

SICPA

# SICPA SOLUTION PRESENTATION

Presentation to: County of Mendocino  
Board of Supervisors

Presented by: Alex Spelman

Title/Department: Business Development  
Director

Company: SICPA/Meyercord

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Confidentiality level: **CONFIDENTIAL**



Enabling trust

# CONFIDENTIALITY NOTE

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# PRODUCT AND VALUE PROTECTION WITH SICPA

**140 billion** BANKNOTES  
SECURED WITH SICPA SOLUTIONS



**77 billion** PRODUCTS  
MARKED AND TRACED ANNUALLY



# SICPATRACE® IN CALIFORNIA

- Started in early 2005, recently extended through 2019
- System combines material and information security elements to allow the BOE to identify individual units within the supply chain
- Program covers the annual application of tax stamps on more than 900 million cigarette packs and is responsible for securing over **\$800 million in excise tax revenues**
- **\$90 million per year** in additional revenue collection, more than \$450 million since project inception



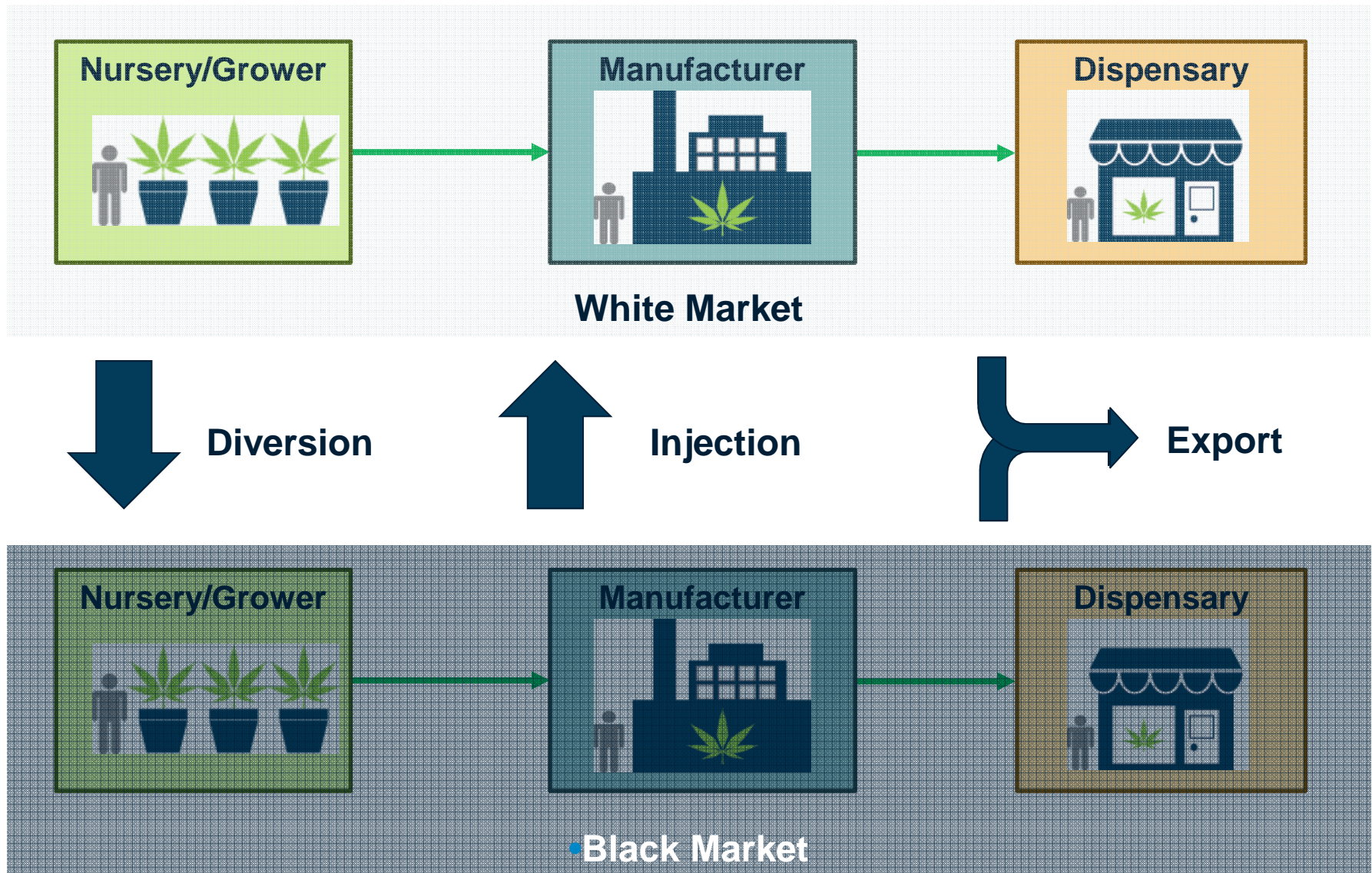
# SICPA CANNABIS TRACK AND TRACE

- **Humboldt County Pilot program**, first County Cannabis Track and Trace in California
- **Yolo County Medical Cannabis Track and Trace** Live on March 1<sup>st</sup>, 2017 for full MCRSA coverage.
- **City of Eureka** Expansion of Humboldt Program (in progress)



