

CTPA Response to HM Treasury Consultation on Plastic Packaging Tax

About you

1. What is your name?

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3. Which best describes you? Please provide the name of the organisation/business you represent and an approximate size/number of staff (where applicable).

CTPA, the Cosmetic, Toiletry and Perfumery Association, is the trade association representing the UK's cosmetics industry. Membership covers 80 - 85% of the UK cosmetics market by value, and comprises large multi-national companies, SMEs and suppliers to the industry.

Market Value

The UK cosmetics market was worth £9.7 billion at retail sales price in 2018 [1] and the UK cosmetics industry employs 200,000 people. There are at least 320 cosmetic producers in the UK; many of these are small and medium-sized enterprises (SMEs). The UK has the fourth largest concentration of cosmetics SMEs in the EU. Every 10 workers employed by the industry will support two jobs in the value chain, such as professionals using cosmetics, beauticians, hairdressers and stylists [2].

500 million people across the EU use cosmetic products each day, adding to their personal self-esteem and thereby contributing positively to growth and productivity as well as to society as a whole.

(Please tick only one option. If multiple categories apply to you, please choose the one which best describes you and which you are representing in your response.)

- **Business representative organisation/trade body**
- Packaging designer
- Packaging manufacturer / converter
- Product manufacturer / pack filler
- Distributor
- Retailer
- Waste Management Company
- Reprocessor
- Local government
- Community group
- Non-governmental organisation
- Charity or social enterprise
- Consultancy
- Academic or research
- Individual
- Other
- If you answered 'Other' above, please provide details

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4. Please provide any further information about your organisation or business activities that you think might help us put your answers in context.

In the UK and across the EU the manufacture and supply of cosmetic products is governed by the EU Cosmetic Products Regulation (EU No. 1223/2009) and its amendments [3], hereafter referred to as the Cosmetics Regulation. This Regulation and its amendments are directly applicable in all 28 EU Member States and EEA countries. The Cosmetics Regulation stipulates the requirements for labelling, safety assessment, product notification, good manufacturing practice (GMP) and ingredients for cosmetic products. The primary objective of the Cosmetics Regulation is maintaining a high level of human safety, and each cosmetic product must be the subject of a safety assessment performed by a duly qualified professional before it is placed on the market. The Responsible Person is responsible for ensuring compliance with all aspects of the Cosmetics Regulation.

The Cosmetics Regulation is enforced in the UK via the UK Cosmetic Products Enforcement Regulations 2013 [4] which specifies the role of the authorities, the penalties and the enforcement process. The Competent Authority for implementing the Cosmetics Regulation in the UK is the Department for Business, Energy and Industrial Strategy (BEIS) and enforcement in the UK is carried out by Trading Standards.

A cosmetic product is clearly defined in the Cosmetics Regulation as:

“a substance or mixture intended to be placed in contact with the external parts of the human body (epidermis, hair system, nails, lips and external genital organs) or with the teeth and the mucous membranes of the oral cavity with a view exclusively or mainly to cleaning them, perfuming them, changing their appearance, protecting them, keeping them in good condition or correcting body odours.”

The Recitals to the Cosmetics Regulation also provide an indicative list of products that may fall within the scope of this definition:

“Cosmetic products may include creams, emulsions, lotions, gels and oils for the skin, face masks, tinted bases (liquids, pastes, powders), make-up powders, after-bath powders, hygienic powders, toilet soaps, deodorant soaps, perfumes, toilet waters and eau de Cologne, bath and shower preparations (salts, foams, oils, gels), depilatories, deodorants and anti-perspirants, hair colorants, products for waving, straightening and fixing hair, hair-setting products, hair-cleansing products (lotions, powders, shampoos), hair-conditioning products (lotions, creams, oils), hairdressing products (lotions, lacquers, brilliantines), shaving products (creams, foams, lotions), make-up and products removing make-up, products intended for application to the lips, products for care of the teeth and the mouth, products for nail care and make-up, products for external intimate hygiene, sunbathing products, products for tanning without sun, skin-whitening products and anti-wrinkle products.”

It is important to note that there is a fundamental safety requirement under the Cosmetics Regulation that stipulates 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.

