



News Flash

CM Tarun Gogoi orders probe into illegal cigarette trade in Assam

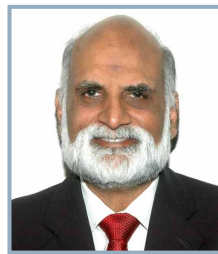
July 30, 2015 | *IndianExpress*

A day after a FICCI report said that illegal cigarettes comprised 25 per cent of the total cigarette market in Assam, Chief Minister Tarun Gogoi Wednesday ordered an inquiry and asked an additional chief secretary to come out with a strategy to take action.

The chief minister also asked the inquiry committee to suggest measures to check and disband illegal trade in cigarettes as pointed out in the Ficci report. The report had said that there was a huge influx of cheap king-sized smuggled cigarettes from countries like Bangladesh, China and Myanmar into Assam.

<http://indianexpress.com/article/india/india-others/cm-tarun-gogoi-orders-probe-into-illegal-cigarette-trade-in-assam/>

Chair's Message



Anil Rajput,
Chair FICCI CASCADE,
Sr. VP Corporate Affairs, ITC Ltd

“Trafficking in illicit goods has grown exponentially posing tremendous risks to the society and economies, globally. It undermines investments, revenue and creates unfair competition for legitimate businesses. FICCI CASCADE has been working extensively through awareness campaigns to reach out to the general public, to educate consumers on the dangers of illicit goods. Our recent effort has been on highlighting the findings of the FICCI CASCADE report on Illicit Market nationally. It has been encouraging to see the overwhelming response from all stakeholders including the government to our initiative”.

FICCI CASCADE in NEWS

July 29th, 2015 | *Business Standard*

Illegal cigarette market grows due to high tax rates in Assam: Ficci

BS REPORTER
Ganesh, 28 July

Illegal cigarette industry in Assam is estimated at more than 25 per cent of the total cigarette market, found a Federation of Indian Chambers of Commerce and Industry (Ficci) study.

High state level taxes like VAT (value added tax) and imposition of health cess on legal cigarette industry are resulting in high prices for legal cigarettes, and are the key reasons behind an 'alarming' growth of illegal cigarette industry in Assam, found the study. Most of the manufacturers of illegal cigarettes

mostly based in adjoining states of Assam and in some Northern states) evade the high central excise duty and state taxes and cess and thus are able to offer their products to consumers at rock-bottom prices. Price of illegal cigarette pack in Assam is at one fifth of the price of a legal packet which makes it very attractive to consumers, particularly youth and rural population.

"In the past few decades, leading intelligence and law enforcement agencies around the world have found conclusive evidence of the increasing involvement of terrorist organisations to counterfeiting, piracy and smuggling activities to fund their activities. While sev-

eral counterfeiting centres are transacting portions of their proceeds to terrorist organisations, some of these are set up for the sole purpose of financing terrorism," said Deep Chand, adviser to Ficci's committee against smuggling and counterfeiting activities, while unveiling the report before media persons.

Smuggled international contraband cigarettes are another big menace contributing significantly to the alarming growth of illegal cigarette industry in Assam. The state shares a porous international border with Bangladesh. In addition, other states in Northeast also share similar border with Myanmar, Bangladesh, China etc. Therefore there is a steady inflow of cheap king-sized smuggled cigarettes from countries like Bangladesh, China and Myanmar into Assam, found the study.

"Northeast has become a distribution centre for the rest of the country for cheap smuggled cigarettes originating in the neighbouring countries. All these smuggled cigarettes are transported from Assam to rest of the country by air, bus and train. Such illegal cigarettes totally defeat the tobacco-control objectives of the government as they neither bear any health warnings required as per Indian laws nor have other mandatory declarations like MRP, date of manufacture or place of manufacture," the study said.

Moreover, the study found the steep increase in VAT on cigarettes has further resulted in revenue loss for the state's exchequer as that has resulted in growth of illegal cigarette market. "This has resulted in a loss of state revenue from the cigarette industry by over 50 per cent ever since the VAT rate on cigarettes was increased. It is thus clear that the objective of increasing revenue from the cigarette industry in the state with a steep increase in VAT and imposition of health cess has been soundly defeated," it said.

