ISO 22382 for Tax Stamps: Recommendations for Security Managers

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Intergraf – 20 March 2018
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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
# The ISO 22382 Editorial Group

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<th>Country</th>
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General Scope of Standard

- *Guidance* as opposed to *compliance*
- Reflects evolving role of tax stamps and their multiple functions
- Emphasises additional role of substrate-based stamps as tamper-evident solution
- Covers substrate-based or directly marked tax stamps
- Does *not* cover digital-only stamps or systems
- Strongly encourages unique identifying codes
- Holistic approach
Tax Stamps Like These...
Objectives for Revenue Agencies

- Guide revenue agencies in making tax stamps and associated issuance/collection systems more resistant to fraud by combining physical and digital security elements
- Thus to reduce smuggling, counterfeiting and other fraud
- And so generate higher tax revenues…
- And reduce risk to public from fraudulent goods
- Also help governments to support policy enforcement along distribution channels

The more secure the tax stamp, the better it delivers the above
Objectives for Suppliers

• Establish common terminology for tax stamps and systems
• Establish common approaches to specifying tax stamps
• Achieve economies of scale
• Facilitate a focus for R&D
• Improve understanding by revenue agencies and so facilitate promotion and sales
• Grow the market by providing reassurance and ‘comfort’ to revenue agencies
• Promote technology that offers value-added solution for high-security tax stamps
Timing

• Current draft being voted by national standards bodies
• Ballot closes 29 March
• Votes so far received point to finalisation end April
• With aim to publish by autumn 2018 latest
Let’s Delve a Bit Deeper
Scope in More Detail

- Terminology
- Stakeholders to be consulted in specifying stamps
- Functions of stamps
- Procurement process
- Construction and security features
- Finishing and application
- Supply and distribution security
- Issuance and activation systems
- Serialisation and unique identifiers
- Examination
- Monitoring and Testing
Some Referenced Standards

- ISO 12931 Performance criteria for authentication solutions in the field of material goods (systematic revision started last week, project ISO 22383)
- ISO 14298 Graphic technology – Management of security printing processes
- ISO 16678 Guidelines for interoperable object identification and related authentication systems to deter counterfeiting and illicit trade
- ISO/DIS 22381 Guidelines for establishing interoperability among object identification systems to deter counterfeiting and illicit trade
- ISO/IEC 16022 Data Matrix Codes
- GS1 Global Traceability Standard
Specific recommendations of interest to security printers
Issuing RFIs and RFPs

- Use RFI as first step in open procurement process
- Followed up with RFP giving suppliers leeway 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>
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<tr>
<td>Intaglio</td>
<td>Complex process, not widely available</td>
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<tr>
<td>Screen</td>
<td>Used to apply optical effect inks</td>
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<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

<table>
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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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<tr>
<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
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 can be given option to authenticate stamps with smartphone or digital device
Role of Security Printers and Security Managers

• Obviously, you have role as supplier (or potential supplier) of tax stamps

• If necessary, in partnership with a supplier providing other components required to deliver full solution/system

• Make your experience, knowledge and expertise available to tax authority:
  • RFP should allow you to propose what you believe to be best solution to meet authority’s requirements
  • If you are selected, build a relationship of trust and openness with authority
  • So they recognise your value to them – listen to you, turn to you
  • Work with you in event of suspect stamps.
Find Out More at the Tax Stamp Forum

7–9 May 2018
Nairobi, Kenya