



HM Revenue
& Customs

Plastic Packaging Tax - chemical recycling and adoption of a mass balance approach

Consultation response submission form

Publication date: 18 July 2023

Closing date for comments: 10 October 2023

Consultation response form

This response form is to be used for responding to HMRC's consultation on the adoption of mass balance approach for the purposes of the Plastic Packaging Tax. If you need to expand on any of the responses you have provided in the text boxes, please continue on a separate word document and attach it in your consultation response email, along with any supporting evidence.

Subject of this consultation

This consultation explores the application of a mass balance approach to determine the amount of chemically recycled plastic in a plastic packaging component for the purposes of the Plastic Packaging Tax (PPT). It seeks views on whether a mass balance approach should be accepted as a way of allocating recycled plastic content to packaging, and, if so, the controls and standards that should be adopted to ensure the integrity of the tax.

Scope of this consultation

HM Revenue and Customs (HMRC) is consulting on the impacts of chemical recycling for plastics and the potential use of a mass balance approach to account for chemically recycled content for PPT.

Who should read this?

Businesses (including those in the plastics value chain such as petrochemical businesses and mechanical recyclers), individuals, tax advisers, NGOs, academia/research, certification, trade and professional bodies and other interested parties.

Duration

12 weeks from 18 July 2023 to 10 October 2023.

Lead official

HMRC – Mark Palmer

How to respond or enquire about this consultation

Responses or enquiries should be sent by 10 October 2023, by e-mail to indirecttaxdesign.team@hmrc.gov.uk or by post to: Mark Palmer, Plastic Packaging Tax Policy Team, HMRC, 4TH Floor Trinity Bridge House, 2 Dearmans Place, Salford M3 5BS

Additional ways to be involved

To engage with groups who would be affected by the proposals and issues under discussion in this consultation, the government will be consulting key stakeholders and interested parties who specialise in this policy area on the proposals during the consultation process. If you would like to be included in a consultative meeting, please contact us via the email above as soon as possible.

After the consultation

The government will aim to analyse responses and publish a formal response document as soon as possible after the end of the consultation period.

Getting to this stage

PPT was introduced on 1 April 2022 and was informed by two policy consultations in 2019 and 2020. Chemical recycling is a recognised method of recycling plastic waste for the purposes of PPT. However, following constructive engagement with stakeholders from across the plastics value chain, the government understands that it is sometimes not currently possible for businesses to use chemically recycled plastic in packaging and not pay the tax. This is because in some cases it is impossible to distinguish between plastic from virgin and recycled sources when this type of recycling is used.

HMRC engaged with various key stakeholders during Summer 2022 to gather evidence and improve knowledge about mass balance and chemical recycling. Aspects of chemical recycling were also discussed during HMRC's regular industry engagements, which focussed on the implementation of the tax.

Confidentiality

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Information provided in response to this consultation, including personal information, may be published, or disclosed in accordance with the access to information regimes.

These are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 2018, UK General Data Protection Regulation (UK GDPR) and the Environmental Information Regulations 2004.

If you want the information that you provide to be treated as confidential, please be aware that, under the Freedom of Information Act 2000, there is a statutory Code of Practice with which public authorities must comply and which deals with, amongst other things, obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on HM Revenue and Customs.

Consultation Privacy Notice

This notice sets out how we will use your personal data, and your rights. It is made under Articles 13 and/or 14 of the UK General Data Protection Regulation.

Your data

The data

We will process the following personal data:

Name
Email address
Postal address

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Job title

Purpose

The purpose(s) for which we are processing your personal data is: Plastic Packaging Tax - chemical recycling and adoption of a mass balance approach

Legal basis of processing

The legal basis for processing your personal data is that the processing is necessary for the exercise of a function of a government department.

Recipients

Your personal data will be shared by us with HM Treasury.

Retention

Your personal data will be kept by us for 6 years and will then be deleted.

