

THE PACKAGING ACT WHAT HAS CHANGED?



The Packaging Act came into force on 1 January 2019.

The provisions of the Packaging Act include some **important changes** for producers, which are set out below. A producer is anyone who is the first to place packaged goods on to the market on a commercial basis – this includes importers and online distributors from other countries.

REGISTRATION REQUIREMENT (§ 9)

Before placing packaged goods on to the market, producers must register with the Central Agency (ZSVR). Producers who do not register with the Central Agency may not offer packaged products subject to system participation for sale on the market. The names of registered producers are published on the Central Agency's website, to ensure complete transparency for all market players.

ENGAGING THIRD PARTIES (§ 33)

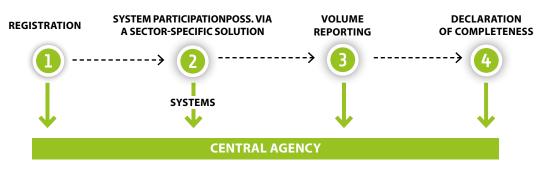
Packaging distributors may engage third parties to fulfil their obligations under the Packaging Act for them. They retain ultimate responsibility for fulfilment, however. They must also satisfy themselves as to the reliability of the third parties they engage. The only obligations that cannot be transferred to third parties are the aforementioned requirement to register (§ 9 Packaging Act) and the duty to submit data reports (§ 10 Packaging Act), although the latter can be prepared by a competent third party.

DATA-REPORTING REQUIREMENT (§ 19)

In addition to registering, producers also have to submit information relating to packaging subject to system participation to the Central Agency in a timely manner. The same applies to any changes to the information. As a minimum, the following information must be reported:

- // Registration number
- // Material type and volume of the packaging subject to participation
- // Name of the packaging system participated in
- // Duration of the system participation contract

Unlike in the case of the declaration of completeness, this reporting requirement is not subject to a de minimis threshold. This means that even those placing small quantities on to the market must submit their data to the Central Agency, as specified above. The fact that systems must also correspondingly submit their data to the Central Agency means data comparisons are easier to perform. Thus, there is a high degree of transparency.





CENTRAL AGENCY (§§ 24-30)

The Packaging Act provides for the establishment of a **Central Agency**. On 28 June 2017, producers and distributors, or their related associations, officially set up the Central Agency Packaging Register (Stiftung Zentrale Stelle Verpackungsregister) – a foundation based in Osnabrück. The Agency is financed by systems and operators of sector-specific solutions, based on their respective market share. The Central Agency has regulatory powers and, as an independent body, aims to increase enforcement efficiency and bolster competition. The German Environment Agency has technical oversight of the Central Agency.

The principal tasks of the Central Agency include:

- // Registration of producers and publishing of information online
- // Receipt and review of data reported by producers and systems
- // Review of submitted declarations of completeness
- // Audit of volume flow records submitted by systems
- // Development of a minimum standard for determining the recyclability of packaging (in consultation with the Environment Agency)
- // Calculation of systems' market share
- // Classification of packaging as subject to system participation
- // Review of sector-specific solutions
- // Inclusion of experts and other auditors in a register of auditors
- // Updating of guidelines issued by the Central Agency

ECOLOGICAL DESIGN OF LICENCE FEES (§ 21)

Systems are required to take ecological criteria into account when setting licence fees. These so-called modulated licence fees are intended to encourage producers to use packaging that consists (partially) of recycled materials or that contains a high percentage of recyclable materials. The applicable criteria are to be defined by the Central Agency, under the supervision of the Environment Agency. How exactly these modulated licence fees will work has yet to be determined.

HIGHER RECYCLING TARGETS (§ 16)

The targets for packaging recycling increased on 1 January 2019. They are set to increase again on 1 January 2022. Packaging systems are required to send the following minimum annual average percentage amounts of their participating volumes for processing for reuse or recycling:

MATERIAL	PREVIOUSLY	FROM 2019	FROM 2022
Glass	75%	80%	90%
Paper, paperboard, cardboard	70%	85%	90%
Ferrous metals	70%	80%	90%
Aluminium	60%	80%	90%
Beverage carton packaging	60%	75%	80%
Other composite packaging	60%	55%	70%
Plastics (mechanical recycling)	36%	58,5%	63%

NEW AND REVISED DEFINITIONS (§ 3)

Certain terms have been redefined in the Packaging Act:

- // Packaging subject to system participation is defined as retail and grouped packaging filled with goods and which typically ends up as waste after use by the end consumer; 100 per cent of such packaging must be licensed with a packaging system. Unlike under the Packaging Ordinance, retail packaging no longer has to end up as waste with the end consumer in order to be classified as subject to participation
- // Grouped packaging will now be treated as retail packaging
- // Shipment packaging is now explicitly considered as retail packaging and may not be pre-licensed
- // For more information on packaging classification, please consult the <u>System Participation Requirement Catalogue</u> published by the Central Agency

WE ARE HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE ABOUT THE PACKAGING ACT.