

A young girl with curly hair in a bun, wearing a yellow shirt, is holding several clear plastic bottles. She is smiling and looking down at them. An elderly woman with white curly hair, wearing a patterned orange and white shirt, is crouching down and holding one of the bottles, also smiling. They are in a kitchen with white cabinets and a window in the background. A black recycling bin is visible in the foreground.

Plastic Packaging Tax (PPT) Guide

Produced for the British Plastics
Federation by EY

25 February 2022



Building a better
working world

Contents

01. Key facts	02
‣ Overview of key facts	
02. Who needs to read this guide?	04
‣ Who needs to read this guide?	
‣ Who accounts for PPT	
03. When does the tax apply?	08
‣ When does the tax apply?	
‣ What constitutes 'plastic packaging'? – plastic	
‣ What constitutes 'plastic packaging'? – packaging	
‣ What constitutes 'finished'?	
‣ What constitutes 'taxable'?	
04. What are the reliefs?	16
‣ Use of Recycled plastic	
‣ Exported packaging	
‣ Immediate packaging of medicinal products	
‣ Other reliefs – not reportable	
‣ Summary of reliefs and obligations	
05. Compliance	24
‣ Who registers and when?	
‣ Registration process and groups	
‣ When is PPT accounted for (tax points)?	
‣ Preparing and submitting PPT returns	
06. Calculating the tax amount	32
‣ Calculating the weight	
‣ Waste material	
‣ Calculating the tax amount and tax credits	
07. What records or evidence are needed?	34
‣ What records should businesses keep?	
‣ What evidence should businesses keep?	
‣ What are the IT capabilities needed?	
08. What are the consequences?	38
‣ Accounting for PPT Secondary/Joint and several liability	
‣ Penalties	
‣ HMRC powers and audits	
Decision Tree for guidance	42
‣ Check if your plastic packaging is Taxable	
‣ Check if you need to register for PPT	



A young man and woman are outdoors in a park-like setting, wearing gloves and collecting plastic waste into a black bag. The woman is on the left, wearing a white t-shirt, denim shorts, and pink gloves. The man is on the right, wearing a white t-shirt and yellow gloves. They are both smiling and looking at the bag. The background shows trees and sunlight filtering through the leaves.

Introduction

- ▶ This guide provides an overview of the new Plastic Packaging Tax ('PPT') that will be implemented in the UK from 1 April 2022
- ▶ This guide was published on 25 February 2022 and is subject to change as new guidance and regulations are released in the lead up to 1 April 2022
- ▶ While HMRC continues to enhance guidance and offer advice on the status of hard to categorise products, there are no open consultations and legislation has been approved by parliament
- ▶ A tax on plastic packaging is expected to be introduced in Spain and Italy in 2023. Broader discussions are also happening across the EU in countries such as the Netherlands, Germany and France, Sweden and Belgium
- ▶ Primary UK legislation is contained in Part 2 of the Finance Act 2021 and Schedules 9-15
- ▶ The Plastic Packaging Tax (General) Regulations 2022 and further secondary legislations such as The Plastic Packaging Tax (Descriptions of Products) Regulations 2021 will come into force from 1 April 2022
- ▶ Government guidance can be found [here](#)
- ▶ The aim of the tax is to provide an incentive for businesses to use **recycled** plastic and to increase the general levels of recycling to support the environment
- ▶ HMRC will spend £6.6mn developing a computer system to manage the tax and £11.3mn staffing the new tax, an indication that HMRC are serious in implementing and enforcing the tax



1

Key facts



1

PPT will take effect from 1 April 2022. Registration thresholds and liability calculations will run from this date.

2

Applies when **plastic packaging** is manufactured in the UK or imported into the UK.

3

There are a number of examples where plastic packaging is **not taxable**, including where 30% or more of the plastic is recycled.

4

The value of the tax is currently £200 per metric tonne (may increase subject to government guidance).

5

Records and evidence are required whether registered or not.

6

Changes to IT systems maybe needed for tax identification, calculation, reports and potentially new PPT invoicing requirements.

A woman with long brown hair, wearing a grey coat, is smiling and looking down at a book she is holding. She is standing in a library or bookstore, with tall wooden bookshelves filled with books in the background. A large, stylized grey number '2' is overlaid on the left side of the image. A yellow rectangular box is positioned over the lower part of the number '2' and the woman's book.

Who needs to read this guide?

Who needs to read this guide?

- ▶ **Plastic packaging** tax (PPT) is in general payable on the manufacture or import into the UK of **finished taxable plastic packaging**
- ▶ What constitutes **finished** taxable plastic packaging is complex and requires careful consideration of each of the terms '**finished**', '**taxable**', '**plastic**', '**packaging component**'
- ▶ There are further complexities and nuances in the legislation and regardless of whether the plastic packaging is subject to tax or whether the person qualifies as taxable person for paying tax, there could still be obligations. For example:
 - ▶ **Register** for tax despite manufacturing/importing fully **exempt** packaging
 - ▶ Include details of plastic packaging e.g., medicinal packaging, **recycled** packaging on **PPT returns**, despite being not taxable
 - ▶ Determine the weight of medicinal plastic packaging, **recycled** packaging, **exported** packaging for determining the **registration** threshold, despite them being not taxable
 - ▶ Keep evidence in relation to the product's liability to PPT or lack of it
 - ▶ **Keep records** to substantiate that the business has not breached registration threshold
- ▶ Note that HMRC has the powers to impose secondary liability on any person in respect of PPT that another person has failed to pay or impose a joint and several liability with another person for paying future PPT, although there are strictly drawn conditions when this can take place.
- ▶ Given the complexity of the definitions, the wide remit of the tax, the effect of tax on costs and the possibility of being held secondarily liable to tax – any person that
 - ▶ Manufactures plastic products
 - ▶ Imports plastic products; or
 - ▶ Even deals with manufacturer/importer of plastic packaging will find this guide useful, regardless of their organisation set up, sales turnover, profit/loss levels

1

All manufacturers, importers of plastic products in the UK

2

Businesses, government departments, and charities, regardless of profit/loss levels

3

Any person that deals with manufacturer/importer of plastic packaging in the UK



Who accounts for PPT?



1. Manufacturers

- ▶ Manufacturers of **finished taxable plastic packaging** are liable to account for PPT if they are the ones in the production process that have '**finished**' the packaging i.e., performed the last **substantial modification** in the UK. If the last substantial modification takes place as part of the packaging process, the tax arises at the previous substantial modification.
- ▶ **Substantial modification** is a significant change to the nature of the component, that changes the shape, structure, thickness or texture of the plastic packaging by means of a production process e.g., extrusion, layering, forming etc. This is discussed in further detail in page 13.

2. Importer

- ▶ Where **finished taxable plastic packaging** is imported into the UK the importer is liable to account for the PPT.
- ▶ This will usually be the importer of record i.e., the party that is listed on the C88 import document unless it is someone else controlling the import and that can be demonstrated to HMRC.
- ▶ This includes the import of finished taxable plastic packaging that already contain goods (e.g., bottle filled with liquid) albeit the tax only applies to the weight of the packaging excluding the goods.

3. Secondary/Joint and several liability

- ▶ Whilst the primary liability to pay PPT remains with the manufacturer and importer of **finished taxable plastic packaging**, HMRC has the powers to impose secondary liability on any person in respect of an unpaid PPT if reasonable and adequate diligence and care has not been undertaken.
- ▶ HMRC may also hold a person jointly and severally liable with another person in respect of the PPT liability of another person regardless of them not being manufacturer/importer.
- ▶ This is discussed in further detail on page 39.





What is in the
scope of the tax?

Overview of what is in scope of the tax

- ▶ PPT applies to '**finished** taxable **plastic packaging**'.
- ▶ If the product that you import or manufacture meets each of these three criteria i.e., it is 'plastic packaging', it is 'finished', and is 'taxable', then you must consider your liability to register and pay PPT.
- ▶ Tax only must be paid where all three are met. However, as discussed previously, where some of the criteria are met and not others, there are still PPT obligations for e.g.,
 - ▶ Include details of plastic packaging e.g., medicinal packaging, **recycled** packaging on **PPT returns**, despite being not taxable
 - ▶ Determine the weight of medicinal packaging, **recycled** packaging, **exported** packaging for determining the **registration** threshold, despite them being not taxable
- ▶ Keep evidence in relation to the product's liability to PPT or lack of it.
- ▶ **Keep records** to substantiate that business has not breached registration threshold.
- ▶ PPT should be accounted for at the **tax point** and only when the tax point falls after 1 April 2022 (i.e., products in manufacture prior to 1 April 2022 but '**finished**' after 1 April 2022 are taxable).
- ▶ Each criteria has been discussed in further detail in subsequent pages (select each word to navigate).



1

Plastic Packaging

A *packaging component* is classed as "Plastic Packaging" if it contains more *plastic* by weight than any other substance.

2

Finished

A Plastic Packaging is considered 'Finished' where it has undergone its last substantial modification.

3

Taxable

Finished Plastic Packaging is taxable where it does not qualify for any reliefs.

