

PLASTICS TAX FAQs



WHAT IS THE PLASTICS TAX?

This is a new tax that applies to plastic packaging produced in, or imported into the UK that does not contain at least 30% recycled plastic. Plastic packaging is packaging that is predominantly plastic by weight.

The tax will provide a clear economic incentive for businesses to use recycled material in plastic packaging, which will create greater demand for this material and in turn stimulate increased levels of recycling and collection of plastic waste, diverting it away from landfill or incineration.

WHEN DOES IT COME INTO EFFECT?



£200
per **tonne**



At the moment, the charge will be £200 per tonne, however, this is still under review and may change.



WHO IS LIABLE TO THE TAX?



The tax will apply to UK manufacturers and importers of plastic packaging which contains less than 30% recycled plastic content. The first business to commercially exploit the liable packaging as a finished component is considered to be the liable party.



There will be an exemption for businesses who manufacture and/or import less than 10 tonnes of plastic packaging in a 12-month period.

WHAT IS THE DEFINITION OF A PLASTIC PACKAGING COMPONENT?

"A product that is designed to be used, whether alone or in combination with other products, in the containment, protection, handling, delivery or presentation of goods, at any stage in the transportation of the goods from the producer to the user or consumer."

There are a few exceptions such as packaging used for medicinal products, or used as transport packaging to import products into the UK; the full list and underlying definition is still under review by the HMRC.

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WHAT QUALIFIES AS RECYCLED CONTENT?

All forms of recycled plastic counts towards the 30% but does exclude scrap and regrind sourced within the same production facility. Recycled plastics should be sourced from:



Post-consumer waste

End user waste generated by households, commercial, industrial or institutional facilities

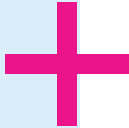


Pre-consumer waste

This is plastic waste generated in a manufacturing process which is then recovered and processed by a re-processing facility.



Scrap waste that is generated during manufacturing and then reused in the same process **DOES NOT** qualify as recycled plastic. Plastic waste must be diverted and processed by a re-processing facility.



DOES THE TAX APPLY TO PRODUCTS MADE FROM MIXED MATERIALS?

The plastics tax will be levied on all forms of packaging where the heaviest component is plastic.

This will be calculated by weight as opposed to the amount of recycled content as shown below based on the mass balance approach:

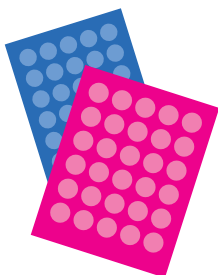
$$\text{Recycled plastic content \%} = \frac{\text{mass of recycled plastic}}{\text{mass of all plastic inputs}} \times 100$$



WHICH PLASTIC PACKAGING PRODUCTS ARE LIKELY TO BE LIABLE TO THE TAX?

Although not an exhaustive list, typical product types that will fall under the tax are packaging tapes, bubble wrap and bags, polythene bags, foam based products, stretchfilms, PP/PET strapping and so on.

ARE ANY OF YOUR PLASTIC PACKAGING PRODUCTS CURRENTLY EXEMPT FROM THE PLASTICS TAX?



We currently have a selected range of products that are exempt from the Plastics Tax, but we are working closely with our suppliers to ensure as many of our products are exempt (i.e. made from 30% or more recycled content) without compromising on product quality and performance. Our selected range of products considered exempt include poly based mailing bags, bubble mailers and pouches, hand stretch films (17mu or above), air cushion films and loosefill. We will ensure you are updated with further developments and changes to our product range. If you have questions or need advice, please get in touch.

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