

ITSA Annual General Meeting

Monday 30th January 2017 – The Hilton, Berlin

Present:

Zbigniew Sagan - Advanced Track & Trace (Chair)
Francis Goossens - Thomas Greg & Sons
Keith Thompson - OpSec Security
Roger Pallavicini - Jura JSP
Christophe Renard - SICPA
Normand Champagne - Rolland Enterprises
Kelly Smith - Ashton Potter Security Printers
Corinne Murica Giudicelli - SURYS
Gerben Van Wijk - KBA-NotaSys

Nicola Sudan - ITSA General Secretary - Reconnaissance
Louise Beard - ITSA Executive - Reconnaissance
Ian Watson - MHW (Guest)

Absent:

Juan Carlos Yanez Arenas - Thomas Greg & Sons
Christine Macqueen - SICPA
Ajit Kumar Surana - Holoflex
Carlos Robles - Rolland Enterprises
Jamie Ashley - Luminescence
Chanwanich Security Printing
Holostik India
Leonhard Kurz
Manipal Technologies
Uflex
Allexis - Tomáš Rovňák

Minutes:

In place of Juan Carlos, who could not attend the meeting, Zbigniew kindly stepped in and chaired the meeting.

1. Anti-Trust Statement

Read out by Louise for the benefit of all members present.

2. Apologies for Absence

Louise read out apologies received from Jamie Ashley of Luminescence International and also Corinne Murica Giudicelli of SURYS who advised she would be arriving late.

3. Secretariat Report

Nicola presented the Secretariat report (presentation attached), illustrating what had happened one year on from the incorporation of ITSA:

- **Membership Status**

As of the end of 2016 ITSA stood at 16 members. This included 10 founder members and 6 new ones acquired in 2016. These were Alexis, Jura, Luminescence, Leonhard Kurz, Rolland Enterprises and Uflex. In early January 2017, we welcomed KBA-NotaSys, taking the total members to 17. ITSA's aim is to reach a minimum of 20 members, but ideally 25, by the end of 2017.

- **2016/2017 Activities and Objectives**

There were 3 main objectivities for the association in 2016, the first one relating to the ISO 19998 standard. ITSA was initially founded to fund and contribute to this standard, as well as to be the collective voice of tax stamps. The first draft of the standard had been distributed to the members for their input and returned to Ian Lancaster, Project Leader for ISO 19998. Ian is in the process of addressing members' feedback for eventual incorporation into the latest draft. The standard is due to be adopted and implemented by the end of 2017.

The second objective of ITSA in 2016, which will carry on into 2017, was to put forward and advocate the benefits of tax stamps in relation to the EU Tobacco Products Directive. The directive requires that by 2019 all cigarettes sold on EU territory carry a unique identification code for track and trace, accompanied by irremovable, tamper-evident, visible and invisible security features. ITSA is putting forward the benefits of using tax stamps as a carrier of both the code and security features. The European Commission's Directorate General for Health and Food Safety (DG SANTE) is driving this directive and is involving stakeholders in the process of defining technical standards. ITSA was invited by DG SANTE to attend a stakeholder workshop at the end of 2016, to be the voice of tax stamps. After the workshop, ITSA proposed to have a face-to-face meeting with DG SANTE, which they declined, preferring instead to wait until the Tax Stamp Forum to meet with us. They subsequently agreed to a formal meeting, together with Ian Lancaster, ISO 19998 Project Leader, to discuss the standard and how it is of relevance to the directive.

The third objective for ITSA in 2016 was to increase its visibility through speaker opportunities at a wide range of industry events. In 2016 ITSA gave presentations and had an exhibition booth, at 3 High Security Printing conferences, 1 World Customs Organisation event, 2 tax administration conferences, 1 Holography Conference and 1 traceability

seminar directed to food and pharma. Looking forward to this year, we have already been invited by The Economist to present at the Global Illicit Trade Forum as well as the Tobacco Journal International Campus dedicated to the Tobacco Products Directive.

One objective for 2017 is to get more involved with the WHO Framework Convention on Tobacco Control (FCTC) and its Protocol to Eliminate Illicit Trade in Tobacco Products. The FCTC is currently focusing on getting the 40 ratifications needed for the Protocol to enter into force, in time for the next Conference of the Parties in 2018. ITSA is currently in the process of applying for observer status to this conference.

Secondly, for 2017, ITSA will be working on providing an educational forum for revenue and customs authorities on an international level, by means of case studies, best practices and white papers, as well as the organisation of face-to-face workshops.

And finally, for 2017, ITSA will focus on increasing the number of members by looking at incorporating more tangible benefits into its membership package.

