

Plastic Fee Modulation Scheme 2.0

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Plastic Fee Modulation

Scheme 2.0

This Plastic Fee Modulation Scheme 2.0. (hereinafter: ‘the Scheme’) comes into effect on 1 January 2024. This Scheme can be modified each year by Verpact.

The new Scheme (2.0) replaces the previous Plastic Fee Modulation Scheme that ran until 31 December 2023 inclusive. As a result, that previous scheme will be abolished with effect from 1 January 2024.

Unless explicitly stated otherwise, those terms used in the Scheme that are written with an initial capital letter have the meaning set out in the ABBO (the Waste Management Contribution Agreement for Packaging) and in the Verpact Policy (‘the Policy’). The ABBO and the Policy continue to apply to the Producer and/or Importer (‘the P/I’) who uses the Scheme.

Purpose of the Plastic Fee Modulation Scheme 2.0

The Scheme is intended to encourage the packaging industry to market packaging that is more recyclable.

‘More recyclable’ means both that more material can be recycled and that the quality of the recycled material improves. This goal is being achieved in stages, which means that a packaging does not have to be optimally recyclable right away but that defined design modifications that make the recycling process more effective are rewarded. A better/more easily recyclable packaging is better for the environment and leads to lower net processing costs for Verpact. For more information that you can use to check whether your packaging is ready for tomorrow’s challenges, click [here](#).

Complementing the Scheme is an Innovation Programme that has been set up to encourage innovation in the field of materials and processes, such as innovations that are not (or cannot be) applied on a large scale in the existing system but that over time will improve the recyclability, circularity and sustainability of plastic packaging in practice.

Annex 7 of this Scheme describes the conditions that innovations must comply with in order to be eligible for the innovation programme.

Principles of the Plastic Fee Modulation Scheme 2.0

Under Article 1.3 of Annex 1 of the ABBO, Verpact can encourage the use of properly recyclable Packaging by applying a reduced fee (hereinafter: the fee discount) to the plastic material fee under the Waste Management Contribution for Packaging Agreement (the ABBO). The Scheme provides for the application of fee discounts, deploying the following criteria in this regard:

- The fee discount only applies to the material fees for shape-retaining and flexible plastic, not to other materials.
- The fee discount does not apply to the deposit refund or to other fee components or discount schemes.
- If a *packaging* consists of multiple *disposable units*, then each such unit will be assessed separately;
 - The Scheme distinguishes between shape-retaining and flexible plastic disposable units, because these have different costs and revenues when it comes to the collection and recycling of packaging waste.
- The fee discount can be applied by a P/I by filling it in as such in the declaration Waste Management Contribution for Packaging for those disposable units that have the (material) properties described in the Scheme.
- Verpact has to be able to verify that this allocation of a lower fee is justified.
- If not provided locally, the proofs for (i.e. justification for) the claimed discount must be provided to Verpact; if they are not then no claim can be submitted under this Scheme.
- The system will be reviewed annually in order to assess its effectiveness and to make any changes.

Application of the fee discount under the Scheme for the Deployment of Post-Consumer Recyclate

The fee discount for the deployment of recyclate applies to all plastic disposable units, subject to the following criteria:

- There has to be Post-Consumer Recyclate (PCR)
- The remuneration applies for all plastic components (shape-retaining or flexible) to which a plastic material fee applies.
- All plastic packaging where > 50% of the weight is plastic.
- NB: There are no restrictions regarding the dimensions of the disposable unit; small disposable units < 3 cm receiving a reward for the deployment of recyclate, with large shape-retaining disposable units > 5 litres qualifying for a discount too.
- No restriction applies to the packaging's content (such as paint, latex, silicones or cement).
- No restriction applies regarding the type of plastic (shape-retaining or flexible) used, such as PVC, PVdC, PETG, silicones or rubbery materials.

The following discounts apply:

- **10 eurocent discount on noncontact-sensitive materials that contain a minimum of 20% Post-Consumer Recyclate.**
- **10 eurocent discount on contact-sensitive materials that contain a minimum of 10% Post-Consumer Recyclate.**

Don't forget: In 2025, the fee discount for the step in the discount process that relates to the deployment of recyclate is 20 eurocents.