1. What constitutes 'plastic packaging'?

'plastic' and 'packaging component'

Note that 'plastic packaging' is a packaging component that contains more plastic when measured by weight,¹ than any other single substance²

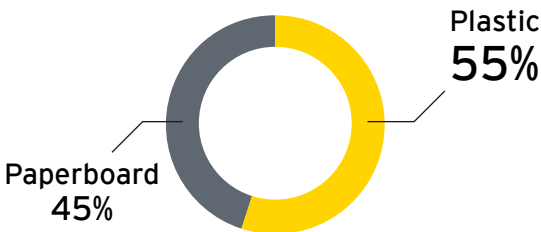
Plastic Packaging

- ▶ For a **packaging component** to be considered as plastic packaging, there must be more plastic by **weight** than any other material.
- ▶ If plastic is not the predominant component that makes the packaging then the onus is on the business to prove that for the packaging to be outside the scope of PPT, otherwise it will be assumed to be all plastic packaging by HMRC.
- ▶ As such, a business should keep **records** and evidence even when the packaging may not contain more plastic by weight.
- ▶ If taxable, the entire weight of the plastic packaging is subject to PPT.

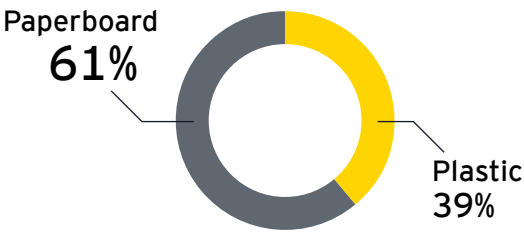
Plastic

- ▶ Plastic means a polymer material, other than a cellulose-based polymer that has not been chemically modified. Additives and substances may have been added to it.
- ▶ It includes bioplastics, including biodegradable, compostable and oxo-degradable plastics (whether oxo-degradable plastics are included is subject to further guidance).
- ▶ Excludes cellulose based polymers that haven't been chemically modified.

Plastic packaging



Non plastic packaging



Total (12 tonnes)
X
£200
=
PPT amount £2400

¹ For determining the weight any waste of a known quantity during the production process or waste of a known quantity that remains attached to the packaging, should not be included.
² A list of other substances can be found in the guidance [here](#)



A “packaging component” is a product that is designed to be suitable for use, whether alone or in combination with other products, in the containment, protection, handling, delivery or presentation of goods at any stage in the supply chain of the goods from the producer of the goods to the user or consumer.

Packaging component used in the supply chain

Definition	1. Designed to be suitable for use.	2. whether alone or with other products, in the	3a. containment 3b. protection 3c. handling 3d. delivery 3e. presentation of goods	4. at any stage in the supply chain.
Description	It only has to be designed as packaging, therefore it doesn't matter if the component is actually/ temporarily used for a different purpose than what it was designed for.	It does not have to be a packaging component in its own right. A component in combination with another can still be classed as a packaging component if the combination is a packaging component.	It must perform at least one of the above functions in order to constitute packaging.	It does not matter at which stage of the supply chain of the goods, the packaging is used for its containment, handling etc. it will still be a 'packaging component'
Example	Bottles designed for containing liquid but is used by customer for decoration purposes.	<ul style="list-style-type: none"> ▶ A plastic lid along with the container would perform the packaging together. ▶ Labels designed to present the goods and describe the contents of a product. 	<ul style="list-style-type: none"> ▶ Plastic crates. ▶ Pallet wrap to group goods. ▶ Plastic film. ▶ Trays to hold food. ▶ Clothes hangers designed for use in the supply chain. 	A flexible food pouch, for example, purchased by a distributor should be classified as packaging.

Find more examples of packaging in/out of scope from HMRC following the Link – [Packaging in and out of scope of Plastic Packaging Tax–GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/plastic-packaging-tax)

In addition to the general definition of “Packaging Component” which is for packaging used in supply chain, HMRC has added single-use plastic packaging for ‘packaging-type’ function for use by a user or consumer for example bin bags and party cups to the scope of tax.

Single-Use packaging for use (not in supply chain) but by consumer

- ▶ Products are designed as single use packaging where it is designed to be used in performing at least one of the following functions:
 - ▶ Containment
 - ▶ Protection
 - ▶ Handling
 - ▶ Delivery
 - ▶ Presentation

The main examples are:

1. Plastic bags, including:

- ▶ Carrier bags
- ▶ Bin liners and refuse sacks
- ▶ Sandwich bags
- ▶ Nappy sacks

2. Disposable cups, including:

- ▶ Expanded polystyrene cups
- ▶ Vending machine cups
- ▶ Plastic wine or pint glasses
- ▶ Party cups

3. Disposable plastic bowls and plates

4. Gift wrapping such as ribbon and sticky tape

5. Ready meal and vegetable pouches and packets

6. Medical sharps bin (single use)

Find more examples of packaging in/out of scope from HMRC following the Link – [Plastic Packaging Tax – GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/plastic-packaging-tax-in-and-out-of-scope)

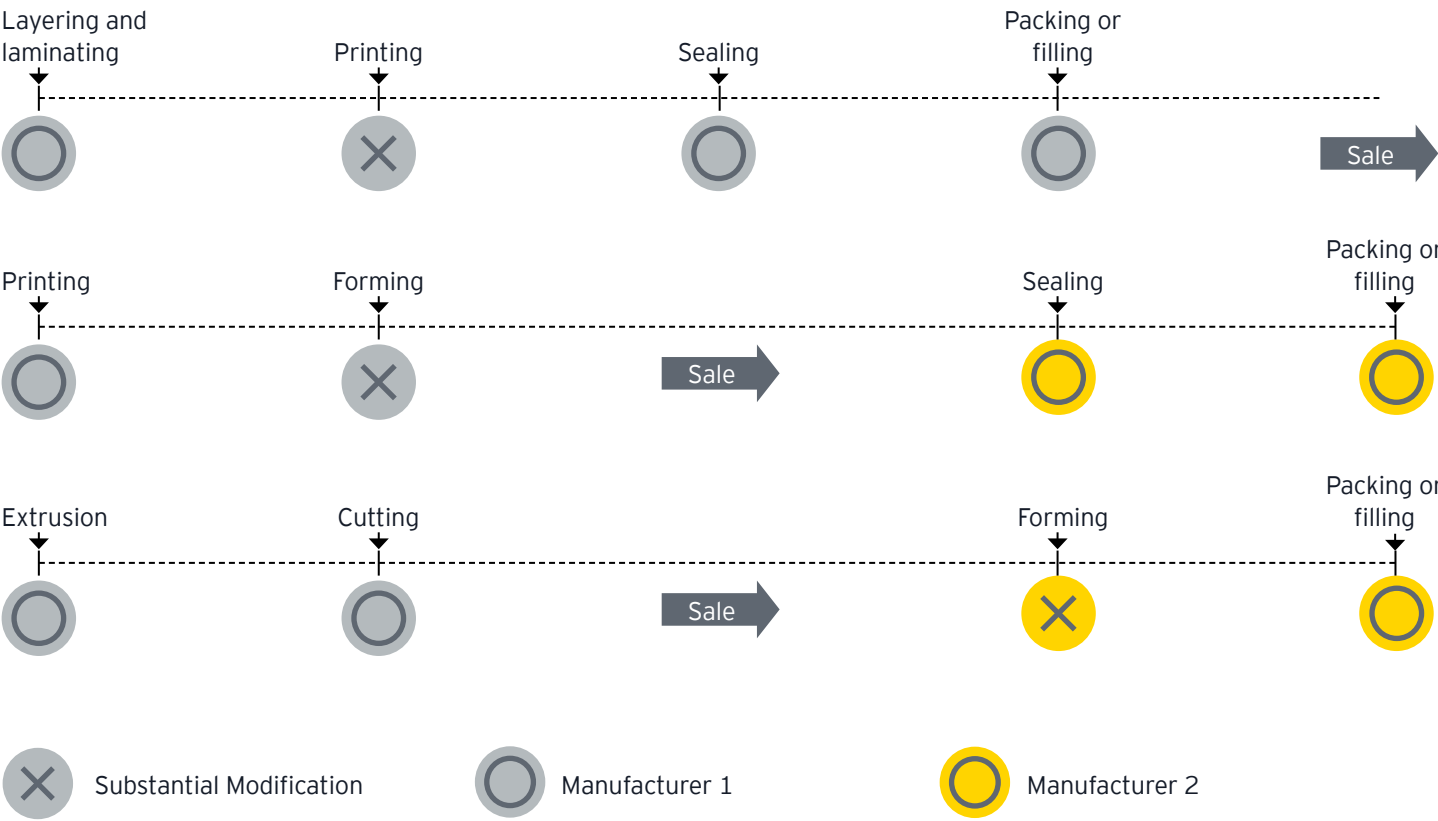
2. What constitutes 'finished'?

A product is considered 'finished' where it has undergone its last **substantial modification** applies even where waste or surplus material remains attached to the product.

Substantial Modification

- Not all manufacturing processes are considered as **substantial modification** by HMRC, and therefore whilst a business may be manufacturing, it may not be liable for PPT if it is not undertaking what is called 'substantial modification' for PPT.
- Substantial modification is defined a significant change that changes the shape, structure, thickness or texture of a product.
- The last substantial modification is the last manufacturing process that makes a significant change to the nature of the component, meaning an alteration to the shape, structure, thickness or weight.
- Note that where the last substantial modification to the packaging takes place as part of the pack filling process, then as per HMRC the previous substantial modification will be considered for **tax point**.
- Waste or surplus material that remains attached to a component after its last substantial modification is not to be treated as part of the component.

