## MEDIA RELEASE – *Duty Free: Trusted, Transparent, Secure*

### **Duty Free World Council and Tax Free World Association welcome retailers signing new global industry zero-tolerance declaration on illicit trade.**

### ARI, Dubai Duty Free, Dufry, Gebr. Heinemann, Lagardère Travel Retail, Qatar Duty Free sign up as initial signatories, other retailers encouraged to join up.

**Wednesday 12 July 2023**

The Duty Free World Council (DFWC) and Tax Free World Association (TFWA), the representative organisations for the global duty- and tax-free industry, have welcomed the first cohort of duty- and tax-free retailers signing a new zero-tolerance declaration on illicit trade, counterfeiting and intellectual property theft. The declaration has been created as the next step of the *Duty Free: Trusted, Transparent, Secure* campaign, which was previously jointly launched by DFWC and TFWA in June 2022.

Duty- and tax-free retailers, **ARI, Dubai Duty Free, Dufry, Gebr. Heinemann, Lagardère Travel Retail, and Qatar Duty Free** are the first to sign this initiative, with more retailers expected to join in the near future.

The initial signatories of this initiative collectively account for approximately $25bn of travel retail sales (2019) and rank amongst the largest and most successful duty- and tax-free retailers in the world.

A significant number of major brand owners have also made clear their willingness to make the same commitment, and a separate announcement on brand owner support will be made in the near future.

By signing this declaration, retailers commit to a zero-tolerance approach to illicit trade within their own organisation. They are also requesting their suppliers follow suit with a clear anti illicit trade policy. This builds on the commitments already made by a number of duty- and tax-free retailers through the UN Global Compact.

This commitment will be a key tool to demonstrate a united front and will further demonstrate that the duty- and tax-free industry is in no way associated with the growing problem of illicit goods fraudulently labelled as duty-free.

Marking the launch of the declaration DFWC President, Sarah Branquinho, thanked the initial signatories for their strong support and encouraged others to follow their example:

*“There is no place in our industry for companies that engage in illicit trade. Illicit trade in all its forms causes substantial societal harm, and costs our industry significant lost sales opportunities. It can also cause our industry reputational harm when illicit or counterfeit goods are fraudulently mislabelled as ‘duty-free’ in an attempt to lend authenticity to the product. Ultimately, consumers should be aware that when they purchase goods labelled as duty-free outside of a licensed duty-free retailer, it is very likely to be a counterfeit product.*

*“Our industry already boasts one of the most transparent, trusted and secure supply chains in the world. We are proud of our industry’s credentials and commit to maintaining these high standards.*

*“Today, some of the major players in our industry are making clear their ongoing stance against illicit trade and will be encouraging their suppliers to follow suit. There can be no room for doubt - the duty- and tax-free industry has zero tolerance for illicit trade in all its forms. We want to send a clear message worldwide - when you shop in a duty-free shop, you can do so with complete confidence!*

*“Our announcement today builds upon the decades of trust that we have built up with our customers, governments, customs authorities, and industry partners. DFWC, TFWA and the initial signatories are keen to grow the momentum behind this initiative and are confident the industry will be fully behind it.”*

[ENDS]

## Notes for editors

See [www.dutyfreefacts.com](http://www.dutyfreefacts.com) for further information

**What is this declaration?**

The DFWC and TFWA anti-illicit trade declaration is an individual public commitment by duty- and tax-free retailers and suppliers against illicit trade, counterfeiting and intellectual property theft in all its forms.

It is a means by which companies operating in the travel retail industry can publicly declare their zero-tolerance of illicit trade, and to encourage other companies to do the same. Illicit trade in all its forms has no place in the duty-free industry – this commitment publicly signals this.

**Why is this needed?**

Illicit trade costs our industry millions in lost sales opportunities every year. Many of the product categories we sell are, coincidentally, some of the most counterfeited in the world.

Despite a very high level of trust from our customers, we suffer from a perception that duty-free is an enabler of illicit trade when illicitly produced goods are fraudulently mislabelled as duty-free to make them appear more authentic.

Another relevant concern is the issue of Free Trade Zones. The duty-and tax-free industry is often mistakenly or casually associated with Free Trade Zones (FTZs). In fact the two concepts are very distinct – FTZs offer access to trade within a specific customs regulation environment generally not subject to customs duties, while duty-and tax-free retail sales can only occur inside a highly regulated and closely monitored travel network.

OECD research has indicated there are more than 3,500 free trade zones spread across 130 countries, up from 79 in 1975. Governments hosting Free Trade Zones should also consider better regulation, as recommended by the OECD.

A common approach to FTZs among enforcement agencies would also be beneficial, and ensure the zones enhance legitimate trade and prevent illicit trade hotspots from emerging.

Our industry has taken a collective decision to stand shoulder to shoulder with enforcement bodies worldwide and to do all we can in the fight against illicit trade.

**What is it intended to achieve?**

This is a very clear message to all companies hoping to do business in DFTR that we have a zero-tolerance to all forms of illicit trade and that we expect the highest of standards both from our retailers and our suppliers. There is no place in our industry for companies that engage in illicit trade.

The declaration is intended to demonstrate to governments, regulators, enforcement bodies and the wider travel retail sector that the duty-free industry is fully aligned as a sector and fully committed to the elimination of all forms of illicit trade, counterfeiting and intellectual property infringements.

The declaration is about demonstrating the credibility of the industry as one of the most secure and trusted retail channels in the world, with a secure and transparent supply chain.

**Who should sign up?**

The DFWC and TFWA declaration is for all organisations retailing or supplying duty- and tax-free goods for sale.

Retailers and suppliers may also wish to add this declaration to existing retailer-supplier agreements, as they are renewed or updated.

**My organisation already has similar arrangements in place, why do I need this?**

The DFWC and TFWA declaration is not intended to replace specific agreements in place between retailers and suppliers. Rather, it is intended to augment existing commitments such as the UN (United Nations) Global Compact to serve as our public commitment to the fight against illicit trade.

**Does this declaration supersede individual agreements in place between retailers / suppliers?**

No not at all, this is designed to be complementary to current retailer/ supplier agreements.

**Who can I contact for more information?**

Cameron Gray – cameron.gray@pentagroup.co