Contact-sensitive materials are those packaging materials that come into direct contact with food (for people and animals) or the skin (cosmetics).

See [Annex 1](#) for more details about this scheme.

Application of the fee discount under the Scheme, for other material properties

In order to be eligible for the other fee discounts, a disposable unit has to satisfy the following requirements:

- All disposable units where > 50% of the weight is plastic.
- The disposable unit has to be 'broken down' into its materials, so that the weight and type of each material used in the disposable unit is known;
- At least 70% of the disposable unit must consist of one of the following materials (the target material):
 - Shape-retaining PET, PE, PP and PE/PP.*
 - Flexible PE and/or PP.*
 - Shape-retaining packaging and flexible packaging as described above are also eligible for a discount if they are made of recycled materials such as rPET or rLDPE.
 - Neither lower percentages nor other materials are eligible for a discount;
- Shape-retaining disposable units are only eligible for fee modulation if they *are larger than 3 cm and are the 5-litre size or smaller.*
- Flexible disposable units are only eligible for fee modulation if they are larger than 3 cm.

- A shape-retaining disposable unit is a stiff (rigid) object/item that you cannot easily deform or turn into a wad. Its material is usually thicker than 250 µm;
- All disposable units that are not shape-retaining are classified as flexible disposable units;
- The disposable unit must not contain any interferants such as oxo-degradable materials, PVC, PVdC, silicones or rubbery materials.
- The target material must not contain any PETG.
- The disposable unit must not have been in direct contact with paint, latex, silicones or cement, which materials complicate and even prevent the plastic recycling process.

Material properties for which a fee discount applies under the Scheme (Remuneration steps)

If a packaging complies with the requirements in advance then it may be eligible for the fee discount. The discount is allocated step by step, based on the following properties of the packaging:

The use of mono-material:

The materials in the disposable unit receive the fee discount of 10 eurocents per kg if the target material complies with the set plastic combination (mono-material). In the case of shape-retaining target material, at least 95% of a mono-material consists of PET or PE or PP. For a flexible target material, at least 90% of the mono-material consists of PE or PP.

Further details of the criteria for this discount category are set out in [Annex 3](#) of this Scheme.

Colour restrictions:

The materials in the disposable unit receive the fee discount of 10 eurocents per kg if the latter is colourless or has a natural or white colour. A colourless/naturally coloured disposable unit is made of material to which no dye has been added. A white disposable unit is made of white material (or light-coloured if proof of recylate deployment is provided). The scheme also applies for material to which white dye has been added.

Further details of the criteria for this discount category are given in [Annex 4](#) of this Scheme.

The correct deployment of labels, sleeves, in-mould and direct printing:

The materials in the disposable unit receive the fee discount of 10 eurocents per kg if the latter has no labels, sleeves, in-mould or direct printing or if the labels, sleeves, in-mould or direct printing comply with the criteria set out in [Annex 5](#) of this Scheme;

The disposable unit that is 'properly recyclable' is given a value in the KIDV Recycle Check:

Materials in a disposable unit receive the fee discount of 10 eurocents per kg if the disposable unit is 'properly recyclable' according to the KIDV Recycle Check for the current year for which the fee discount is being applied. The KIDV Recycle Check uses detailed questions about the composition of a disposable unit to assess the degree of recyclability. Further details about the criteria for this discount category are set out in [Annex 6](#) of this Scheme.

For the declaration year 2024, the maximum discount that a disposable unit can receive under the Plastic Fee Modulation Scheme 2.0 is 50 eurocents per kg. For declaration year 2025, this figure is 60 eurocents per kg.

How can a P/I participate in the Plastic Fee Modulation Scheme 2.0?

To sign up to the Scheme, the P/I needs to fill in the relevant sections of Verpact's online declaration (PackTool).