Examples of substantial modifications	Examples that are not substantial modifications
Extrusion	Blowing
Layering and laminating	Cutting
Moulding and Forming	Labelling
Printing	Sealing



3. What constitutes ‘taxable’?

Plastic packaging is taxable where it does not qualify for any reliefs

- Where a component does classify as finished plastic packaging, but qualifies for any of the specified reliefs no PPT needs to be accounted for and paid to HMRC.
- The table below provide a snapshot of the reliefs. These reliefs are discussed in detail in the next section of this guide.

Reliefs*		
Plastic packaging designed to be used for long-term goods storage.	Transport packaging on imported goods.	Used for the immediate packaging of human medicinal products.
Where the packaging is an integral part of the goods.	Used in aircraft, ship and rail goods stores for international journeys.	30% or more recycled.
Where it is designed primarily to be reused for the presentation of goods.	Designed as packaging but permanently designated for use other than packaging.	Exported**

*Qualifying for relief does not completely absolve a business of potentially needing to register for the tax, maintaining records etc. This is discussed in detail in page 35.

**Note that the exemption in reference to Export is by way of tax deferment i.e., the tax is deferred until the conditions for export are met i.e., components are exported within 12 months. If the conditions are not met, tax is due.





4

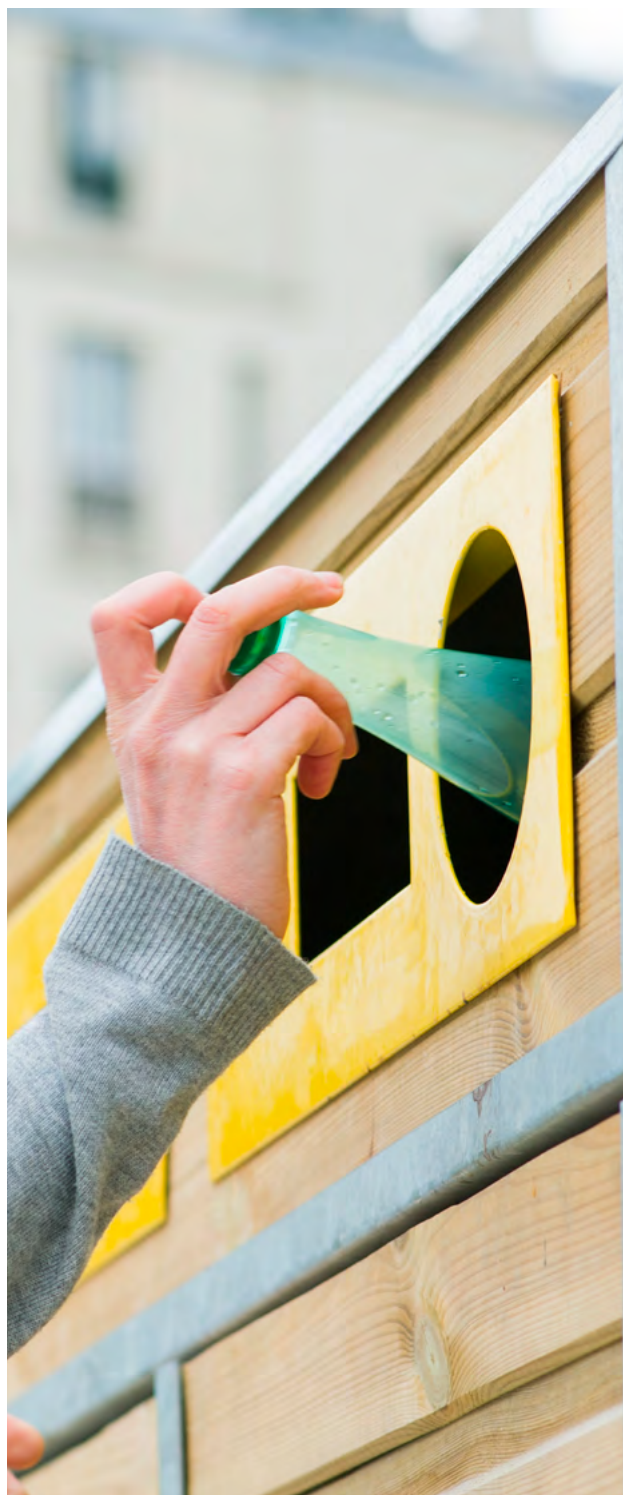
What are the reliefs available?

Recycled – the plastic is 30% or more recycled

- ▶ PPT does not apply where 30% or more of the plastic used in the **finished plastic packaging** is recycled plastic. There are no immediate plans of HMRC to increase the 30% specification. However, this may be increased in future.
- ▶ This should be calculated by reference to the **weight** of the **recycled** plastic in reference to the weight of the total plastic in the plastic packaging.
- ▶ 'Recycled plastic' is one that is reprocessed from recovered material through a chemical or manufacturing process so it can be used for a new or the original purpose. It excludes organic recycling of aerobic or anaerobic treatment.

Chemically recycled plastic is an allowable source of recycled plastic for the purposes of PPT. However, calculations will need to reflect the actual amount of recycled plastic within the packaging. Where plastic has been purchased in a mixed batch of virgin and recycled plastic, then only the actual proportionate amount of chemically recycled plastic can count towards the 30% threshold. The government will keep this position under review.

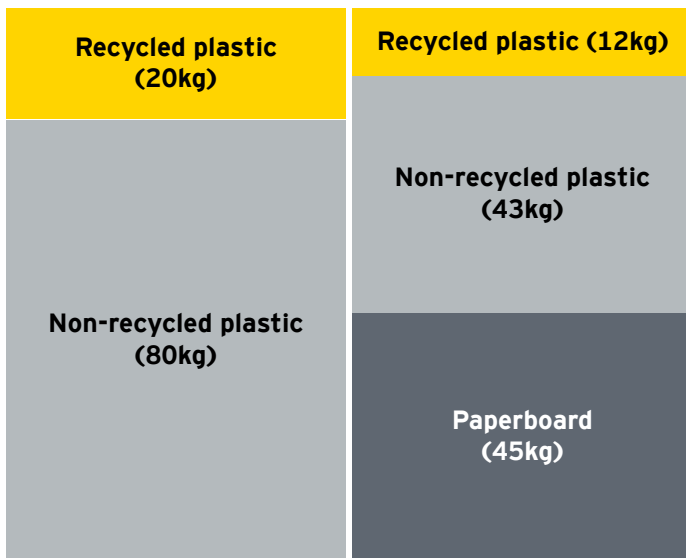
- ▶ Recovered material includes:
 - ▶ Pre-consumer plastic – plastic which is recovered from waste generated in a manufacturing process. It is then processed by a reprocessing facility, which could be on the same site as the manufacturing process. It does not include plastic that is reused in the same process it was generated as scrap, and from which it was recovered. This is often known as scrap and regrind. HMRC is considering changes to this definition ahead of the date of implementation, 1 April 2022. Further updates may be detailed in due course.
 - ▶ Post-consumer plastic (i.e., waste following end use) that is recovered that would have otherwise been disposed of as waste or used for energy recovery.
- ▶ Whilst PPT does not apply when 30% or more of the plastic used in the finished plastic packaging is **recycled** plastic – businesses will still need to:
 - ▶ Consider these packaging for the purpose of **registration** threshold;
 - ▶ Capture the weight of this plastic packaging for PPT quarterly reporting; and
 - ▶ Maintain evidence of the proportion of **recycled** plastic in the finished packaging that is manufactured or even if it is imported.



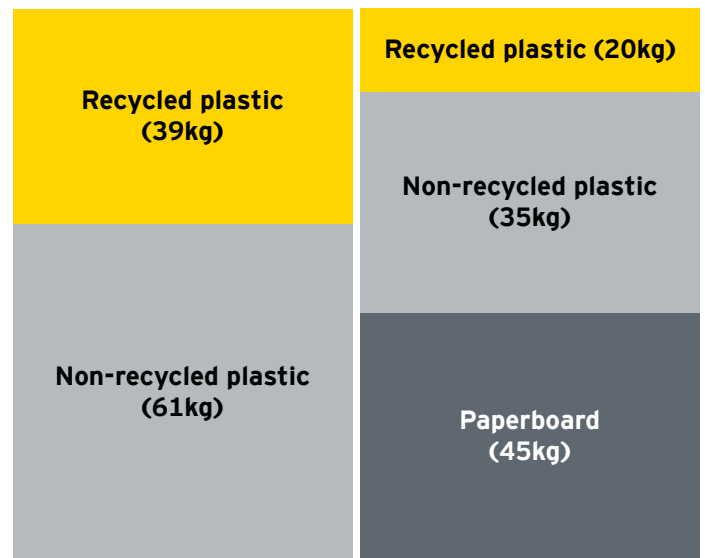
Find detail on the definition of plastic from HMRC following the Link – [Work out which packaging is subject to Plastic Packaging Tax - GOV.UK \(www.gov.uk\)](https://www.gov.uk/work-out-which-packaging-is-subject-to-plastic-packaging-tax)

Examples

Taxable



Not taxable



Examples of evidence that businesses can use to demonstrate use of 'recycled plastic'

