

BUSINESS WALES HAS A GREEN AMBITION

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UK PLASTIC PACKAGING TAX

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EUROPEAN UNION



Llywodraeth Cymru
Welsh Government

**Cronfa Datblygu
Rhanbarthol Ewrop
European Regional
Development Fund**

The Plastic Packaging Tax, implemented in April 2022, is intended as an incentive for businesses to use recycled material, and aims to increase the use of recycled content in packaging by 40% as well as boost plastic recycling rates.

Plastic packaging that is manufactured in, or imported into the UK that does not contain at least 30% recycled material may now be charged a tax of £200 a tonne.

Key Points

You need to register for the Plastic Packaging Tax if you've manufactured or imported 10 or more tonnes of finished plastic packaging components within the last 12 months, or will do so in the next 30 days.

You will need to pay Plastic Packaging Tax if you have manufactured or imported plastic packaging components which contain less than 30% recycled plastic.

Packaging should only contain recycled plastic where it is permitted under other regulations and food safety standards.

Check which packaging is subject to Plastic Packaging Tax and the definitions of finished components and substantial modifications, to find out if the packaging you manufacture or import is subject to the tax.

Work out the weight of the packaging you manufacture or import to find out if you must register for the tax.

Find out how to register

Check which records and accounts you must keep and how to carry out due diligence.

Find out if you can claim a credit or defer paying Plastic Packaging Tax.

Find out how to complete your return

For further information about the Plastic Packaging Tax visit [Gov.UK](https://www.gov.uk)

Recycled content

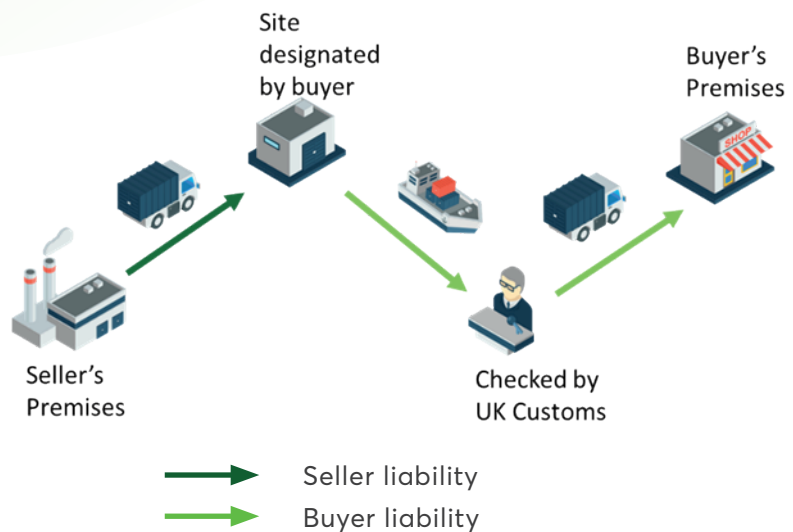
- Must be **evidenced with valid documentation**, e.g. production specifications, contracts, certificates of conformity, POs, invoices, accreditations, quality assurance audits.
- Pre and post-consumer plastic waste can be used to create recycled material

For groups of companies, only businesses within a group whose individual plastic packaging activities exceed 10 tonnes need to register and account for PPT (either collectively or separately).

The liability for who pays the PPT will depend on a number of variables. Here are some common scenarios which explain where liability might lie:

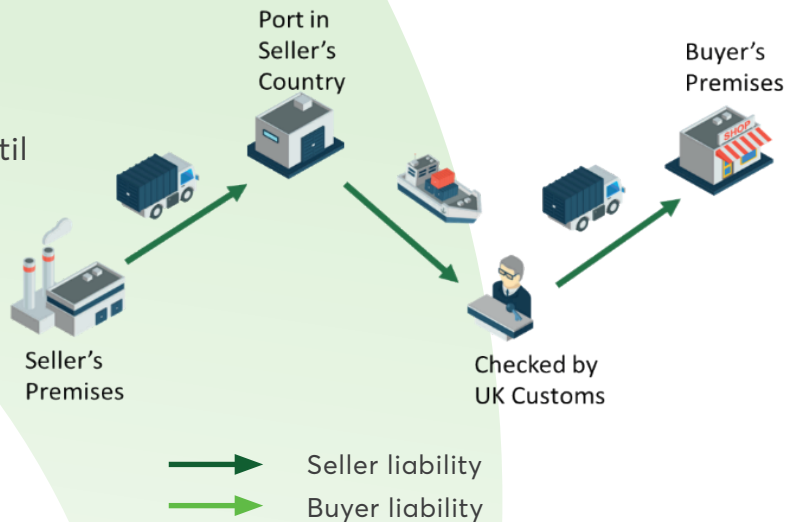
Free Carrier (FCA)

