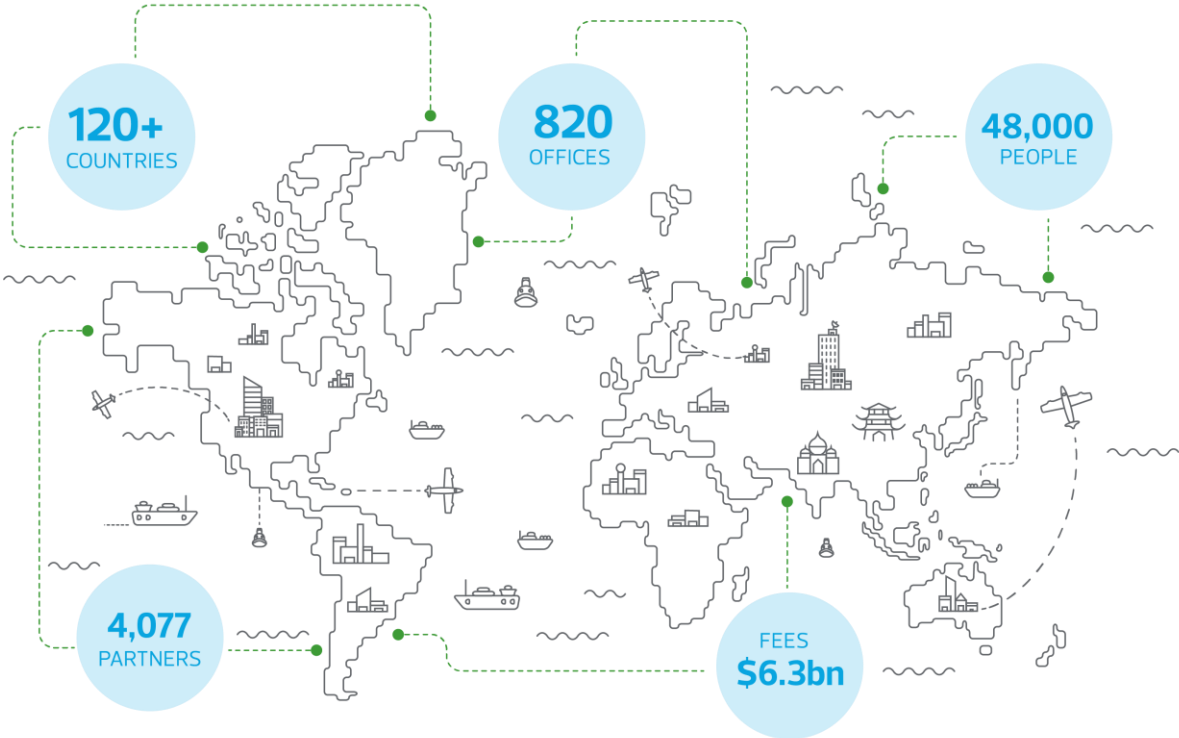


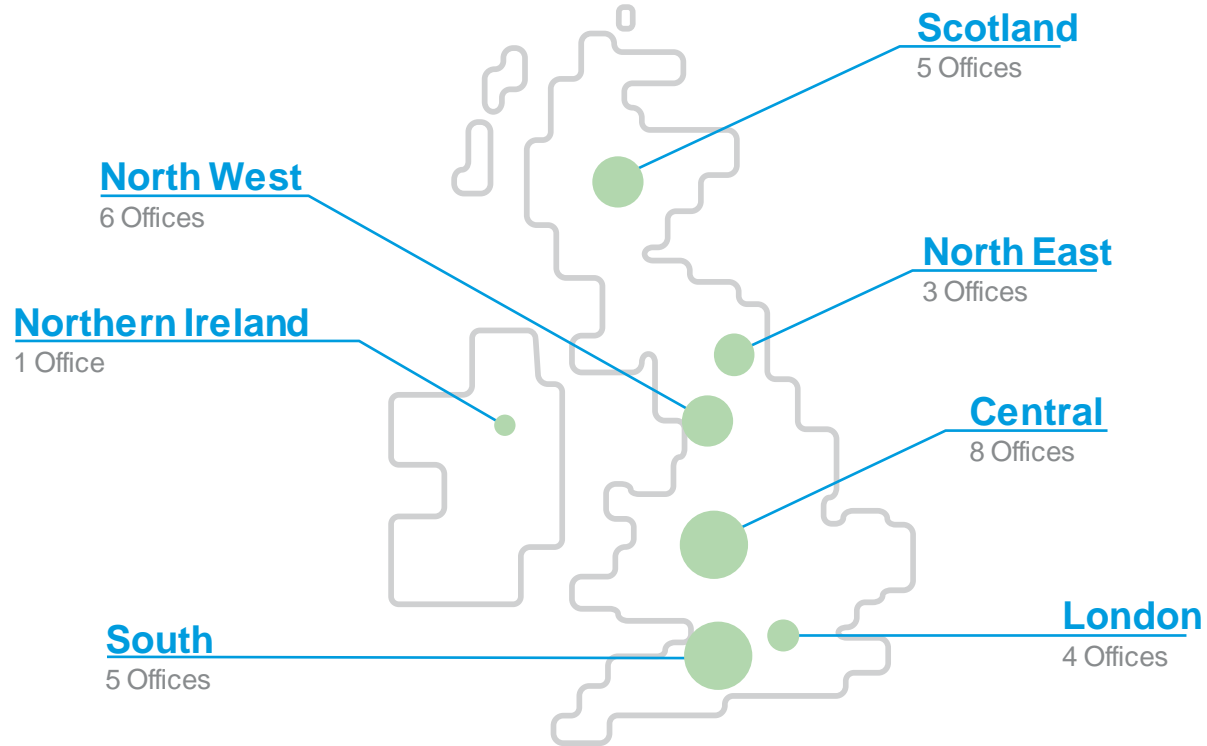
PLASTIC PACKAGING TAX, FOOD AND DRINK SECTOR

