

## WINTER 2016 – MEMBERS' NEWSLETTER

### Welcome to the ITSA Winter 2016 Newsletter!

It will soon be one year since the launch of the International Tax Stamp Association as a collective voice for the tax stamp industry, and it has certainly been an active time for this newly formed group of tax stamp professionals.

Let's look at some of the highlights of this first year, as well as the latest developments with regard to ITSA's priority projects:

### 16 members strong

In addition to its ten founder members, ITSA was joined this year by another six members, all leading providers of finished tax stamps, or their components and features, or the equipment for designing, manufacturing, applying and authenticating tax stamps, or the systems for coding and marking them.

ITSA's members are located across the globe. We have five members in Asia (Holoflex, Holostik, Manipal Technologies and Uflex of India, and Chanwanich Security Printing of Thailand), eight in Europe (Advanced Track & Trace, Allexis, Jura, Leonhard Kurz, Luminescence, OpSec Security, SICPA and SURYS), and three on the American continent (Ashton Potter, Rolland Enterprises and Thomas Greg & Sons).

Although ITSA has already developed a strong membership base in its first year, it is working to recruit new members in 2017. This continued growth is important for ensuring ITSA's credibility as a voice for the industry.

With this goal in mind, ITSA has extended its membership benefits to cover a number of more tangible, quantifiable offers, which include the following:

- **Subscription to Tax Stamp News™ included in membership fee** – Tax Stamp News is a monthly publication, published by Reconnaissance that keeps the industry informed of new tax stamp programmes, as well as the latest printing, authentication and coding technologies, regulatory developments, and other news pertaining to the tax stamp industry. An annual subscription to Tax Stamp News is worth £575;

- **20% discount on the Tax Stamp Forum™ registration fee** – the Tax Stamp Forum is the only global event to bring together all the players in the tax stamp community, including government excise and customs agencies, law enforcement, regulators, tobacco and alcohol manufacturers, security printers and suppliers. The discount represents a saving of up to £340;
- In addition to these benefits, all new members that join ITSA prior to the 2017 Tax Stamp Forum (starting on 30 January) will benefit from free admission to the Forum, worth £1,360. Application forms for membership can be found at [www.tax-stamps.org/userfiles/files/membership-form-2016.pdf](http://www.tax-stamps.org/userfiles/files/membership-form-2016.pdf).

### ITSA's contribution to the ISO standard

One of the main goals of ITSA this year and next, is to actively support and contribute to the development of the new ISO 19998 standard, titled *Requirements for the content, security, issuance and examination of excise tax stamps*. The adoption of this standard is foreseen for the end of 2017.

The drafting of the standard is currently underway and is at the stage where certain key conclusions have been drawn with regard to the scope of the standard and the function of tax stamps.

The next major step is for the ISO 19998 editorial group to transform the current draft of the standard into a committee draft (ie. into the first draft of the full standard). This requires some new material, editing and consolidation of sections already drafted. The goal is to circulate the committee draft before the end of 2016, for consideration at the group's next meeting, on 2-3 February 2017 in Berlin (immediately following the Tax Stamp Forum).

As ITSA is an active supporter of ISO 19998, its members are entitled to provide input to the draft as it currently stands – an action which is happening right now.

This input will be considered for incorporation into the draft, as long as it does not conflict with what is most appropriate for the standard.

Please refer to [www.tax-stamps.org/iso-standards.aspx](http://www.tax-stamps.org/iso-standards.aspx) for more information on ISO 19998.

### Advocating the use of tax stamps under the EU TPD

Another priority goal of ITSA this year has been to put forward the benefits of using tax stamps as effective tools for complying with the traceability and security feature standards of the EU Tobacco Products Directive (TPD), which are due for adoption in Q4 2017.

The European Commission is now at the crucial stage of gathering information from stakeholders to assist with the implementation of these standards, which it is doing through an online public consultation survey and a 'by invitation only' face-to-face workshop (which takes place on 12 December in Brussels and to which ITSA has been invited).

ITSA has responded to the online survey by expressing a number of legal and technical concerns over the EC's latest assessment of various options for traceability and security. One concern is that the assessment fails to fully take into consideration the provisions of the WHO FCTC's *Protocol to Eliminate Illicit Trade in Tobacco Products*, now ratified by the EU, which clearly disqualifies some of the governance model options currently being contemplated.