Your rights

- You have the right to request information about how your personal data are processed, and to request a copy of that personal data.
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If you consider that your personal data has been misused or mishandled, you may make a complaint to the Information Commissioner, who is an independent regulator. The Information Commissioner can be contacted at:

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Wycliffe House
Water Lane
Wilmslow
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SK9 5AF
0303 123 1113
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Contact details

The data controller for your personal data is HM Revenue and Customs. The contact details for the data controller are:

HMRC

100 Parliament Street
Westminster
London SW1A 2BQ

The contact details for HMRC's Data Protection Officer are:

The Data Protection Officer
HM Revenue and Customs
14 Westfield Avenue
Stratford, London E20 1HZ
advice.dpa@hmrc.gov.uk

About you

Your name

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Your email address

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Postal address

Phone number

Job title

Head of Policy

Who are you submitting this response on behalf Of (Please only tick one)

- Business representative organisation/Trade body
- Chemical recycler
- Mechanical recycler
- Petrochemical company
- Waste management company
- Packaging manufacturer/converter
- Product manufacturer/pack filler

- Brand Owner
- Retailer
- Plastic packaging exporter
- Plastic packaging importer
- Distributor
- Certification scheme owner
- Certification Bodies
- Local Government
- Non-governmental organisations
- Charities or social enterprise
- Academic or research
- Consultancy
- Individual
- Other

Please provide the name of the organisation/business you represent (if applicable)

Institute of Materials, Minerals & Mining (IOM3)

If you are in business, where if your business established?

- UK
- Isle of Man
- Other (please provide futher details below)

If you are in business, how many staff fo you employ across the UK?

- Fewer than 10
- 10-49
- 50–249
- More than 249
- Prefer not to say

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

The Institute of Materials, Minerals and Mining (IOM3) is a professional engineering, environmental and scientific institution. It is a registered charity and is governed by a Royal Charter.

IOM3 is the global network for the materials cycle, promoting sustainability and greater circularity in the extraction, processing and use of natural resources.

IOM3 supports professionals in materials, minerals, mining and associated technical disciplines to be champions of the transition to a low-carbon, resilient and resource efficient society. IOM3 has 22 Technical Communities that bring together members based on their shared technical interests, including the IOM3 Packaging Group and IOM3 Polymer Group.

Would you like your response to be confidential? If so, why? (please note the information on confidentiality on page 3)

No

Mass balance approach – chapter 3

Question 1: Do you agree that it is possible to determine actual recycled content in products using the outputs of chemical recycling processes which produce a polymer, such as depolymerisation and dissolution? Please give reasons for your answer.

Yes No Don't know

- Dissolution recycling or solvolysis do not break down polymers with chemical reactions but rather dissolve them. This allows impurities to be filtered out and the polymers then reconstituted.
- Depolymerisation uses different combinations of chemicals, solvents, heat and pressure to break down polymers into monomers.
- It is possible to determine actual recycled content in products using the outputs of chemical recycling processes which produce a polymer but recycled content is not directly traceable in the steps of the process before this.

Question 2: How should chemical recycling be defined for the purpose of using a mass balance approach for PPT?

- Terminology, not limited to the definition of chemical recycling, is used differently by different stakeholders. In addition, the terminology differs between UK and EU. It is important that as far as possible a common language is used and the terms clearly defined (for example, allocation, fuel exemption, units etc)
- Chemical recycling is a complementary technology to mechanical recycling. It has the potential to provide a solution for more diverse and lower quality feedstocks that are not suitable for mechanical recycling while still delivering high quality output. It should be used to capture and process plastics not suitable for mechanical recycling and used as an alternative to incineration/landfill.
- Chemical recycling plays an important role in achieving a circular economy with the ability to handle more mixed and contaminated waste streams such as films and flexibles that are likely to have higher produce residues, for non-mechanically recyclable composites and handling legacy additives. It also has a potentially significant contribution to make to achieving higher levels of recycled content in sensitive packaging applications such as food contact.
- Consideration is required to ensure chemical and mechanical recycling do not target the same set of materials – plastic waste streams fit for mechanical recycling should not be diverted to chemical processes.
- Application of mass balance should be technology neutral to foster new technologies and not solely focus on existing chemical recycling methods. A technology agnostic approach creates a more level playing field stimulating competition and innovation.
- It should be made clear in the definition that fuel is excluded.
- For example, the European coalition for chemical recycling definition:
Chemical recycling converts polymeric waste by changing its chemical structure to produce substances that are used as products or as raw materials for the manufacturing of products. Products exclude those used as fuels or means to generate energy.

