



Plastic Packaging Tax

Tax Starts 1st April 2022



ENVIRONMENTALLY FRIENDLY
PACKAGING

Plastic Packaging Tax

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Aim:

To encourage the use of recycled material in plastic packaging and create greater levels of collection and recycling of plastic package waste in the UK.

Applies to:

All finished packaging components that are manufactured or imported (filled or unfilled) after this date and placed on the UK market.

Plastic bags such as carrier bags, bin liners, refuse sacks, sandwich bags, nappy sacks.

Plastic includes (bioplastics, biodegradable, compostable and oxo-degradable plastics).

A packaging component is used in the containment, protection, handling, delivery, or presentation of goods at any stage in the supply chain of the goods from producer to user or consumer.

A plastic packaging component is a component that contains more plastic when measured by weight than any other single substance listed. See Examples.

Transport packaging used on exported goods.



Example:

10g item of packaging is made of 4g plastic, 3g aluminium and 3g of cardboard

- All 10g is plastic packaging as it has the greatest by weight

10g item of packaging is made of 3g plastic, 4g aluminium and 3g of cardboard

- Item is not considered plastic packaging

For more information see HMRC guidance 'Check if your plastic packaging is in scope of the plastic packaging tax'.





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Exempted:

A plastic packaging component will not be chargeable for the tax if:

- It contains 30% or more recycled plastic
- Is for use in the immediate packaging of a human medicinal product
- Is directly exported (deferred for up to 12 months or tax credit application)
- Is permanently set aside at production or importation for a non-packaging function
- Is transport packaging used to import goods into UK

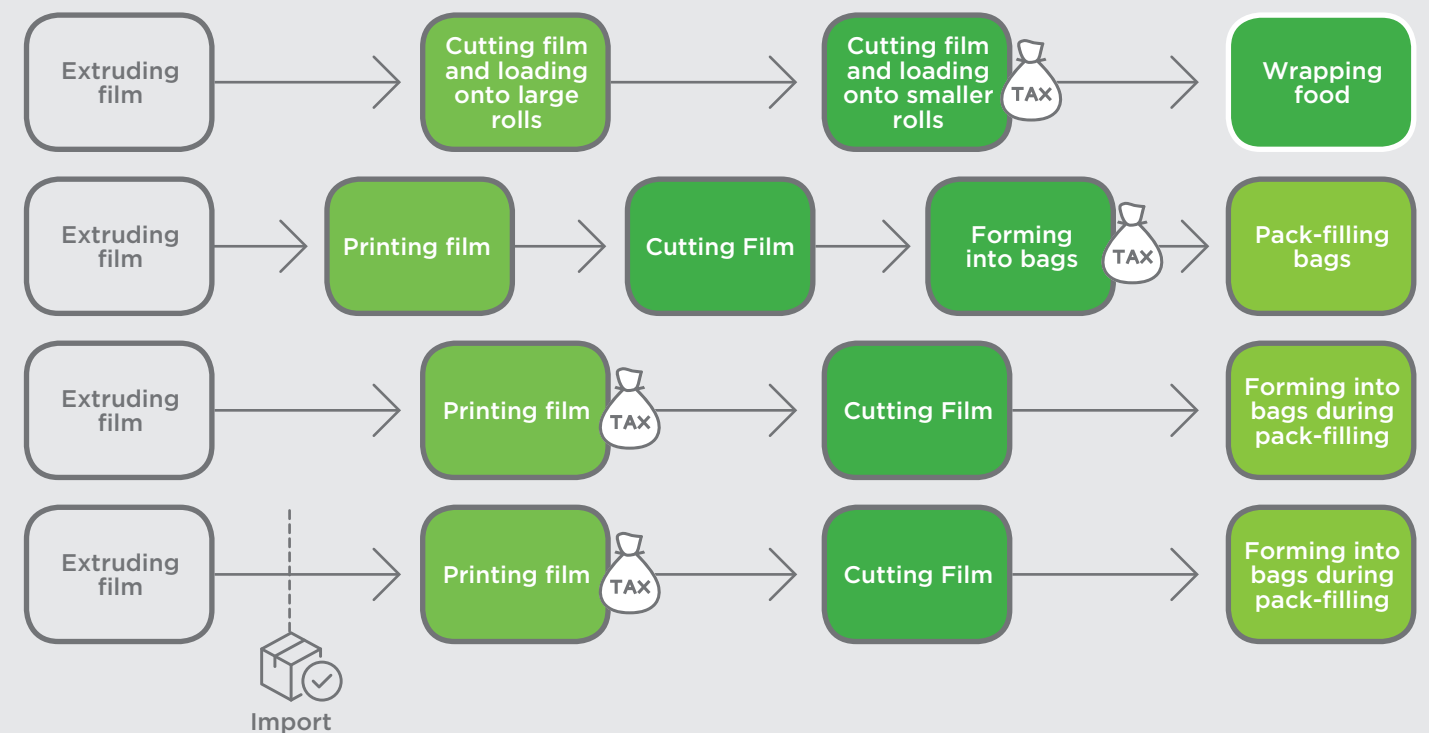
Who Pays:

For importing plastic packaging, the company who arranges the import pays the tax.

For manufacturing plastic packaging in the UK, the tax is paid by the company who makes the last substantial modification, this is either when:

- It has undergone its last substantial modification (change to shape/ structure/thickness/weight)
- The last substantial modification before pack-filling if substantial modifications occur at the same time.

Below examples show tax point.



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The tax is charged at **£200/tonne** for all plastic packaging components with **less than 30% recycled content.**

If handling more than 10 tonnes of plastic packaging per year. For more information see the HMRC guidance.



What is recycled content?

Recycled content has been reprocessed from recovered material by chemical or manufacturing process, other than organic recycling, to be used for its original purpose or other. This plastic must be processed by a reprocessing facility and can be:

Pre-consumer (PI)

- recovered from waste generated in a manufacturing process

Post-consumer (PC) -

generated by households or by commercial, industrial or institutional facilities in their role as end-users of the product.

What we will do:

All packaging we produce will include on the invoice:

- If it is Tax exempt as it contains more than 30% recycled material.

- If tax is liable and payable by Echo Packaging Ltd the invoice will confirm that Tax has been paid.
- If the customer will be making the last significant change Echo Packaging Ltd will provide product specifications for customer HMRC evidence.

What we need from our customers:

- Evidence of any material that has been exported
- Confirmation if there is a known amount of waste that their process will generate when converting our material, to be deducted by Echo at the tax point, as it will not be part of the packaging.



**Committed to
doing better,
offering more and
surpassing our
customers
requirements**

Sondes Road
Willowbrook Industrial Estate
Corby
Northants, UK
NN17 5XL

T. 01536 262 888
www.echopackaging.co.uk