1 February 2022

Our global footprint



Where are we in the UK?



What is the industry currently facing?

- fluctuating demand



- export challenges



- staff shortages



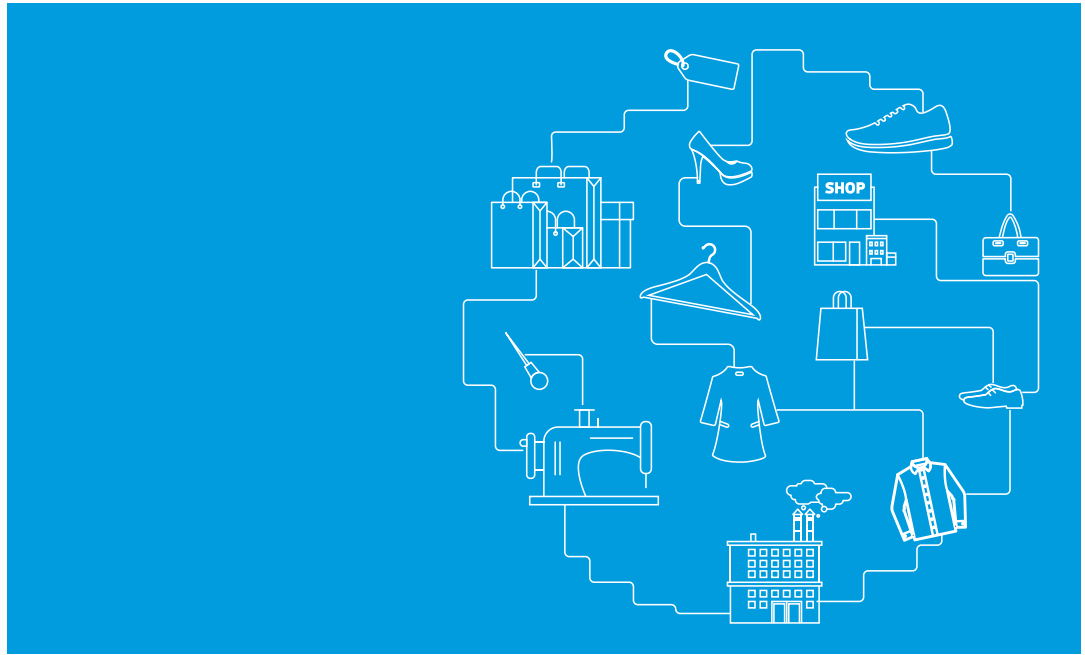
- supply chain issues



- investment in innovation



“If the National Food Strategy is taken seriously by Government there will be an incredible opportunity to create a more sustainable food system. For food and drink manufacturers, innovation will be key.”



PLASTIC PACKAGING TAX

FOOD & DRINK FEDERATION

Background to PPT

- Changing behavior through taxation
- Part of ESG agenda
- Threshold could be lowered, and tax yield increased



What is PPT?

From 1 April 2022, a new tax on plastic packaging will be introduced in the UK

PPT will be levied on plastic packaging that contains less than 30% recycled plastic

The rate of PPT will be £200 per metric ton on plastic packaging that contains less than 30% recycled plastic

All manufacturers and importers of plastic packaging will need to register with HMRC unless they produce or import less than 10 metric tonnes in any 12 month period

Examples of products that are liable for PPT include plastic carrier bags, bin liners, plastic bottles, sandwich bags, vending machine cups, clothing labels and refuse sacks

Plastic packaging

Imported or manufactured packaging e.g. bags, bottles, tubs, labels, hangers



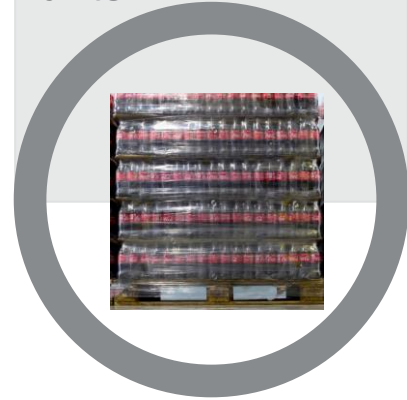
Primary packaging – in direct contact with the product e.g. bottle, lid and label