Another concern is that the survey appears to favour information technologies exclusively – something that completely ignores best practice and previous work carried out on supply chain authentication technologies.

Continued on page 2 >

In a general press release distributed to industry media, as well as to European revenue authorities, state printers and international organisations, Nicola Sudan, General Secretary of ITSA, said, 'we believe it is important to raise the fact that over 20 EU member states currently use tobacco tax stamps, most of which already carry – or have the potential to carry – a combination of the kind of material-based security features and digital technologies that will be required under the TPD'.

[www.tax-stamps.org/advocacy.aspx](http://www.tax-stamps.org/advocacy.aspx)

## ITSA's media activities

ITSA has been very active on the media front – with a number of press releases and statements issued throughout the course of this year to industry publications and stakeholders (see [www.tax-stamps.org/NewsArticle.aspx](http://www.tax-stamps.org/NewsArticle.aspx) for examples).

ITSA is also about to implement a more proactive social media campaign, starting with its LinkedIn group which will be made public and used to communicate more widely with stakeholders and interested parties in tax stamps.

## ITSA on the conference circuit

In addition to its media activities, ITSA has been very visible on the conference circuit. Here is a brief overview of our conference activities this year and those in our sights for next year. In most cases, our activities consist of a speaker slot in the conference programme, and in some cases we also have a booth:



ITSA booth at The Holography Conference in Warsaw.

## 2016

**March** – High Security Printing Europe, Bucharest

**June** – World Customs Organisation IT Conference & Exhibition, Dakar

Presentation by SICPA on behalf of ITSA: *How Tax Stamps have Become Integrated Tools for Authentication and Track & Trace*

**High Security Printing Latin America, Mexico City**

Presentation by Thomas Greg & Sons: *How Tax Stamps have Entered the International Arena*

**August** – Federation of Tax Administrators Tobacco Tax Section Annual Meeting, Rhode Island

Presentation by OpSec Security: *How Tax Stamps are being Shaped by Global Developments*

**October** – Inter-American Center of Tax Administrations (CIAT) Technology Meeting, Miami

Presentation by SICPA in Spanish: *Cómo las estampillas fiscales están evolucionando según los avances globales*

The SICPA speaker at this conference had some interesting feedback to report from his presentation. He said, 'the general feedback was one of surprise about the speed of development of tax stamps. Many tax administration officials still have in mind a picture of an old tax stamp of days gone by, with poor material security, and so they were taken aback by how modern such an 'old' system had become'.

**November** – The Holography Conference, Warsaw

Presentation by SURYS: *Combining Opto-Digital Technology for Smart Authentication and Traceability*

**December** – High Security Printing Asia, Singapore

Presentation by Luminescence: *New Solutions for Tax Stamps: Security and Traceability*

One-day conference organised by the **Public Health department of the University of Los Andes, Chile** to promote the application of traceability solutions to food products – both for health reasons and for ensuring revenue collections and formality of sensitive markets. The leader of this event is a former health minister and supporter of the NGO for a tobacco-free Chile.

The General Secretary of ITSA has been invited to this conference as the only international speaker, to present the solutions currently being used – or contemplated – for tobacco, and how these can extend to other products.

## 2017

**January** – Tax Stamp Forum, Berlin

Apart from a plenary presentation entitled *Tax Stamps in the 'Grand Scheme of Things'*, ITSA plans to take the opportunity of having a large number of revenue and customs authorities in one place to hold a separate meeting for these authorities, in order to introduce itself, describe how it can be of service to them and learn more about their needs on a more personal level.

**March** – High Security Printing Europe, Azerbaijan

**June** – High Security Printing Latin America, Guatemala

**August** – Federation of Tax Administrators Tobacco Tax Section Annual Meeting

## First AGM and election of two new board members

The first ITSA AGM will be held around the time of the Tax Stamp Forum at the end of January, with the final date to be communicated in due course.

On this occasion, two new directors will be formally elected to the ITSA Board, thereby increasing the size of the Board to seven directors.

All members of ITSA are invited to attend the AGM and we look forward to seeing you there.

We hope you enjoyed this newsletter and we welcome your thoughts and comments relating to ITSA and its activities going forward.

With very best wishes and compliments of the season!

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