Interactive Session on “Illicit Trade – A Threat to our National Interest”

Chennai, Guwahati, Chandigarh



In order to highlight the magnitude of illicit trade activities such as counterfeiting and smuggling, FICCI CASCADE organized Interactive Sessions on 'Illicit Trade - A Threat to our National Interest', in Chennai, Guwahati and Chandigarh.

In Guwahati, Mr. Mukesh Sahai, Additional Director General of Police, CID, Assam was the key speaker at the interactive session. Mr. Sahai in the session stated that we appreciate to become knowledgeable economy and the center pillar of this knowledgeable economy is effective enforcement of IPR. He also emphasized on the need of synergetic partnership of the enforcement agencies with the industry, to develop core competencies of procedural law, effective prosecution, investigation and forensic expertise. Mr. Karan Singha IPS, Additional DGP - Crime Branch, CID, Tamil Nadu was the key speaker at the interactive Session in Chennai. Mr. Singha

stated that the Tamil Nadu police was very serious about taking action on such unlawful activities and urged the consumers to not only boycott illicit products but to cooperate with police to tackle the issue. Mr. A S Cheema, DIG Chandigarh Police was the chief speaker at the interactive Session in Chandigarh. Mr. Cheema in his address stated that illicit trade activities are a crime against state as state loses revenue. He however agreed that enforcement of IPR is not a priority sector for police and is not considered as a part of core policing. He urged industry and industry bodies like FICCI to come forth and join hands with police to curb this menace. Need and importance of continuous awareness generation by the media on issues of counterfeiting and smuggling was also emphasized by Mr. Cheema. All the interactive sessions were well participated and covered by media.

Seminar and Candle Light Congregation - Fight Against Smuggling and Counterfeiting

29 July, 2015 | Guwahati



FICCI CASCADE organized a seminar and candle light congregation in Guwahati on 29th July, 2015. The programme witnessed an enthusiastic participation from industry, consumer bodies, legal experts, consumers and students from across Guwahati, Assam.

Mr. Rajiv Kumar Bora, Additional Chief Secretary, Administrative Reforms & Training, Education and Information Technology Dept, Government of Assam was the Chief Guest at this congregation. Mr. Bora congratulated FICCI CASCADE for having taken the step of initiating this consumer movement against counterfeit and smuggled goods. "Looking at the magnitude of the problem which is upto one trillion US Dollars is the call of the hour" stated Mr. Bora. He also said that the menace of counterfeiting and smuggling is very rampant in North East due to its porous borders and agreed that activities involving counterfeiting and smuggling curbs the economic independence and one must pledge to not use the fake products and fight the menace of smuggling which is in the larger interest of the nation's economy. He also highlighted the fact that government is not only losing revenue but also ability to provide services to the people, "our democratic quality suffers due to this illicit market" said Mr. Bora.

Mr. Ronn Pakrashi, Member, FICCI North East Advisory Council while delivering his welcome address, mentioned that the problem of smuggling, counterfeiting and piracy have increased manifold in the global market affecting consumers, industry and government.

Mr. Deep Chand, Advisor, FICCI CASCADE, addressed the audience on the need of enforcement to curb illicit trade. He emphasized on awareness among the stakeholders as a very important aspect in the enforcement of counterfeiting laws and mentioned that FICCI CASCADE is doing a tremendous task in creating awareness on a pan India basis to make a dent in this vast field which has remain unexplored so far.

Mr. P C Jha, Advisor, FICCI CASCADE delivered an overview on counterfeiting and smuggling. He said that "Counterfeiters and smugglers do not pay taxes which are a revenue loss for the government. Consequently, infrastructural spending in education, health and other sectors get reduced". He also said that price differences among neighboring countries, tax arbitrage and ineffective control are a few reasons for this illicit trade. Thus the focus must be on the growing link between counterfeiting, smuggling and crime.