- ▶ Product specification
- ▶ Contracts
- ▶ Production certificates
- ▶ Quality assurance audits
- ▶ Certificates of conformity
- ▶ ISO standards
- ▶ BRC standards
- ▶ Invoices and accounts
- ▶ Environment agency accreditation or equivalent approvals from other bodies

Exported plastic packaging

- ▶ No PPT is due where a **finished plastic packaging** is directly **exported** or intended to be exported from the UK within 12 months from the date it is imported or produced.
- ▶ The tax payable on it is deferred until the time of export.
- ▶ Where a business has an intention to direct export a finished plastic packaging, and the intention changes e.g., it is sold locally it becomes chargeable to PPT when the intention changes.
- ▶ If the packaging intended for direct export is not exported for any reason, PPT is due at the end of the 12 months period. Therefore the tracking and record of date of export will be imperative.
- ▶ Note that direct exports is when a supplier sends the goods and is responsible either for arranging the transport himself or appointing an agent. Plastic packaging tax can only be deferred on export when it is a direct export, meaning that a business cannot use an agent or get the customer to collect the goods.
- ▶ Whilst PPT is not payable in case of exports, the business will still need to:
 - ▶ Consider this packaging for the purpose of **registration** threshold;
 - ▶ Capture the weight of this packaging **exported**/intended to be exported for quarterly PPT reporting;
 - ▶ Maintain evidence of the export shipping, the date, evidence of intention to export etc.; and
 - ▶ Hold **records** to track the plastic packaging's date of manufacture, their export, and resultant claim for **tax credit**.
- ▶ Where the goods are/will be exported but the direct export conditions are not met, the businesses will need to account for PPT. However they can claim **tax credit** once when the packaging is exported by someone other than the manufacturer or importer and they have evidence that export has taken place and the evidence of export is available.

Examples of evidence that a business can use to demonstrate export of plastic packaging and its date

- ▶ Evidence of export under PPT can be similar to the evidence held for VAT purposes or any other tax/duty. Following HMRC guidance, evidence of export can include:
 - ▶ Export declarations
 - ▶ An invoice or packing list that clearly identifies the goods being **exported**.
 - ▶ Transport document (such as a bill of lading, airway bill or road consignment (CMR) note) to show us how the goods were transported.
 - ▶ A document certified by the carrier that the goods were loaded and shipped to a destination outside the UK.
 - ▶ A commercial document, such as a delivery note or invoice signed by the consignee in a third country, certifying the goods have been received.
 - ▶ A document authenticated by a customs authority, certifying that the goods have left the territory of the UK.



Used for the immediate packaging of human medicinal products

- ▶ **Plastic packaging** for use in the immediate packaging of **human medicinal products** is specifically exempt from PPT.
- ▶ Notably, it must be 'immediate packaging' and related to 'human medicinal products', and both these terms find reference in the Human Medicines Regulations 2012.
- ▶ In general, as per these regulations, **medicinal product** is any substance or combination that have properties of preventing or treating human disease and is administered to human beings to restore, correct or modify a physiological function.
- ▶ **Immediate packaging** as per these regulations include the container or other form of packaging immediately in contact with the product. As such, not all packaging related to human medicinal products are exempt, and a careful assessment should be undertaken to classify any packaging under this exemption.
- ▶ Whilst PPT is exempt where the packaging is for use in the immediate packaging of human medicinal, businesses will still need to:
 - ▶ Consider these packaging for the purpose of **registration** threshold;
 - ▶ Hold evidence that the medicine that the packaging will hold is licensed by the Medicines and Healthcare products Regulatory Agency (MHRA)
 - ▶ Capture the weight of these packaging **exported**/intended to be exported for quarterly PPT reporting; and
 - ▶ Maintain evidence of its exemption and hold **records** to substantiate the exemption.



Examples of evidence that a business can use to demonstrate packaging of medicinal products

- ▶ Evidence is required even if the taxpayer is the importer. Therefore evidence may need to be arranged from the foreign suppliers

Some general examples specified by HMRC include

- ▶ Order form setting out specification
- ▶ Product specification
- ▶ Quality assurance audits
- ▶ Invoices
- ▶ Certificates of conformity
- ▶ ISO standards
- ▶ BRC standards
- ▶ Marketing authorisation
- ▶ Licencing authorisation

Likely examples

- ▶ Primary packaging and not the secondary packaging (e.g., boxes, cartons or packets)
- ▶ Plastic vials
- ▶ Plastic bottles
- ▶ Blister packs
- ▶ Syringes
- ▶ Ampoules
- ▶ Sprays
- ▶ IV containers
- ▶ Sachets

Outside the scope – not reportable

Outlined below are additional relief provided from PPT. Whilst the first two points in the table fall under the exempt category of packaging specified in the legislation, the remaining points fall under the Out of scope category in the legislation. However, given that the treatment of all these “reliefs” from a PPT reporting standpoint is same – we have combined these reliefs for the purpose of this table. In contrast to the previous reliefs – the weight of the **plastic packaging** that fall under the reliefs outlined in the table below are not counted for the **registration** threshold and are not currently expected to be reported in the quarterly **PPT returns**. However, this does not absolve the businesses to maintain evidence and **records** to substantiate the availability of these reliefs.

Particulars	Examples of packaging products	Not examples and therefore taxable
<ul style="list-style-type: none"> Transport packaging used to import goods into the UK. Road, rail, ship and air containers. 	<p>It primarily includes packaging to secure the safe transit of products, and not necessarily the existing packaging of the goods itself. This only includes additional packaging to prevent damage to multiple sales units and does not apply to primary or secondary packaging. For example:</p> <ul style="list-style-type: none"> Plastic pallet wrap Flat rack containers 	<ul style="list-style-type: none"> Packaging used to transport goods only in the UK or Packaging used for export of goods (unless falls under export relief) Packaging used to secure the safe transit. Primary packaging of the goods itself (e.g., plastic bottles containing liquid)
Used in aircraft, ship and rail goods as stores.	<ul style="list-style-type: none"> Packaging that is also considered ‘stores’ (i.e., spare parts and other articles of equipment) for use on aircraft, ship, rail. 	<ul style="list-style-type: none"> Plastic packaging that is subsequently imported into the UK.
Designed as packaging but permanently designated for use other than packaging, before or as soon as imported/ manufactured.	This applies to specialised packaging and its components that are primarily used for something other than packaging. E.g., plastic film that will be used to coat whiteboards, film to enable the fermentation process to take place to make silage e.g., plastic bottles used for decoration.	<ul style="list-style-type: none"> Plastic packaging designed and used for its intended purpose.
Plastic packaging designed to be used for the long-term storage of goods.	<ul style="list-style-type: none"> Toolboxes First aid boxes 	<ul style="list-style-type: none"> Earphone cases Glasses cases CD, DVD cases Board game boxes
		<ul style="list-style-type: none"> Packaging used to contain any of the goods in the left hand column. Single use plastic boxes which the customer may end up using for long term storage.
Where the packaging is an integral part of the goods and are necessary to enable the goods to be used.	<ul style="list-style-type: none"> Water cartridge filters Printer or toner cartridges Inhaler Mascara brushes 	<ul style="list-style-type: none"> Aerosol actuators Room deodorisers Perforated rice bags Lighters Dental floss
		<ul style="list-style-type: none"> Packaging used to contain any of the goods in the left column.
Where it is designed primarily or have been permanently set aside to be reused for the presentation of goods.	<ul style="list-style-type: none"> Sales display shelf Shop fittings Sales presentation stand 	<ul style="list-style-type: none"> Plastic trays and pallets that are designed for use in the supply chain. Single use plastic bottle which the customer may use for long term storage.

Find more examples of packaging in/out of scope from HMRC following the Link – [Packaging in and out of scope of Plastic Packaging Tax–GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/plastic-packaging-tax)

Summary of reliefs and reporting obligations

Finished plastic packaging is taxable, if it does not qualify for any relief

- ▶ Whilst PPT is not payable if the **finished plastic packaging** qualifies for any relief, the businesses are not fully absolved from the obligations of UK plastic packaging tax. Depending on the type of relief, businesses may still need to:
 - ▶ Register – as some of these packaging are counted for **registration threshold**. For e.g., A business that manufactures or imports 10 tonnes or more of plastic packaging that includes 30% **recycled** plastic still has a liability to register and report.
 - ▶ Maintain documentary evidence and **records** to prove the availability of relief in all cases.
 - ▶ Report – as some of these packaging are required to be reported in the quarterly **PPT returns** (see the column header in the adjacent table).

Relief – Not reportable	Relief – Reportable	
Where the primary function of the packaging is storage .	Transport packaging on imported goods.	Used for the immediate packaging of medicinal products .
Where the packaging is an integral part of the goods.	Used in aircraft, ship and rail goods stores for international journeys.	30% or more recycled .
Where it is designed primarily to be reused for the presentation of goods.	Designed as packaging but permanently designated for use other than packaging .	Exported .*

* Note that the exemption in reference to Export is by way of tax deferment i.e., the tax is deferred until the conditions for export are met i.e., components are exported within 12 months. If the conditions are not met, tax is due.

* Exported is not technically exempt, but the tax is deferred until the conditions are met, and once the conditions are met no tax is due.



A woman with long dark hair, wearing a black dress with white polka dots and a black belt, stands in a modern office. She is looking towards the camera with a slight smile. The office has large windows that look out onto a green hedge and a modern building. In the foreground, there are several white office chairs. A large, semi-transparent grey number '5' is overlaid on the left side of the image.

