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# Statement re Plastic Packaging Tax compliance

March 10, 2022

As part of the 2021 Finance Act, HMRC are introducing a Plastic Packaging Tax (PPT) which comes into force on 1st April 2022. This tax applies a levy on plastic packaging by weight; the initial rate is £200 per tonne.

Plastic packaging products that are manufactured using Post-Consumer Recycled polymer (PCR) are exempt from the tax provided that the recycled content constitutes a minimum of 30% of the finished weight of the packaging product.

Various other exceptions also apply but after careful research in the context of standard Cambrian products, our conclusion is that our products containing minimum 30% PCR by weight are exempt from PPT and the remainder are in scope of the tax.

Companies importing plastic packaging products into the UK or manufacturing them in the UK are required to register for the tax if their sold volume by weight on these items totals 10 tonnes or more per annum. Under the terms of the legislation, liable companies are expected to keep detailed records of quantities and weights, submit these records quarterly and pay the tax as appropriate.

We have had notice from our UK supply partners that the extra cost they will incur due to the PPT will be passed on to us on invoices. On the products we import, Cambrian Packaging will be liable to pay the tax to HMRC. We are unable to absorb these extra costs occasioned by PPT and will be passing them on to customers on invoices.

In the interests of transparency, our intention is to include details on or along with invoices showing the exact PPT. Where a product is out of scope of the tax, such as those in our 'ZERO' range, the PPT detail will show a nil entry. HMRC have confirmed that VAT is applied to the total cost.

NB: Containers and bottles are considered separately from closures/lids/dispensers and the tax is levied by weight on the separate items not on final combinations.

**We confirm that Cambrian Packaging will fully comply with all aspects of the requirements relating to the Plastic Packaging Tax including meeting our responsibilities on accounting for quantities and weights of products supplied and our liability to pay the tax as appropriate.**