Seminar on "Curbing Counterfeiting and Smuggling - An Imperative for Indian Economy"

Chennai, 07th July, 2015



"The State Government is committed to the cause of curbing the menace of smuggling and counterfeiting and is a high priority for police in Tamil Nadu". This was stated by Mr. Sunil Kumar, Additional Director-General of Police (ADGP) - Crime, Chennai, the Chief Guest at the FICCI CASCADE Seminar on Curbing Counterfeiting and Smuggling held in Chennai. Mr. Kumar also urged industry and consumers to come forward and help the Government and police in preventing illicit trade and called for a combined effort by all stakeholders.

FICCI CASCADE, with a view to engage all relevant stakeholders like government representatives, enforcement agencies, excise and customs, consumer activists, media as well as industry and legal experts, and to sensitize them to fight against counterfeiting and smuggling, organized this seminar in Chennai on "Curbing Counterfeiting and Smuggling - An Imperative for Indian Economy" on 7th July, 2015. Illicit trade has attracted considerable attention among trade associations, government and enterprises. Consequently, as a support to the cause, the seminar witnessed huge participation of around 130 delegates who were united in their fight against smuggling and counterfeiting activities.

Mr. Ashok R. Thakkar, Convener, Infrastructure Panel, FICCI Tamil Nadu State Council welcomed the dignitaries and highlighted the objectives of the seminar like generating awareness, interaction with law enforcement agencies and the need for sharing best practices. He observed that India was at the world's spotlight with a most dynamic economy. Hence, safeguarding the rights of legitimate industries is imperative.

FICCI CASCADE advisor, Mr. Deep Chand, who is also a former Special Commissioner of Police, New Delhi pointed out that as illicit trade had become an economic problem of international importance and has been growing dramatically across the globe.

Strict legislations, enforcement, protection of intellectual property rights are required to curb the peril. Mr. Chand further emphasized that in order to completely eradicate of this global menace, demand side of counterfeiting should be fought first. Mr. Chand also shared his thoughts on how high rates of taxation on products are aggravating the problem of counterfeiting and smuggling. For example an increase in excise and VAT rates on products such as tobacco and alcohol incentivizes counterfeiting, thereby, causing heavy losses to the ex-chequer. Thus, enforcement of high taxed goods should be of high priority for governments to avoid tax evasion.

Ms. Komal Kalha, Senior Counsel - Intellectual Property, US Patent and Trademarks Office in her address urged right holders to ensuring one's rights through formal registration of IPR. This is important before expecting the Government to ensure protection of rights. Ms. Kalha also highlighted the legal options available in the United States - civil, criminal and administrative - for enforcement of Intellectual Property Rights.

The seminar also marked the enthusiastic and encouraging support of Ms. S. Saroja, Director - Consumer Advisory and Outreach Vertical, Citizen Consumer and Civic Action Group. Ms. Saroja stressed on the fact that sustained awareness was required amongst consumers which should also include awareness on quality standards.

Following the Inaugural Session, a panel discussion on Organized Crime Surge in India - Role of Enforcement Agencies in Combating Smuggling and Counterfeiting was held, which saw lively interactions of representatives from enforcement agencies and the audience. Panelists included Mr. M. M. Parthiban, Additional Director General, Directorate of Revenue Intelligence, Chennai and Ms. H. Jayalakshmi, Superintendent of Police, Video Piracy Cell, Chennai. All the panelists emphasized on information sharing among all stakeholders as being a key to curb this menace.

Mr. P. Murari IAS (Retd.), Adviser to FICCI President & Former Secretary to President of India concluded the discussions with a shared view that the problem of counterfeiting and smuggling was multifaceted and complex. Addressing the issues would call for a regular interface among the stakeholders in areas like government policy, laws and enforcement; increasing engagement with the industry and, most importantly, creating awareness in the society on the need to curb counterfeiting and smuggling.