Question 3: Do you agree that the production of a recycled substitute for virgin feedstock to a cracker is the correct test for when calculations using a mass balance approach should be accepted for the purposes of PPT? If not, what test should be used?

Yes No Don't know

We do not have a better test to suggest. However, there are some issues that will need to be considered in finalising it:

- To enable mass balance application to be technology neutral.
- Storage in mixing tanks prior to being feedstock to a cracker.
- Use by converters.

Question 4: Are there other chemical recycling methods or processes for which a mass balance approach is required to account for the recycled content in the outputs? Please provide details and examples.

There may be future developments and technologies for which a mass balance approach would be required to account for the recycled content in the outputs.

Methods of verification that maintain preservation of material identity should be favoured where viable

Question 5: What evidence are you aware of regarding the overall environmental impact of chemical recycling and use of the mass balance approach?

Whilst more work is required, literature generally confirms that chemical recycling is a lower energy and carbon emission solution to virgin production and the treatment of plastic waste than landfill and incineration (with energy recovery), with slightly higher CO₂ emissions than mechanical recycling.

Evidence is limited, however, and there would be benefit in studies at scale.

Efforts to decarbonise the energy input will be an important factor as the industry develops.

Chemical recycling offers the opportunity for businesses to feedback impacts, learnings and outcomes into the design of products, whilst keeping hydrocarbons in use for as long as possible.

Further information is required to address concerns around hazardous chemical by-products and energy and solvent use. This should be done in a way that doesn't put disproportionate requests on chemical recycling businesses to share sensitive information about their technology

Question 6: How does the carbon impact of chemical recycling compare with the impact of using virgin material to produce plastic, and with disposing of waste plastic through landfill or energy from waste?

Whilst more work is required, literature generally confirms that the carbon impact of chemical recycling is lower than the impact of using virgin material to produce plastic and disposing of waste through landfill or incineration (with energy recovery)

Further studies are required, particularly at scale.

Question 7: What is the current and planned UK capacity for processing plastic waste through chemical recycling of your business or the supply chains that include your business?

N/A

Question 8: How would the adoption of a mass balance approach for chemically recycled content for PPT purposes impact on investment in chemical recycling in the UK?

Adopting an effective mass balance approach would improve the investment case for chemical recycling in the UK. Stable policy frameworks support the confidence required for investment.

Consistency with Europe should be strived for where possible to promote a level playing field and prevent favouring import or export.

Question 9: To what extent is any potential investment in chemical recycling in the UK dependent on the specific details of how a mass balance approach may be implemented?

The investment case would vary depending on the details of how mass balance is implemented. The more generous the implementation, the more likely in the short term to see investment but with the long-term risk of loss of user/consumer/taxation confidence and therefore a drive for future tightening. It is important to get it right at the outset.

Question 10: Are you aware of any other factors or policies that could also impact on inwards investment into UK chemical recycling infrastructure?

- Access to feedstock supply – including collection and sorting requirements
- Location of refineries
- Investment incentives/disincentives in other countries
- Energy and operating costs
- Policy landscape
 - o 'Simpler recycling' timeframe and details including collection of films and flexibles at kerbside
 - o EPR – impact on materials and collection changes
 - o DRS – plastic waste streams collected at kerbside are likely to be lower value, mixed plastic
 - o PRN reform
 - o End of waste definition – the ability of chemical recycling facilities to achieve end of waste status for output products
 - o UK REACH divergence from EU affects export
 - o Inclusion of energy from waste in the emissions trading scheme, as this may well lead to increased need to treat mixed, dirty plastic that is no longer wanted in an unabated EfW plant.
 - o Planning and permitting processes including the extent to which some chemical recycling processes fall under proposed restrictions on energy from waste in Scotland and Wales.