Annex I of the Cosmetics Regulation describes the information that needs to be considered in the content of the Cosmetic Product Safety Report (CPSR). Section 4 provides details with regard to impurities, traces, information about the packaging material :

- The purity of the substances and mixtures
- In the case of traces of prohibited substances, evidence for their technical unavailability.
- The relevant characteristics of packaging material, in particular purity and stability.

Point 3.4 of Commission Implementing Decision 2013/674/EU on Guidelines on Annex I to Regulation (EC) No 1223/2009 [5] further expands on this.

These requirements of the Cosmetics Regulation have been adopted by the UK within the UK Cosmetics Regulation in the case of a 'no deal' scenario where the UK leaves the EU.

5. Would you like your response to be confidential? **NO**

Plastic packaging within scope of the tax

6. Do you agree with the government's suggested approach to defining plastic in scope of the tax?

The definition of 'plastic' is of critical importance. 'Plastic' must be defined in a scientifically robust manner.

A definition of 'plastic' already exists within recent UK legislation. That legislation, which CTPA and its members strongly supports, Statutory Instrument 2017 No. 1312, banning plastic microbeads in certain cosmetic products [6] has already defined 'plastic' as follows: *'plastic' means a synthetic polymeric substance that can be moulded, extruded or physically manipulated into various solid forms and that retains its final manufactured shape during use in its intended applications.*

In response, CTPA urges that the same definition of plastic be used. By using this definition, no caveat would be required for natural polymers falling out of scope. It must be remembered that all plastics are polymers, but not all polymers are plastic.

By using the definition of plastic used within this consultation, stating that natural polymers would be out of scope would be contradictory. If the focus is 'to shift demand towards the use of recycled material', we would question why virgin natural material would be excluded. In addition, some natural polymers may require alternative infrastructure for recycling requiring additional investment. The emphasis should be on more efficient handling of fewer types of material.

CTPA agrees that bio-based plastics should be included in the definition. The impact of such plastics within the environment remains the same and they can be handled the same within recycling facilities.

However, a clear and scientific definition of 'biodegradable' is crucial because 'without qualification of the timeframe or the environment where the degradation takes place' [7] such a term is meaningless. Together with the proposed REACH restriction intentions under ECHA for oxo-degradable plastics owing to their potential to initiate the generation of microplastics [8], CTPA agrees with these materials being in scope of the definition of plastic.

7. Do you agree with the government's suggested approach to defining packaging and packaging materials in scope of the tax?

Basing the definitions of packaging on those within the Producer Responsibility Obligations (Packaging Waste) regulations 2007 would appear logical.

It is important to remember the purpose of packaging; its functionality is inherent to the safety and usefulness of a product. The main aim for packaging is to protect its contents from spoiling, so protecting the consumer, and to enable the consumer to safely store and use the product over time. It must be strong enough to:

- withstand transport and storage;
- fit on shelves in supermarkets or other retailers;
- look attractive to the people who might buy it; and
- stay looking good and be serviceable throughout its life, which for cosmetics may be several months or even years.

Cosmetic packaging must also be labelled with specific legally required information, including a list of ingredients and, where necessary, how to use the product safely.

The proposed approach by Government for defining packaging does not allow for the 30% inclusion of recyclate to be amortised across a completed pack. For instance, where, owing to the safety of a consumer, one component of the final pack may need to be made from virgin plastic (such as a mascara wand for use around the sensitive eye area), this could be used to encourage even greater innovation and the inclusion of an even higher quantity of recyclate in parts of a finished pack which are not so restricted.

The definition of packaging and packaging material appears to exclude packaging that is 'not predominantly plastic'. This would seem to be counter to the desired aim of the tax 'to shift demand towards the use of recycled material'. It could also lead to more complicated assembly purely to circumnavigate any tax. For example, a glass jar with a plastic lid would potentially be out of scope and yet the same plastic lid, if used on a plastic jar would be liable for the tax.

In addition clarification is required of the word 'predominantly', as this could lead to confusion and potential for avoidance of the tax.

8. Is the government's approach to components of plastic packaging consistent with the way businesses operate and packaging is created?

Within the UK cosmetics industry, the packaging for a product will be decided within the product development phase. This componentry would be tested thoroughly in line with the Cosmetics Regulation to ensure safety in use (in terms of trace materials with the potential to leach into the product and no interaction with the contents) as well as suitability in transit, storage and use.

