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Response to the UK Government's consultation on reforming the Plastic Packaging Tax

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Consultation response

August 2026

LSE Global School of Sustainability

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About this consultation response

This submission responds to an open consultation on the reform of the UK 'Plastic Packaging Tax: potential certification for mechanically recycled plastic packaging', which was launched by HM Revenue and Customs on 19 May 2026. The response was submitted to HM Revenue and Customs on 3 August 2026 and addresses areas of the consultation that relate to the author's expertise on economic and fiscal policy.

The open consultation can be viewed here:

https://www.gov.uk/government/consultations/plastic-packaging-tax-mechanically-recycled-plastic-packaging/plastic-packaging-tax-potential-certification-for-mechanically-recycled-plastic-packaging

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Acknowledgements

The author would like to thank Daisy Jameson and Sini Matikainen for their review comments.

This version was copy-edited by Chris Raggett after submission and prior to publication on the CETEx website.

Author's declaration of AI use: Microsoft Copilot (Premium) was used for revising the language style of specific paragraphs of the response. All AI inputs were reviewed by the author, who takes full responsibility for the content of this response.

The author declares no conflict of interest in the preparation of this report. The views in this report are those of the author and do not necessarily represent those of the reviewers, host institutions or their funders. Any errors and omissions remain those of the author.

This report was first published in August 2026 by CETEx at the London School of Economics and Political Science.

Suggested citation: Akatova L (2026) *Response to HMRC's consultation on reforming the UK Plastic Packaging Tax*. London: Centre for Economic Transition Expertise, London School of Economics and Political Science

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Summary of key points

Rationale for the introduction of mandatory certification

- Mandatory certification of recycled plastics would significantly contribute to the environmental objectives of the UK's Plastic Packaging Tax (PPT), promote the use of recycled plastics over virgin plastics and correct market distortions in which the price of virgin materials is significantly lower than that of recycled plastics.

- Mandatory certification could significantly improve the traceability, transparency and credibility of companies' claims about their use of recycled content, contributing to the economic and fiscal objectives of the PPT.

- Mandatory certification could also prompt a significant economic push towards the use of locally recycled materials, supporting the UK's reprocessing and recycling industry while helping level the playing field for these materials as they compete with imports.

Conditions for effective implementation

- Certification alone will not be efficient without effective verification and enforcement, as the example of Spain shows. Certification requirements need to be complemented by rigorous enforcement and consistent checks at the border.

- To boost compliance and help create a level playing field between local recyclers and importers, certification bodies will need to be accredited by a recognised accreditation body, such as the United Kingdom Accreditation Service (UKAS).

- Certification requirements should apply to all businesses that request exemptions from the PPT. This would strengthen confidence in businesses' claims about their use of recycled content and reduce the incentives for them to structure their activities around differential compliance requirements.

Designing a practical and internationally aligned framework

- To minimise unnecessary compliance burdens, the UK Government should seek alignment with existing and emerging international approaches to plastic packaging taxes, particularly the EU's Packaging and Packaging Waste Regulation and Spain's plastic packaging tax.

- To ensure effective compliance and avoid frontloading of imports of recycled plastics in the short term, implementation of the PPT should involve early policy communication, detailed guidance and sufficient lead time.

Potential problems and supporting evidence

Question 6: Do you know what other countries require evidence of recycled plastic content for tax, regulatory, or environmental purposes? If yes, please describe the approach, whether it includes certification, standardised documentation, or alternative assurance methods and your views on this approach.

In Spain, the mandatory third-party certification of recycled content came into force in January 2024, a year after the tax was introduced. In the preceding 12-month transition period, self-declarations were accepted. The current system requires producers to provide a UNE EN 15343:2008 certification ("Plastics – Recycled Plastics – Plastics recycling traceability and assessment of conformity and recycled content") to prove that there is recycled content in the plastic products they place on the Spanish market. The certification must be provided by accredited entities in either Spain, the EU or countries whose international accreditation body has a mutual recognition agreement with Spain (see Question 22 for more details).

While the current approach should, in theory, improve the traceability of plastics and reduce the risk of fraudulent claims, recent evidence suggests that the verification process has been insufficient and otherwise problematic, leading to a spike in plastic packaging imports with allegedly fraudulent claims that they contain recycled content (*Europa Press*, 2026). The evidence suggests that the reportedly high rate of recycled content in imported plastic packaging is inaccurate, undermining the tax's environmental objectives and flooding the Spanish market with virgin plastic packaging instead (ibid.).