To be considered for Fee Modulation, a P/I must fill in the relevant sections of PackTool by 30 June inclusive of the following year. Please note that from 1 July of that following year, it will no longer be possible to be eligible for Fee Modulation for the previous year.

At Verpact's request, the P/I must at all times be able to show that one or more packagings to which a discount has been applied comply/ies with the relevant criteria laid down in this Scheme. To this end, the P/I is obliged to maintain and retain records for at least seven calendar years, in line with the Policy criteria. See also the Annex for the necessary proofs.

Verpact is at all times entitled to require additional information to be provided for the assessment of the submitted Provisional Statements and declarations.

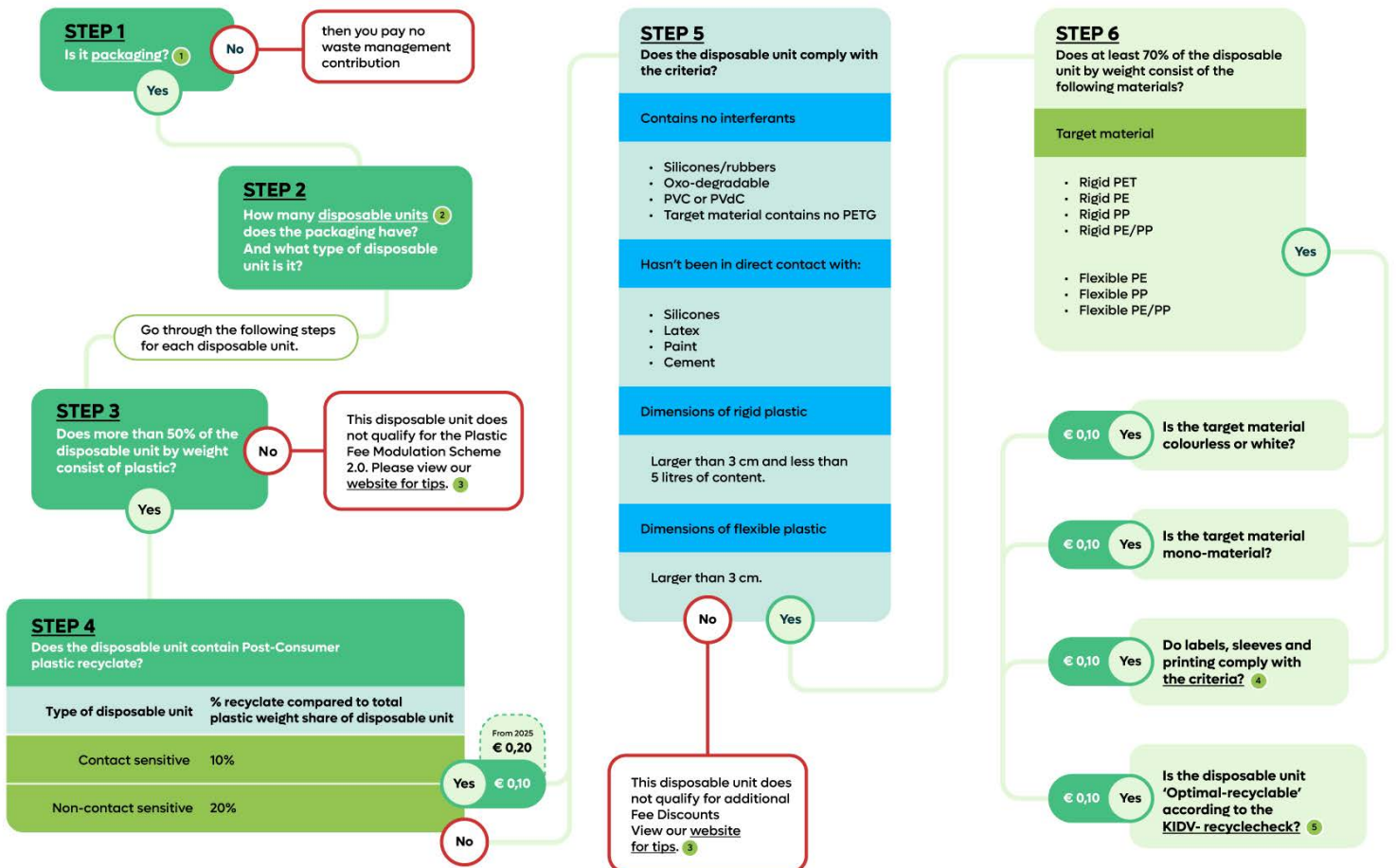
Which fees do the remuneration steps apply to?

