



DeLaRue

Product
Authentication
and Traceability
Solutions

Growth in illicit trade

Illicit trade is the unauthorised production or movement of goods.

It reduces government and brand revenues, damages brand reputation and risks the health and safety of consumers.

Illicit trade is currently valued at \$1.7trillion and growing, equating to the 10th largest economy (by GDP) in the world. It is the fastest area of growth in organised crime.



€120billion

€120billion is lost via corruption each year within the European Community



1 in 10

1 in 10 cigarettes is illegal



2.5million

2.5million estimated jobs lost worldwide as legitimate sales are being squeezed by fake goods



24%

24% of people have bought counterfeit goods



Impact of illicit trade



On Government

Reduces government revenues due to tax evasion

Stunts economic growth

Redirects funding that could be spent on development to support the fight against illicit trade

Limits investment in infrastructure

US\$31 billion

Lost in government revenue due to illicit tobacco trade



On Brands and Enterprise

Reduces brand value and damages brand reputation

Reduces size of legitimate goods market

Increases fraudulent claims and returns

Discourages reinvestment into innovation and limits investment in jobs and skill development

Social media

can significantly amplify the effect on brands and enterprise of negative press and public opinion



On Consumers

Lack of trust

Consumer well-being threatened by illicit manufacture

Potential damage to health; even leading to death

Unsafe products eg hardware, electronics and consumables

50+ people

died in the Ukraine after drinking counterfeit alcohol with more than 100 cases of poisoning also reported



On Crime

Fuels criminality

Growth of black and grey (diversion) markets

Provides funding for major crimes and terrorism

Part of the global corruption pandemic

The WCO

states that illicit trade sponsors and funds organised crime including drug, human and arms trafficking



Types of illicit trade



Smuggling and Diversion

Movement of undeclared products between tax jurisdictions and/or countries



Counterfeit and Fraud

Unlawful sales of stolen legitimate products or the production of tampered and/or illegitimate products, goods or services



Tax Evasion

Undeclared, falsification or overproduction resulting in failure to pay correct tax levels

How to fight it

Traceability

Understanding where a product has been – its traceability – is crucial to identifying smuggled vs illicit goods

Authentication

Distinguishing authentic products from fake ones through physical markings and digital tracking

Verification

Volume verification and the use of secure serial markings can ensure product authenticity has been correctly monitored and traced



Introducing De La Rue

De La Rue is dedicated in the fight against illicit trade, to defeating counterfeiting and in providing the tools and expertise to support both brand and government revenue protection.

Our Purpose

To enable every citizen to participate securely in the global economy.

Our Mission

To provide governments and commercial organisations with products and services that underpin the integrity of trade, personal identity and the movement of goods.

Delivering the right solution

We work with all stakeholders to develop cost-effective product authentication and traceability solutions.

We provide the actionable evidence you need in the fight against illicit trade, counterfeit and fraud.



Why listen to us?

De La Rue is a world leader in developing and implementing fully managed products and services that deliver brand protection for enterprise and guarantee tax revenues for governments.

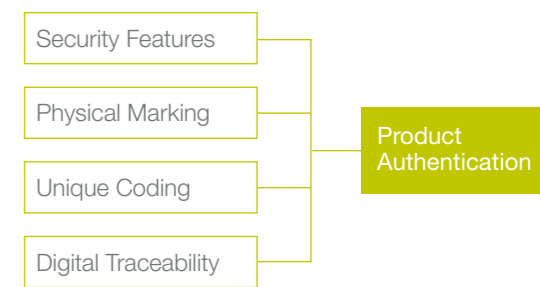
Our packaged solutions combine customised designs with global coverage capability ensuring that each product has a unique identifier so it can be tracked individually over its full lifetime, from source to consumption.

All of our packages meet the required international standards, ensuring compliance and high return for your investment.

With over 200 years experience in fighting counterfeit and fraud, De La Rue is able to harness this unique expertise and bring it to the forefront of product authentication and traceability solutions.

Our Solution

Strengthening your supply chain security



- Modular flexible approach and solution roadmap
- Proven expertise and experience
- End to end security
- Innovation and technology
- Consultancy approach
- Global reach



Protecting brands, protecting revenues, protecting citizens



Enterprise

We enable businesses and consumers to verify that a product is genuine from source to consumption.

Our approach to solution design ensures your brand protection scheme is tailored to the specific needs and challenges being faced.

Our secure software platform links to unique identifiers, enabling the complete management and traceability of your product.



Government

We enable governments to reduce illicit trade and control the movement of legitimate products with optimised tax revenue generation.

Our solutions are designed to both enable and work alongside the customs authorities, and are ideally suited to your country's specific needs and challenges.