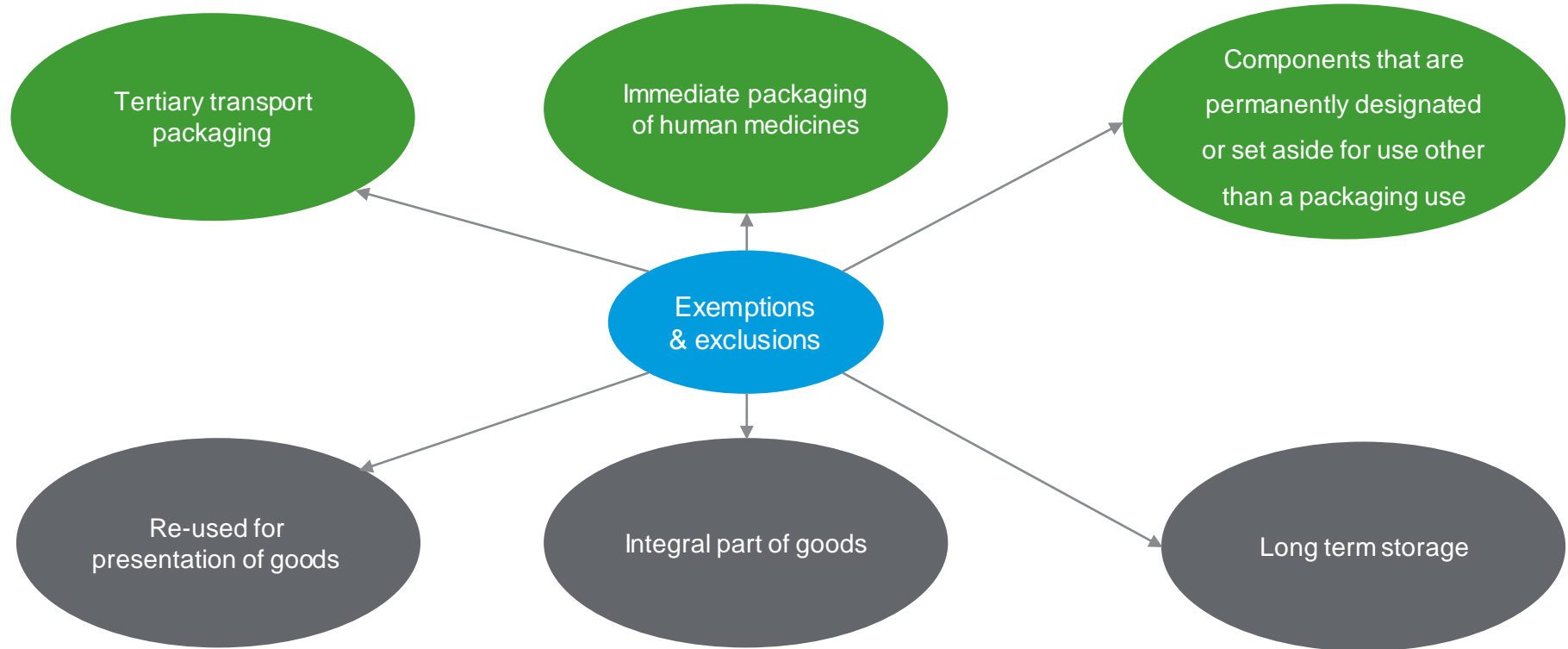
Secondary packaging – grouping several single units e.g. the plastic wrap



Tertiary packaging – facilitate handling & transport of number of grouped units



Exemptions?



Who will be impacted?

Any business that:

- manufactures plastic packaging; or
 - modifies plastic packaging; or
 - purchases plastic packaging in the UK; or
 - imports plastic packaging into the UK;
 - imports goods contained in plastic packaging into the UK
- needs to consider the impact of PPT

Examples

Food

- Bin liners
- Ready meal trays
- Coffee capsules
- Tea bags

Clothing

- Hangers
- Labels
- Kimble tags
- Bags
- Display units
- Boxes

Beauty

- Lipstick – case but not lid
- Mascara – wand but not bottle
- Deodorant – roll on vs stick

What actions businesses should be considering?

- Data collection – large amounts of data required
- Contracts & procurement – ensuring contracts cover which party is liable to pay PPT
- Detailed record keeping requirements – needed even if recycle content test met
- Systems changes – likely required to facilitate compliance
- Responsibility within business – need to determine who will be responsible
- SAO – businesses subject to SAO requirements will need robust processes in place to monitor PPT

Thank you
for your time
and attention

Contact details



Stuart McCallum

Partner and Head of Food and Drink

DL +44 (0) 141 285 3869

E: stuart.mccallum@rsmuk.com

 [Stuart McCallum](#)



Anne Holt

Partner, Indirect Tax

DL +44 (0)1284 772980

E: anne.holt@rsmuk.com

 [Anne Holt](#)

If you have any queries about the content of this presentation, do not hesitate to get in touch.