

Public consultation on the implementation of an EU system for traceability and security features pursuant to Articles 15 and 16 of the Tobacco Products Directive 2014/40/EU: [REDACTED] suggested concept

About [REDACTED]

We are leaders in digital services with pro forma annual revenue of circa € 12 billion and circa 100,000 employees in 72 countries, serving a global client base. We strive to create the firm of the future. We believe that bringing together people, business & technology is the way forward. At [REDACTED], we embrace this journey, striving to remain the trusted partner that delivers digital empowerment to our clients. We are the Worldwide Information Technology Partner for the Olympic & Paralympic Games.

[REDACTED] is a trusted partner for governmental institutions in many European countries. We provide services in areas such as e-tax filing, defense/ intelligence/ security systems, electronic truck tolling, as well as intelligent electronic regulatory reporting systems. We have a very important and long-standing relationship with the European institutions.

[REDACTED] we are listed on the Euronext Paris market. We operate under the main brands [REDACTED]

About Worldline:

[REDACTED] is the European leader in the payments and transactional services industry.

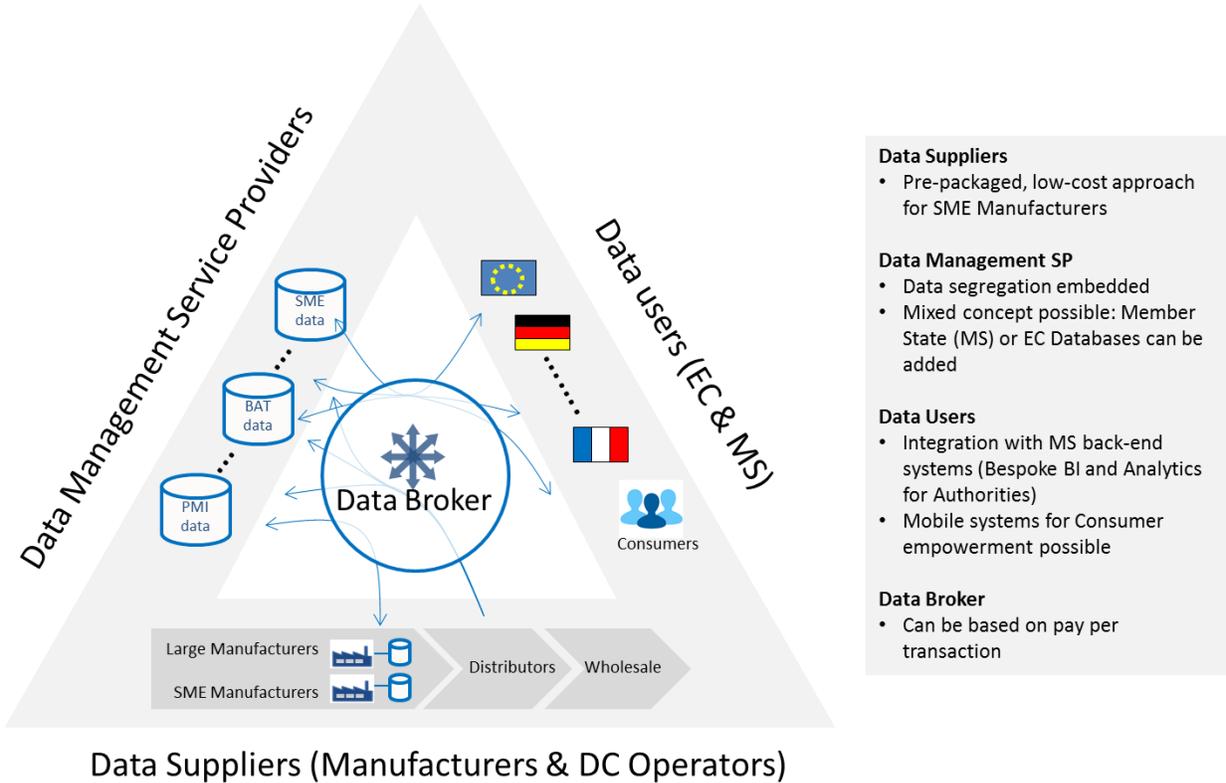
[REDACTED] delivers new-generation services, enabling its customers to offer smooth and innovative solutions to the end consumer.

