

From 1 April 2022, a new Plastic Packaging Tax (PPT) will be applied to all plastic packaging manufactured in, or imported into, the UK that does not contain at least 30% recycled plastic.

The tax is designed to provide a clear economic incentive for businesses to use more recycled plastic in packaging. This will, in turn, stimulate increased levels of recycling and collection of plastic waste, diverting it away from landfill or incineration.

This guide is designed to introduce Polybags customers to the PPT and answer questions about how it might impact you and your business.

Whilst the below advice is subject to change until government guidance is finalised, Polybags can assure customers that we are prepared for the new system and, from April 2022, they can shop with us as normal, whilst we manage all PPT implications and associated paperwork.

## Polybags and the Plastic Packaging Tax



### What is Polybags doing to be compliant with the Plastic Packaging Tax (PPT)?

As a manufacturer and importer, Polybags will be responsible for accounting for the PPT. Any invoice issued to a business customer from 1 April 2022 will list any products to which PPT has been applied, if applicable.

#### Do I have to pay the tax to HMRC?

No. As the manufacturer or importer of the packaging, Polybags is responsible for accounting for the PPT and collecting the tax on behalf of HMRC.

#### What records do I need to keep?

Polybags will list any products to which PPT has been applied on both sales invoices and quotes for bespoke products. In both instances, we will account for the PPT and collect it on behalf of HMRC, so you don't have to worry about it.

#### Will the Plastic Packaging Tax affect prices?

Inevitably, there will be an increase in the cost of some products, particularly food-safe products which can not contain recycled material (see below). However, Polybags will always endeavour to provide a wide range of packaging options for our customers.

#### How much is the Plastic Packaging Tax?

The rate of tax will be £200 per metric tonne of plastic packaging.

#### How will I know if the tax applies to the products I wish to buy?

From April 2022, Polybags will highlight whether products are 'PPT Paid' or 'PPT Exempt'.

#### What packaging is subject to the Plastic Packaging Tax?

The PPT applies to all packaging that does not contain at least 30% recycled plastic. This includes bioplastics, biodegradable, compostable and oxo-degradable plastics. Plastic packaging is defined as any packaging that is predominantly plastic by weight.

Why can't every product contain



recycled content

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There are several factors that need to be taken into consideration:

1. Recycled plastics (using single-layer extrusion) should not be used for the storage of food materials because there are chances of contamination of unwanted substance residues that may be present inside the plastic before recycling.
2. As the ratio of recycled content increases in clear packaging, the following can happen:
  - a. The clarity/transparency of clear packaging reduces;
  - b. Mechanical properties of the product (tensile strength, impact strength, tear strength and elongation) can reduce;
  - c. The level of product imperfections/roughness can increase resulting in gel or clear/black specs and can differ from batch to batch of recyclate.

Over the next few months, Polybags will provide further information on material performance relating to recycled-content products.

**What recycled packaging options are currently available?**

Polybags already supplies a range of products containing a minimum of 30% recycled content - all of which will be PPT Exempt from April 2022. We are continually developing new product lines containing recycled content where it is feasible to do so and, over the next few months, will introduce more.

**Is the product I need currently available with 30% recycled content?**

The Polybags sales team will be able to advise on this and any other query, to help you find product(s) that best meet your individual requirements. Samples will also be available.

**The packaging I buy contains multiple materials. Is this exempt?**

Packaging that is made of multiple materials will only be subject to the PPT if it is predominantly plastic by weight. Polybags will clearly show which products are subject to / exempt from PPT both in our catalogue and online at Polybags.co.uk.

**Please note:** Government legislation on the Plastic Packaging Tax has been agreed but detailed guidance has yet to be finalised, so this advice may be subject to change.

Check our website [www.polybags.co.uk/plastic-packaging-tax.htm](http://www.polybags.co.uk/plastic-packaging-tax.htm) and with our sales team for regular updates.

**Useful links:**

**HMRC**

<https://www.gov.uk/government/publications/get-your-business-ready-for-the-plastic-packaging-tax/further-information-for-businesses>

**[www.polybags.co.uk](http://www.polybags.co.uk)**

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