



**EUROPEAN COMMISSION**  
 DIRECTORATE-GENERAL  
 TAXATION AND CUSTOMS UNION  
 Indirect Taxation and Tax administration  
**Indirect taxes other than VAT**

Brussels,  
 taxud.c.2(2017)1420986 [redacted]

**MEETING REPORT**

- 1. Subject** Meeting with Philip Morris International (PMI)
- 2. Date and Place** 6 March 2017, Brussels
- 3. Participants** DG TAXUD: [redacted]  
 PMI: [redacted] (VP Fiscal Affairs),  
 [redacted] (VP EU Fiscal Affairs)

**4. Summary of the discussion**

The meeting was requested by PMI in order to present their novel Heat not Burn product, IQOS, to [redacted]. PMI presented the product and described progress in achieving growing sales worldwide since its introduction. Mention was made in particular of

- The ongoing discussions with TAXUD on the appropriate CN classification of this product (24.02 or 24.03) and the fact that the question would now be examined at the level of the WCO.
- The ongoing review of Directive 2011/64/EU (excise duties on manufactured tobacco) and their preference for the creation of a new category of low-risk products to be subject to low or, possibly, zero-rates tax.
- A letter written by PMI to TAXUD C3 in October 2016 on this product to which a reply was never received.

DG TAXUD took note of their remarks, which would be borne in mind as the work progressed. On the letter, [redacted] said that a reply should have been issued and that he would look into the matter.

A copy of the information provided during the meeting is attached to this meeting report.

**Report by:** [redacted]

c.c.: [redacted]