The components are often sourced from different locations for part-assembly and/or final assembly with the content. Would there be potential for a tax to be applied to a finished product (whether manufactured in the UK or imported) upon declaration of the full componentry including transit packaging to better reflect the impact of a finished product?

Another alternative may be to tax the production of virgin plastic at source, increasing the cost of it there to encourage less use of it throughout the supply chain. The aim should be to encourage good production behaviours and innovation by producers rather than penalising downstream businesses who can only use the materials that are available.

By positioning the tax to be levied at finished packaging, instead of virgin stock or finished product, there seems to be a lack of clarity and more opportunity for confusion.

9. Which of the above options for defining plastic packaging for composite material items do you think works better for the purposes of the tax?

Of the available options, members have expressed different opinions on which option would work better.

Option 2 would seem simpler and more aligned to the prescribed aims of the tax; 'to shift demand towards the use of recycled material' although there are fears that it risks inadvertently bringing other packaging forms into scope, such as aluminium containers with polymeric linings.

The consultation document states that option 1 would 'bring more products containing plastic in scope of the tax', yet it proposes to 'set a fixed percentage of plastic content required'. Would this reduce the number of products containing plastic in scope compared with option 2 of applying the tax to any packaging that contains plastic?

10. Do you think alignment with the reformed Packaging Producer Responsibility regulations is important for the purposes of the tax?

Members of CTPA feel that a modulated, reformed Extended Producer Responsibility scheme is the best way to incentivise innovation, although they would consider it instead of rather than aligned with the proposed packaging tax.

CTPA has concerns that the timing for the tax and the EPR are not aligned; this tax will be introduced before investment in waste management has produced enough high quality recycled material for re-introduction to the packaging supply chain.

If insufficient recycled material is available to fulfil the conditions associated with reducing taxation on packaging, this will unfairly discriminate sectors where the quality of recyclate is paramount. Our industry is responding fast to consumer need and wants to use recycled and recyclable materials wherever possible, however there is a shortage of quality product. We need to fix this supply issue first.

Driving recycled content;

11. Do you agree with the government's suggested approach to defining recycled content for the purposes of the tax?

During manufacturing of packaging, it is already good practice to incorporate pure, waste material back into the manufacturing process. As this material falls out of scope of pre and post-consumer recyclate, companies may be dissuaded from collecting and utilising this material. However, CTPA agrees that this material should fall out of scope. This material should already be fully utilised and therefore should not count toward the recyclate percentage in packaging.

It should be recognised that packaging manufacturers could collect their pre-consumer recyclate that is not currently in scope of the proposed definition of 'recycled content' and trade it with another party for inclusion as pre-consumer recyclate.

12. Are there any environmental or technical reasons to consider excluding any particular ways of recycling plastic?

Under the Cosmetics Regulation, the definition of cosmetic products includes 'any substance or mixture intended to be placed in contact with the external parts of the human body (epidermis, hair system, nails, lips and external genital organs) or with the teeth and the mucous membranes of the oral cavity'

Given our products are applied to sensitive areas such as around the eye and even may be ingested in small quantities (as may be the case with toothpaste), the safety of product within the packaging is paramount. There needs to be confidence around the safe incorporation of recyclate within the supply chain.

The Cosmetics Regulation stipulates 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 potential interaction between packaging and product during the proposed life of the product.

Annex I of the Cosmetics Regulation describes the information that needs to be considered in the content of the Cosmetic Product Safety Report (CPSR). Section 4 provides details with regard to impurities, traces, information about the packaging material:

- The purity of the substances and mixtures
- In the case of traces of prohibited substances, evidence for their technical unavoidability.
- The relevant characteristics of packaging material, in particular purity and stability.

Point 3.4 of Commission Implementing Decision 2013/674/EU on guidelines on Annex I to Regulation (EC) No 1223/2009 [5] further expands on this.

There are major concerns about the safety of direct contact recycled packaging and the requirements of the Cosmetics Regulation. The only way to manage this would be for every batch to be tested and positively released. If there is no pro-active testing in advance (on the raw material or the moulded pack) then there could be a risk of adverse consumer reactions. Certain ingredients in formulations are aggressive with regards to their interaction with packaging (e.g. essential oils and sun cream formulations).

The above makes it extremely difficult for cosmetic companies to always use recycled plastics with certainty as there are insufficient data available for recycled polymers. This concern increases with the number of recycling cycles.

