

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

**Keith Thompson**

International Tax Stamp Association



# 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'.*

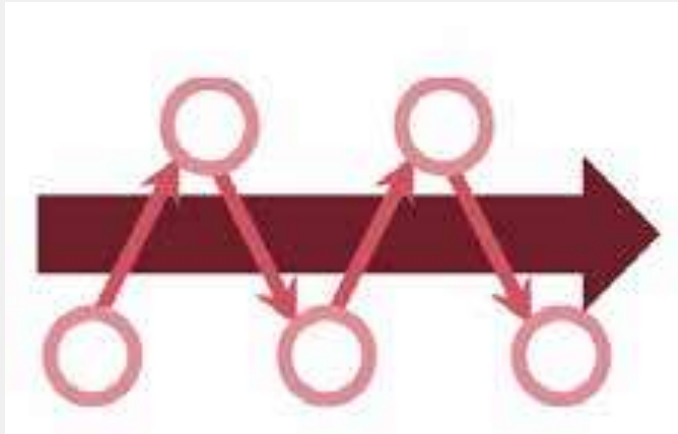


# What is Traceability?

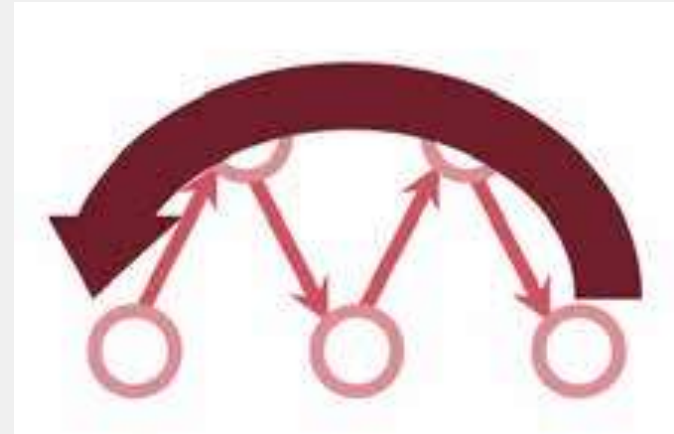


# What is Traceability?

---



Concept of tracking

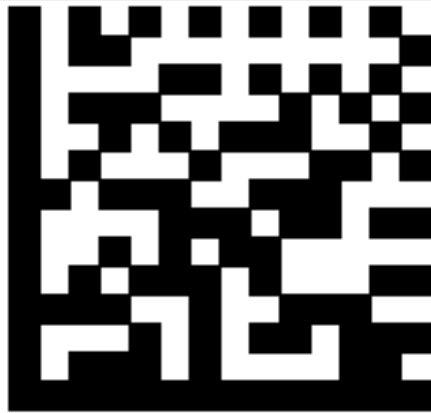


Concept of tracing

# 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

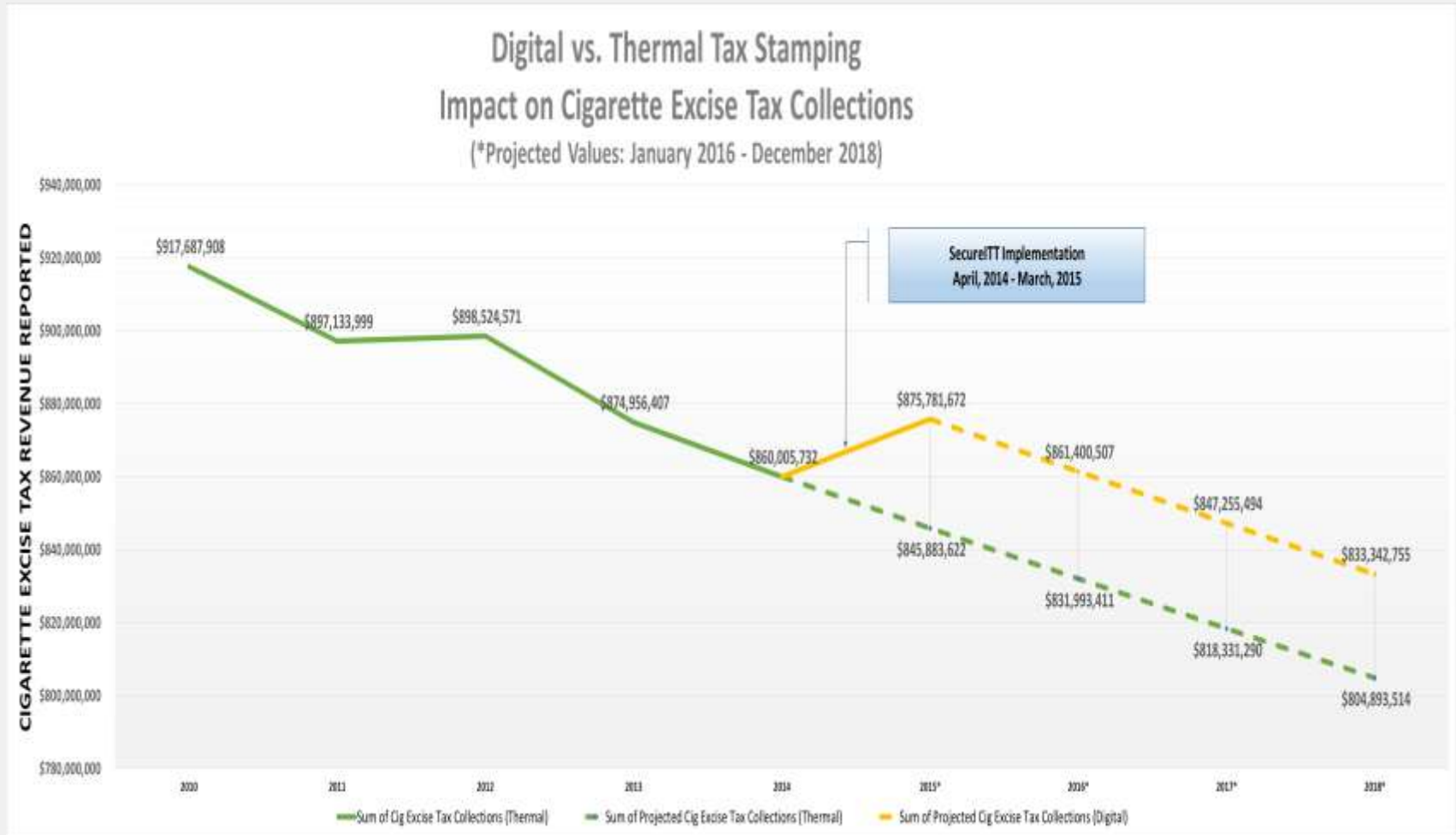


# The Next Generation





# 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

# Part of the Bigger Picture

---

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





# 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

For further information:

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

[itsaboard@tax-stamps.org](mailto:itsaboard@tax-stamps.org)

