Tax Stamps and their Role in Meeting Track and Trace Needs of EU TPD

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ITSA – Collective Voice for Tax Stamps
Our Mission

Better understanding tax stamp benefits

Promote high professional standards

Develop best practice
Active Role Developing Tax Stamp Standard

ISO 19998
Requirements for the content, security, issuance and examination of excise tax stamps
Advocate Tax Stamps as Carrier for Traceability
TPD2 Articles
15 and 16
Article 15: Traceability

‘Member States shall ensure that all unit packets of tobacco products are marked with a unique identifier. In order to ensure the integrity of the unique identifier, it shall be irremovably printed or affixed, indelible and not hidden or interrupted in any form, including through tax stamps or price marks, or by the opening of the unit packet...’
TPD2 Article 16: Security Feature

‘In addition to the unique identifier referred to in Article 15, Member States shall require that all unit packets of tobacco products, which are placed on the market, carry a tamper proof security feature, composed of visible and invisible elements. The security feature shall be irremovably printed or affixed, indelible and not hidden or interrupted in any form, including through tax stamps and price marks, or other elements imposed by legislation’.
What is Traceability?
What is Traceability?

Concept of tracking

Concept of tracing
Traceability: Three Main Components

1. Unique identifier (UID)

2D datamatrix code

QR code
Traceability: Three Main Components

2. Data capture and storage
Traceability: Three Main Components

3. Data sharing and exchange
What are Tax Stamps?
How We’re Used to Seeing Tax Stamps
The Next Generation
Examples of Typical Revenue Uplift
Spotlight on Specific EU Countries
A Key Fact

More than 20 EU member states currently use tobacco stamps. Most of these already feature – or have the potential to feature – a combination of the kind of material-based security features and digital technologies required under the TPD.
Some EU Stamps with Unique Identifying 2D Barcodes

Belgium and Luxembourg

Hungary

Romania

Slovakia
Modern tax stamps:
Equipped for integration into comprehensive track and trace systems
Articles 15 & 16: Five Key Decision Points
INDUSTRY-OPERATED OR THIRD PARTY-OPERATED OR MIX
CENTRALISED DATA STORAGE  OR  DECENTRALISED DATA STORAGE  OR  MIX
SINGLE DATA CARRIER OR LIMITED VARIETY OR FREE SYSTEM
NEAR REAL-TIME REPORTING  OR  ONCE DAILY  OR  ONCE WEEKLY
AFFIXED SECURITY FEATURE OR DIRECTLY APPLIED FEATURE OR ANY METHOD
NO CONCLUSIONS DRAWN YET
ITSA’s Position
DIGITAL ALONE IS NOT ENOUGH
Digital Only Is Not Enough

- Serialised codes in themselves authenticate nothing
- Could be valid codes copied from genuine product onto a fake
- Unsuitable for high-risk situations
- Need augmenting with physical security features
- Physical/digital combination widely advocated in ISO standards
MATERIAL + DIGITAL = HIGH SECURITY
Other Recommendations

• Application of data carrier must be suited to high-speed production environments
• Use multi-layered security all combined on a label
• Integrate in overall framework of legislation, licensing enforcement and education
Thank You

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