The remuneration steps apply to the material fees for shape-retaining plastics and flexible plastics; for 2024 and 2025, this is 1.22 eurocents for Plastic shape-retaining and 1.32 eurocents for Plastic flexible.

Does the fee discount apply to indirect exports too?

In the Indirect Export declaration, no distinction is drawn in the remuneration steps, although 1 corrective fee is used. The fee discount cannot be claimed.

Model for Fee Modulation for Plastic 2.0



Annex 1

Requirements for the deployment of Post-Consumer Recyclate (PCR)

Definitions:

Post-Consumer Recyclate:

PCR comes from used packaging. It has fulfilled its role as packaging, has been used and thrown away and has now been processed in a standard waste processing system. 'Consumers' are defined here as both consumers at home and people who use the packaging elsewhere, including at businesses, factories, offices and holiday parks.

Contact-sensitive disposable units:

Disposable units with direct food contact (human and animal) and for those products for skin contact (cosmetics).

Determination of the percentage of recyclate:

In order to utilise the remuneration step for the deployment of recyclate, the percentage of recyclate has to be calculated for the weight of plastic used in the whole disposable unit.

This calculation is made as follows:

In order to utilise the remuneration step for the deployment of recyclate, the percentage of recyclate must be calculated for the weight of plastic used in the whole disposable unit.

For example: For contact-sensitive packaging, the disposable unit must contain >10% recyclate plastic in order to be able to apply the remuneration step for the deployment of recyclate.

The packaging is 1 disposable unit that contains 20 grams of plastic as follows (NB. a total of 21 grams including the paper label):

- A plastic bottle weighing 15 grams, 1 gram of which is (contact-sensitive) recyclate
- A plastic cap weighing 5 grams, all of which is (contact-sensitive) recyclate
- A paper label weighing 1 gram.

The disposable unit that contains a total of 20 grams of plastic includes 6 grams of (contact-sensitive) recyclate. This means that 30% of the disposable unit consists of recyclate and thus it could be eligible for this remuneration step. The paper label is not included here, as the proportion of recyclate is calculated based on the weight of the plastic.

Minimum % = (weight of recyclate in disposable unit ÷ total weight of plastic in disposable unit) x 100%

- For a contact-sensitive disposable unit, the disposable unit must contain more than 10% recycled plastic;
- for a noncontact-sensitive disposable unit, the disposable unit must contain more than 20% recycled plastic.

Proofs in order to qualify for this discount step:

- a. The proofs to show that the disposable unit complies with the criteria must be recorded in the specification provided by the supplier who supplied the packaging or packaging material.
- b. The proofs for the deployment of post-consumer recyclate and the proportion of it in the disposable unit must be recorded in the specification(s) of the supplier(s) of all the elements of the disposable unit:
 - All components of the disposable unit that contain plastic must be included in the analysis, i.e. including caps, lids and labels.
 - The weight of the various components of the disposable unit must be recorded in the specification(s), including the proportion of recyclate by weight.
 - It must also be recorded if it is a contact-sensitive disposable unit or not.
- c. Only if no specification is available or if the material's composition is not described fully or at all in the specification or materials datasheet will the supplier alternatively have to provide a signed declaration that states - and provides proof of - the proportion (i.e. percentage) of post-consumer recyclate in the various components of the disposable unit.
- d. Verpact retains the right in all cases to require additional information to be provided for its assessment of the recyclate deployed.

