

UK Plastic Packaging Tax: Exemptions for certain veterinary medicine packaging

NOAH members were concerned that veterinary medicines were not deemed exempt from the recently introduced UK Plastic Packaging Tax, unlike human medicines, leading to increased costs and administrative burden. It was the view of the NOAH membership that veterinary medicines should be exempt from the tax. NOAH has been working on behalf of members to lobby the Treasury, which has successfully led to agreement on a list of veterinary medicine packaging examples being deemed out of scope.

What is the UK Plastic Packaging Tax, and why has it been introduced?

The UK Plastic Packaging Tax was introduced as an economic incentive for businesses to use recycled plastics in the manufacture of plastic packaging, in order to create greater demand for recycled plastic. The government hopes this will stimulate increased levels of recycling and collection of plastic waste, leading to less plastic in landfill or being incinerated.

The tax was introduced from the **1st April 2022**, following consultation on initial proposals in July 2019, and a technical consultation in November 2020. The tax applies to plastic packaging manufactured in, or imported into the UK, that does not contain at least 30% recycled plastic. Plastic packaging is defined as plastic that is predominately plastic by weight. There are various exemptions to the tax, however companies still have to submit quantities even if their packaging is exempt, therefore still facing an administrative burden.

NOAH Member concerns

Both the cost and the administrative burden of the tax are of concern, as much of the packaging of veterinary medicines is plastic and as a result of regulatory barriers, it is frequently not possible for animal health companies to use recycled plastic. Human medicines have been granted an exemption from the tax in the UK and in Spain and France, where similar taxes exist, veterinary medicines are exempt.

Why Veterinary Medicines should be exempt

As part of the process to obtain the Marketing Authorisation for a veterinary medicine, manufacturers submit data about the medicine, such as stability and efficacy. The packaging also is approved as part of the marketing authorisation as all or part of it is in direct contact with the veterinary medicine and has the potential to affect the efficacy or stability of the medicine. Therefore, making changes to packaging is complex and is not always possible from a regulatory point of view. Packaging also prevents the medicine from accidentally coming into contact with people who handle it. The packaging is used to display important information about the medicine and in some cases is used to administer the product to the animal.

NOAH Activity

- NOAH consulted with members and submitted responses to a series of Treasury consultations on the tax, asking that veterinary medicines be afforded the same exemption as human medicines. NOAH wrote to both the Minister for the Treasury and Lord Benyon, the Defra Minister for Animal Health and Welfare, to express disappointment that the industry was not exempt from the tax. NOAH also met with Lord Benyon to discuss the tax.
- NOAH kept members informed on the tax, circulating details and summaries of webinars and forwarding the latest information from the Treasury.

- At the NOAH and VMD Licensing meeting in December 2021, the VMD invited a speaker from the Treasury to hear the concerns of NOAH and industry. However, it was the view of the Treasury that the argument was not strong enough for veterinary medicines to be taken out of scope, although it was agreed NOAH could submit a list of products where the packaging is required for administration as well as storage of the product (such products are exempt) to the Treasury for consideration.
- NOAH wrote to the Treasury in January 2022 regarding additional products members believed to fall in scope of exemptions from the tax. The Treasury agreed with NOAH that the packaging of a number of product categories could be exempt. A non-exhaustive list of products that the Treasury agree could be considered exempt is below.

Exemptions the Treasury has agreed to

Treasury has established a principle whereby **packaging designed to be an integral part of the goods, without which the goods cannot reasonably be used and where the packaging is discarded either with the goods or after the goods have been used, is considered exempt from the tax.** The following veterinary medicines packaging examples were agreed to be out of scope of the tax by the Treasury:

- Spot on parasiticide treatments, whether for cats and dogs, or for other species e.g. small pet mammals.
- Containers with in-built dose measurement and administration components used for spot on parasiticide treatments for livestock.
- Containers with in-built dose measurement and administration components used for pour-on parasiticide treatments for livestock.
- Worming syringes for equines and companion animals.
- Syringes for oral administration of products to equines other than wormers (e.g., anti-inflammatory, minerals, hormonal treatments)
- Single dose syringes for sedatives for administration to equines
- Intramammary syringes for administration of lactating and dry cow antimicrobial therapy and administration of teat sealants.
- Dosing syringes which come in the box of liquid medication for companion animals – these are integral for use, or the owner can't give the correct dose to the animal.
- Eye drops, Ear drops. (However, if the nozzle and container are separate components, only the nozzle would be considered integral and out of scope of the tax. The container would be in scope.)
- Intranasal vaccine applicators
- Syringes are not considered a packaging component and would not be subject to the tax.
- Any veterinary medicinal product where the packaging has an integral measuring chamber to allow correct delivery of the required dose of product to an animal. Treasury advice is that members should consider whether it meets the criteria that has been established for exemption.

NB - even where exemptions from the tax are possible, returns to the Treasury on quantities used are still required. The only exemption to this is for manufacturers and importers of less than 10 tonnes of plastic packaging per year.

Future of the tax

The tax will be kept under review in the coming years. NOAH will be keeping this topic under review and continuing to challenge Treasury for further exemptions as necessary.