What has been so far agreed, and included in the annual membership fee for 2017 are the following benefits:

- All ITSA members will receive a monthly copy of Tax Stamp News™ as part of their membership.
- 20% discount to delegates to attend the Tax Stamp Forum™.
- Members will have access to a monthly tender alert service. This is being put into place now, and will be going live shortly.

There are currently other benefits that are being discussed which include:

- Creating a register for recording tax stamps currently in use.
- Creating a revenue authority contact database available to all members.

4. Appointment of Auditors for FY 2017

ITSA currently has UK accountants Durrants Calleva in place as its auditors. Louise asked the Board, by show of hands and raising their voting card, if they were happy to retain Durrants for 2017. All Board members were in favour.

5. Budget and Memberships for 2017

Nicola presented the 2017 budget (attached) to the Board which included the financials based on the current 17 members, as well as a projected budget with 25 members.

Both the membership fee at £5,000, and the secretariat fee at £20,000, will remain the same in 2017. Also, the public relations fee allocated in 2016 of £11,000, will remain as for 2017, and we will continue to use MHW as ITSA's PR agency. The fees for hosting the website have also not changed.

The costs to ITSA of additional benefits to members, which were agreed by the Board and included in the 2017 budget, include subscriptions to Tax Stamp News (where ITSA will pay Reconnaissance an annual fee of £575 per member, less a 30% discount), plus a fee of £1,000 per annum for a tax stamp tender alert service.

Lastly, the funds allocated to Ian Lancaster for his work as the ISO 19998 Project Leader amounts to £25,000 for 2017. This project is looking to be finalised by the end of 2017. Keith queried the fact that this fee increases according to the number of ITSA members. Nicola explained that the contract with Ian had been negotiated with a view to significantly reducing his base daily rate from what he originally quoted, in return for a flat fee of £500 for every new member joining ITSA after the contract date. This was agreed at Board level, at the time. Normand expressed his opinion that whilst he wasn't involved in this Board decision, Ian should not be receiving more funds with every increase in membership, as his workload remained the same. Whilst Ian's contract was a Board discussion, Normand said that business similar to this should be a transparent process decided on by all members, and not just the Board.

What was not yet stated in the distributed budget, was that there was just over £17,000 left unspent from 2016, which would be carried forward into 2017. From these funds left over, the Board decided to hold a dinner for revenue authorities during the Berlin Tax Stamp Forum, which was estimated to cost a maximum of £4,000. This would give ITSA the opportunity to introduce itself, in an informal environment.

6. Board Nominations and Elections

Zbigniew led the voting process by first explaining that as per the Articles of Association, ITSA is required, by the end of its first year, to increase the Board from 5 to 7 Members. Currently on the Board were 3 directors who had been co-opted in 2016 and who would have to be formally voted in by the members.

Firstly, Corinne Murcia Giudicelli of SURYS was co-opted onto the Board in April 2016 in place of Michel Mariton. Zbigniew asked the members, by show of hands and raising their voting cards, whether they were happy to formally vote Corinne onto the Board. All members were in agreement.

Secondly Ajit Kumar Surana of Holoflex was co-opted onto the Board in place of Manoj Kochar. Zbigniew asked the Members, by show of hands and raising their voting cards, whether they were happy to formally vote Ajit onto the Board. All members were in agreement.

Thirdly Keith Thompson of Opsec Security was co-opted onto the Board as the 6th Board member. Zbigniew asked the members, by show of hands and raising their voting cards, whether they were happy to formally vote Keith onto the Board. All members were in agreement.

This left one vacancy left to fill. The Board had liaised with the members they thought would be an asset to the Board, and from those that they spoke with, one person was happy and committed to take on this position. That person was Carlos Robles of Rolland Enterprises. Zbigniew asked the members, by show of hands and raising their voting cards, whether they were happy to formally vote Carlos onto the Board as its 7th member. All members were in agreement.

7. Date and Location of 2018 AGM

Whilst the location was not confirmed, it was announced that the next AGM would likely be held in spring 2018 during the Tax Stamp Forum. As soon as a decision has been made, all members will be informed.

8. AOB

Ian Watson of MHW was invited as a guest to this year's AGM. MHW is the PR agency we work closely with for our PR support.

Ian gave an overview of his activities with ITSA in 2016, which was focused on raising awareness of ITSA in the Industry. Another area of interest is ITSA's position with regard to the EU Tobacco Products Directive and the ISO 19998 standard.

Corinne raised the issue that the members were not necessarily made aware of MHW's work regarding the press releases, announcements and position statements it publishes, or the speaker opportunities it was feeding back to ITSA, so asked for a monthly press release to be created, collating previous months' articles and PR activities.

Nicola Sudan
General Secretary
ITSA

14 February 2017