The gap between the intention of the tax and its practical implementation can be explained by how certification currently operates in practice. There is currently no physical or technical test that is commercially available and could accurately identify the recycled content of plastic packaging. Instead, certification relies on documents provided by different actors in the supply chain, in line with other chain-of-custody models (Soomro et al., 2025). This approach involves tracking the share of recycled and non-recycled content in inputs and outputs, with variations according to the method for calculating that content (ibid.). Usually, accredited auditors verify recycled content claims through document review, volume reconciliation between inputs and outputs, and periodic on-site inspections. Certification involves checking the consistency of the information provided by the supplier without testing the recycled content directly. Therefore, certification does not verify these claims, especially if neither accredited bodies nor enforcement authorities at the border rigorously check the evidence provided.

Spain's experience also highlights a few other issues. First, there were claims that some imported hard-to-recycle plastic materials contained up to 90% recycled content, but this figure was likely closer to 30% in practice (*Europa Press*, 2026). Such a high reported percentage should have caused additional verification checks at the border but did not seem to do so. Second, despite a sudden increase in plastic packaging imports from just three countries (Saudi Arabia, Brazil and Egypt) in 2024 (ibid.), there was no additional scrutiny of this unusual pattern.

The situation in Spain was heavily criticised for insufficient enforcement, and an operational and technical reform was recommended to improve the traceability of imported recycled content, increase the competitiveness of domestic industry, and better align the economic incentives the tax created with its environmental objectives (ibid.). Overall, the Spanish case suggests that more attention should be paid to the practical aspect of imported recycled content checks, ensuring that certifications are fully verifiable and are constantly reviewed by enforcing authorities. Practically, that could mean that certain recycled content claims (e.g., over 50%) should automatically trigger an additional review in the system or that certain importers with a record of making fraudulent claims should be subject to additional scrutiny at the border.

Meanwhile, a few sub-national governments in North America have recycled content requirements in place. Although most of them are still developing compliance rules, the US states of Maine and New Jersey allow for government-led audits to verify recycled content claims, and California requires the validation of these claims by independent third parties that have been approved by the state's environmental department (Brown and Börkey, 2024).

Potential benefits of certifying mechanically recycled plastic

Question 8: Do you agree that mandating certification and standardising the evidential requirements could provide more certainty for businesses when seeking to claim an exemption from PPT when using mechanically recycled plastic? Please explain your reasoning.

Mandatory certification and standardised evidential requirements will very likely provide more certainty for businesses seeking to claim an exemption from the PPT. In the current system, businesses are facing uncertainty over what evidence is considered sufficient to show recycled content, particularly where complex international supply chains are involved. Additionally, many companies find it hard to meet HM Revenue and Customs' (HMRC) compliance rules. Under these rules, the evidence for the percentage of recycled content in a product must be linked to specific batches of material rather than broader supplier declarations or averages. A standardised certification framework would create clearer expectations, improve consistency and trust in compliance assessment, and provide a more level playing field across the recycled content market. Additionally, such a framework would contribute to the PPT's environmental objectives, promoting the use of recycled plastics over virgin plastics and correcting market distortions in which the price of virgin materials is significantly lower than that of recycled plastics.

Business impact

Question 14: If certification for mechanically recycled plastic packaging were to be introduced, should it apply to all businesses claiming exemption from PPT to ensure a level playing field of evidential requirements? Please explain your reasoning for any suggestions provided.

Certification requirements should apply to all businesses that request an exemption from the PPT. Applying a uniform standard would help level the playing field, strengthen confidence and trust in recycled content claims and the tax itself, and reduce incentives for businesses to structure their activities around differential compliance requirements (RECOUP and British Plastics Federation [BPF], 2022). A consistent approach would also simplify enforcement and ensure that all recycled content claims were subject to equivalent review regardless of business size.

Since the PPT already exempts businesses that import or manufacture less than 10 tonnes of plastic packaging within 12 months, the certification is unlikely to negatively affect small and medium-sized enterprises (SMEs). This de minimis threshold of 10 tonnes was designed to limit the disproportionate burden the tax could have on smaller businesses, while protecting the tax's environmental rationale by applying it to most plastic packaging on the UK market (HMRC, 2020). However, structuring the certification requirements differently according to business size could create an additional incentive to circumvent the rules. This might prompt firms to outsource some manufacturing or importing to SMEs, undermining the environmental and compliance objectives of mandatory certification. Therefore, it is crucial to apply the same certification requirements to all businesses, as this will follow the environmental rationale of the tax and prevent certification evasion.

Question 16: Taking into account the risks and challenges associated with the current evidence requirements, do you support the introduction of mandatory certification for mechanically recycled plastic packaging? Please explain your answer and provide reasoning.

We support the introduction of mandatory certification for mechanically recycled plastic packaging, subject to proportionate implementation and appropriate transitional requirements.