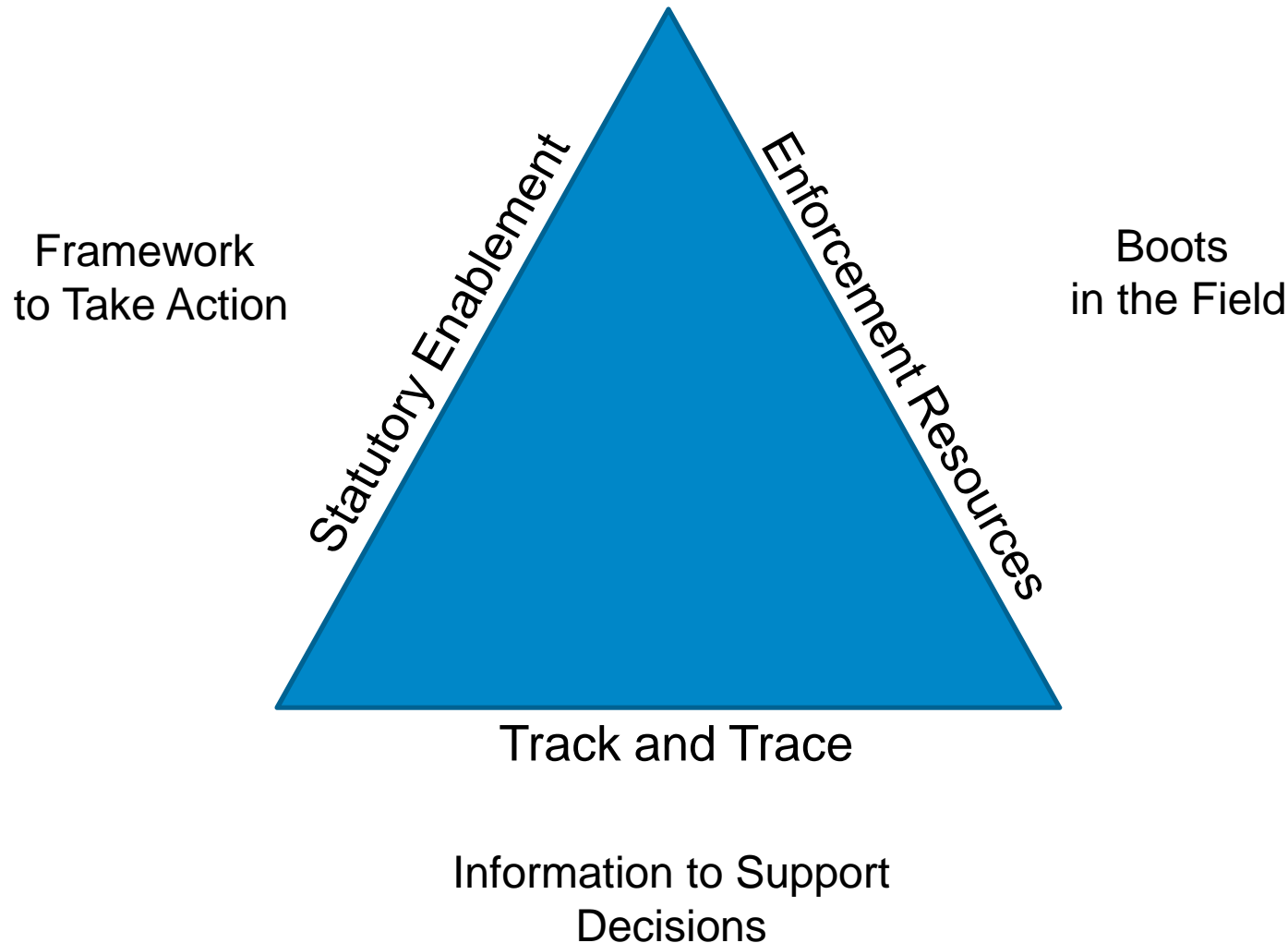


# WHAT ARE THE ISSUES?



# COMPLIANCE AND ENFORCEMENT

An effective Compliance and Enforcement Approach  
is comprised of three elements





# WHAT DO MCRSA/AUMA REQUIRE?

REQUIREMENT	MCRSA	AUMA	SICPA
Establish a track and trace program for reporting the movement of <i>cannabis</i> items throughout the distribution chain that utilizes a unique identifier	✓	✓	✓
An electronic database containing the electronic shipping manifests to facilitate the administration of the track and trace program	✓	✓	✓
Database shall be designed to flag irregularities for all licensing authorities to investigate. All licensing authorities pursuant to this chapter may access the database and share information related to licensees	✓	✓	✓
Identification of permitted cannabis plants at a cultivation site during the cultivation period. The unique identifier shall be attached at the base of each plant.	✓	✓	✓
Establish protections against fraudulent unique identifiers and limit illegal diversion of unique identifiers to unlicensed persons	✓	✓	✓