Capacity Building Programme for Police Officials

03, August, 2015, New Delhi

Police Officers join hands with FICCI CASCADE to fight the menace of Smuggling and Counterfeiting



Police officers attending training in New Delhi

The Police department is the primary law enforcement agency. It administers the Government's economic, trade and tariff policies, handles international traffic of imports & exports, and aids to minimize demerit goods from augmenting in the markets. FICCI CASCADE organized a training programme for the Delhi Police officers on August 03, 2015 at the Rajender Nagar Police Station, New Delhi, with an objective of equipping the police officers to understand and take requisite action against counterfeiters and smugglers.

Mr. Suvashish Chaudhary, IPS, Principal, PTC, the Chief Guest at the programme, emphasized that the police had a significant role in fighting the menace of smuggling and counterfeiting. He stated that although counterfeiting was looked at as a victimless crime, it had many far-reaching consequences and it was extremely important for a police officer to understand the consequences before taking actions on ground. He further added that protection of rights takes a key role given the emphasis on the current 'Make in India' campaign. Hence, awareness generation on counterfeit and smuggled items is a must as this will act as a deterrent to the illicit market operations and give fillip to the economy.

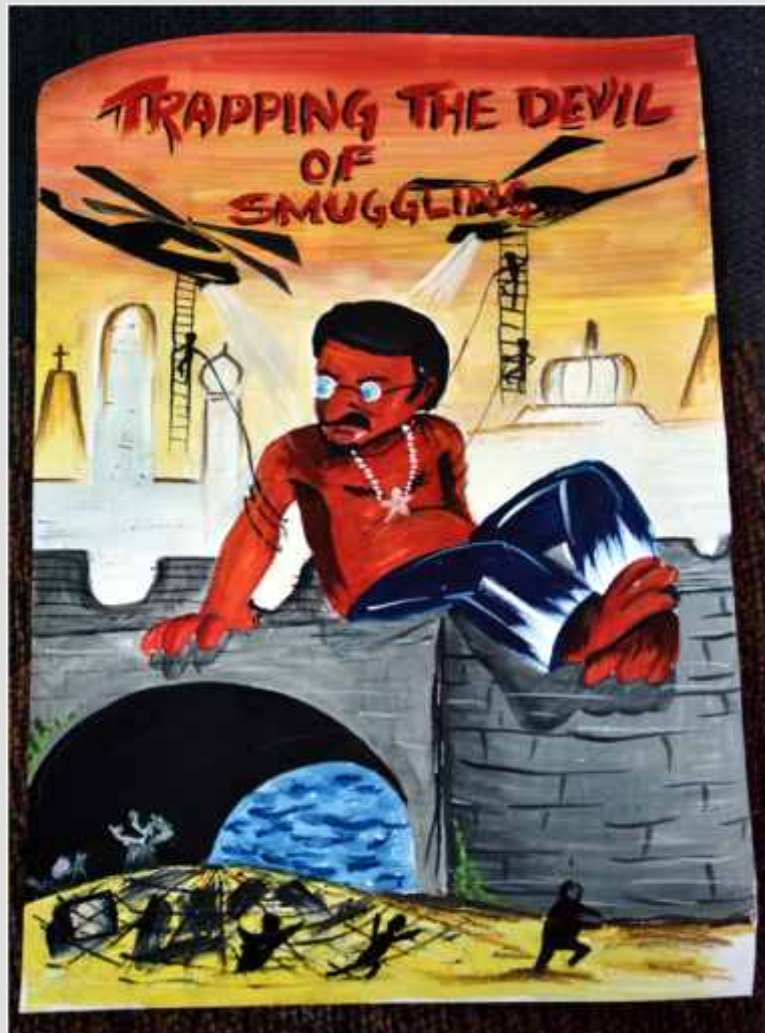
Mr. Deep Chand, Advisor, FICCI CASCADE, in his address informed about FICCI CASCADE's mandate of capacity building of law enforcement agencies including for Judges, Police and Customs Officers, and how CASCADE had been working

extensively in this area nationally. Mr. Chand correlated smuggling and counterfeiting activity with the security challenge in different environments around the world.