[REDACTED] has a Global Centre of Competence Track & Trace that specializes in systems which help the public and private sector fight counterfeit and illicit trade.

Based on our extensive experience and expertise, we would like to respectfully provide our concept for the EU TPD Traceability solution.

[REDACTED]

We believe the most effective concept is based on **independent decentralized data storage by product** (or producer).



The concept is based on the **core functionality that an Authentication and T&T system must perform towards Data users which is to provide product information** (based on a Unique Identifier) and to record the movements throughout the Supply Chain. Each Member State, and with them each Government Body (National and International) involved in fighting illicit trade, will benefit from the establishment of a T&T system and (real time) availability of specific product data.

Since product data will be the key denominator for Data users to query relevant information, a **database setup around products** (as opposed to geography or centralizing all data) **makes most sense**:

- **From a functional point of view:** Data users are interested in retrieving product data (which will be based on a unique identifier) and traceability information. Therefore it makes functional sense to envisage a decentralized data storage approach around products, to facilitate queries.
- **From a cost efficiency point of view:** Given the size of the tobacco market (25 billion packs sold per year) and vast amount of economic agents involved in producing and trading tobacco (thousands), the anticipated amount of data suggests not to consolidate all into one database, avoiding possible access and response time challenges, which would not provide economies of scale.

This setup around products requires each relevant Manufacturer and Distribution Chain Operator involved in the trade of that product to upload data in the agreed format to the assigned database, which is under control of the third party Data Management Service Provider. This concept suggests **5 (or more) different databases**: 1 database containing the information of products manufactured by each of the 4 large manufacturers, and 1 (or more) for the 'other manufacturers'. The functional setup embeds data segregation between manufacturers, and also leads to a sensible database size in terms of usability and economic viability. It may well be that a cloud based data storage setup for these 'other manufacturers' (with lower volumes) may provide further economies.

We foresee an important **role for the Data Broker**: The Data Broker is a third party which works completely independent from the manufacturers and other Distribution Chain Operators, and which will work under assignment and rules as defined and determined by the Commission.

- Key role of the Data Broker is to ensure correct, concise and simple **data collection** from the Data Suppliers (the different Manufacturers and Distribution Chain Operators), which will get uploaded into the right database. Each Distribution Chain Operator will send all relevant information about the tobacco product movements to the Data Broker. The Data Broker takes care of the correct and immediate upload of the relevant data in the relevant database, taking away the complexity from the Data Suppliers.
- Another key role of the Data Broker is to facilitate timely **access to the right information** stored in the 5 or more databases. Each Data User (EC or MS) will be able to query and download the product information they require for their specific purpose via the Data Broker.
- The Data Broker will ensure that the principles of “Segregation of duties” and “Data Segregation” are being respected by means of setting up and managing a Certificate based access system for all users.
- The costs related to the Data Broker activities could be financed on a transaction (pay per usage) basis.

The described decentralized database storage, with a key role for the Data Broker, provides for other advantages. The concept allows for a robust IT infrastructure and IT Management structure and economies of scale. We refer to our responses in Sections C6 and C12.

Moreover, the described concept:

- Does not require a separate central registry, since it is based on decentralized storage with a data broker preserving cross-data-storage compatibility
- Could support the requirement of additional databases for specific purposes, in case for example certain Data Users (MS or EC) would desire. This would evidently imply extra cost, as the same data would be duplicated and stored in more than one database.

The concept assumes International Interoperability with the use of a limited variety of data carriers. In practice we suggest the adoption of Open Standards as defined by ISO and GS1 for interoperability (EPCIS), product identification (GTIN) and location identification (GLN).

