ISO 22382 for Tax Stamps: What Now?

Gerben van Wijk
International Tax Stamp Association
High Security Printing - June 2018
• 22382 rationale
• 22382 content
• What happens now?
• What you can do
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Active Role in Developing Tax Stamp Standard

ISO/TC 292: Security and resilience
WG4: Authenticity, integrity and trust for products and documents

ISO/CD 22382 (ex 19998)
Guidelines for the content, security, issuance and examination of excise tax stamps
# ISO 22382 Editorial Group

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<th>Location</th>
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Rationale for 22382
ISO 22382: The Context

• Extended use of tax stamps beyond established alcohol and tobacco
• More jurisdictions adopting stamps for tax collection
• Proven value in improving tax collection
• Evolving role and multiple functions
• More attacks on tax stamps, therefore need for fraud-resistance
• Recognition of best practice in tax stamps and supporting systems
• Increasingly competitive supplier landscape
ISO 22382: General Scope

- *Best practice guidance* as opposed to *compliance*
- Reflects evolving role of tax stamps and their multiple functions
- Covers tamper-evident role of substrate-based
- Compares substrate-based and directly marked tax stamps
- Does *not* cover digital-only stamps or systems
- Strongly encourages unique identifying codes
- Holistic approach
Tax Stamps Like These...
ISO 22382: The Content 1

1. Terms and definitions
2. Identify and consult stakeholders
3. Stamp functions
4. Procurement process
5. Stamp construction
6. Finishing and application
7. Serialisation and unique identifiers
8. Stamp examination
9. Monitoring and assessment

Annexes:
- Request for Proposal
- Design and construction
- Substrate materials
- Substrate-based vs direct marking
- Authentication features
- Printing techniques
- Authentication tools & usage

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recommendations of interest to printers and suppliers

22382
Issuing RFIs and RFPs

• Use RFI as first step in open procurement process
• Follow up with RFP allowing suppliers to propose optimum solutions
Selecting Suppliers

- Consult with stakeholders such as government organisations familiar with document securities
- Ensure suppliers and sub-contractors comply with security risk assessment
- Ensure suppliers comply with standards for secure production, transportation and destruction of security materials
Design and Artwork Rights

Two options:

• Tax authority is assigned copyright in artwork and final stamp design
• Creator retains copyright but uses design only on instruction from tax authority
Best Practice Security Printing Techniques

• Graphical security designs
• Complexity in design and printing process
• Combination of printing tools and methods
• Registration of different parts of design within tight tolerances
• Use of specialist techniques difficult for criminals to source
## Common Printing Methods

<table>
<thead>
<tr>
<th>Name</th>
<th>Characteristics</th>
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<tbody>
<tr>
<td>Offset</td>
<td>Most common method for tax stamps but vulnerable to counterfeit</td>
</tr>
<tr>
<td>Intaglio</td>
<td>Complex process, not widely available</td>
</tr>
<tr>
<td>Screen</td>
<td>Used to apply optical effect inks</td>
</tr>
<tr>
<td>Flexo</td>
<td>Comparable to offset, brings more ink to paper</td>
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<tr>
<td>Inkjet</td>
<td>Most suitable for applying UID to tax stamps</td>
</tr>
<tr>
<td>Digital</td>
<td>Refers to printing from digital image</td>
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Authentication Features

OVERT + COVERT
# Overt and Covert Features

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<tr>
<th>Overt</th>
<th>Covert</th>
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<tr>
<td>Printed as part of graphic design</td>
<td>Graphic features</td>
</tr>
<tr>
<td>Security inks</td>
<td>Holograms and other DOVIDs</td>
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<td>Taggants</td>
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<td>Lenticular laminates</td>
<td>Fingerprinting</td>
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<td></td>
<td>Copy-sensitive codes</td>
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Authentication Features

FEATURE + EXAMINER + TOOL
Authentication Features

• Use combination of specific and layered security made up of physical and digital features

STANDALONE CODES CANNOT PROVIDE AUTHENTICATION
Direct Marking

What’s good about direct marking:
• Enables high-speed printing of tax serial number
• Allows serial number or code to be destroyed when item opened
• Doesn’t require application of substrate-based tax stamp
• Can contain material security (inks)

BUT:
• Does NOT offer variety of authentication features built into substrate-based tax stamp
• Raises risk of multiple use of single unique identifier if inappropriate ink used
Tax Stamp Production Security

• Ensure suppliers are or have to access to authorised security printers according to specific criteria

Tax authorities may:
• Inspect suppliers’ premises
• Verify supplier is certified according to appropriate standards such as ISO 9001, ISO 14298 / ANSI-NASPO
Unique Identifiers

• Each stamp should carry UID/serial number

• Tax authority should determine with supplier how UID will be applied:
  • During stamp production process
  • By stamp issuer as confirmation of tax payment against which stamp is issued
  • At point of application to product
  • Pre-printed by stamp manufacturer and activated on line
Stamp Examination

- Consider how and by whom stamps will be examined:
  - Number of samples to be examined
  - Examination experience
  - Familiarity with stamp security features
  - Access to training and examination tools
- Consumers may have option to authenticate stamps with smartphone
So... What Now?
Current Status

- Adopted as an International Standard (DIS)
- Pending only ISO Central Secretariat final checking
- Publication hopefully Q3
- Available to buy from ISO store (approx CHF120)
  https://www.iso.org/store.html
What Now? Tax Stamp Issuer

• Buy ISO 22382
• Convene discussion to consider how to follow its guidance
• Follow ISO 22382 recommendations
• Use other resources
What now: Tax Stamp Issuer

In other words, do you have something like these processes in place?
What Now: Tax Stamp Supplier

- Buy ISO 22382
- Convene discussion
- Refer to standard in marketing
- Show your stamps comply with ISO 22382 guidance
- Join ITSA to support its promotion
Membership

Talk to us about joining ITSA

Email info@tax-stamps.org
Thank You

For further information:
www.tax-stamps.org