- Every batch could have to be tested and positively released to avoid risk of adverse consumer reactions due to contaminants within the Post Consumer Recyclate (PCR).
- Increased financial implications associated with using more recycled content in packaging:
 - More overall migration testing.
 - More specific Heavy Metals testing required as per the Directive 94/62/EC on Packaging and Packaging Waste [9]
 - More stability testing cost incurred due to increased chance of stress cracking.
 - More resource required by the Brand or Retailer to do the safety assessments.

Such burdens are disproportionate and may impact on product development.

13. Is there any way that the proposed approach to defining recycled content could encourage unintended consequences, such as wasteful manufacturing processes?

If we are to ensure the PCR material is not in contact with the product, another possible solution might be a co-ex bottle (that is a multi-layer bottle). However, it is reasonable to assume that the overall weight of a co-ex bottle will be greater than its single wall alternative. This additional weight and the more expensive PCR material will further impact on cost and the carbon footprint of such a pack. It would also mean that virgin plastic has gone into producing a pack that is then not as recyclable. It would also be difficult to separate out such packs during the recycling process from good, recyclable material.

As there is a lack of grades or standards associated with PCR, Food Grade recyclate is frequently used by the cosmetics industry currently and there is already fierce competition with other sectors for the same, limited quantity of material.

There is a concern that the suggested tax has the potential to drive manufacture of finished products from the UK as companies that are able to do so, could move their manufacturing facilities outside the UK to avoid such a tax. Despite the tax being proposed on imported material, there are concerns over how this could/would be policed.

With regard to any possible financial implications associated with using more recycled content in packaging with regard to the CPSR, *additional factors that could add financially include:*

- More overall migration testing likely to be required, especially for those cosmetics packs which contain aggressive formulations with regard to their interactions with packaging, to prove the packaging doesn't contaminate the bulk formulation.
- More specific Heavy Metals testing required as per 94/62/EC essential requirements.
- More stability testing cost incurred since packs containing recycled plastics are more likely to fail than equivalent virgin plastics (e.g. stress cracking).
- More resource required by the Brand or Retailer to conduct the safety assessments, especially when a company may place thousands of products on the market each year.
- Food grade PCR is not generally available to the same quality in other regions outside the EU where materials are sourced. This might mean only sourcing in EU/UK which will raise costs.
- As the purity of recycled plastic can vary batch to batch, there is also an argument to have a due diligence ongoing test programme that checks the material, say every 12 months, and not just when placed new on the market. This introduces further on-costs.

There is an additional issue of physical processing limits. For example, products which are supplied in sealed hygienic systems so that the product is not exposed to air and to minimise waste, are subject to high levels of stress on the plastic. These need to use high quality consistent polymer to avoid stress cracking during the life of the product. Any packs that use ultra-sonics to weld the closure to the pack are extremely sensitive to variations in the polymer. As recycled plastics are usually greyer in appearance than virgin plastic, more cost and resource would come from the use of additional pigments to mask tint.

Lastly, there were comments from members about the timeline for the proposed tax. Many of our members have already made commitments, through such initiatives as the UK WRAP Plastics Pact which is working to a target of 2025 rather than 2022, the target in the UK proposals.

CTPA would urge that the timeline is aligned with the Plastics Pact.

14. Do you agree with the government's preferred approach of a single threshold, and why? If not, what alternative would be better, and what are the risks associated with this? Please explain your answer and provide any supporting information and evidence. CTPA welcome ambitious targets however they must also be realistic. There are concerns a single threshold would remove any incentive for industry to utilise higher levels of recycled material wherever possible.

Furthermore, such a threshold does not recognise regulatory restrictions as discussed, on various sectors on the use of recycle.

15. Assuming a single threshold, do you agree with a 30% threshold for recycled content and why?

Many of CTPA's members have already made commitments, through initiatives such as the UK WRAP Plastics Pact. Whilst the target of recycled content of 30% aligns with the UK Plastics Pact, the Pact level is not due to come into full effect until 2025, which is a target such members have already adopted, whereas this proposed tax is intended to be in force from 2022.

CTPA understand that there is currently insufficient recycled material available within the UK to fulfil a 30% requirement across all packaging on the market, even without regulatory restrictions, and that there is little spare recycling capacity within the UK.

16. Are there any products for which it would be very challenging to increase the level of recycled content, and why? If so, please outline the effect of a tax on production decisions and consumption of these items.

