

# COLLECTION OF INFORMATION ON TRACKING AND TRACING SYSTEMS

## BACKGROUND

1. In decision FCTC/MOP2(6), the Meeting of the Parties to the Protocol to Eliminate Illicit Trade in Tobacco Products (MOP), at its Second session (MOP2) held in November 2022, extended the mandate of the Working Group on Tracking and Tracing Systems to further develop the technical specifications of the global information-sharing focal point, to guide the implementation of the global information-sharing focal point and to develop proposals for a suitable governance structure. The MOP also requested the Secretariat of the WHO Framework Convention on Tobacco Control (Convention Secretariat) to collect information on national and regional tracking and tracing systems and to report their findings to the Third session of the Meeting of the Parties (MOP3).
2. The MOP established the Working Group on Tracking and Tracing Systems at its First session through decision FCTC/MOP1(6). In that decision, the MOP outlined the objectives of the Working Group to compile good practices and experiences on the implementation of tracking and tracing systems (Article 8.1) and unique identification markings (UIMs) for cigarette packets and packages (Article 8.3).
3. Parties to the Protocol have demonstrated interest in learning experiences of Parties that have already established tracking and tracing systems: the architecture, governance structure, costs of operation of their systems, the effectiveness of unique identification markings, and the challenges in implementing such systems and markings.

## TRACKING AND TRACING SYSTEMS

4. Article 1 of the Protocol provides that “tracking and tracing” means systematic monitoring and re-creation by competent authorities or any other person acting on their behalf of the route or movement taken by items through the supply chain, as outlined in Article 8.
5. The “supply chain” covers the manufacture of tobacco products and manufacturing equipment; and import or export of tobacco products and manufacturing equipment; and may be extended, where relevant, to one or more of the following activities when so decided by a Party:
  - (a) retailing of tobacco products;
  - (b) growing of tobacco, except for traditional small-scale growers, farmers and producers;
  - (c) transporting commercial quantities of tobacco products or manufacturing equipment; and
  - (d) wholesaling, brokering, warehousing or distribution of tobacco and tobacco products or manufacturing equipment.

6. Article 8.2 of the Protocol provides that each Party shall establish a tracking and tracing system, controlled by the Party for all tobacco products that are manufactured in or imported onto its territory taking into account their own national or regional specific needs and available best practice.
7. With a view to enabling effective tracking and tracing, each Party shall require that unique, secure and non-removable identification markings, such as codes or stamps, are affixed to or form part of all unit packets and packages and any outside packaging of cigarettes within a period of five years and other tobacco products within a period of ten years of entry into force of this Protocol for that Party. (Article 8.3 of the Protocol)
8. In accordance with Article 8.4.1 of the Protocol, each Party shall, as part of the global tracking and tracing regime, require that the following information be available to assist Parties in determining the origin of tobacco products, the point of diversion where applicable, and to monitor and control the movement of tobacco products and their legal status:
  - (a) date and location of manufacture;
  - (b) manufacturing facility;
  - (c) machine used to manufacture tobacco products;
  - (d) production shift or time of manufacture;
  - (e) the name, invoice, order number and payment records of the first customer who is not affiliated with the manufacturer;
  - (f) the intended market of retail sale;
  - (g) product description;
  - (h) any warehousing and shipping;
  - (i) the identity of any known subsequent purchaser; and
  - (i) the intended shipment route, the shipment date, shipment destination, point of departure and consignee.

## **DATA COLLECTED THROUGH THE PROTOCOL REPORTING INSTRUMENT**

9. According to the *2023 Global progress report on the implementation of the Protocol to Eliminate Illicit Trade in Tobacco Products*, more than half of the Parties to the Protocol (57%) reported having established a tracking and tracing system in their jurisdiction; however, there is not sufficient information in the submitted reports to assess whether such systems contain all the essential components of a tracking and tracing system required under the Protocol.
10. It is reported that the tracking and tracing systems in place in most of the Parties can produce data on the date and location of manufacture, product description, and manufacturing facility. More information is available in the report available on the WHO FCTC website<sup>1</sup>.

## **. SURVEY ON TRACKING AND TRACING SYSTEMS**

11. During its first term, the Working Group decided to develop a questionnaire to collect information on practices of tracking and tracing. The questionnaire was published on the website of the

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<sup>1</sup> <https://fctc.who.int/protocol/reporting/global-progress-reports>

Convention Secretariat. In addition, it was sent directly both to the Parties to the Protocol as well as to the Parties of the WHO FCTC, to improve response rates.

12. To collect new information on the existing tracking and tracing system, the Convention Secretariat has circulated once more the questionnaire among all Parties to the WHO Framework Convention on Tobacco Control (FCTC) in 2023, but very few Parties responded to it.

## EXAMPLES FROM PARTIES

13. To complement data collected through the survey, the Convention Secretariat carried out virtual interviews with selected Parties that reported having implemented a tracking and tracing system. The following examples were gathered through the virtual interviews conducted by the Convention Secretariat.
14. **Governance:** In some of the Parties, the obligation for the establishment of a tracking and tracing system is included in their tobacco control legislation, while in others it is included in their excise tax law. While in many countries the responsibility for coordinating the tracking and tracing system lies with the customs or revenue authorities, in some Parties it lies with the health authority, which needs to work in close collaboration with law enforcement authorities.
15. **Technology:** One Party to the Protocol reports that the technology for the tracking and tracing system has been developed within the government. Most Parties rely on external suppliers for the provision of the service. In the latter case, the governments normally undertake a public tender to appoint the provider of the service.
16. **Scope:** Many Parties have already implemented or are currently working to implement a tracking and tracing system that covers all tobacco products. Some Parties have systems that apply only to cigarettes.
17. **Finance:** Some Parties implementing a tracking and tracing system require the tobacco industry to bear any costs associated with the system by charging a fee per unique identification marking provided to the manufacturers or importers, through which the investment made in the system is recovered. Other Parties report appointing a system provider from whom the manufacturers or importers must get the unique identification marking upon payment of a fee.
18. **Audits:** Some Parties have established an obligation for independent external audits or evaluations of their tracking and tracing system to ensure that a regular review is conducted, and improvements can be made to the processes.
19. **Exchange of experiences:** Many Parties reported having received support from other Parties in the process of establishing their tracking and tracing systems.
20. **Information sharing:** Most Parties report being able to share information with other Parties, although many of them do not gather through their tracking and tracing system all the information that shall be made available to other Parties in accordance with Article 8 of the Protocol. Some Parties report having the information spread out in different systems.