

# Benefits of Tax Stamps for Secure Traceability under EU TPD

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International Tax Stamp Association



# Our Mission

**Better  
understanding  
tax stamp  
benefits**

**Promote high  
professional  
standards**

**Develop best  
practice**

# 18 Members



# Active Role in Developing Tax Stamp Standard

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## **ISO/CD 22382 (ex 19998)**

Guidelines for the content, security, issuance and examination of excise tax stamps

# 4 Different Functions

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1. Revenue collection
2. Vehicles to monitor taxable products through supply chain
3. Use for consumer reassurance and legislative compliance
4. Tamper-proof solution for product authentication

**And strongly encourages:**

- Unique identifying codes

# Tax Stamps Like These...



# Put Forward Benefits of Tax Stamps at EU and Global Level

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# EU TPD Requirements Vs ITSA Recommendations

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<b>Draft acts</b>	<b>Our recommendation</b>
No obligation to secure and encrypt the UI	UI encrypted and printed with security features



# EU TPD Requirements Vs ITSA Recommendations

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<b>Draft acts</b>	<b>Our recommendation</b>
No obligation to secure and encrypt the UI	UI encrypted and printed with security features
UI and security features treated as two separate matters	Combine the UI and security features onto one label

# Completely Separate



**Article 15  
Traceability**

**Article 16  
Security  
Features**

# EU TPD Requirements Vs ITSA Recommendations

Draft acts	Our recommendation
No obligation to secure and encrypt the UI	UI encrypted and printed with security features
UI and security features treated as two separate matters	Combine the UI and security features onto one label
Only 1 in 5 authentication elements sourced from 3 <sup>rd</sup> party and all elements treated separately	All elements sourced from independent 3 <sup>rd</sup> party selected by MS and combined into multi-level features

# Recommended Safeguard No 1

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EU countries with tax stamps in place should keep – and upgrade - them

## Benefits:

- Convenience
- National homogeneous solution
- Increased independence from tobacco industry
- Allows customers/law enforcement to authenticate pack

# Recommended Safeguard No 2

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EU countries with no tax stamps  
should adopt them

## Benefits:

- High-security environment
- Wide range of features
- Unique ID supported by physical features

# Recommended Safeguard No 3

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EU countries already with 'traceable' tax stamps  
should keep them

## Benefits:

- Additional source of data
- Enforcement tools already in place

# Example of High Security Stamp with Physical and Digital Features

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# Example of High Security Stamp with Physical and Digital Features

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# Recommended Safeguard No 4

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Maintaining tax stamp programmes =  
retaining national sovereignty

## Benefits:

- Allows for easy integration of additional obligations

And if I'm not in  
the EU?



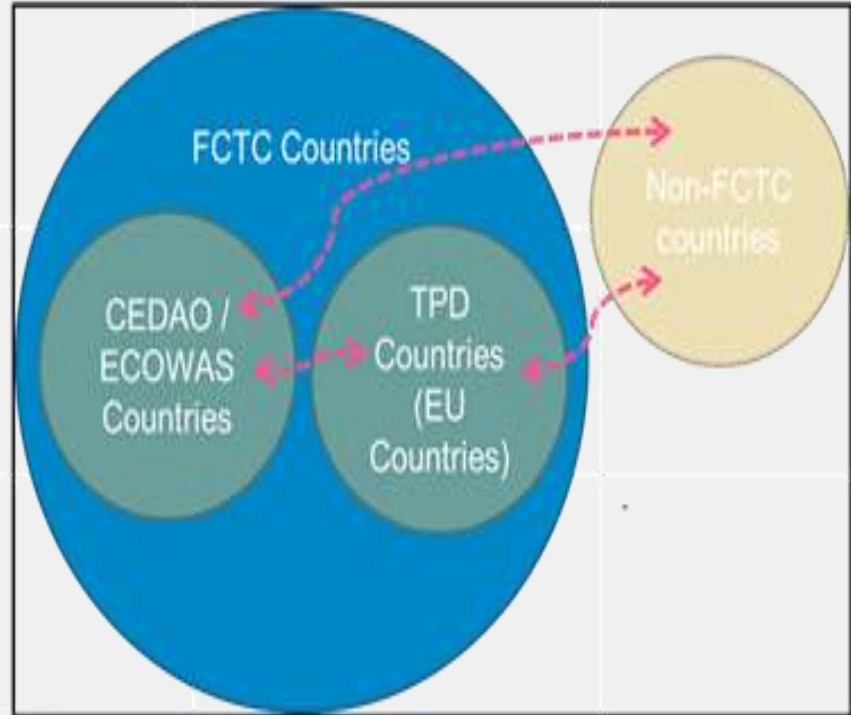
**APPLICABLE REQUIREMENTS OF CONCERN**

**COUNTRY OF PRODUCTION**

	COUNTRY A EU	COUNTRY B EU	COUNTRY C NON-EU & FCTC	COUNTRY D NON-EU & NON FCTC
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COUNTRY OF RETAIL SALE

COUNTRY A EU	<ul style="list-style-type: none"> <li>• TPD</li> <li>• FCTC</li> </ul> <p>Possible</p> <ul style="list-style-type: none"> <li>• MONITORING REQs. OF <u>COUNTRY A</u></li> <li>• MARKING REQs OF <u>COUNTRY A</u></li> </ul>	<ul style="list-style-type: none"> <li>• TPD</li> <li>• FCTC</li> </ul> <p>Possible</p> <ul style="list-style-type: none"> <li>• MONITORING REQs. OF COUNTRY B</li> <li>• MARKING REQs OF <u>COUNTRY A</u></li> </ul>	<ul style="list-style-type: none"> <li>• TPD</li> <li>• FCTC</li> </ul> <p>Possible</p> <ul style="list-style-type: none"> <li>• MONITORING REQs. OF COUNTRY C</li> <li>• MARKING REQs OF <u>COUNTRY A</u></li> </ul>	<ul style="list-style-type: none"> <li>• TPD</li> <li>• FCTC</li> </ul> <p>Possible</p> <ul style="list-style-type: none"> <li>• MONITORING REQs. OF COUNTRY D</li> <li>• MARKING REQs OF <u>COUNTRY A</u></li> </ul>
COUNTRY B EU	<ul style="list-style-type: none"> <li>• TPD</li> <li>• FCTC</li> </ul> <p>Possible</p> <ul style="list-style-type: none"> <li>• MONITORING REQs. OF <u>COUNTRY A</u></li> <li>• MARKING REQs OF COUNTRY B</li> </ul>			
COUNTRY C NON-EU & FCTC	<ul style="list-style-type: none"> <li>• TPD export</li> <li>• FCTC</li> </ul> <p>Possible</p> <ul style="list-style-type: none"> <li>• MONITORING REQs. OF <u>COUNTRY A</u></li> <li>• MARKING REQs OF COUNTRY C</li> </ul>			
COUNTRY D NON-EU & NON FCTC	<ul style="list-style-type: none"> <li>• TPD export</li> </ul> <p>Possible</p> <ul style="list-style-type: none"> <li>• MONITORING REQs. OF <u>COUNTRY A</u></li> <li>• MARKING REQs OF COUNTRY D</li> </ul>			



# Questions to leave you with...

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1. How will governments handle these obligations?
2. How can tax stamp programmes support and complement these programmes?
3. Where do Ministries of Finance draw the line between fiscality, logistics and other requirements?

# ITSA Board of Directors

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Talk to us about joining ITSA

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# Thank You

For further information:  
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