



12th BRAND PROTECTION EXCELLENCE FORUM

16th & 17th April 2024 | New York City, NY

📍 JAY CONFERENCE BRYANT PARK

Cross Border supply
and implementation of
counterfeit strategies
for protection of your
brand



Víctor Hugo Guerra
*Director of Illicit
Trade Prevention at
Philip Morris
International*

April 16th 2024



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NATIONAL POST

Tory MP tells committee that illegal tobacco sales financed 1993 World Trade Center attack

"Illegal tobacco has been named as the key contributor financially to the blowing up of the Twin Towers. This is how serious this is. And whether people like to believe that or not, it has been proven to be a fact," Finley said during a meeting of the House of Commons Standing Committee on Health Wednesday."

- [The National Post](#) (3/2/18)



THE WALL STREET JOURNAL

Cigarettes and Murky Joint Ventures Help North Korea Evade Crackdown

"U.S. government reports show that North Korea commands a significant portion of an illicit international cigarette trade worth billions of dollars per year. . . . most profits go directly into Pyongyang's coffers. That cash, these people say, is used to fund the military, the country's nuclear weapons programs and the luxury goods provided to the political and military elite who help to keep Mr. Kim in power."

- [The Wall Street Journal](#) (1/14/18)



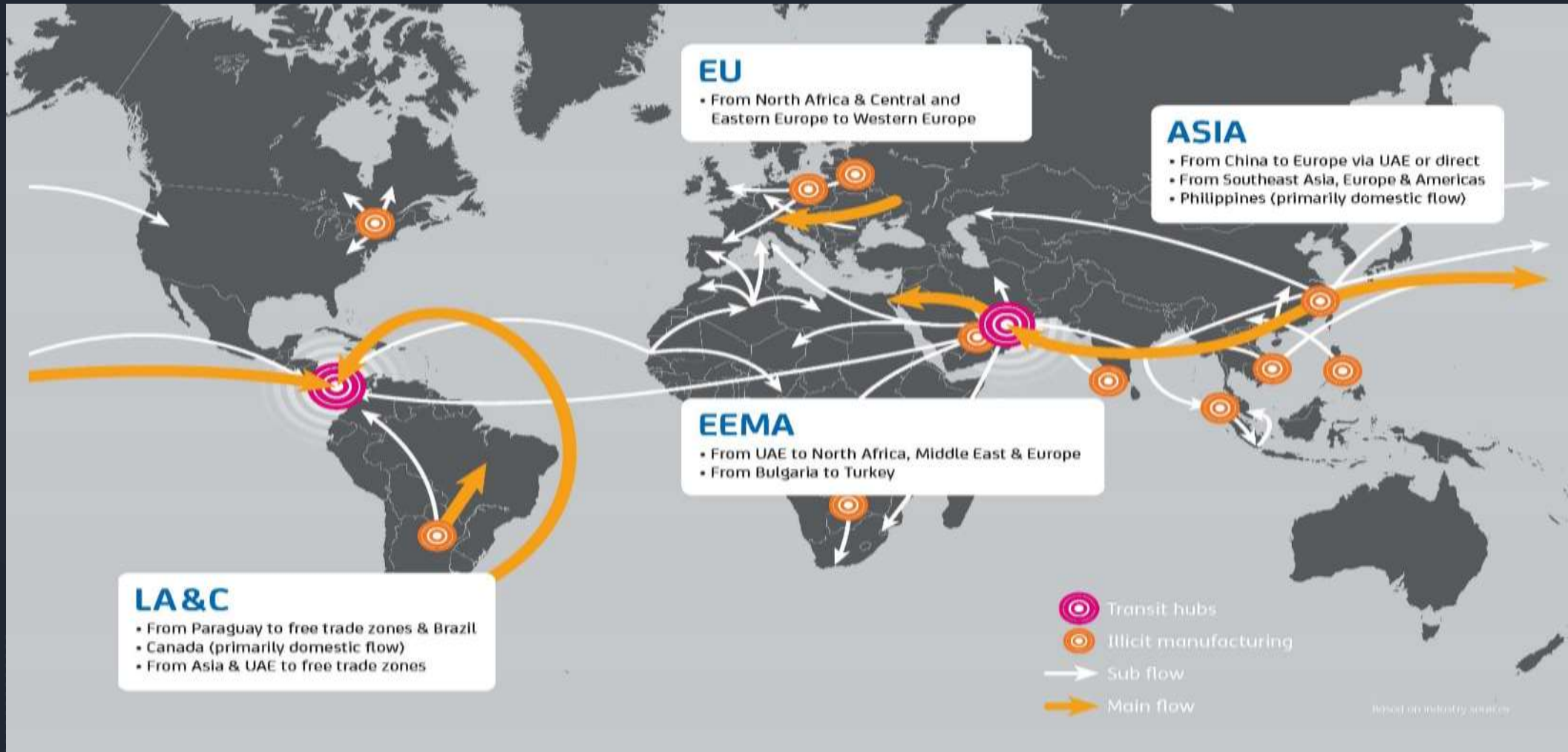
Smuggled North Korean cigarettes are sold on the streets of Dandong, China. PHOTO: JIWEI HAN/ZUMA PRESS