5

Compliance

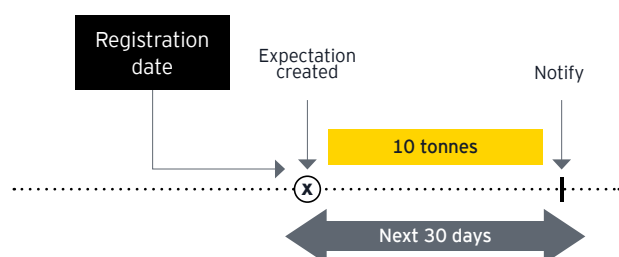
Who registers and when?

Application of registration threshold for small businesses

- ▶ Any manufacturers or importers that breaches the **registration** threshold of 10 tonnes or more applying the *Future Test* or *Historic test* will have to register.
- ▶ Partnerships should register if at least one partner or person carrying out business, has manufactured or imported 10 tonnes or more, of **finished plastic packaging** components within the last 12 months or will do so in the next 30 days. All members will then be joint and severally liable for Plastic Packaging Tax.
- ▶ A person can be deregistered where HMRC are satisfied that the person has not met the liability condition for a period of 12 months.

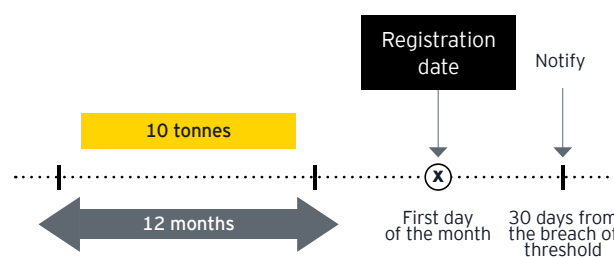
The Future Test

- ▶ If a business expects to manufacture or import 10 tonnes of finished plastic packaging that qualifies for registration threshold in the next 30 days alone, they are registered from the date the expectation was created.
- ▶ The business should notify within 30 days of the date the expectation was created and will be registered from that date i.e. when expectation was created.
- ▶ Example-If an order is placed with manufacturer on 14 June 2022 for 10 tonnes of **finished plastic packaging** for delivery on 2 July, registration should be notified by 14 July and the business is registered from 14 June.



The Historic Test

- ▶ If a business manufactures or imports 10 tonnes of plastic in the previous rolling 12 months, they will be registered and liable to pay PPT from the first day of the month when threshold was breached.
- ▶ The business must notify registration within 30 days of the breach of threshold.
- ▶ The historic test is to be applied on the first day of each calendar month.
Example – If a business is applying the historic test on 1 September 2023, the business will identify whether the plastic packaging that qualifies for threshold and that it has imported/manufactured between 31 August 2022 to 31 August 2023 has breached the threshold of 10 tonnes. If it has breached the 10 tonnes threshold, it will be liable to pay from 1 September 2023 and registration should be notified to HMRC by 30 September 2023.
- ▶ As the tax starts on 1 April 2022, to apply historic test, the look back period is only until 1 April 2022.



Calculation of 10-tonnes Registration threshold

The following plastic packaging contributes to the 10-tonne **registration** threshold:

- ▶ **Finished** taxable **plastic packaging** (liable to PPT).
- ▶ Plastic packaging that includes 30% **recycled** plastic.
- ▶ Plastic packaging used in the immediate packaging of a human medicinal product.
- ▶ Plastic packaging that is **exported**.
- ▶ Plastic packaging that is designated or set aside for use other than for packaging.



Registration process and groups

- ▶ Liable businesses should register for PPT through an online portal if they breach or expect to breach the [registration](#) threshold (refer to previous section).
- ▶ The online portal will open for new registrations from 1 April 2022.
- ▶ Once a business is registered, it will receive a PPT ID number that a business must keep note of.
- ▶ If circumstances change or incorrect information is entered in the [return](#), a business has 31 days to notify HMRC from the later of the day:
 - ▶ Circumstance change.
 - ▶ Discover circumstances have changed.

Group registrations

- ▶ Businesses that are a member of a group of companies can form a PPT group subject to certain conditions e.g. each member should either be jointly controlled by more than 50% of one of the members of the group or jointly controlled by another person, and at least one company in the group should be established in the UK.
- ▶ The benefit of grouping is that a representative member (being a UK established entity) of the group can submit PPT returns, register for PPT and pay for PPT on behalf of all the members of the group.
- ▶ All members of the group will be joint and severally liable for each other's obligations in relation to plastic packaging tax.
- ▶ The 10 tonne registration threshold applies separately to each member of the group.

Registration information

- ▶ Business type
- ▶ Business address
- ▶ Contact details
- ▶ Details of person notifying the registration (including their role in the business and email address)
- ▶ Business type, e.g.:
 - ▶ Individual
 - ▶ Limited company; or
 - ▶ Partnership
- ▶ Date they became liable to register
- ▶ Estimate of finished plastic packaging expect to manufacture or import in the next 12 months
- ▶ Customer reference number that could be:
 - ▶ Corporation tax unique ID
 - ▶ Self assessment ID
 - ▶ Charity registration number
 - ▶ National insurance number

When is PPT accounted for (tax points)?

When chargeable event occurs



When **finished plastic packaging** is **Manufactured** in the UK

A plastic packaging is considered '**finished**' only when it has undergone its last **substantial modification**. For e.g., in March 2023 a plastic packaging is partly finished (e.g., yet to undergo a forming process) and it is finished in April 2023 – the **tax point** will be in April 2023 and the weight of this packaging will be reported in the Q2 2023 **PPT return**. As such, unlike a transaction based tax like VAT, where sales/supplies would be relevant for identifying the tax point, the tax point for PPT will be the date of manufacturing/production. Where the last **substantial modification** to the packaging takes place as part of the pack filling process, then as per HMRC the previous substantial modification will be considered for tax point.

When finished plastic packaging is **Imported** into the UK

The date of import is usually the date when the goods enter into the UK for free circulation i.e., when the goods are cleared by the customs authorities following the submission of the import declaration and completing other import formalities.

Exports and deferrals



Where the goods manufactured/imported are intended to be **exported**, businesses can defer the PPT liability for a deferral period of up to 12 months. Note that the weight of these goods may still need to be disclosed in the accounting period **when the goods are manufactured/imported**.

If the business continues to meet the condition of the deferral period of up to 12 months then the liability is cancelled when the goods are exported, whereas if the conditions are not satisfied during the deferral period (e.g., intention to export changes) or when the deferral period expires, the businesses should account for PPT in the accounting period when this happens.

Where a business chooses to account for PPT despite the intention to export, it should account for PPT when the goods are manufactured/imported. When the export takes place, businesses should be able to claim PPT credit in the accounting period when the goods are exported.

Preparing and submitting PPT returns

- ▶ **Returns** and payment should be submitted on a calendar quarter basis by the last working day of the month following the accounting period.
- ▶ For example, the return for the period ending June 2022 will be due on Friday 29 July i.e., the last working day of July.
- ▶ Any corrections to a return should be made within 2 years from the due date of the tax return that needs correcting.
- ▶ All weights in the return should be in kg and values GBP
- ▶ Reporting is based on the **tax point**, for example where manufacture started before 1 April 2022, but the last **substantial modification** takes place afterwards, tax is due in the period ending 30 June 2022.
- ▶ Repayments will be made to the registered bank account in 90 days.
- ▶ The boxes that should be filled on the return have been listed below:

1	Weight of manufactured packaging	→	Weight of finished plastic packaging manufactured (including plastic packaging intended for export, but excluding the packaging manufactured that qualify for reliefs that are not reportable)
2	Weight of imports	→	Weight of finished plastic packaging imported (including plastic packaging intended for export, but excluding the packaging imported that qualify for reliefs that are not reportable)
3	Weight of exempt finished plastic packaging	→	Weight of exempt finished plastic packaging manufactured or imported (likely to include details of box 4, 5 and 6, but exemptions but exclude the reliefs that are not reportable)
4	Weight of medicinal packaging	→	Weight of finished plastic packaging manufactured or imported for the immediate packaging of licenced human medicines
5	Weight of packaging exported	→	Weight of finished taxable plastic packaging exported in the period or due to be exported in the next 12 months
6	Weight of packaging recycled	→	Weight of finished plastic packaging manufactured or imported that qualify for relief due to 30% or more recycled plastic content
7	Value of tax credits	→	Where tax is paid in a previous period and where a product has subsequently been exported or converted into a different packaging component – a tax credit can be claimed (2 year time limit and be supported by evidence)
8	Weight subject to PPT	→	Total weight after deducting the weight not subject to tax, deferred for export and tax credits
9	PPT due	→	This box is calculated automatically based on box 8
10	Declaration	→	Declaration that all the information is true and correct



6 Calculating the tax amount

Calculating the weight

A method for calculating the weight of goods can be agreed with HMRC where none of the standard methods set out [here](#) are not feasible.