Question 11: Do you agree that increased use of chemical recycling of plastic waste would complement the existing mechanical recycling sector, and not disincentivise further investment in mechanical recycling? Please give reasons for your answer.

Yes No Don't know

Increased use of chemical recycling and process innovation in mechanical recycling could lead to overlap between the two technologies. Chemical recycling should act as an 'additional' processing solution for plastic waste that would otherwise not be recycled and the technologies should be viewed as complimentary.

Factors that promote the complimentary nature of the two technologies include:

- Different end markets such as food contact, highly engineered packaging and handling legacy additives for chemical recycling
- Differences in cost – although this may not be sufficient in the long-term

It will be important to continue to keep under review how the different environmental impacts of the two processes are considered. How the different forms of recycling are dealt with in carbon accounting will also be important. For example, at the moment, formal carbon accounting does not give a credit for the mechanical recycling of plastic (to recognise the carbon saved by not using virgin material). Whatever approach is used for chemical recycling should not give it an undue advantage.

Where it is viable, mechanical recycling should be used. Consideration will be required to ensure the technologies are not competing for the same material and further investment in mechanical recycling is not disincentivised.

Innovation in mechanical recycling such as for food contact applications must continue alongside development of chemical recycling

Question 12: What controls need to be put in place to ensure material which is suitable for mechanical recycling continues to be recycled in that way, if a mass balance approach for chemically recycled plastic is adopted for the purposes of PPT?

Further understanding is required to determine whether the differences between mechanical and chemical recycling (such as cost and environmental impact) will be sufficient without additional controls in place.

Applying the emissions trading scheme (ETS) to energy from waste (EfW) if carbon capture, usage and storage (CCUS) isn't an option will mean more mixed, dirty plastic. This will likely head towards chemical (not mechanical) recycling if the former is available.

It is essential to grow the collection and sorting infrastructure alongside developing chemical and mechanical recycling. Targeting unutilised material will increase feedstock for facilities and increase recycling rates contributing to a circular economy.

Funding for innovation within plastics recycling should continue to support both mechanical and chemical recycling development

Question 13: Do you agree that pre-consumer waste should be phased out as being classed as recycled material for PPT if chemically recycled plastic using a mass balance approach is permitted? Please supply information and comparative costs of recycling to support your answer.

Yes No Don't know

Pre-consumer waste should be phased out with involvement of industry.

A timetable should be agreed that takes stakeholders' views into account and works towards a level playing field for all.

Question 14: Do you agree that chemically recycled plastic using a mass balance approach is likely to meet the regulatory requirements for the immediate packaging of human medicines?

Yes No Don't know

Whilst some technologies produce virgin quality material, immediate packaging of human medicines require known provenance throughout the value chain. In addition, consistent, reliable, and sufficient feedstock at the necessary quality would be required to make the registration changes and process viable.

Further work is required to identify future developments towards more sustainable plastic for immediate packaging of human medicines and to better understand the potential role of chemical recycling. A helpful immediate focus for these materials would be to ensure they are captured and kept in the economy as quality feedstock for recycling.

Question 15: How can businesses communicate the recycled content to consumers in a way that does not undermine confidence in claims about recycled content?

It is important that communication is considered and managed to prevent perceived greenwashing. Plastic packaging has seen significant public scrutiny and this risks undermining confidence not only of the specific claim but of plastic packaging (and other materials) more widely.

Messaging should be clear and transparent. To meet UK green claims guidance consumers would need to understand mass balance clearly and at point of purchase. Mass balance is not easily explained in a quick and accessible way.

Standalone claims of packaging containing a percentage of recycled content therefore present a number of risks and further investigation is required how best to mitigate this. It is likely that there will need to be a distinction between recycled content when there is physical traceability and that using mass balance, however this will become complicated should products contain both physically traced material and material from mass balance.