The cosmetics industry has a responsibility to ensure the safety and integrity of the products it manufactures. The use of appropriate packaging is essential in industry's ability to deliver this. The current variability in content of recycled materials means that quality cannot be guaranteed and therefore the provision for safety under the Cosmetics Regulation cannot be assured.

There are cosmetic products where the inclusion of recycled material within the packaging is far more challenging, if not impossible, owing to the potential presence of low-level contaminants that could leach into the product. For instance, dental products such as toothpaste and mouth washes or products intended for use around the eye area or external genital organs.

Given the variability in content of recycled packaging materials, and the implications this could have on safety and quality, CTPA and its members would welcome a dialogue with Government officials as how best to ensure more recycled packaging can be used while also ensuring compliance with safety standards and consumer quality expectations.

17. Are there any products for which the use of recycled plastic is directly prohibited in packaging? If yes, please provide details on these products stating the relevant legislation and industry standards as well as the effect of a tax on production decisions and consumption of these items.

The EU Legislative Framework on recycle use for food contact [10] would likely be used as an initial approach to evaluate safety based on the potential for migration.

As highlighted previously, Annex I of the Cosmetics Regulation describes the information that needs to be considered in the content of the Cosmetic Product Safety Report (CPSR).

Section 4 provides details with regard to impurities, traces, information about the packaging material:

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- The relevant characteristics of packaging material, in particular purity and stability.

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The above makes it extremely difficult for cosmetic companies to always use recycled plastics with certainty as there are insufficient data available for recycled polymers. This concern increases with the number of recycling cycles.

- Every batch could have to be tested and positively released to avoid risk of adverse consumer reactions due to contaminants within the PCR.
- Increased financial implications associated with using more recycled content in packaging:
 - More overall migration testing.
 - More specific Heavy Metals testing required as per the Directive 94/62/EC on Packaging and Packaging Waste [9]
 - More stability testing cost incurred due to increased chance of stress cracking.
 - More resource required by the Brand or Retailer to do the safety assessments.

Such burdens are disproportionate and may impact on product development.

18. What evidence is currently held by liable manufacturers and importers on the levels of recycled content in their plastic packaging and how it might be able to meet the requirements of identifying recycled content levels?

As an association, CTPA does not have this information.

19. If you are an importer of unfilled plastic packaging or plastic packaging material, what information do you hold on the recycled content? What controls or assurance do you have over the accuracy of this information? How might you influence the level of recycled plastic content?

As an association, CTPA does not have this information.

Setting the tax rate;

20. Do you agree with the government's suggested approach of setting a flat rate per tonne of a plastic packaging product? Why?

Payment per tonne aligns with the proposed Extended Producer Responsibility system which may streamline administration of the system. However, any shift in behaviour will vary across different product categories according to the proportional cost of the packaging and any specific legislative restrictions placed on certain products for safety reasons.

Liability for the tax;

21. Do you agree with the proposed points at which domestic or imported products would be liable for the tax? If not, at what point in the supply chain do you think the tax point should be and why?

Components are often sourced from different locations for part-assembly and/or final assembly with the content.

To avoid discrimination against all domestic production of finished products, would there be potential for a tax to be applied to a finished product (whether manufactured in the UK or imported) upon declaration of the full componentry including transit packaging to better reflect the impact of a finished product?

Another alternative may be to tax the production of virgin plastic at source, increasing the cost of it there to encourage less use of it throughout the supply chain.

By positioning the tax to be levied at finished packaging, instead of virgin stock or finished product, there seems to be a lack of clarity and more opportunity for confusion.

There is a concern that the suggested tax has the potential to drive manufacture of finished products from the UK if companies that can, move their manufacturing facilities outside the UK to avoid such a tax. Despite the tax being proposed on imported material, there are concerns over how this could/would be policed.

22. Are there any situations where the proposed tax points would be administratively, practically or legally difficult? Please explain any adaptations that might be necessary.

Despite the tax being proposed on imported material, there are concerns over how this could/would be policed without a methodology to determine actual recycled content.

23. If you are a business that produces or imports plastic packaging, how much of your yearly production, in tonnes, would you expect to be liable for the tax?

As an association, CTPA does not have this information.

24. Do you provide (manufacture or import) plastic material which could be used as packaging without knowing the final use of the product? Is this a common occurrence?