- ▶ A method agreed with HMRC should detail:
 - ▶ The method goods are weighed
 - ▶ Alternative times that the goods may be weighed
 - ▶ Evidence that should be kept for the measurement
 - ▶ Whether goods included on import should be disregarded
 - ▶ Whether an agreed method will apply to specific product lines
 - ▶ If a sample component from a product line is used in the measurement
- ▶ Only the organisation that agreed on the method with HMRC can use that method
- ▶ Where HMRC do not believe that a method accurately gives an indication of weight anymore or they have not been complied with, they can notify the taxpayer that the method no longer applies in whole or in part

Where a method is not agreed, HMRC will specify its own rules

Requirement to re-weigh

- ▶ A taxpayer should re-weigh when:
 - ▶ There is a change in input materials
 - ▶ There is a change in the common properties of a product line
 - ▶ First become aware of circumstances that may impact the accuracy of the initial measurement
- ▶ HMRC may apply best judgement and determine a weight where:
 - ▶ A taxpayer is deemed to have measured incorrectly

- ▶ Received measurement from another person that is incorrect
 - ▶ Failed to weigh or re-weigh
 - ▶ Failed to keep sufficient [records](#) of the weight
 - ▶ Failed to comply with the method agreed or specified by HMRC
- ▶ HMRC can make assumptions, estimates, comparisons to similar products, rely on samples or use any other relevant documents identified



Records

- ▶ Records should show:
 - ▶ The result of the weighing process
 - ▶ The methodology used
 - ▶ Conversion to metric unit where not already in metric units



Calculating the tax amount and tax credits

£200 x weight in tonnes of **finished** taxable plastic packaging

- ▶ The **amount of PPT** is currently calculated by multiplying the weight (in tonnes) of finished taxable **plastic packaging** by £200
- ▶ It is not calculated as £200 for each tonne, but where less than one tonne is chargeable, the amount due is proportionally reduced
- ▶ Note that the weight of the packaging for calculation:
 - ▶ Does not include the **weight of the goods** that it contains
 - ▶ It is the entire weight of the packaging regardless of the different materials (including **recycled** plastic) used in its manufacture
 - ▶ Does not include waste material that remains attached to a component after its last **substantial modification** where the exact weight is known at the time of the last substantial modification

↑ Total (12 tonnes)	Plastic (7.3 tonnes)	Total (12.3 tonnes)
	Metal (5 tonnes)	\times £200 $=$ PPT amount £2460

Tax credits can be claimed on the **PPT return** for up to two years in **two circumstances** after PPT has already been accounted for on a finished plastic packaging:

1. Where packaging is **exported** from the United Kingdom within 12 months
2. Where packaging is converted into a different packaging component

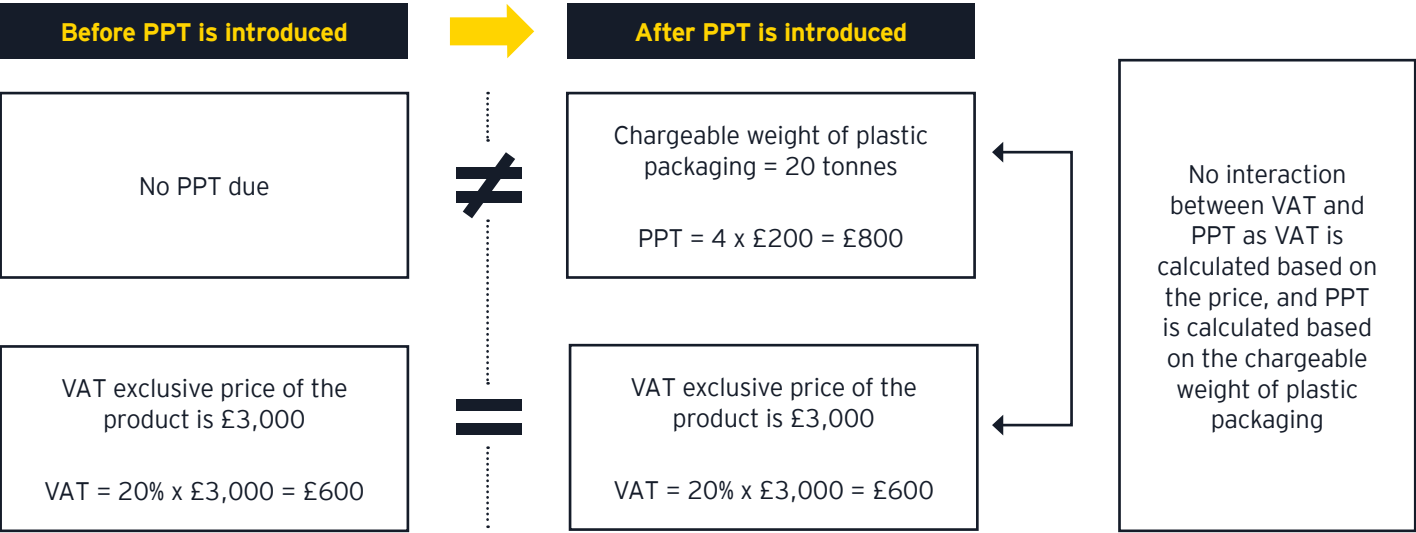
Evidence and Records

- ▶ To claim a **tax credit** business must possess evidence that a product has been **exported** or converted into a different packaging component
- ▶ **Tax credit** evidence should include **records** of grounds for the tax credit, confirmation of the accounting period a business first has sufficient evidence, the amount, date and manner PPT was paid previously, and the normal evidence of export where relevant

Interaction between VAT and PPT

There is no interaction between Value Added Tax ('VAT') and PPT

- ▶ VAT is calculated as 20% of the VAT exclusive price of a good, is a separately identified charge to the customer, and is accounted for when the supplies are made to customer or at the time of import. The customer (if in taxable business) is usually able to recover the VAT charged by the supplier.
- ▶ PPT, on the other hand is calculated as £200 per tonne of chargeable **plastic packaging** (i.e. weight of the goods), is a tax that is accounted for at the time of manufacture or import (regardless of when, whether or not a supply is made to a customer), is not separately identified and charged to customer, if sold.
- ▶ A business paying PPT to HMRC on plastic packaging components that they have manufactured or imported, can choose to increase the price of the packaging to the customer to help cover the cost of the tax. However, this is a commercial decision for businesses to take.
- ▶ If the business increases the price of goods i.e., plastic packaging because of Plastic Packaging Tax, VAT will be payable on the whole of the new price charged to customers.
- ▶ There is no mechanism for the customer to recover (from HMRC) the PPT it has paid to supplier.



A man with dark hair and glasses is looking down at a large stack of colorful folders. He is wearing a dark sweater over a light-colored striped shirt. The folders are in various colors including red, blue, green, and yellow. A large, light gray number '7' is overlaid on the left side of the image, partially covering the stack of folders.

What records
or evidence are
needed?

What records should businesses keep?

- ▶ In principal, registered businesses must keep accounts, records and supporting evidence for all the information that the business submit on its **PPT return** (refer to page 29).
- ▶ Businesses manufacturing or importing plastic packaging – that do not require **registration** should also keep records of plastic packaging that they manufacture or import so that they can demonstrate to HMRC that they are not liable and so that they can monitor the registration threshold.
- ▶ When importing, records will be required from the supplier.
- ▶ Records should be held for 6 years from the last day of the relevant accounting period i.e., the relevant calendar quarter.
- ▶ Penalties could apply where sufficient records are not kept, or more PPT may be due than is necessary.

Records must show the weight of the ‘finished’ packaging manufactured and imported in reference to each product line (i.e., products having same specifications). It should also include a breakdown weight of the materials used to make these packaging to identify whether they are predominantly plastic or otherwise. Records should evidence how much tax a business needs to pay, or confirm that nothing is to be paid. Therefore, in addition to the weight of the total manufactured/imported plastic packaging, businesses should be able to identify and substantiate to HMRC from its records – the weight of:



Plastic packaging that qualifies for reportable tax reliefs i.e.,:	Plastic packaging that qualifies for tax credit i.e.,:
<ul style="list-style-type: none">▶ That contains at least 30% recycled plastic content, and how that has been identified	<ul style="list-style-type: none">▶ That is exported directly in subsequent period
<ul style="list-style-type: none">▶ That is used for immediate medicinal plastic packaging components	<ul style="list-style-type: none">▶ That is converted into new packaging
<ul style="list-style-type: none">▶ That is intended for export in a period (and therefore export tax deferment is claimed)	Plastic packaging that qualifies for other non-reportable reliefs e.g., <ul style="list-style-type: none">▶ Import Transport Packaging▶ Used as ‘stores’ in aircrafts, ships▶ Packaging is integral part of goods etc.
<ul style="list-style-type: none">▶ That is exported directly during the same period	

Find more information on record keeping from HMRC following the Link – <https://www.gov.uk/guidance/record-keeping-and-accounts-for-plastic-packaging-tax>

What evidence should businesses keep?