A potential solution could be "X% of the plastic used in making the packaging for Y (product or brand) is recycled".

A body with suitable insight and experience such as OPRL or WRAP would be well placed to develop an effective solution.

Further work is also required to understand the impact of including chemical recycling on existing definitions and labelling.

Question 16: Given the issues discussed and questions raised in this chapter, do you agree that chemically recycled plastic allocated using a mass balance approach should be treated as recycled plastic for the purpose of the PPT? Please provide reasons and supporting evidence for your response.

Yes No Don't know

A well-designed mass balance approach has the potential to support commercial scale infrastructure in the UK and contribute to the transition towards a more circular economy.

Mass balance models – chapter 4

Question 17: Do you agree with the government's suggested approach to not allow businesses to use the group level calculation? Please provide reasons and supporting evidence for your response.

Yes No Don't know

Whilst group level may be a workable solution and a way to verify performance from a feedstock perspective that every tonne of recycled feedstock means one less tonne of virgin feedstock used, it provides limited rigour in terms of being able to accurately attribute recycled content to specific outputs which is important for supply chain and consumer confidence.

If group level is used, additional limits such as geographical or allowance allocation within the same organisation should be developed and implemented.

Question 18: Do you foresee any practical barriers or risks to using the batch or site balance calculations? Please provide details of what those barriers or risks are.

Question 19: To what extent do the batch and site levels of mass balance support the objectives of PPT and incentivise investment in chemical recycling in the UK? Please provide reasons and supporting evidence for your response.

Batch and site level support the objectives of the PPT to a much greater extent than group level.

At batch level it is possible to know the percentage of recycled content in the final product. This can be used to label products with the amount of recycled material. This may present a challenge with current infrastructure which could mean the associated costs impact investment potential.

Site level offers a balanced approach that supports the objectives of the PPT and investment in chemical recycling

Question 20: Do you agree with the government's suggested approach to not allow businesses to use the free allocation method? Please provide reasons and supporting evidence for your response.

Yes No Don't know

The tax is intended to encourage greater use of recycled plastic in packaging. The ability to claim proportions that would be sent to fuels would be against the aims of the tax. Use of free allocation is therefore not consistent with the tax as the consultation document sets out. In addition, using this method would reduce the cost advantage for mechanical recycling and thus risk the diversion of cleaner recyclable plastic into chemical recycling rather than mechanical.

It is important that terms are clearly defined and common language used. For example, fuel exempt is sometimes referred to as 'free allocation – fuel exempt' and 'fuel exempt' is also referred to as 'fuel use excluded' by the European Commission.

Question 21: To what extent do the proportional balance, fuel exempt or polymer only allocation methods, support the objectives of PPT and incentivise investment in chemical recycling in the UK? Please provide reasons and supporting evidence for your response.

All three methods are more aligned to the objectives of PPT than free allocation. Polymer only is the most rigorous approach and the one most in line with the PPT. However, it could be difficult and costly to implement. Proportional balance is much simpler, but since it allows recycled polymer to be allocated to fuel, it is not fully aligned with the PPT. In addition, using this method would reduce the cost advantage for mechanical recycling and thus risk the diversion of cleaner recyclable plastic into chemical recycling rather than mechanical. The fuel exempt method is probably currently the best balance between alignment with the objectives of the PPT and practicality/viability.

All methods require much greater consideration relating to process losses, especially for proportional balance and fuel exempt, as this could be misused otherwise. A sensible approach would be to establish a deemed loss amount for a given group of technologies (eg each of pyrolysis, dissolution, chemical depolymerisation, etc) where the feedstock has undergone a reasonable pre-treatment process (washing, etc). This would need to be set at a realistic best available technology level. Only if a specific facility could demonstrate a more favourable figure would it be allowed to use that rather than the deemed loss amount.

Question 22: What are the relative advantages with the proportional balance, fuel exempt and polymer only allocation methods? Please provide details of what those

advantages are.