As an association, CTPA does not have these data.

25. Would you support extending joint and several liability for UK production, and for imports?

Within CTPA membership, there is the feeling that this would add to the complexity and cost of compliance throughout the supply chain.

26. Please outline any issues in relation to routine wastage or spillage that may have an impact on the tax liability.

Wastage occurs throughout the supply chain and is associated with issues such as non-compliance, non-conformance and quality. It is imperative that such factors are prioritised over the additional cost of material proposed.

27. Do you agree with the government's initial proposal that the tax at import should only apply to unfilled packaging? If not, what would the effects be? What alternative would you prefer and how would it work?

Such a tax would distort the market by placing a discriminatory financial burden on any domestic industry. There is a concern that the suggested tax has the potential to drive manufacture of finished products from the UK if companies that can, move their manufacturing facilities outside the UK to avoid such a tax.

If this tax is to be levied in addition to the proposed Extended Producer Responsibility charges, then all packaging should be subject to such tax.

Treatment of exports;

28. Do you agree with the government's suggested approach for crediting exports?

Whilst this would ensure no commercial disadvantage outside the UK for plastic packaging, it would have an adverse impact on finished products that are exported having already incurred the tax, reducing competitiveness internationally.

Given the proposal to exempt imported finished products, in some instances it may be cheaper to export and then import a finished product rather than incur the tax, particularly if 'export' would apply to EU countries such as Ireland in the future. There are then other environmental ramifications through increased emissions.

The aim should be to support domestic production, particularly for SMEs.

29. Do you foresee any difficulties in providing appropriate records to demonstrate that packaging has been exported?

In light of the answer to question 28, then yes, with additional systemic compliance throughout the supply chain.

Excluding small operators;

30. Do you agree that the government should seek to exclude small operators? If yes, what would the risks be if the government didn't do this?

No, because Article 8a(1)d of Directive EU/2018/851 (the revised Waste Framework Directive) [11] requires 'equal treatment of producers of products regardless of their origin or size'.

CTPA is keen to encourage good behaviour by businesses entering our industry from the very beginning and indeed many young cosmetics companies already have a focus on sustainability in response to changing consumer expectations.

31. Would Option 1a, Option 1b or Option 2 best meet the government's objective of excluding small operators from the tax whilst ensuring the tax has a strong environmental rationale?

As for answer to questions 30

32. What factors should the government consider when setting a threshold (either on volume or turnover) or a relief? Do you have any suggestions for appropriate levels? If so, please provide an explanation for why you believe this is appropriate.

As for answer to question 30

33. Would having a de minimis create any significant risks to the effectiveness of the tax at import (including, but not limited to, treatment of multiple imports from the same exporter/manufacturer/brand owner)? If yes, please provide evidence and suggest any additional legislative or operational countermeasures.

As for answer to question 30, but also adding complexity

34. Do you anticipate any risks or issues that would arise from introducing a de minimis that aren't explored above? Please provide details.

The introduction of a *de minimus* is counter to the stated aim 'to shift demand towards the use of recycled material'.

Registration and reporting;

35. Do you agree that the registration and reporting requirements outlined are appropriate? If not, please specify why.

As an association, CTPA does not have a large membership of packaging manufacturers and therefore has not received much feedback on this. However, we would have concerns over the burden on SMEs in particular as this would be in addition to any potential reporting arising from the reform of the UK Packaging Producer Responsibility System

36. Please provide details of the estimated one-off costs for registering with HMRC.

As an association, CTPA does not have these data.

37. Please provide details of the expected one-off and on-going costs of completing, filing, and paying the return.

As an association, CTPA does not have these data.

Ensuring compliance;

38. Is the government's suggested approach to compliance proportionate and appropriate? If not, please outline any scenarios that you anticipate may require bespoke compliance powers or penalties?

The system could be open to abuse particularly if feedstock or packaging containing recyclate is imported. It is difficult to see how this system will operate with no clear methodology to verify the percentage of recycled content for plastic so no claim could ever be categorically determined.

Virgin plastic could be used as a replacement as this would become cheaper once the demand for recyclate escalates. This may distort the market and increase the incentive for virgin plastic to be relabelled as recycled.

39. Are our anti-abuse proposals sufficient to tackle the risk of fragmentation (abuse of the de minimis or universal relief) from UK based plastic producers?