Annex 2

Criterion: Materials

The target material of the disposable unit is made from:

For shape-retaining packaging:

- PET (A-PET)
- PE (PE, HDPE, MDPE, LDPE, LLDPE, BOPE)
- PP (PP, CPP, BOPP, OPP)

For flexible packaging:

- PE (PE, HDPE, MDPE, LDPE, LLDPE, BOPE)
- PP (PP, CPP, BOPP, OPP)

Shape-retaining packaging made of PET, PE and PP and flexible packaging made of PE and PP also qualify for a discount if they are made of recycled materials such as rPET or rLDPE.

No other materials are eligible for a discount.

Annex 3

Requirements for the composition of mono-material

The material composition of a disposable unit is an important factor when it comes to the quality and homogeneity of the recycle. The recycle of a mono-material can often be deployed again (i.e. re-used) in new packaging. Various requirements for shape-retaining and flexible target materials are laid down:

Shape-retaining target materials:

The target material in the shape-retaining disposable unit is made of 1 type of polymer but may consist of multiple layers of the same polymer type. The following criteria apply in this regard:

- PET: The target material consists of at least 95% PET but contains no added layers of other materials
- PE or PP: The target material consists of at least 95% PE or PP, with a maximum of 5%* of added EVOH, SiOX, AlOX (including the tie layer)

Flexible target materials:

The target material in the flexible disposable unit is made of 1 type of polymer but may consist of multiple layers of the same polymer type. The following criteria apply in this regard:

- PE or PP: The target material consists of at least 90% PE and/or PP, with a maximum of 10%* of added EVOH, SiOX, AlOX, metallisation and ink (including the tie layer)

*** Maximum % = (weight added ÷ total weight of target material) x 100%**

Proofs required to be eligible for this discount step:

- a. The proof that the disposable unit complies with the criteria must be recorded in the specification provided by the supplier of the packaging or packaging material.
- b. The proof for mono-materials must be recorded in the specification provided by the supplier of the packaging or packaging material:
 - The proof applies for all components in the disposable unit that contain the target material, i.e. including caps, lids and labels.
- c. Only if no specification is available or if the material's composition is not described fully or at all in the specification or materials datasheet will the supplier alternatively have to provide a signed declaration that states the material composition and provides proof of the stated percentages.
- d. Preferably a photo of the disposable unit will be added or a sample provided.
- e. Verpact retains the right in all cases to require additional information to be provided for assessment purposes.

Annex 4

Requirements for the colour of the target material

Description of colour

The colour of a target material is an important factor in determining where the recyclate can be deployed; natural/colourless and white recyclate can often be re-deployed (i.e. re-used) for natural/colourless and white materials but they can also be deployed in coloured recyclate.

- Natural/colourless and white for PE and PP have a broader deployability than do coloured PE and PP.
- Natural/colourless PET has a broader deployability than do coloured and white PET.
- For a multi-layered target material, this criterion applies to all material layers and coatings. The target material must be natural/colourless or white through and through. The application of (for example) dark recyclate as an interlayer also creates discolouration when recycling and does not qualify for a fee discount. The same applies for a deposited aluminium layer in a plastic laminate.
- The requirement is that at least 90% of the weight of the target material complies with the colour criterion. In the case of a small coloured PP cap on a colourless PP bottle, the cap must account for less than 10% of the target material by weight.

Proofs needed in order to be eligible for this discount step:

- a. The proof that the disposable unit complies with the criteria must be recorded in the specification provided by the supplier of the packaging or packaging material.
- b. The proofs for the colour of the target material must be recorded in the specification provided by the supplier of the disposable unit or packaging material:
 - All components that contain target material must be included in the analysis.
 - For PE and PP (including any additions), the material must be designated as colourless, natural and/or white. The only dye that may be added is white dye.
 - For PET, the material (including any additions) must be designated as colourless/natural and transparent. If dye is used then an exception applies for the adding of a very small quantity of blue dye in order to camouflage the yellowing of the material. This material must then retain a colourless transparent or light blue appearance.
- c. Only if no specification is available or if the colour is not described in the specification will the supplier alternatively have to provide a signed declaration that states the colour.
- d. Preferably a photo of the disposable unit will be added or a sample provided.
- e. Verpact retains the right in all cases to require additional information to be provided for assessment purposes.

