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Brussels, 26 May 2025

Mrs Ursula von der Leyen
President of the European Commission
Berlaymont, Rue de la Loi 200
1040 Brussels
Belgium

Dear Commission President von der Leyen,

The Tobacco Taxation Directive (2011/64/EU, hereafter « the Directive ») is a pivotal legislative act which aims to harmonize excise taxation on tobacco-related products in the Single Market, while also serving various other objectives such as ensuring fair competition, combating tobacco trafficking and tax fraud, and a high level of health protection.

At present, it is evident that the existing legislative framework is outdated as a whole and no longer fit for purpose.

Among other issues, the current scope and provisions of the Directive are insufficient to enable Member States to deal with the significant challenges posed by ongoing developments and trends in the European tobacco market, including the emergence of novel products.

Additionally, both the surge in smuggling, illegal trade and manufacturing of tobacco products, and the harmful effects to health must be addressed. Lacking a sufficiently harmonised EU approach to address those challenges, Member States have taken actions at the national level. This has led to fragmentation, an uneven playing field and, ultimately, to distortions in the Single Market. Therefore, a European legislative act in the realm of indirect taxation is urgently required.

The most salient concerns raised by the current framework were laid out also in the Council conclusions of 2 June 2020, in which the European Commission was requested to present a legislative proposal to the Council that would allow for a common approach to these new realities.

And again, as recently as February 2025, discussions within the Council have shown, that there is almost unanimous agreement among Member States on the urgent need for a harmonized approach, and thus for

the Commission to publish its proposal for a revision of the Directive immediately.

It is regrettable that, despite these unified calls for action, no such initiative was contained in the Commission's work programme for 2025 (released on 12 February 2025), and that the Commission has not yet publicly committed to deliver on the expectations of EU Member States and citizens in this regard.

The lack of initiative in this area cannot be justified by delays in the revision of other legislative areas, in particular the Tobacco Products Directive (Directive 2014/40/EU). While both pieces of legislation share some common objectives, there is no clear precedent or need for these Directives to be negotiated in tandem, and therefore they must be considered as standalone provisions.

As Finance Ministers and Ministers of Economy of 15 Member States of the European Union, we wish to express our deep regret that this has not yet been the case and invite your Commission to take without delay the necessary steps in order to update the Directive.

We hope the Commission recognizes the urgency of revising the Tobacco Taxation Directive. We stand ready to engage with the Commission on this priority matter for this new term.

Yours faithfully,

Mr Markus Marterbauer, Federal Minister of Finance (Austria)

Mr Jan Jambon, Deputy Prime Minister and Minister of Finances and Pensions (Belgium)

Ms Temenuzhka Petkova, Minister of Finance (Bulgaria)

Mr Zbyněk Stanjura, Minister of Finance (Czechia)

Ms Stephanie Lose, Minister for Economic Affairs (Denmark)

Mr Jürgen Ligi, Minister of Finance (Estonia)

Ms Riikka Purra, Minister of Finance (Finland)

Mr Eric Lombard, Minister of the Economy, Finance and Industrial and Digital Sovereignty (France)

Ms Amélie de Montchalin, Minister Delegate for the Budget and Public Accounts (France)

Mr Lars Klingbeil, Minister of Finance (Germany)

Mr Paschal Donohoe, Minister for Finance (Ireland)

Mr Arvils Ašeradens, Minister of Finance (Latvia)

Mr Eelco Heinen, Minister of Finance (The Netherlands)

Mr Ladislav Kamenický, Minister of Finance (Slovakia)

Mr Klemen Boštjančič, Deputy Prime Minister and Minister of Finance (Slovenia)

Ms Maria Jesús Montero Cuadrado, First Vice-president of the Government of Spain, Minister of Finance (Spain)

Copy:
Mr Wopke Hoekstra
Commissioner for Climate, Net Zero and Clean Growth

Mr Andrzej Domański
Minister of Finance of Poland