- Seller delivers the goods to place nominated by buyer
- The buyer assumes liability for onward transportation
- **Buyer** pays any import fees and duties - likely liable to pay PPT



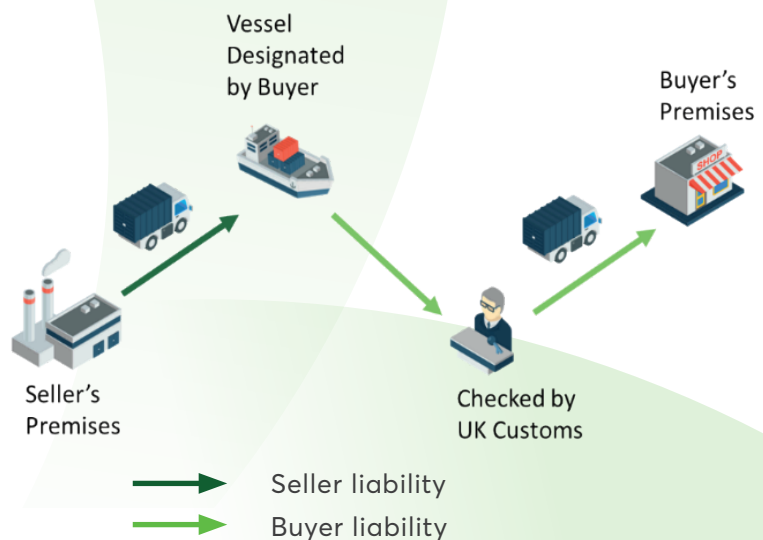
Delivery Duty Paid (DDP)

- Seller delivers the goods to nominated place in destination country
- Seller liable for goods until they reach destination and is liable to pay all duties associated with transportation
- Seller likely liable to pay PPT



Free onboard (FOB)

- Seller responsible for costs & liabilities until goods are loaded onto a nominated vessel
- Buyer liable to arrange transportation & pay duties
- Buyer likely liable to pay PPT





Secondary legislation is also being implemented by HMRC to make businesses purchasing plastic packaging from directly liable businesses **jointly liable for any unpaid tax**.

Customers of liable businesses are expected to undertake due diligence of supply chains to ensure tax has been paid where applicable. The information requirements for invoices and audit procedures are yet to be confirmed by HMRC.

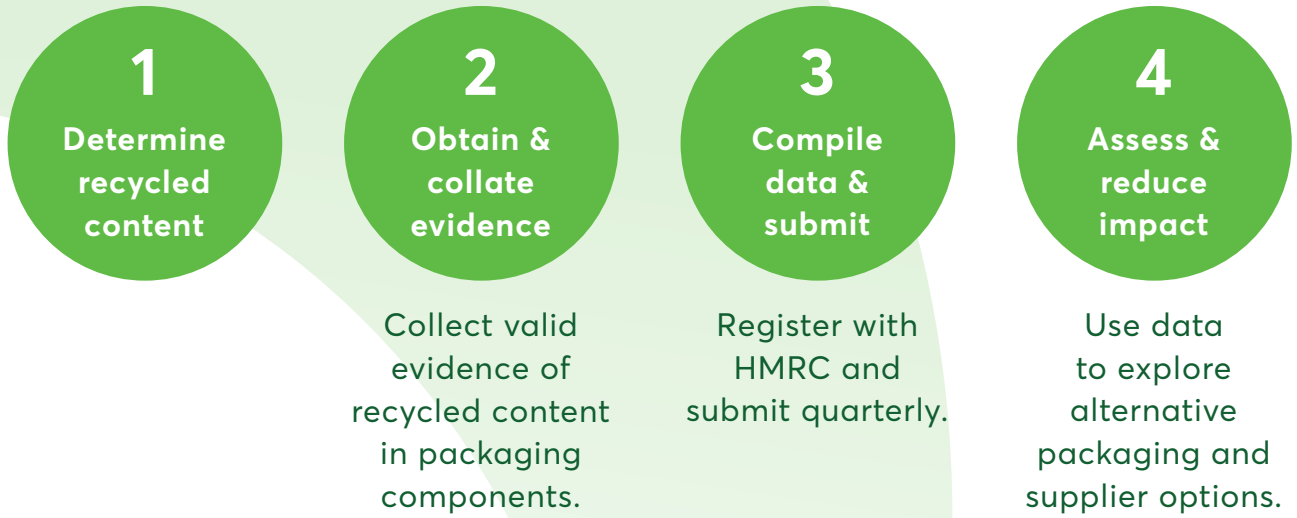
What types of packaging are included under PPT?