Our authentication schemes incorporate tax stamps and a software platform linking unique identifiers to product enabling full traceability of genuine goods and tax revenue collection.



Enterprise Brand Protection



Your needs

Protect brand and corporate reputation from counterfeit and fraud

Protect revenue and profits from impact of illicit trade

Public safety and ensure consumer rights protected

Adhere to global ethical standards

Ensure highest standards and product tracking applied to complex supply chain management

Ability to track inventory across the entire supply chain

Rapid authentication and verification of legitimate product

Rapid identification, investigate and seizure of illegitimate product

Protection mark must contribute positively to the brand

Doing business ethically

Building trust and strong customer engagement



Solution benefits

Full anti-counterfeit solution

Delivers global trace capability

Customised to your requirements

Protects brand, reputation and citizens

Ensures genuine product and warranties

Functional benefits

Maximum security

Globally proven solution

Significant R&D backing to “stay ahead”

Emotional benefits

Peace of mind

Low hassle

Proof points

Case Study Microsoft

Providing the legitimacy of products is a key challenge for modern businesses faced with ever more sophisticated counterfeiting operations. For the last 20 years De La Rue has been helping Microsoft ensure customers get the genuine product through the creation of secure label designs which combine attractive visuals with state-of-the-art security features. Once a label is in circulation, De La Rue supports Microsoft in tracking it around the world – helping maintain product integrity.



Case Study Kinmen Wine

Authenticity is a major cultural driver in East Asia. Kinmen Kaoliang Liquor Inc, suppliers of the original and authentic Kinmen Wine to a growing global Chinese community were suffering as the result of a flood of counterfeits, causing damage to reputation, loss of revenue, potential health hazards and public confusion. They turned to the Central Engraving Printing Plant in Taiwan and De La Rue to help counter this issue with a solution comprising cylinder mould made paper with an electrotype watermark, security print and technical consultancy. Introduction of the new label has seen public recognition increase and improved consumer confidence leading to not only a reduction of 25% in counterfeit but also an increase of 15% in sales volumes.



Government Tax Protection

? Your needs

To correctly identify and track legitimate products through the supply chain

To collect tax revenue on defined products (typically tobacco and alcohol)

Meet legislation

Protect citizens from harmful and illicit products

IMF demands efficient tax collection as a condition of loaning funds

Solution to work across multiple stakeholders and with fast payback

✓ Solution benefits

Full anti-counterfeit solution

Delivers global trace capability

Customised to your requirements

Can be self funding once up and running

Revenues raised can contribute to funding for national infrastructure and socio-economic development

Meets legislation

Protects citizens

Functional benefits

Maximum security

Globally proven solution

Significant R&D backing to "stay ahead"

Emotional benefits

Peace of mind

Low hassle

Proof points

Case Study Sudan

In a world where 1 in 10 cigarettes are illegal, De La Rue is working alongside the Government of Sudan to implement a new tax stamp solution. By reducing counterfeiting and illicit trade, the tax stamp scheme is designed to improve the safety of its citizens as well as boost its tax revenue. Using the DLR Certify™ software solution, the customs authority will be able to track and trace each pack of cigarettes through a unique code embedded in the new tax stamp to authenticate and validate it as genuine product.



Case Study Kosovo

Kosovo's pivotal position in the Balkans puts it on the front line to fight smuggling and counterfeit so the Government introduced a tax stamp programme for cigarettes and alcohol in an attempt to collect more revenue and help stop the flow of illicit products within its borders. De La Rue designed a bespoke solution, mapping functionality to specific requirements and threats faced. The tailored solution consisted of tax stamps and a digital system allowing for ordering and reporting capabilities. The results of the first year saw €15 million in additionally collected revenue and a 61% reduction in domestic cigarette smuggling. Unsurprisingly, Kosovo's tax stamp solution has seen the country become a benchmark for best practice in the Balkan region.

De La Rue anti-counterfeiting expertise

Over 200 years experience;
Always staying one step ahead
of the counterfeiter

Extensive experience gained
within the Banknote, Identity,
Security products and Financial
documents sectors

We create the most secure features
possible; visible and invisible

The use of security tokens
throughout the supply chain serves
to reinforce the level of trust
consumers have for your brand

We operate in both physical
and digital security

We are active on a global scale,
working in over 140 markets
globally in the last three years

Dedicated to eradicating
counterfeit and fraud

Trusted when and where
it matters most

De La Rue, helping to keep the world's nations, populations and economies secure. With over 200 years of anti-counterfeit experience, De La Rue is dedicated in the fight against illicit trade and the protection of brand, reputation and revenues.

Any questions?

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