Unique identifiers and associated identifying information administered by a city, county, or city and county shall adhere to the requirements set by CDFA	✓	✓	✓
Ensure that licensees are allowed to use third-party applications, programs and information technology systems to comply with the requirements of the expanded track and trace program		✓	✓
The BOE may prescribe by regulation a method and manner for payment of the cultivation tax that utilizes tax stamps or state-issued product bags that indicate that all required tax has been paid		✓	✓

# WHAT IS TRACK AND TRACE?

Track and Trace serializes assets to:

- **Track** = identify where assets **are** and
- **Trace** = identify where assets **have been**

Track and Trace is the globally acknowledged standard for product movement reconciliation (Packages, Pharma, CPG) and excise tax control

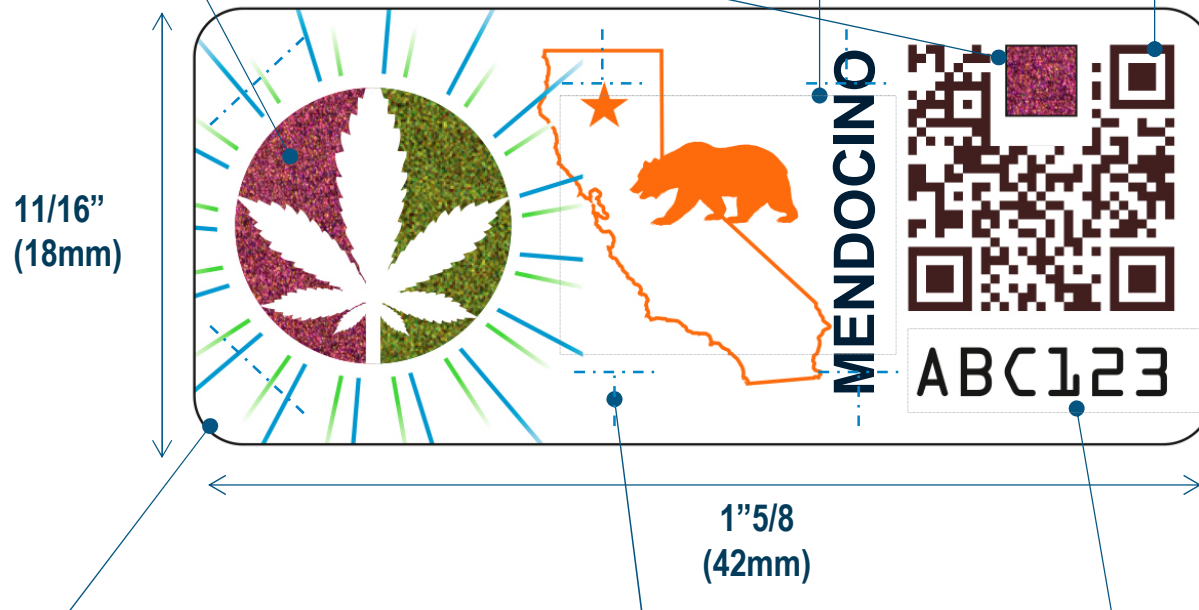
**Secure track and trace** combines material security and information security elements to confirm assets are legitimately produced, sourced and have followed a defined path.

