# Plastic Packaging Tax (PPT)



Plastic Packaging Tax (PPT) is a tax on plastic packaging manufactured or imported into the UK which contains less than 30% recycled plastic. The objective of PPT is to encourage the use of more sustainable plastics, and to reduce the volume of plastic waste which ends up in UK landfill.

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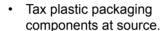
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https://www.pwc.co.uk/service s/tax/plastic-packaging-tax. html Plastic packaging is defined as packaging that is suitable for the **containment, protection, handling, delivery or presentation** of goods at any stage in the supply chain.

Plastic packaging which falls within scope will be subject to PPT at a rate of £210.82 per tonne from 1 April 2023. Businesses that import or manufacture 10 tonnes or more plastic packaging over a 12 month period, or expect to within the next 30 days, must register for the tax.



### What is PPT?



- The tax applies to plastic packaging which is manufactured in or imported into the UK and contains less than 30% recycled material. Responsibility to pay the tax lies with the producer or importer.
- To determine whether a plastic component meets the 30% recycled threshold, businesses must obtain evidence from the manufacturer. More generally, taxpayers are expected to keep detailed data and evidence.



### Who is affected by PPT?

Importers, manufacturers, retailers, platforms, supply chains

### Directly impacted

Businesses who import or manufacture plastic packaging components in the UK will have an additional reporting administration, as well as keeping detailed records for up to 6 years.

### Indirectly impacted

PPT impacts the whole supply chain due to wide ranging liability provisions. For instance, customers further down the supply chain may be liable for their suppliers unpaid PPT.

Costs may also be passed down the supply chain, which will impact tight profit margins.

Businesses should check whether each plastic packaging component falls within the scope of PPT and is subject to the tax.



### In scope and taxable

Count towards 10 tonnes registration threshold and reporting.



### In scope and exempt

Count towards 10 tonnes registration threshold and reporting (unless within the transport packaging or aircraft, ship or railway stores exemption).



### Out of scope

Does not count towards 10 tonnes registration threshold and reporting.



## PPT required administration

### 1. Registration

Businesses importing or manufacturing 10 tonnes of plastic packaging in the UK, in a 12 month period. Registration is required even if packaging contains more than 30% recycled plastic or is considered exempt.

### 4. Compliance and reporting

Businesses are required to report the volume of packaging produced and imported, subject to tax. As well as the amount of recycled content. Returns are periodic and currently due on a quarterly basis.



### 2. Records and invoicing

Records of plastic packaging and recycled content are required to be retained even for exempt plastic or where not registered. Evidence is required to establish the breakdown of packaging by weight.

#### 3. Reliefs

Packaging intended or export within 12 months of import/production eligible Evidence must be retained to show the export has taken place.

### 5. Exemptions/exclusions

The definition of in-scope packaging covers a wide range of materials and components, making it challenging to determine which components are exempted or excluded, and which are not.

### 4. Secondary and joint and several liability

Wide ranging liability provisions mean that businesses need to conduct due diligence. Liability applies across the supply chain and businesses may be liable on their suppliers unpaid PPT.

### Your need for action

Importers and manufacturers of plastic components in the UK will have to comply, as from 1 April 2022, with the following obligations:

Identify packaging components and collect PPT data and quantity and weight of plastic packaging components. Carry out due diligence of suppliers within your supply chain.



2 Register with HM Revenue and Customs for PPT. Registration is mandatory for businesses who import or manufacture more than 10 tonnes of plastic packaging per year.



Keep records of the weight of plastic packaging imported or manufactured, along with the recycled content of that packaging. These records need to be submitted to HM Revenue and Customs on a quarterly basis.



Consequently, there will be a variety of obligations that business must comply with. This includes gathering of PPT data, preparation and submission of PPT returns, and due diligence across the supply chain.

Please reach out to us if you'd like to learn in more detail how PPT functions and how it will likely affect your business. In addition to be poke advice and tailored compliance services, we have developed a range of tools to assist businesses meet their PPT obligations. Together, we'll get you up to speed on PPT and ensure your smooth transition into efficient plastic packaging reporting.

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