- ▶ Business should also retain documentary evidence to support the calculation, the numbers reported on the [PPT returns](#) and also to substantiate that it is not liable to pay PPT. The evidence should reflect the total weight of plastic packaging, weight of plastic and [recycled](#) plastic, if it is exempt from the tax, the relevant date etc.
- ▶ HMRC has provided certain examples of the documentary evidence that the businesses can use to supplement the records in reference to tax calculation, claim any credits or reliefs. Notably, the list provided by HMRC is not exhaustive and businesses can use other evidence. We have outlined these topic wise in the previous pages, but have outlined these again for completeness

Example documents for plastic weight, recycled plastic content

- ▶ Production specification
- ▶ Contracts
- ▶ Production certificates and certificates of conformity for the content of [recycled](#) plastic used
- ▶ Business accounting systems can be used to show the plastic [recycled](#) through the manufacturing process.
- ▶ Accreditations and international standards
- ▶ Third party quality assurance audits
- ▶ [Recycled](#) content certification (e.g. third party certification using the Global Recycle Standard)
- ▶ Sales and purchase invoices
- ▶ Environment Agency accreditation and equivalent approvals from other environmental regulators

Example documents to substantiate export or intention to export

- ▶ Export declarations
- ▶ An invoice or packing list that clearly identifies the goods being [exported](#)
- ▶ Transport document (such as a bill of lading, airway bill or road consignment (CMR) note) to show us how the goods were transported
- ▶ A document certified by the carrier that the goods were loaded and shipped to a destination outside the UK
- ▶ A commercial document, such as a delivery note or invoice signed by the consignee in a third country, certifying the goods have been received
- ▶ A document authenticated by a customs authority, certifying that the goods have left the territory of the UK
- ▶ Other documents



What are the IT capabilities needed?

- ▶ Businesses will need to revisit their IT/ERP capabilities to ensure that they are able to provide the data needed for filing the quarterly **PPT returns** e.g., total weight of the packaging manufactured/imported, breakdown of the weight of the materials used to make these packaging, identification of packaging that qualify for any relief and also issues invoices including the required details regarding plastic packaging tax once this requirement comes into effect.



Data requirements

- ▶ ERP systems will need the ability to flag in the system plastic packaging that are liable to PPT and provide the weight of these packaging and the material that makes these
- ▶ As part of this, systems should identify:
 - ▶ **Plastic packaging liable to tax, that qualify for relief**
 - ▶ Weight of the Plastic packaging and its composition
 - ▶ Weight/proportion of the recyclable components
 - ▶ Whether any **exemptions**/reliefs are available
 - ▶ Tracking the conditions for exemption/**export**
 - ▶ Point when the plastic packaging is considered '**finished**' to identify the **tax point** i.e., when the last **substantial modification** takes place
- ▶ A mechanism should be put in place to provide and retain the records outlined in page 35
- ▶ The IT systems and data requirements should be considered in the context of other PPT regimes across Europe


Invoicing requirements

- ▶ As per the PPT legislation, invoices issued to business customers should include details (PPT statement) to indicate that tax has been paid on a plastic packaging
- ▶ HMRC has however delayed the introduction of this requirement and this will not come into effect from April 2022. Currently, HMRC encourages a PPT taxpayer to make it clear to its customers evident that PPT has been paid on a product
- ▶ Note that the requirement has only been delayed and HMRC is likely to introduce this requirement with further details at a later date
- ▶ Any such invoicing requirement would necessitate a change in ERP to match that invoice description



What are the
consequences?

Secondary/Joint and several Liability

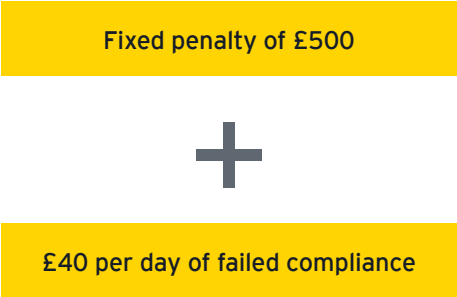
- ▶ HMRC has the powers under the legislation to impose on a person:
 - ▶ Joint and several liability to pay **plastic packaging** tax that primary person is liable to pay; or
 - ▶ Secondary liability to pay PPT unpaid by the primary business
 - ▶ For serving a business a notice of secondary/joint and several liability notice, HMRC will consider those businesses which are related to the primary person's business of production/import of plastic packaging e.g.,
 - ▶ Businesses transporting or storing goods
 - ▶ Suppliers to primary person
 - ▶ Customer to primary person; or
 - ▶ Marketing/selling as an operator of an online marketplace or fulfilment business.
 - ▶ Further HMRC will consider whether the person had undertaken reasonable care/due diligence etc.
 - ▶ As such, HMRC has assigned responsibilities of businesses in the supply chain to ensure that their customers/suppliers are complying with the tax legislation, as they could otherwise be held jointly/severally liable to tax.
- 
- ▶ HMRC may specify the checks that they expect other business to undertake to substantiate they exercised due care and diligence. However, in summary any person dealing with plastic packaging should undertake reasonable care and due diligence over their suppliers, partners and customers to get comfortable of the position taken on plastic packaging tax.

Example checks

- ▶ Validate the purchasers/sellers PPT ID
- ▶ Confirm whether PPT wording has been included on the invoice issued by seller
- ▶ Obtain some form of written confirmation from your supplier/customer etc. whosoever is the main person
- ▶ Obtain credit checks or other background checks from an independent third party
- ▶ Requesting product specifications for packaging components
- ▶ Physically checking the weight of packaging components
- ▶ Confirming the price of the product reflects market value
- ▶ Obtaining copies of certificates or audits conducted on the supplier or products
- ▶ Conducting physical inspections or audits on the products or supplies
- ▶ Checking any details received from the supplier against other sources (e.g. websites)

Penalties

Unless the contravention qualifies as fraudulent evasion/misstatement, the following penalties will apply for contravening requirement of PPT, except if the business has a reasonable excuse



A relevant requirement could include any requirement outlined in this guide, including:

- ▶ Correct information on [registration](#) forms
- ▶ Correct payments
- ▶ Timely payments
- ▶ Meeting [record requirements](#)
- ▶ Correctly reporting on [PPT returns](#)
- ▶ Valid tax representative
- ▶ [Group registration](#) correctly completed

Reasonable excuse:

- ▶ A reasonable excuse can absolve a business from receiving a penalty on the discretion of HMRC or appellate tribunal
- ▶ The most appropriate reasonable excuse is usually compassionate circumstances
- ▶ Insufficiency of funds is not a reasonable excuse, unless it is attributable to events outside
- ▶ Where a person relies on any other person to do anything, that is not a reasonable excuse unless reasonable care was taken to avoid the failure

HMRC can make assumptions, estimates etc. to undertake a best judgement of the weight of the [plastic packaging](#) for PPT calculation, where

- ▶ A taxpayer is deemed to have measured incorrectly;
- ▶ Received measurement from another person that is incorrect;
- ▶ Failed to weigh or re-weigh;
- ▶ Failed to keep sufficient [records](#) of the weight; or
- ▶ Failed to comply with the method agreed or specified by HMRC.



HMRC powers and audits

HMRC powers stem from Finance Act 2008 and include:

Powers to obtain information and documentation

HMRC have the power to request the production of information or documents reasonably required to check a taxpayer's tax position. A notice may not be given to a third party without the consent of the taxpayer or the tribunal, unless the notice refers only to information or documents that form part of its statutory **records**. There is no right of appeal against a decision of the tribunal to approve an information notice. Where it was not approved, a business can appeal provided it is not part of its statutory records.

Inspection of premises

HMRC may inspect a businesses premises, the business assets and documents on the premises or premises used in connection with the business when reasonably required provided they are given seven days notice (unless otherwise agreed with the occupier or it is being carried out by or with agreement of an authorised HMRC officer). These powers do not extend to parts of the premises which are solely used as a dwelling.

Assurance visit

An assurance visit should be anticipated in the years succeeding **registration**. It is not clear how HMRC will approach these assurance visits, although HMRC have stated a general intention to leverage digital technology to encourage tax compliance.