The training programme was attended by over 50 police officers and provided a useful platform for the exchange of ideas and experiences in the enforcement of laws and practices while dealing with counterfeiters and smugglers. The speakers deliberated on the various aspects that a police officer is needed to keep in mind while investigating cases of smuggling and counterfeiting, including: Legal Provisions to Offences & Penalties for Counterfeiting and Smuggling, Provisions under Patents, Design, Trademarks and Geographical Indications Acts and Practical know-how of Investigation of IP and related Economic Crimes. Other significant areas of discussion included on Tax Arbitrage - Grey Market Operation and Global trends of investigations in counterfeits and their enforcement.

The speakers at the programme included Mr. Mangesh Kashyap, IPS, Deputy Commissioner of Police, IPR, Economic Offence Wing, Delhi Police, Dr. Alka Chawla, Professor, Faculty of Law, University of Delhi and Advisor, FICCI Intellectual Property Education Centre, Dr. Prithpal Kaur Assistant Registrar TMR, Patent Office, New Delhi, Mr. Sachin Gupta, Associate Partner, IntlAdvocare and Mr. Kunal Gupta, Executive Director, Grant Thornton India LLP. The participating police personnel found the presentations constructive and interacted actively with the speakers

Awareness through ART



Seminar and Candle Light Congregation - Fight Against Smuggling and Counterfeiting

Recent Initiatives Continued from Page No 3

Ms. Hasina Kharbhih, Founder and Managing Director, Impulse Social Enterprises said that terrorism have deep roots through smuggling of tobacco products. She also brought forth the fact that counterfeit cosmetics are the most common sight in the north east. She took an oath to take this message to the nearby areas and fight against this menace.

Mr. Swapnanil Barua, Commissioner and Secretary, Industries and Commerce, Government of Assam delivered the special address. He urged the industry to come forward and take necessary actions to curb the hazards of this illicit trade. The seminar witnessed vigorous interaction with delegates demonstrating an active interest in the issue and more than 100 consumers with candles in their hand and banners stating 'Fight



Smuggling', Buy 'Make in India' and 'So No to Fakes' participated in this congregation. People at Guwahati joined with FICCI CASCADABLE and lighted the candle taking pledge.

International News

1. Fakes are costing Europe's fashion industry

July 22, 2015 | Quartz

It's exceedingly easy to buy knock-offs of European luxury brands. They're so common people hardly pay them any mind. But their prevalence is actually a major problem, and it's undermining Europe's fashion industry. Counterfeits cost European brands the value of 9.7% of their total sales every year, or a staggering €26.3 billion (\$28.7 billion), according to a new report by Europe's Office for Harmonization in the Internal Market (OHIM).

<http://qz.com/460932/fakes-are-costing-europes-fashion-industry-10-of-its-sales-and-thousands-of-jobs/>

2. Dublin Seizes 36,200 Cigarettes and 15kgs of Tobacco

July 16, 2015 | Revenue

In an intelligence-led operation today (16/07/15) targeting the sale of illegal cigarettes in the Moore Street area, officers from Revenue's Customs Service, assisted by An Garda Síochána, seized approximately 30,000 cigarettes and 15kgs of tobacco with a retail value of over €22,000. The cigarettes and tobacco were uncovered when officers, acting under warrant, searched a private dwelling, two cars and two vans in Dublin's inner city. Revenue's tobacco dog Casey assisted in the search. In a separate operation yesterday (15/07/15) focusing on the illegal importation of cigarettes, officers from Revenue's Customs Service seized 6,200 cigarettes.

<http://www.revenue.ie/en/press/2015/pr-160715-cigarettes-tobacco.html>

3. Customs seize over J\$250m in counterfeit goods

July 27, 2015 | Jamaica observer

The Jamaica Customs Agency (JCA) confiscated over J\$250 million worth of counterfeit goods at the island's ports of entry between January 2014 and April 2015. Commissioner of Customs and JCA Chief Executive Officer, Major (Ret'd) Richard Reese, said that the items include: over 20,000 pairs of footwear valued at approximately \$80 million; 1, 920 bottles of perfume, fragrances, and toilet water, valued \$3.84 million; 200 handbags, valued at \$2.1 million; 80 pieces of clothing costing \$49 million; and approximately four million sticks of cigarette, valued at \$120 million.

