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Continued Global Threats Drive Tax Stamp Demand

Strong demand for effective tobacco revenue protection solutions to meet continued global threats will drive growth for tax stamps in 2017, says the International Tax Stamp Association (ITSA).

The industry trade body believes that the tax stamp market will continue to grow over the next 12 months, particularly in emerging economies that lose staggering amounts to the black market and organised smuggling activities.

ITSA, which is leading the global drive to highlight the role and impact of tax stamps, believes economic difficulties will make it even more important to increase tax income through rate rises and shutting down the fraud gap in tobacco products. Chair of ITSA Juan Yañez said: “2017 promises to be an exciting year for all of us involved in helping governments secure their tax receipts.

“Economic and security challenges will mean that it will be more important

than ever to help authorities maximize tax collection as diversification and new taxes on products become prevalent.

“We will also see a potential succession of new Framework Convention on Tobacco Control (FCTC) protocol ratifications driving activity in the tobacco tax stamp sector next year, which will lead to growing interest in such schemes in other sectors.

“2017 will also see the important EU decision on the architecture of its tobacco track and trace system. We hope Europe will do so in an ambitious way, which sets an example to other regions and tackles the problem at its roots.”

ITSA believes that truly robust tobacco protection solutions must combine material and digital security technologies - a view that is recognized by both WHO FCTC and the EU tobacco products directive.

“This union of physical and digital features is essential to ensure that the combined objectives of authentication, traceability and tamper-evidence is achieved – which is something that

information technologies alone are not able to do,” said Juan Yañez.

This year will also see the introduction of a new international tax stamp standard (ISO 19998), which is supported by ITSA.

The move comes against the backdrop of a global market where some countries or regional states have stamp programs for collecting tax, while large parts of the world possess little or indeed no tax stamp programs.

This is driving the requirement towards ISO 19998 for the specification of tax stamps - one that would bring all countries using stamps, and encourage those not using them, to have programs that are in line with the best and most effective on the market.

While the standard will be welcome news, ITSA also expects to see further development of digital solutions in 2017. Such solutions will however continue to underscore the advantages of a paper-based stamp, even if the latter can combine digital and optical capabilities.