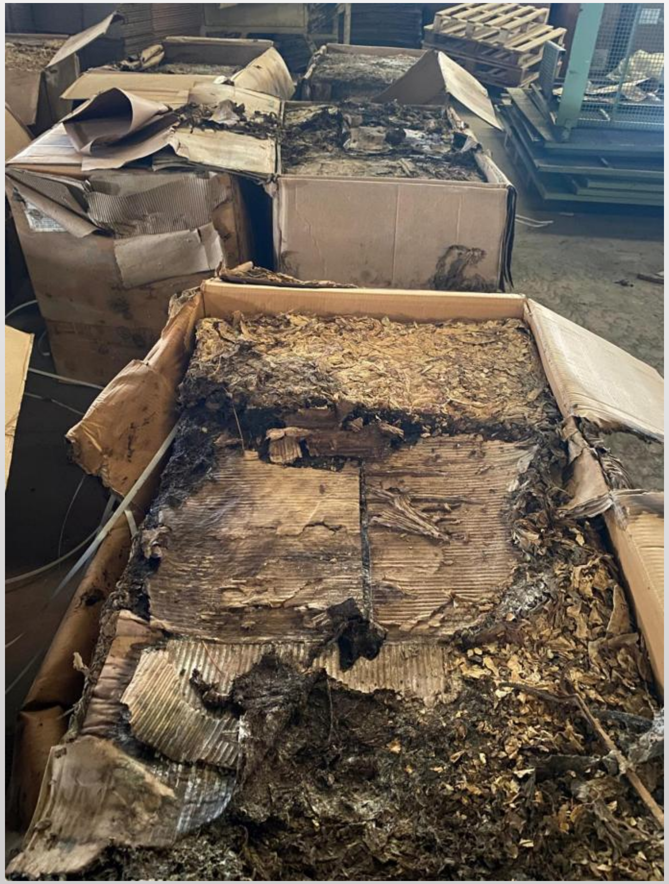
- **blocking tobacco for long periods in containers**
  - Quality deterioration
  - Additional costs (storage, logistics, delays)

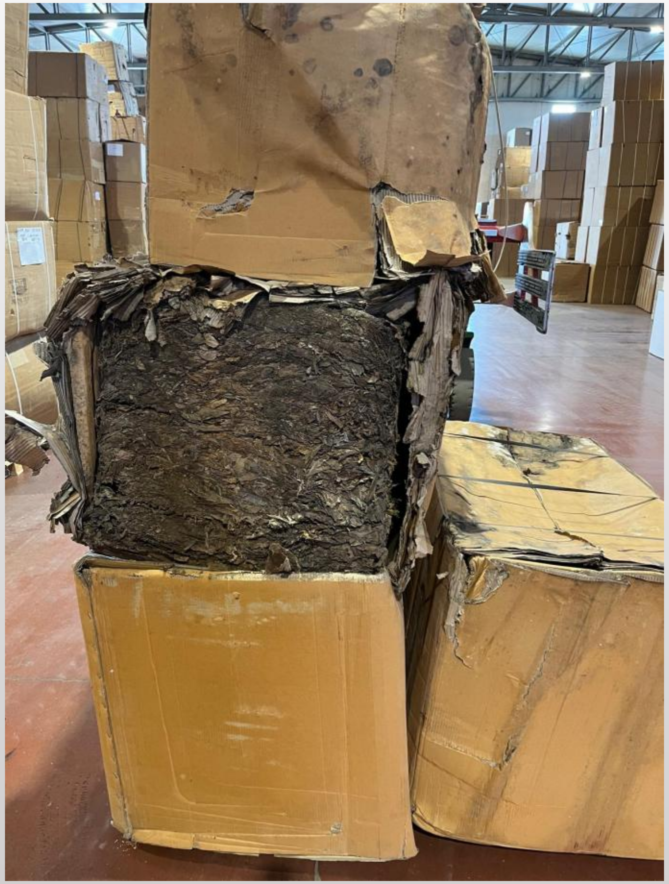
- **Economic risks**
  - Foreign customers shifting to other countries

- **Severe repercussions**
  - Loss of competitiveness
  - Weakening of the national agricultural and industrial supply chain

Some Examples of Damaged Tobacco Following Seizure During Stays in Customs Areas and When It Was Returned to the Owner







JUDICIAL CONCLUSIONS

To date, in all cases where raw tobacco classified under customs codes 2401-10, 2401-20, and 2401-30 has been inspected and seized by the authorities, judicial bodies and courts have consistently confirmed the absence of illicit activity. Nevertheless, the procedures required to release the detained tobacco often last from several months to over a year, causing significant delays and financial burdens for operators. For instance, a single container of detained tobacco generates costs of around €3,000 per month in rental fees, in addition to port charges.

CONCLUSION

- Ongoing inspections and sampling: Raw tobacco continues to be subject to inspections and laboratory analyses due to incorrect customs classification by inspection authorities.

- Revision of the TED Directive: It is essential that the new Directive 2011/64/EU (TED) provide clear guidance on the classification of excise-exempt tobacco to avoid disputes, economic losses, and supply chain disruptions.

- Objective: To ensure legal certainty for operators and protect the competitiveness of the national agricultural and industrial tobacco sector.

Thank you