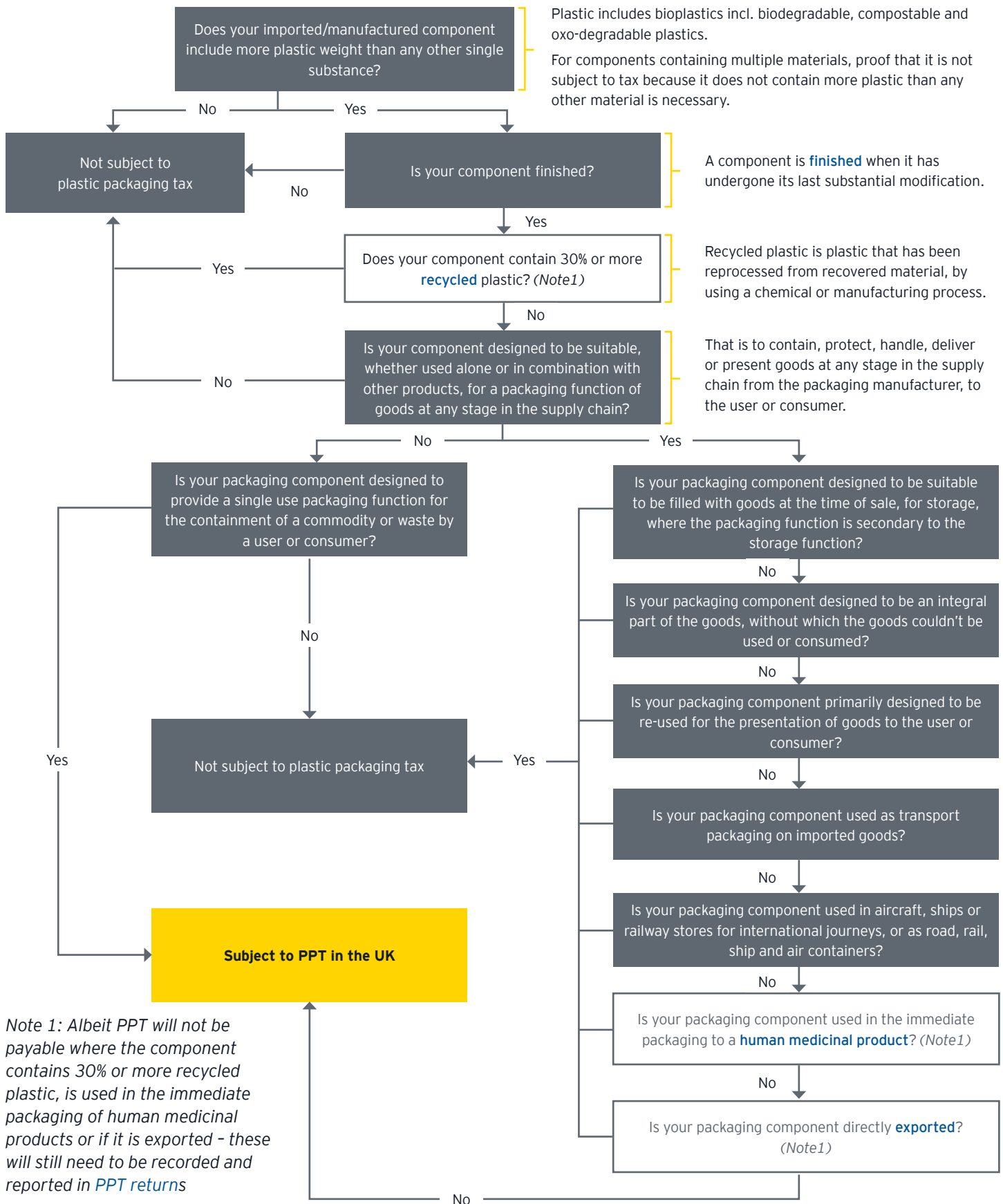
Examination of records

All the records which the business is obliged to keep by law, should be made available. If any records are not kept at the main premises HMRC should be so informed at the time that the appointment is made for the visit.

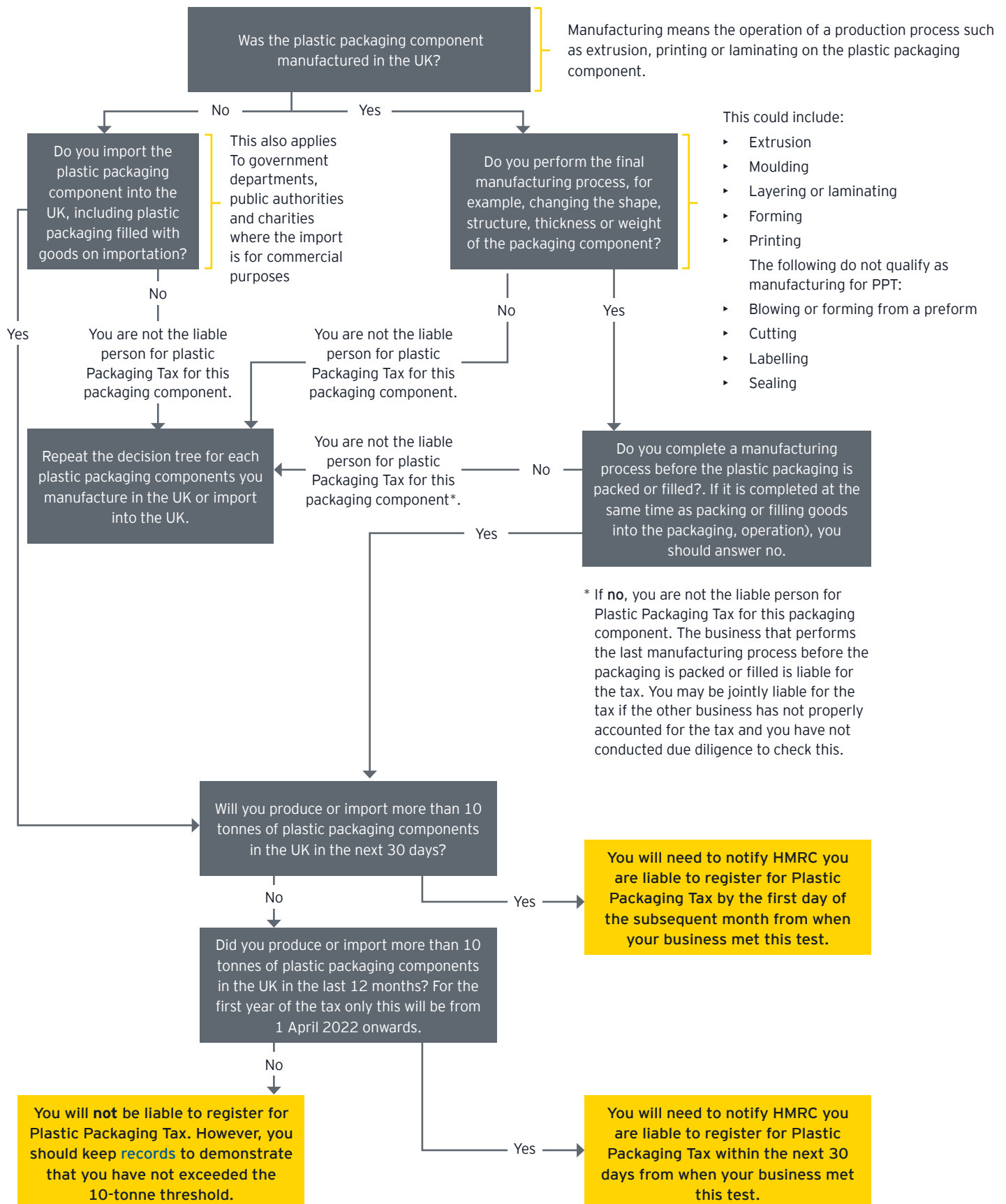


Decision Tree for guidance

UK – Determination of taxable packaging



UK – PPT registration requirement



Contacts

British Plastics Federation



Stephen Hunt
Membership Services Director
Email: shunt@bpf.co.uk



Matt Davies
Head of Public & Industrial Affairs
email: mdavies@bpf.co.uk



Angela Fredericks
Industrial Issues Manager
Email: afredericks@bpf.co.uk



Natalia Lewis-Maselino
Industrial Issues Executive – Plastics &
Flexible Packaging
Email: nlewismaselino@bpf.co.uk



Bob Hawkins
Membership Services
Email: bhawkins@bpf.co.uk

Ernst & Young LLP



Andy Bradford
Associate Partner, Indirect Tax
Email: abradford@uk.ey.com



Pranay Sofet
Manager, Indirect Tax
Email: pranay.sofet1@uk.ey.com




Joseph Eloi
Senior, Tax Policy and Trade Strategy
Email: Jeloi@uk.ey.com



Will Hales
Senior, Indirect Tax
Email: will.hales@uk.ey.com

HMRC

Email: indirecttaxdesign.team@hmrc.gov.uk

A background image of a fish tank. The upper portion shows a clear glass surface with numerous small, light-colored bubbles. Below this, the water is a deep blue, and a portion of a goldfish is visible at the bottom. The lighting is soft, creating a calm aquatic atmosphere.

Disclaimer

- ▶ The contents in this document are provided by EY in its purely advisory role to BPF as on the date of release of this document.
- ▶ The guidance is as of the date of this document and is subject to change as HMRC releases new information about this tax in the lead up to 1 April 2022. We have no responsibility to update the guidance for changes in applicable law or its interpretation by authorities occurring after the date of the document.
- ▶ Should there be any change, including any change having retroactive effect, in the regulations thereunder, and the administrative guidance issued thereunder, or in the prevailing judicial interpretation of the foregoing, the tax information expressed herein would necessarily have to be re-evaluated in light of such change.
- ▶ Reliance on any aspect of this document is the exclusive responsibility of readers.
- ▶ We would recommend that any person reading this document consults the contacts provided in the guide, qualified personnel before taking any decision impacting their business.

British Plastics Federation

The British Plastics Federation (BPF) is the world's longest running plastics trade association.

It was established in 1933 and has represented and promoted the UK plastics industry ever since.

The BPF has more than 500 member companies that span the entire plastics supply chain.

These companies include plastics recyclers, waste management companies, polymer suppliers and distributors, additive suppliers, service providers, plastics processors, packaging manufacturers, equipment suppliers and more. The BPF groups represent over 80% of the UK plastics industry by turnover.

For more information on the BPF go to www.bpf.co.uk

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

Ernst & Young LLP

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited.

Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

© 2022 Ernst & Young LLP. Published in the UK.
All Rights Reserved.

UKC-022114.indd (UK) 03/22. Artwork by Creative UK.

ED None



In line with EY's commitment to minimise its impact on the environment, this document has been printed on paper with a high recycled content.

Information in this publication is intended to provide only a general outline of the subjects covered. It should neither be regarded as comprehensive nor sufficient for making decisions, nor should it be used in place of professional advice. Ernst & Young LLP accepts no responsibility for any loss arising from any action taken or not taken by anyone using this material.

ey.com/uk