Plastic packaging components become taxable once 'finished' e.g. following the 'last substantial modification':

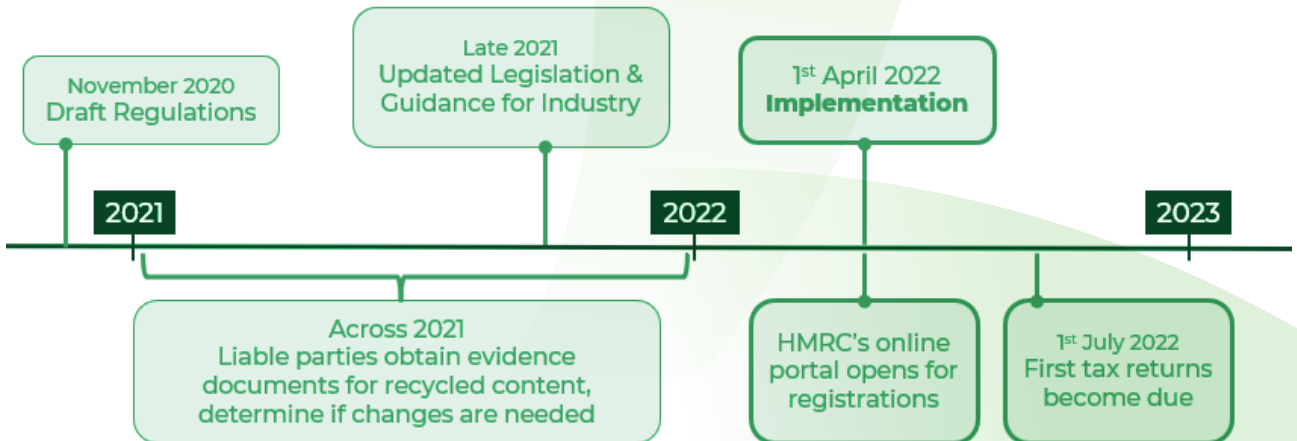
| Included  | Exempt  |
|---|---|
| Extrusion, moulding, layering, forming, printing | Blowing a preform, cutting, labelling, sealing around a product |
| Products designed to be capable for use within the supply chain in the containment, protection, handling, delivery or presentation of goods, regardless of whether they're used in the supply chain or by consumers | Packaging made in UK/imported, clearing customs checks prior to 1 April 2022 |
| Single-use items used in a packaging type function by consumers, e.g. carrier bags, sandwich bags, refuse sacks, plastic cups | Unmodified cellulose-based material |
| | <p>Use specific:</p> <ul style="list-style-type: none"> • In direct contact with human medicines • Durable packaging, e.g. toolboxes, CD cases, glasses cases • Packaging integral to the use of the good it contains, e.g. printer cartridges, room deodorisers, lighters • Re-usable items designated for presentation of goods, e.g. display shelving |
| | Transport packaging in use around imported goods, e.g. facilitating handling/transport and prevents damage to a number of sales units/ grouped packaging |

Tax due on exported primary and secondary packaging will be relieved or refunded.

FOUR STEPS TO MEETING THE REQUIREMENTS



IMPLEMENTATION TIMELINE



Resources & guidance

[Business Wales – Green Growth Pledge](#)

[Business Wales – Resource Efficiency](#)

[Business Wales –
Sustainable Tourism Toolkit](#)

[Carbon Trust](#)

[Department for Business, Energy
& Industrial Strategy](#)

[Energy Saving Trust – Business:
Energy efficiency](#)

[Planet Mark](#)

[Science Based Targets](#)

[Sustainability Supply Chain School](#)

[Welsh Government: Climate Change](#)