As already stated, Article 8a (1)d of Directive EU/2018/851 (the revised Waste Framework Directive) requires 'equal treatment of producers of products regardless of their origin or size'.

40. Is our approach regarding assuring the accuracy of declared recycled content appropriate? If not, please share any other suggestions you may have.

It is difficult to see how this system will operate with no clear methodology to verify the percentage of recycled content for plastics.

41. Do respondents believe that using UK based agents for non-established taxable persons may help support compliance?

As an association, CTPA does not have enough information on this matter

42. Are there any further compliance risks that have not been addressed in this chapter, please provide details?

None that come to mind.

Understanding commercial practices;

43. If you are a business, what is your annual turnover?

N/A

44. Are you currently obligated under the Packaging Producer Responsibility system?

N/A

45. If you manufacture or handle plastic packaging, which sector(s) do you provide it to?

N/A

46. If you manufacture or handle plastic packaging, can you please provide an overview of the types of plastic packaging products as well as the tonnages and the levels of recycled content in each? Do you expect this to change over the next 5 years?

N/A

47. If you manufacture or handle plastic packaging, how much of this packaging is produced domestically, exported and/or imported?

N/A

48. If you process or handle recycled plastic, do you export or import any? If so, how much, and where from/to?

N/A

49. If you manufacture plastic packaging, can you please provide an overview of the prices of some of your plastic packaging products. Can you also provide information on how these costs break down according by material costs, labour costs, other operating costs and profit?

N/A

50. If you manufacture or handle plastic packaging, can you please describe how plastic packaging prices fluctuate? How much do prices vary, and what are the main causes, e.g. fluctuations in exchange rate, oil and other commodity prices, etc.?

N/A

51. If you manufacture or handle plastic packaging, how long does it take you (in months) to increase the recycled content of your product? What factors are important in determining this length of time?

N/A

52. If you manufacture or handle plastic packaging, would the tax incentivise you to speed up any current plans to increase recycled content? To what extent? How quickly?

N/A

53. If you manage waste, how long would it take you to set up the systems required to supply more plastic waste for recycling/recycle more plastic? How much could you produce?

N/A

54. If you manufacture plastic packaging, how would the tax affect the amount and price of product you produce? In cases where you were not able to increase recycled content, would you pass the price of the tax down the supply chain?

N/A.

55. Is there anything else you would like us to note about how your business operates and how you think it would be impacted by the tax?

N/A

Assessment of other impacts;

56. Unless already covered in your responses to other questions within this document, is there anything else you would like us to note about the impact of the tax, especially any potentially adverse impacts on groups with protected characteristics?

Lastly, CTPA and its members wish to highlight that given the stated focus of the tax being to increase the use of recycled material, the funds must be ring-fenced for the development of a coherent system of material handling and reprocessing to ensure sufficient supplies of high quality recyclate.

References:

[1] **The Cosmetic, Toiletry and Perfumery Association** “[Cosmetics Industry in Figures](#)”
Kantar Worldpanel April 2019 (under preparation)

[2] **The Cosmetic, Toiletry and Perfumery Association** “[Getting the Best from Exiting the EU](#)”

[3] L342/59 “[Regulation \(EC\) No 1223/2009 of the European Parliament and of the Council of 30 November 2009 on cosmetic products \(recast\)](#)”

[4] Statutory Instruments 2013 No. 1478 “[The Cosmetic Products Enforcement Regulations 2013](#)”

[5] [Commission Implementing Decision](#) 2013/674/EU on Guidelines on Annex I to Regulation (EC) No 1223/2009 of the European Parliament and of the Council on cosmetic products

[6] Statutory Instrument 2017 No. 1312 “[The Environmental Protection \(Microbeads\) \(England\) Regulations 2017](#)”

[7] ECHA, ANNEX to the ANNEX XV RESTRICTION REPORT - Proposal for the restriction of [intentionally added microplastics](#)

[8] ECHA Registry of restriction intentions until outcome, Annex XV restriction proposals received by ECHA - [oxo-degradable plastics](#)

[9] Directive 94/62/EC on [Packaging and Packaging Waste](#)

[10] [Regulation \(EC\) No 1935/2004](#) of the European Parliament and of the Council on materials and articles intended to come into contact with food.

[11] Directive [EU/2018/851](#) (the revised Waste Framework Directive)