

## ESIP Feedback to the

### European Commission's Proposal for the Revision of the Tobacco Taxation Directive

31-10-2025

The European Social Insurance Platform (ESIP), representing statutory social and health insurance organisations across Europe, welcomes the European Commission's revision of the Tobacco Taxation Directive (TTD). ESIP particularly supports the proposed increase in minimum tax rates, the extension of scope to novel tobacco and nicotine products to protect beginners and young people, and the enhanced control of raw tobacco to curb illegal production, distribution and tax fraud.

Tobacco consumption remains the leading cause of preventable disease and premature death in the EU, generating major social and economic costs. Fiscal policy is one of the most effective tools to reduce consumption and prevent initiation, particularly among young people and low-income groups, who benefit most from health gains linked to reduced tobacco use.

ESIP therefore strongly supports a revision that closes regulatory gaps and ensures that taxation remains an effective public health and youth protection instrument across all tobacco and nicotine products. However, the following aspects require strengthening to fully realise the potential of this reform.

#### **Integrate Raw Tobacco into the EMCS**

The trade and movement of raw tobacco must be fully included in the EU-wide Excise Movement and Control System (EMCS). This will strengthen traceability and reduce opportunities for illicit trade. Member States should also be supported with binding risk-control mechanisms and capacity-building for enforcement authorities.

#### **Strengthen Indexation of Minimum Taxes**

Minimum tax rates should be reviewed and adjusted annually, not every three years as proposed. Regular indexation, with stronger consideration of purchasing power parity (PPP), is essential to maintain real prices, prevent cross-border purchase and ensure a sustained deterrent effect.

#### **Align Taxes Across All Tobacco Products**

Tax rates on other tobacco products and heated tobacco products (HTPs) should be brought in line with those for cigarettes, in accordance with the WHO FCTC<sup>1</sup> Article 6 guidelines, which

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<sup>1</sup> WHO Framework Convention on Tobacco Control, adopted 2003, entered into force 2005.  
[https://treaties.un.org/doc/source/RecentTexts/FCTC\\_en.pdf](https://treaties.un.org/doc/source/RecentTexts/FCTC_en.pdf)

recommend comparable taxation to avoid substitution, particularly among price-sensitive consumers and younger smokers.

The revised Directive should introduce an additional specific €/kg minimum amount for other nicotine products, a higher specific component and per-stick minimum standards for HTPs.

Fine-cut tobacco should also be taxed equivalently to cigarettes, reflecting the conversion factor in the Commission's Impact Assessment.

### **Ensure Equal Taxation of E-Liquids**

Taxation should apply equally to liquids for electronic cigarettes, including nicotine-free variants, and should be complemented by a specific component, to promote price coherence and prevent the emergence of low-cost market niches that undermine public health goals.

### **Shorten Transitional Periods**

Transitional periods for cigars, cigarillos, waterpipe tobacco, HTPs and nicotine pouches should be significantly shortened so that health benefits - especially for young consumers whose use of these products is rapidly increasing - can be realised more quickly.

### **Complementary Non-Fiscal Measures**

Novel products e.g. e-cigarettes and nicotine pouches are specifically marketed to young people through social media and lifestyle campaigns. Flavours such as fruit or confectionery are among the main reasons for their attractiveness.

To prevent initiation, ESIP supports EU-wide bans on advertising for novel products, analogous to existing restrictions for traditional tobacco products, as well as on flavourings, given their capacity to increase the appeal of such products to new users. These measures should be complemented by plain, neutral packaging for e-cigarettes and refill containers, proven to reduce consumption and eliminate the promotional value of packaging.

In conclusion, ESIP calls for a robust and future-proof TTD that recognises taxation as a public health measure, not merely a fiscal measure. Annual indexation, equal treatment of all tobacco products and strong enforcement mechanisms are essential to protect health equity and prevent addiction.

As Europe's social and health insurers, ESIP members witness daily the human and financial burden of tobacco-related disease. A coherent and ambitious revision of the TTD is a crucial step towards a Tobacco-Free Generation by 2040.

[Link to the ESIP feedback to the Revision of the Tobacco Taxation Directive \(proposal\)](#)