

CTPA Feedback to HM Revenue & Customs Plastic Packaging Tax Draft Legislation

07 January 2021

Thank you for the opportunity to feedback on HM Revenue & Customs Draft Legislation for a Plastic Packaging Tax.

CTPA would like to highlight the following comments received from members on the draft legislation. As stated previously, CTPA would welcome the opportunity to contribute to on-going discussions.

- Firstly, CTPA would like to stress that cosmetic and personal care products are everyday essentials, vital for hygiene and health, such as soaps, toothpaste, shaving products and sun care adding to personal self-esteem and wellbeing.
- Members of CTPA are still concerned that the Government's revised definition of "plastic" could hamper innovation in sustainable packaging technology, effectively removing incentives towards less environmentally persistent materials. CTPA acknowledges that there is no globally agreed definition of plastic and therefore, CTPA advocates for a definition of plastic which is defined in a scientifically robust manner. However, CTPA considers that legislation should support and encourage rather than dissuade companies from innovation.
- It is important to reiterate that there is a fundamental safety requirement under the Cosmetic Products Regulation (EU No. 1223/2009) and its amendments ([hereafter the Cosmetics Regulation](#)) that stipulate the requirement for each cosmetic product to be the subject of a safety assessment performed by a duly qualified professional before it is placed on the market. The safety assessor looks at the individual ingredients, how they are used in the final product and whether the finished product is safe. This evaluation includes the relevant characteristics of packaging material, in particular purity and stability and any potential interaction between packaging and product during the proposed life of the product. In addition, all cosmetic products are required to meet health and safety requirements as part of the European chemicals legislation, REACH (Registration, Evaluation & Authorisation of Chemicals Regulation). Therefore, plastic used for cosmetic product packaging must be high quality and from a known and trusted source, so that it has very limited levels of impurities and its safety can be fully assessed,

The principles and standards of these regulations will continue to apply in the UK under the UK Cosmetics Regulation and UK REACH, transposed from EU laws.

- Regulatory restrictions on the inclusion of recyclate where traces of prohibited substances cannot be disregarded. Many companies currently use food-grade recyclate to ensure an appropriate quality of material. This means that the tax will increase the demand for a finite pool of suitable material, and this is likely to drive up prices. CTPA has concerns over the current supply of high quality mechanical recycled material. Policies designed to increase the availability of recycled material will not result in significantly more material until many years after the tax implementation date.
- The innovative and science-led cosmetics industry constantly undertakes vital work on safety and sustainability. However, members report that products more at risk from leaching of substances from plastic packaging include sun care, oil-based formulations, or those with essential oils in them (often more 'natural' based formulations).

The Cosmetic, Toiletry and Perfumery Association Limited

Where leaching may be an issue, packaging can be adapted to ‘sandwich’ the recycled content. However the result is increased material being used within the packaging. This overshadows the benefit of using recycled content and in some cases is a more significant cost than paying the tax.

- CTPA understands the decision to exempt immediate packaging of all human medicines from the scope of this tax, recognising the strict regulatory and safety requirements for such packaging which makes the adoption of plastic with recycled content extremely difficult. It is important to acknowledge that for many products important for health and hygiene, these same challenges face the cosmetic sector. There may be instances, for instance a tube of emollient cream, where the same tube could contain the same product, but one could be classified as a medicine owing perhaps to the addition of a particular claim and would therefore be exempt from the tax. The same product sold as a cosmetic will be in-scope of the plastic packaging tax.
- There will be a significant administrative burden to document each container or run to prove the presence of minimum 30% recycled material, particularly on imported components or finished goods. Provision must be made to develop a suitable protocol to show evidence that a pack is exempt from the tax.
- The envisaged mechanism to reclaim the tax on exports is based on the need to feed key documentation demonstrating export back up the value chain to the tax liability point. Further guidance is required here. CTPA supports the drive for transparency behind the proposal to incorporate the amount of Plastic Packaging Tax onto the sales invoice. However, a ‘Material Statement’ or certificate that follows the plastic could highlight when and by whom the requisite tax has been paid as well as provide the required proof certifying the recycled content as mentioned in the previous point.