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WHAT IS ILLICIT TRADE?



CONTRABAND

Genuine tobacco products that are produced for lawful distribution in their market of intended destination but illegally diverted into a different market



COUNTERFEIT

Tobacco products that have been manufactured without the permission of the trademark rights holder



ILLICIT WHITES

Tobacco products that are generally legally produced in a market and which are smuggled into another market where they have limited or no legal distribution



UNDER DECLARATION

Tobacco products that are produced and distributed in the same country, a portion of which is not declared to the domestic tax authorities

Illicit trade creates a cheap and unregulated supply chain of products, undermines efforts to offer novel legal products, damages legitimate businesses and intellectual property rights, stimulates organized crime, increases corruption, and reduces government tax revenue...



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...illicit trade is approx. 10% of world consumption



**...counterfeit and pirated products
accounted for 3.3% of global trade -
approx. 464 billion USD**



**...illicit trade annual negative impact
equivalent to US\$2.2 trillion**

**The Munich Security Conference between 1.6 and 2.2 trillion
USD in illicit products flow globally**

**As per a KP&G 2022 Report Latin America represented
31.4% of total cigarette consumption or a total of 72 bn
cigarettes v. EU at 8.2%**



...illicit tobacco trade costs taxpayers & Gov US\$40 to US\$50 billion annually



MULTILAYERS STRATEGIES & A 360 APPROACH

i. PROMOTE A ROBUST REGULATORY ENVIRONMENT

- E.g., The INTA 2023 Board Resolution “Establishing a Framework for Protecting Consumers from Third-Party Sales of Counterfeit Goods via Online Marketplaces” (FINAL November 14, 2023). Sponsoring Committee: Anti-Counterfeiting Committee. Link : <https://www.inta.org/news-and-press/press-releases/inta-board-of-directors-vote-to-adopt-four-board-resolutions-during-associations-2023-leadership-meeting-2/>
- Some US regulatory efforts i. “*Integrity, Notification, and Fairness in Online Retail Marketplaces for Consumers Act*” or the *Inform Consumers Act* (June 27, 2023) and the Bill of the SHOP Act (“*Stopping Harmful Offers on Platforms by Screening Against Fakes in E-Commerce*”) introduced in the US Senate as of Sep. 27, 2023

ii. SUPPLY CHAIN INTEGRITY COMPLIANCE / TECHNOLOGIES

- E.g., anti-diversion plans, KYC/KYV/AFP policies.
- Tool as the genuine products verification Apps [EVA] and T&T technologies



MULTILAYERS STRATEGIES & A 360 APPROACH

- iii. CONTRACTUAL RECORDS, ENFORCEMENT & CUSTOMS RECORDALS
- iv. INTELLIGENCE AND INVESTIGATIONS: CUSTOMS, PROSECUTORS, FINANCIAL UNITS, POLICE
- v. EXTERNAL ENGAGEMENT / PUBLIC PRIVATE PARTNERSHIPS
- vi. CAPACITY BUILDING. E.g., the UN UPEACE Chair



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“This is an essential book to understand the criminal scourge, the development of public policies on security and the promotion of public private partnerships”