TIP: A reference [guide](#) relating to proof of the target material's colour has been prepared that shows you how to demonstrate that the material is natural/colourless or white.

Annex 5

Requirements for labels, sleeves, in-mould and direct printing

Labels and direct printing on a disposable unit can affect the recycling process in two ways:

- a. The dimensions and material composition of labels and direct printing can disrupt the sorting of the disposable unit in such a way that it does not end up at the correct recycler and cannot be recycled further.
- b. Not all materials in the labels can be properly processed by the recycler.

For shape-retaining disposable units, the discount applies under the following criteria:

Materials:

Labels, sleeves and/or in-mould labels are made of PE or PP.

Printing:

Only on the label, in-mould label or sleeve. No direct printing on the target material, apart from the date code, batch code & shipment number.

Degree of coverage by labels or sleeves:

No additional restrictions apply, as long as the format for labels or sleeves complies with the following criteria:

- For a disposable unit with a volume smaller than 500 ml, the degree of coverage must not exceed 50%*.
- For a disposable unit with a volume of at least 500 ml, the degree of coverage must not exceed 70%*.

**Click [here](#) for an explanation of the way in which the degree of coverage of labels and sleeves is determined and [here](#) for the NTCP label calculator.*

Restrictions if the degree of coverage is greater than that stated above:

- Labels or sleeves must not be coloured or printed with carbon black.
Carbon black must not be used in interlayers either in the material used for labels or sleeves.
- Labels or sleeves must not be metallised.
- If the material that the label or sleeve consists of is not the same as the target material then:
 - the material must be light-permeable.
 - the material's thickness must be $\leq 120\mu\text{m}$.

For flexible disposable units, the discount applies under the following criteria:

Label materials:

- Same material as the target material (PE or PP),
- or a PE label on a PP packaging.

Printing:

- Direct printing is permitted.

Degree of coverage: The following restrictions apply if the label format or printing covers more than 30% of the surface of the disposable unit:

- The colour must not be carbon black
- The exterior surface of the disposable unit must not be visibly metallised.

For in-mould labels, the discount applies under the following criteria:

There are two types of in-mould labels. Various conditions are laid down for both types:

- In-mould labels whose material is permanently fused with the target material: for this variant, the applicable criteria are that the material of the in-mould label must be colourless or white and that the printing must comply with the same criteria as the labels.
- In-mould labels where a technique has been applied so that they can be removed during recycling, such as removable labels: for this variant, the same criteria apply that apply for labels.

Proofs in order to be eligible for this discount step:

- a. The proof that the disposable unit complies with the criteria must be recorded in the specification provided by the supplier supplying the packaging or packaging material.
- b. When using large black surfaces or dark colours for labels, in-mould labels, sleeves and direct printing, the use of carbon black must be excluded. If this is not shown by the specifications then the supplier must provide a signed declaration that carbon black has not been used.
- c. Preferably, a photo (general view) of the disposable unit is provided that shows all the labels and sleeves.
- d. If applicable, a description is required that states the degree of coverage. A screenshot from the NTCP tool can be used for this.
- e. Verpact retains the right in all cases to require additional information to be provided for assessment purposes.

Annex 6

Using the KIDV Recycle Check to determine recyclability

Determining the recyclability of a disposable unit depends on a large number of factors that can also affect each other. This makes for a relatively complex analytical process. The KIDV Recycle Check is the designated tool to do this, using a checklist for this and providing a detailed explanation in a background document.

- The KIDV Recycle Check for Shape-retaining Plastic Packaging and the KIDV Recycle Check for Flexible Plastic Packaging can be found on the [KIDV website](#).
- Disposable units awarded the final assessment 'properly recyclable' in the KIDV Recycle Check can receive a 10 eurocent fee discount.
- The end result can be downloaded and must be used as proof for the fee discount.