<http://www.jamaicaobserver.com/news/Customs-seize-over-J-250m-in-counterfeit-goods>

National News

1. Cigarette smuggling is injurious to India

July 30, 2015 | India Today

The Directorate of Revenue Intelligence, Mumbai seized 60.76 sticks of smuggled cigarettes worth Rs 4.24 crore at India's biggest port - JNPT in last 24 hours. In this case, total three persons has been detained and one appraiser - Rishi Ranjan has been suspended for "reportedly cleared the container without examination." As one of the container was about to go out of continental CFS NhavaSheva, DRI intercepted on a tip off and seized the consignment.

<http://indiatoday.intoday.in/story/cigarette-smuggling-is-injurious-to-indias-health-warns-dri/1/454998.html>

2. 60,000 Smuggled Cigarettes Seized at Jaipur Airport

August 9, 2015 | Indian Express

Two passengers were detained by the Customs Department here after 60,000 cigarettes worth over Rs 3 lakh were seized from them at the Jaipur International Airport, a senior official said today. The accused, identified as Mohammed Abid (36) and Samir Ansari (27), residents of Delhi who had alighted from Air Arabia flight from Sharjah were detained yesterday after six bags filled with Indonesian brand 'Black' cigarettes worth Rs 3.09 lakh was recovered from them, Joint Commissioner-Customs, Honhar Singh Meena, told PTI here.

<http://www.newindianexpress.com/nation/60000-Smuggled-Cigarettes-Seized-at-Jaipur-Airport/2015/08/09/article2965874.ece>

3. 20 percent tobacco products and alcohol is fake in Punjab

August 6, 2015 | The Times of India

More than 20 percent of tobacco products and alcohol being sold in Punjab are spurious causing a loss of around crores of rupees to state exchequer and consumption of counterfeited mobile phones, automobiles parts, computer hardware, FMCG packaged foods etc have been increased in Punjab in the last two years, officials of Federation of Indian Chambers of Commerce and Industry (FICCI) claimed on Thursday. The claims of FICCI were based on the conclusions of it's Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (CASCADE), which collected all relevant details about fake products nationwide.

<http://timesofindia.indiatimes.com/city/chandigarh/20-percent-tobacco-products-and-alcohol-is-fake-in-Punjab/articleshow/48376850.cms>

Interactive Session on 'Illicit Trade – A Threat to our National Interests

11 September, 2015 | Bhubaneswar

FICCI CASCADE will unveil its 9 sector study on "Illicit markets - A Threat to our National Interests" in

Bhubaneswar on 11 September, 2015. The highlights of the study and its implications will be shared with the State media.

International Conference on Illicit Trade - Threat to National Security and Economy

January 2016 | New Delhi

FICCI CASCADE had successfully organized the first International Conference in 2013 which sought practical recommendations to resolve the menace of counterfeiting and smuggling. Taking the agenda forward, 2nd edition of the Conference, titled 'Illicit Trade - Threat to National Security and Economy' is being organised in January at New Delhi. This conference will be a day-long event and is

structured to ensure that national and international stakeholders can dialogue with policy makers to identify opportunities for joint action between governments and the private sector to combat illicit trade. The conference will also aim to design tangible solutions to countering illicit trade in strategic markets.

Seminar on 'Curbing Counterfeiting and Smuggling – An Imperative for Indian Economy'

October | Hyderabad

FICCI CASCADE believes that awareness and outreach is an essential element in building a proactive strategy to curb counterfeiting and smuggling. FICCI CASCADE is organising a seminar on 'Curbing Counterfeiting and Smuggling - An Imperative for Indian Economy' in October at Hyderabad. The objective of this seminar is to focus on

spreading awareness and enabling a dialogue between the stakeholders on the alarming magnitude of smuggling and counterfeiting and exterminating this demon from the society. There is a need for consumers to demand their right of genuine and authentic products; the seminar aims to awake the consumers on this menace.

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