Dr. Victor Hugo Guerra, Editor, Author, Speaker



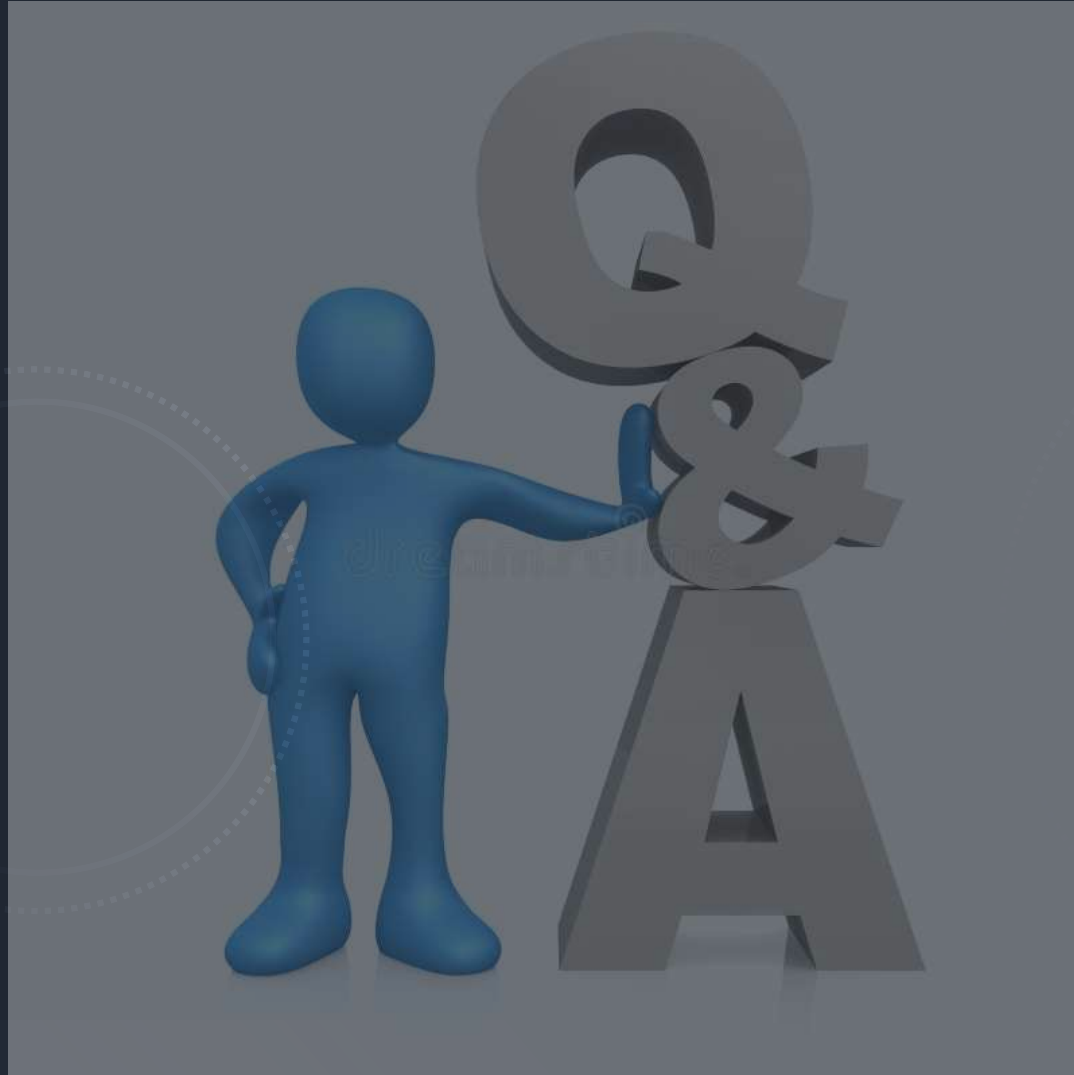
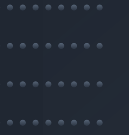
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Dank

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SHUKURIA
GOZAIMASHITA
EFCHARISTO
JUSPAXAR
DANKSCHEEN
TASHAKKUR ATU
YAQHANYELAY
SUKSAMA
EKHMET
THANK
YOU
BOLZİN
MERCI
BIYAN
SHUKRIA
TINGKI
GRAZIE
MEHRBANI
PALDIES
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