Proportional balance

- Each output (polymer, non-polymer and fuel) is allocated the same percentage based on the proportion of input material, which is easy to explain
- Simplest allocation method that has some element of consistency with PPT objectives
- Prevents allocation of all recycled inputs to a small proportion of outputs therefore reducing the risk of misleading green claims compared to free allocation
- Lowest risk of being impacted by processes losses

Fuel exempt

- Reasonable alignment to the objectives of PPT
- Currently a more economically viable method than polymer only
- Reasonably straightforward to explain.
- Overall, then, a good compromise between the desired outcomes of the tax and facilitating development of the chemical recycling industry

Polymer only

- Ensures that only the material used to create polymers can be allocated as recycled content
- Allows the output material to be allocated to one or more polymers rather than each output being allocated equally between the different output products
- Minimises the risk of “leakage” of recycled polymer into non-polymer outputs
- Most resistant to accusations of greenwashing

For all methods, losses within the system should be excluded from being able to be allocated to a product.

Question 23: What risks or practical challenges do you envisage with the proportional balance, fuel exempt and polymer only allocation methods? Please provide details of

what those risk and challenges are.

For all methods, there is an overarching issue about the current capacity for chemical recycling in the UK and how it compares to the volumes of virgin material. It may therefore be difficult to achieve the 30% threshold with any of the three methods.

The public perception of plastics recycling could be damaged when it becomes clear that a proportion of it is being used as fuel or other non-polymer output, not “recycled into plastic”, leading to claims of greenwashing. This could apply to any method, but is easiest to answer with polymer only, hardest with proportional balance.

The economic viability is an issue for all methods, but is perhaps most acute for polymer only, then fuel exempt, and then (least) for proportional balance, because of the ability to assign recycled content to different outputs.

For many process batches, it may not be known at the start what output will be produced and in what proportions, which may add complexity to the accounting and planning processes.

As stated in response to Q21 and Q22, process loss presents a significant risk and requires careful consideration. Process loss should be discounted with any method or the integrity of the system is at risk and open to abuse.

Question 24: To what extent would the requirements and standards need to be tailored to address the different risks associated with proportional balance, fuel exempt and polymer only allocation methods.

Please see responses to Q21-23.

In addition, the level of process description and the detail of the evidence of the outputs and input losses in terms of yield and destination production for output (plastic/chemical) will vary.

Process loss requires further consideration under the chosen allocation method (see also Q21)

Question 25: If a mass balance approach was adopted and taking into account the impact it may have on the amount of PPT chargeable on businesses’ quarterly tax returns, what would be a reasonable balancing period for businesses to equate the amount of recycled feedstock received, to the claims made around recycled content in output products? Please provide reasons for your response.

A 3 month period to align with quarterly tax returns and existing certification schemes.

Question 26: Do you agree or disagree that businesses should be allowed to have a negative balance during a balancing period for a mass balance calculation allowable under PPT? Please provide reasons and supporting evidence for your response.

Agree Disagree Don't know

This risks market distortion and should not be allowed to ensure a level playing field. In addition, negative balance would be hard to explain to end users and consumers and so would risk undermining the credibility both of the tax and of the technology.

Question 27: What are the benefits and disadvantages of the different measurement units for a mass balance calculation if it is adopted for PPT purposes?

Units should be clearly and consistently defined.

Mass

- Advantages
 - o A single unit used by all actors throughout the value chain supports consistency and understandability
- Disadvantages
 - o Problematic as it risks an incentive not to clean input material properly

Molecular

- Advantages
 - o A cleverer approach that promotes better quality material by reducing the risk of insufficient cleaning
- Disadvantages
 - o More complicated calculations

Lower heating value

- Fuel-based products should not be included

Question 28: Which measurement unit best supports the environmental aims of the tax?

Molecular

Question 29: Should the government exclude any of the measurement units from being used in a mass balance approach calculation which is allowable under PPT? If so, please state which measurement units should be excluded, provide reasons, and supporting evidence for your response.