Proofs in order to be eligible for this discount step:

- a. The download of the KIDV Recycle Check for disposable units with the final score 'properly recyclable'
- b. The assessment given in the Recycle Check can be proven using the following documents:
 - General specifications (disposable units of PET, PE and PP).
 - o Specification of material composition for all other components (including cap or lid) of the packaging.
 - Calculation of the percentage proportion of the material composition for all components of the disposable unit.
 - o (for example: 75% virgin PET, 24.87% recycled PET and 0.13% optical glazing agent).
 - Specification that states the dimensions of the disposable unit.
 - Declaration or specification from the producer that no coating is present*.
 - Declaration that shows that the glue used complies with the conditions from the [protocols on the KIDV website](#).
 - Optionally, a photo of the front view of the disposable unit and a photo (general view) may be provided that shows all the components and disposable units of the packaging.
 - Where necessary, a screenshot of the determination of the label degree of coverage from the NTCP tool can be provided.
- c. Verpact retains the right in all cases to require additional information to be provided for assessment purposes.

** We ask for such a declaration separately because coatings are not always added to the packaging by the packaging producer. For PET preforms for example, coatings can be added after the bottle has been blown. This is why a declaration from the producer of the packaged product is needed.*

Annex 7

Innovation Programme for the plastics chain

Verpact encourages innovation in the field of plastic packaging by means of a special programme that is part of the Plastic Fee Modulation Scheme 2.0, which programme encourages the use of new materials, new production processes and new techniques. The purpose of this programme is to improve the recyclability, circularity and sustainability of plastic packaging and thus to help achieve the objectives of [Verpact Plastic Pointer](#).

Who can sign up?

The innovation programme is open to all producers and importers of plastic packaging that requires a contribution to be paid. They can register for the programme if they have marketed or will market an innovative packaging that satisfies the following criteria:

- The innovation relates to a new plastic material or to a new production process or technique for the plastics chain.
- The innovation delivers demonstrable environmental benefits, such as greater recyclability, reduced use of material, a longer lifespan or reduced CO2 emissions.
- The innovation is accessible to all: in other words, the packaging has no exclusive rights or patents that would hinder its widespread usage or application.

How does it work?

In order to sign up for the innovation programme, the producers and importers must provide Verpact with a detailed action plan. This plan must contain at least the following information:

- A description of the innovation, including the new material, production process or technique, along with the packaging's functions and properties and the expected environmental benefits.
- Proof of the innovative nature of the packaging, for example via a comparison with existing packaging or a reference to scientific literature or research reports.
- An analysis of the innovation's impact on the various systems for collection, sorting and recycling, including details of the costs, quantities and qualities of the collected and recycled materials.
- A schedule and budget for the development, testing and implementation of the innovation, including the expected market launch and market penetration.

Verpact will assess the submitted plans based on the set criteria and will give the applicants feedback within a reasonable period of time. If the plan is approved then from the next calendar year onwards the relevant packaging may be eligible for a reward in the form of a reduced fee for the Waste Management Contribution for Packaging. Verpact can also set additional conditions for participating in the programme, such as having to provide periodic progress reports or participate in evaluations or pilot schemes.

Notes on the discount/supporting of innovative processes

An approved innovative process can follow one of two paths:

1. An innovative process can be made part of a fee discount process (for example if it adds coding to labels):
 - Mono-material
 - White/transparent
 - Correct labelling /printing/+ innovative process
 - Properly recyclable
 - Deployment of post-consumer recycle
2. An innovative process will receive project-related support from Verpact:
 - Upon request and after approval:
 - X-hour lab tests
 - Project support

What are the benefits for a P/I of signing up to the innovation programme?

The innovation programme offers various benefits for the producers and importers of plastic packaging, including:

- Financial incentives to invest in innovation and sustainability.
- Recognition of and a high(er) profile for the innovative and environmentally friendly packaging.
- Access to a network and knowledge-sharing platform, and useful collaboration/partnerships with other parties in the plastics chain.
- Helping to both achieve the transition to a circular economy and reduce the environmental impact of plastic packaging.