# SECURE UNIQUE IDENTIFIERS

**COLOR SHIFT SECURITY  
(ANTI COUNTERFEITING)**

**STATE & LOCAL IDENTIFIERS  
AND COVERT SECURITY FOR  
ENFORCEMENT**

**QR CODE  
(PATIENT OUTREACH)**

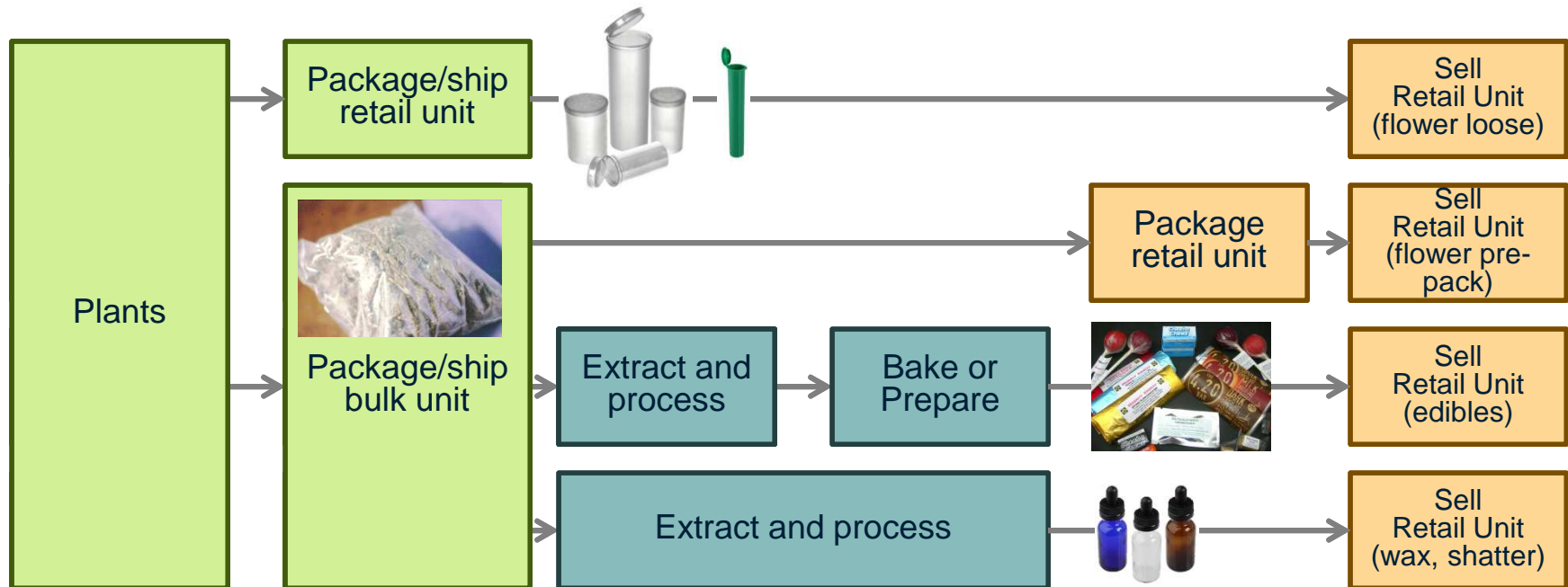


**SELF-ADHESIVE,  
AUTOMATION READY**

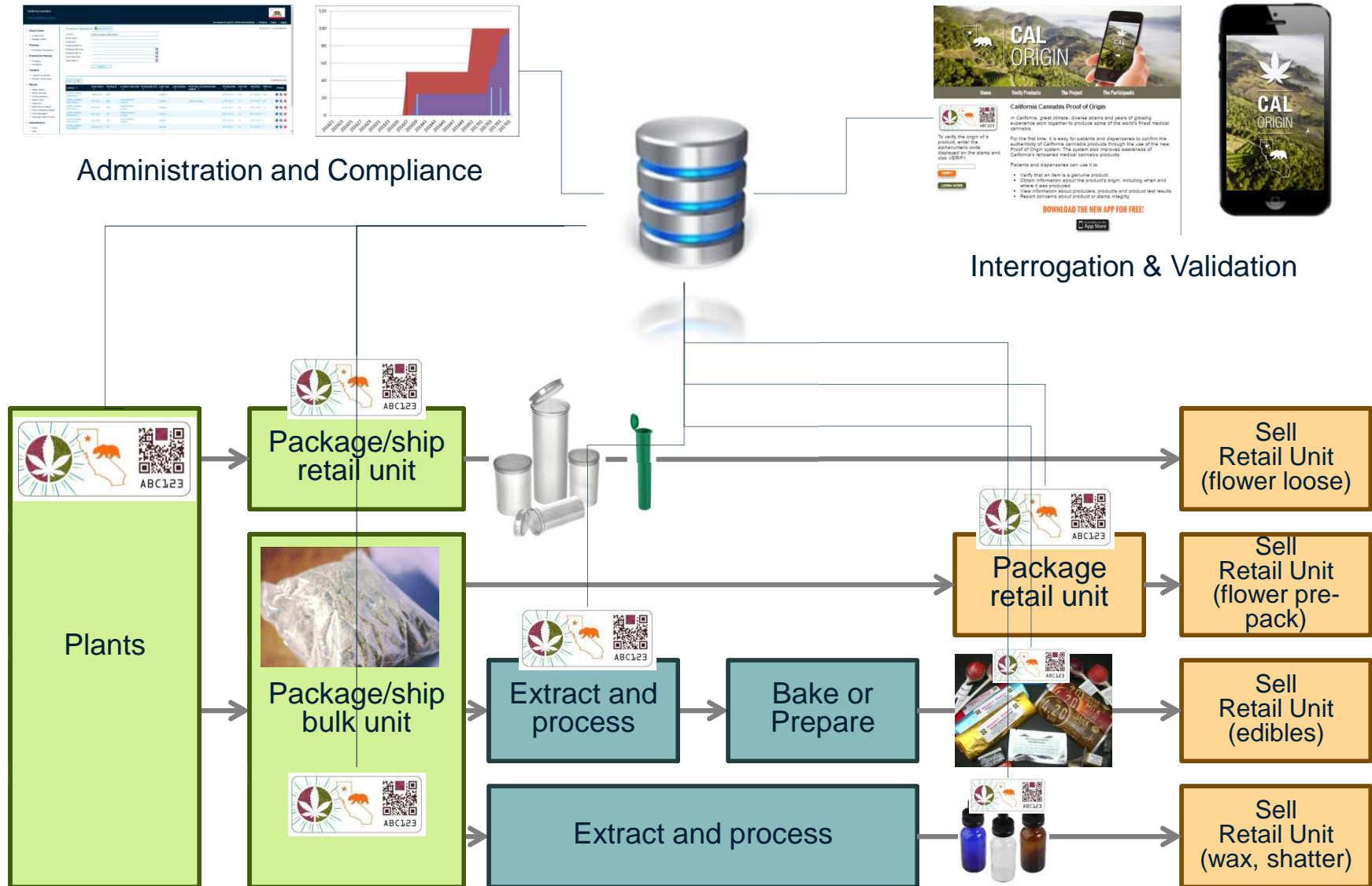
**TAMPER EVIDENCE  
FEATURE (ANTI REUSE)**