Mandatory certification could significantly improve the traceability, transparency and credibility of recycled content claims, especially if it is consistently verified and enforced. Given the risks of fraud in recycled content claims highlighted above, robust certification and verification systems will be crucial to ensuring the integrity and trustworthiness of recycled content claims, in line with the design of the PPT (BPF, 2024; RECOUP and BPF, 2022). As noted in our recent research on plastic packaging taxes, robust material verification requirements, including certification schemes and third-party auditing, can strengthen compliance, reduce opportunities for fraud and help create a level playing field between domestic producers, importers and businesses using virgin plastics (Akatova, 2026).

A certification framework could also support broader market and environmental objectives. Since recycled content claims are not subject to robust verification, businesses with high recycling standards may face unfair competition from inadequately substantiated claims or low-cost virgin materials that are not held to equivalent evidential standards (ibid.). The evidence from industry confirms this: in recent years, cheap imports of recycled plastics were one of the key factors affecting the profitability of and investment in domestic plastic recyclers (BPF, 2025). Greater confidence in recycled content claims could, therefore, improve market conditions for domestically recycled materials, support investment in domestic recycling capacity and contribute to wider national objectives linked to the circular economy.

International experience provides useful evidence in support of this approach. Spain introduced mandatory third-party certification of recycled plastic content in 2024, applying the UNE EN 15343:2008 standard (under Law 7/2022). While the effectiveness of the tax has recently been affected by insufficient verification in practice, important lessons can still be learned from it. First, a certification framework needs to be complemented by operational enforcement and consistent checks to prevent importers from abusing the system. Second, certification requirements need to remain practical for domestic businesses operating through long and complex international supply chains (Cobos Gómez and García Carretero, 2024). Challenges associated with obtaining documentation from upstream suppliers demonstrate the need for clear and early guidance.

Therefore, while we support mandatory certification, implementation should be accompanied by a sufficient transition period, detailed guidance and recognition of accredited certification bodies operating internationally. In Spain, the transition timeline experienced several challenges that could provide valuable lessons. Specifically, the law introducing the tax entered into force in April 2022, while the tax itself became effective just 9 months later, in January 2023. The specific guidance on the tax was published in the intervening nine months, creating a very small window for businesses to adjust and prepare. As discussed, mandatory certification was delayed for a year until January 2024, allowing businesses more time to prepare and gather evidence from their recycled plastic supply chains.

Moreover, the UK Government may wish to consider the impact of mandatory certification on consumer prices. Since plastic is one of the key materials used in food-contact packaging, additional costs associated with certification requirements may be passed on to consumers. This concern was noted for other packaging policies, such as packaging Extended Producer Responsibility (pEPR), which was introduced in 2025 and was estimated to add up to 0.5% to food prices if the entire cost was passed on to consumers (Bank of England, 2025). While the cost of mandatory certification may be negligible in comparison to the cost of pEPR, the UK Government may wish to assess how the packaging policy mix is affecting food price inflation and consumers.

Overall, mandatory certification would be a positive step towards improving the credibility, consistency and enforceability of recycled content claims under the PPT. If designed properly and supported by clear guidance, it has the potential to increase confidence in the tax, strengthen compliance, support investment in recycling infrastructure and help ensure that the PPT achieves its environmental objectives across the economy.

How certification could operate

Question 21: Acknowledging there are administrative burdens and costs associated with the certification process and audits, is there anything the government could do to minimise these? Please explain any suggestions fully.

To minimise some administrative burdens and costs, it is crucial to cooperate with jurisdictions that already have mandatory certification in place, such as Spain. Since many businesses impacted by the PPT operate in both the UK and the EU, harmonising evidential requirements across different markets would create a more transparent and aligned legal environment for companies to navigate. Additionally, while few Member States have introduced recycled plastics certifications, there is an industry-led push to introduce such measures at the EU level as the guidance under the EU Packaging and Packaging Waste Regulation (PPWR) develops and compliance matures. The EU PPWR came into force on 12 August 2026 and set mandatory recycled content targets that will increase progressively between 2030 and 2040. While the EU PPWR has not yet established clear and uniform recycled content verification and certification requirements, the guidance states that each manufacturer must provide a declaration of conformity and demonstrate the origin and processing chain of every tonne of recycled plastics (European Commission, 2026).

In practice, many businesses operating in the EU market have opted in to voluntary industry-run certification frameworks, such as RecyClass, to independently verify the traceability and quality of recycled materials, and to prepare for compliance with the EU PPWR. RecyClass certification schemes include Recycling Process and Recycled Plastics Traceability, both of which are relevant to this consultation. The former scheme audits a recycler's input–output traceability and production standards, while the latter tracks recycled content across the value chain and calculates the share of such content in final products (RecyClass, 2026). Both schemes are built on the UNE EN 15343:2008 traceability standard and the chain-of-custody models mentioned under Question 6. The schemes include independent third-party audits through a document review and on-site inspection. RecyClass certifications can also be used to prove compliance under the Spanish plastic tax, suggesting that there is already some degree of harmonisation between different schemes at the EU and national levels. This aligns with RecyClass's goal of harmonising methodologies for calculations on and reporting of recycled plastics (RecyClass, 2022). Therefore, the UK Government could follow legislative changes in the EU and aim to align evidential requirements across borders, to help ensure that the UK plastics industry avoids a double burden in recycled content verification.