Yes No Don't know

Lower heating value should be excluded as fuel-based products should not be included for the purposes of the tax

Question 30: Do you think businesses should be required to deduct process losses from a mass balance approach calculation which is allowable under PPT? Please provide reasons and supporting evidence for your response.

Yes No Don't know

This is essential to

- Maintain integrity of the system and reduce risk of exploitation
- Ensure a level playing field with mechanical recycling and the waste management industry

Process loss needs to be accounted for in all methodologies, but especially for proportional balance and fuel exempt, as this could be misused otherwise. A sensible approach would be to establish a deemed loss amount for a given group of technologies (eg pyrolysis, dissolution, chemical depolymerisation, etc) where the feedstock has undergone a reasonable pre-treatment process (washing, etc). This would need to be set at a realistic best available technology level. Only if a specific facility could demonstrate a more favourable figure would it be allowed to use that rather than the deemed loss amount.

How certification would operate – chapter 5

Question 31: Do you foresee any barriers or risks with introducing a requirement for certification schemes to verify compliance with a mass balance approach if it is adopted for PPT purposes? If so, please provide details and supporting evidence.

Introducing a requirement for certification schemes to verify compliance with a mass balance approach is welcome

Question 32: In what circumstances and at what frequency should a certification scheme check the quality of audits completed by certification bodies? Please provide reasons for your response.

The ISO standard 17065 could be used as guidance.

A 'risk-based approach' depends on the criteria for risk rating which is not yet available. There is a risk that this approach leads to a reduced level of auditing overall.

There should be a consistent approach to audits between certification bodies to ensure a level playing field.

Question 33: Do you agree with the government's suggested approach of introducing a minimum requirement for the frequency and nature of audits? Please provide reasons and supporting evidence for your response.

Yes No Don't know

This approach supports a level playing field. This should be sufficiently robust to prevent fraud.

The BPF and RECOUP document on Recycled Content Verification Systems makes recommendations for a well-designed framework including:

- Consistent reporting mechanism
- Operate to international standards
- Provision to have an annual in person audit at site level with an auditor pool that can be deployed worldwide
- Affordable, creditable and add value

Question 34: If a mass balance approach was adopted for the purposes of PPT, do you have any suggestions for minimising the administrative burdens on business while ensuring compliance with the minimum requirements.

International alignment where possible will prevent duplication of workload for companies operating on an international basis.

A digital platform for information submission.

Ensuring consistency across the terminology and language used with industry as well as with other UK and international legislation.

Question 35: Should all businesses in a supply chain from the recycler to the packaging manufacturer be certified under the same scheme to enable the recycled material to be taken into account for the purposes of PPT?

Yes No Don't know

All businesses in a supply chain should be certified. While it would be preferential for this to be the same scheme, it could be a different scheme as long as they meet the minimum requirements and are compatible with each other.

Question 36: Do you agree with the proposed accreditation requirement for certification bodies who complete the certification scheme audits? Please provide reasons and supporting evidence for your response

Yes No Don't know

Understanding commercial practices – chapter 6

Question 37: Unless already covered in your responses to other questions within this document, please tell us how you think your business would be impacted by being permitted to use chemically recycled plastic accounted for using a mass balance approach as recycled for the PPT, including additional administrative burdens?

N/A

Assessment of impacts – chapter 7

Question 38: Do you have any comments on the assessment of equality and other impacts in the Tax Impact Assessment?

Submitting your respond

Your response should be sent by 10 October 2023, by e-mail to indirecttaxdesign.team@hmrc.gov.uk or by post to: Mark Palmer, Trinity Bridge House, 2 Dearmans Place, Salford M3 5BS.

Please do not send consultation responses to the Consultation Coordinator.

Paper copies of this document in Welsh may be obtained free of charge from the above address. This document can also be accessed from HMRC's GOV.UK pages. All responses will be acknowledged, but it will not be possible to give substantive replies to individual representations.

When responding please say if you are a business, individual or representative body. In the case of representative bodies please provide information on the number and nature of people you represent.