**HUMAN READABLE  
CODE (T&T)**

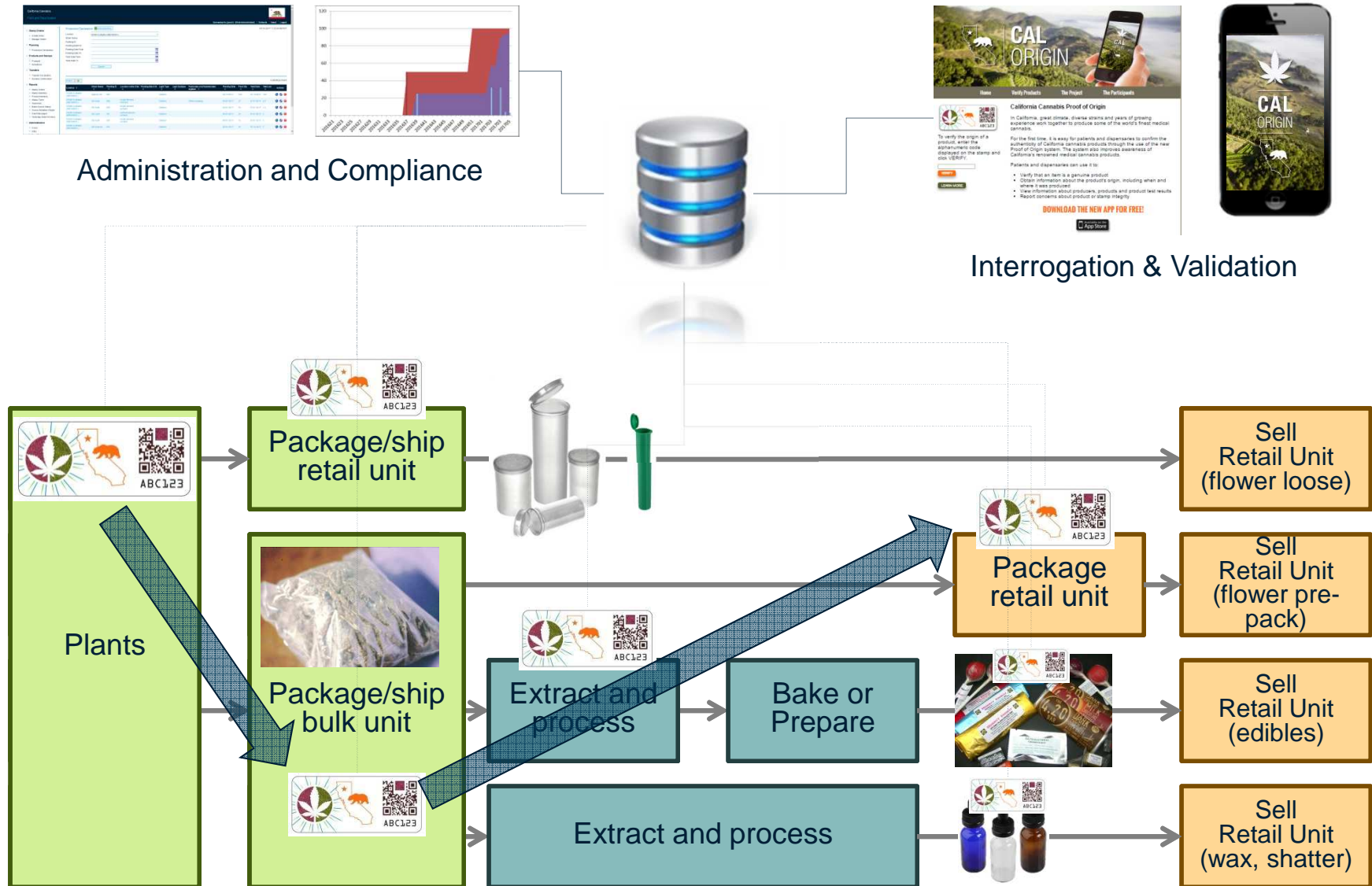
# PRODUCT FLOWS



# PRODUCT FLOWS – CAPTURE PRODUCTS

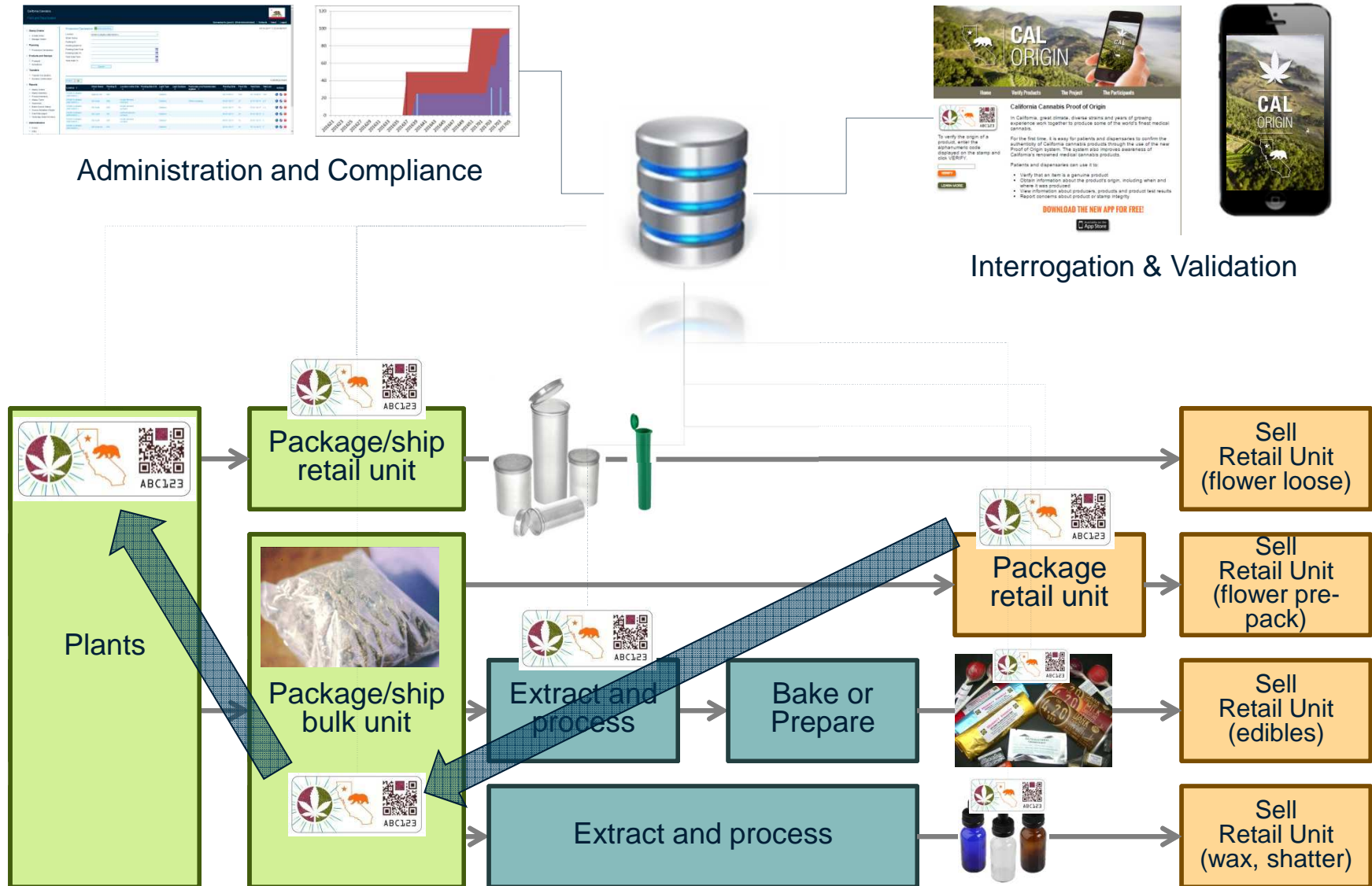


# PRODUCT FLOWS – CAPTURE TRANSFER/CUSTODY





# PRODUCT FLOWS – CAPTURE OF RELATIONSHIPS



# PROJECT CHALLENGES

?

Changing scope/regulations

- Proposed Trailer Bill
- 40+ Legislative Bills
- Local Regulations

?

Evolving market

- Pre-Pack vs Bulk Product
- Edibles vs Flower

?

System Enablement

- Operator Infrastructure
- Ability to adopt technology
- Continuing Expansion

# THANK YOU FOR YOUR ATTENTION

CONTACT INFO:

**Alex Spelman**

Business Development Director

(571) 926-5796

[alex.spelman@sicpa.com](mailto:alex.spelman@sicpa.com)