Question 22: Do you agree that certification bodies conducting audits under a certification scheme should be accredited by a recognised accreditation body? If not, can you suggest an alternative method that would ensure standards are consistently maintained?

To boost compliance and help create a level playing field between local recyclers and importers, it will be crucial to require certification bodies to be accredited by a recognised accreditation body, such as the United Kingdom Accreditation Service (UKAS). This is the practice in Spain, where certification entities must be accredited either by the Spanish National Accreditation Body (ENAC) or the national accreditation body of any other EU Member State (under Law 7/2022). If the product is manufactured outside the EU, accreditors must have an international recognition agreement with ENAC (ibid.). The list of accredited entities is published on both the ENAC and Spanish Tax Authority websites to help ensure that it is accessible to all interested parties. The UK could adopt similar practices to simplify compliance for businesses that are operating both domestically and in the EU.

Timing

Question 23: Do you agree with the government's proposal on implementing mandatory certification for mechanically recycled plastic? Please provide reasoning for your response.

We agree with the UK Government's proposal. Mechanical recycling of plastics has the potential to both reduce demand for virgin plastics and decrease plastic landfilling. This would have important environmental benefits and would align with the UK's emission reduction commitments under the Climate Change Act 2008 (Soomro et al., 2025). However, in the absence of a clear verification and certification standard, those benefits are difficult to demonstrate and verify in practice, particularly as imported recycled materials may be used to manipulate compliance requirements.

The implementation of mandatory certification for mechanically recycled plastics would provide greater certainty to the plastic recycling industry in the UK and stimulate more investment in the industry. In the absence of robust evidential requirements, plastics recycled in the UK face a competitive disadvantage relative to cheaper virgin plastics and imported recyclates, which are not yet subject to equivalent compliance standards (Akatova, 2026). The implementation of the UK Government's proposal could create a significant economic push towards locally recycled materials, which would support the UK's reprocessing and recycling industry while sending a strong policy signal to the plastics industry. In this way, mandatory certification could help create a level playing field for not only domestic and foreign producers but also recycled and virgin plastics. While mandatory certification cannot single-handedly make recycling more economically attractive than the use of virgin materials, it sends a clear signal to the industry that government policy is increasingly aligned on supporting credible recycled content markets and strengthening demand for verified recyclates. Finally, the proposal will improve trust in the export quality control system, which would close a compliance gap and reassure the industry that, in the long term, compliance is economically beneficial (Ecosurety and RECOUP, 2026).

Question 24: If the government were to proceed with mandating certification for mechanically recycled plastic, when do you think this change could be implemented from? Please include views on the time required for businesses to comply with the proposed change, providing specific examples or evidence where possible.

It is important to align the timeline for implementing the proposal with the UK Government's financial year, previous communications on changes to the PPT and developments in the EU PPWR (see the response to Question 21 above). Moreover, it is crucial to provide early and clear policy communication ahead of the tax reform to ensure that producers are well-informed and have sufficient lead time to prepare for the change. There is a lesson in the rollout of Spain's plastic packaging tax: policy communication was delayed and unclear ahead of the change, leading to confusion and high costs of compliance early on (Cañas Rivera, 2023; Cobos Gómez and García Carretero, 2024).

While early and clear policy communication is key, delaying the reform for too long may lead to frontloading, with a spike in imports of recycled plastics of potentially lower quality or lower recycled content. Such an effect was recorded in Spain, with annual imports growing by 31.8% in 2022, the year before the tax came into force (*Europa Press*, 2026). Therefore, the most feasible time for the UK's tax reform would be April 2028, allowing the government to provide guidance in advance without causing a major market shift towards imports in the short term.

Question 25: What steps could the government take to help businesses prepare for the implementation of a mandatory certification requirement for mechanically recycled plastic? We welcome suggestions that address practical implementation, industry readiness and transitional support.

As mentioned in our response to Question 24: early and clear and consistent policy communication is key to ensuring a smooth roll-out of the tax reform. The UK Government may benefit from discussing the reform with Spain's Tax Agency, Agencia Tributaria, to better understand the challenges it faced and how to resolve them, especially regarding recycled content verification and fraudulent claims associated with imported plastic packaging. Announcing the policy change in October 2026, with the reform set to enter into force in April 2028, would provide the necessary lead time for businesses to prepare for the change and answer any outstanding questions.

Given that some businesses may already be complying with the certification voluntarily, it may also be beneficial to introduce certain incentives for early movers. This could involve offering tax rate reductions to businesses that provide required certifications ahead of the implementation date.

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