



PLASTIC PACKAGING TAX (GENERAL) REGULATIONS 2022

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Statutory Document No. 20XX/XXXX

*Finance Act 2021*

PLASTIC PACKAGING TAX (GENERAL) REGULATIONS 2022

*Laid before Tynwald:**Coming into operation in accordance with regulation 2*

The Treasury makes these Regulations under sections 47(5), 48(7), 49(10), 51, 53, 56(5), 58, 60, 61, 63, 66, 74, 75, 84(1) and 84(2) of, and paragraphs 2(4), 5(2) and (3), 10(4) and 15 of Schedule 9, paragraphs 7(3) and 10 of Schedule 10, and paragraph 12 of Schedule 13 to, the Finance Act 2021, as it has effect in the Island¹.

PART 1

PRELIMINARY

1 Title

These Regulations are the Plastic Packaging Tax (General) Regulations 2022.

2 Commencement

These Regulations come into operation on 1 April 2022².

3 Interpretation

(1) In these Regulations —

“**the Act**” means Part 2 of, and Schedules 9 to 14 to, the Finance Act 2021, as it has effect in the Island³;

“**accounting period**” refers to the periods determined by regulation 32;

¹ Part 2 of, and Schedules 9 to 14 to, the Finance Act 2021 was applied to the Island by SD 2021/0295.

² Tynwald procedure - negative under section XX of Finance Act 2021, as it has effect in the Island.

³ Part 2 of, and Schedules 9 to 14 to, the Finance Act 2021 was applied to the Island by SD 2021/0295.

“**chargeable event**” refers to the production or importation of a chargeable plastic packaging component⁴ within the meaning of section 43(1) of the Act;

“**common properties**” refers to the shared properties of components of identical design;

“**finished plastic packaging components**” means finished⁵ plastic packaging components that are to be taken into account for the purposes of section 55(2) of the Act⁶;

“**identical design**” means that two or more components are designed to be identical in respect of —

- (a) their input materials;
- (b) their weight;
- (c) their objective characteristics or functions; and
- (d) the result of —
 - (i) any determination under regulation 6(3);
 - (ii) any calculation under regulation 8(2); and
 - (iii) any measurement of weight under Chapter 2 of Part 4 of these Regulations,

relating to each component (whether or not that determination, calculation or measurement is carried out);

“**indicative component**” means —

- (a) a sample component of a product line; or
- (b) where the procedure in regulation 8(3) is applied, a sample component of a production run, the properties of which are derived by the modified calculation under regulation 8(4);

“**in writing**” includes that thing in electronic form;

“**plastic packaging component**” means a plastic packaging component used singly or in combination with other plastic packaging components in order to carry out a packaging function;

“**packaging function**” means the containment, protection, handling, delivery or presentation of goods;

“**product line**” means a group of components with common properties;

“**production run**” means a single phase of production of components of a product line, including a phase of production that has

⁴ “Chargeable plastic packaging component” is to be construed in accordance with section 47 of the Act.

⁵ Whether a component is “finished” is determined in accordance with section 47(3) of the Act and regulation 8 below.

⁶ Section 55(2) is to be read subject to section 55(3).

commenced but has not been completed at the time of the chargeable event;

“**return**” means a return made under regulation 34.

4 Prescription by the Treasury

In these Regulations, “prescribed” means prescribed in a public notice published by the Treasury and not withdrawn by a further notice⁷, and “prescribe” is to be construed accordingly.

PART 2

DETERMINATION OF PLASTIC AND RECYCLED CONTENT, MEANING OF “SUBSTANTIAL MODIFICATION” ETC

5 Plastic packaging component: substances other than plastic

For the purposes of section 48(3) of the Act⁸, the single substances other than plastic⁹ are —

- (a) aluminium;
- (b) steel;
- (c) any metal not within paragraphs (a) or (b);
- (d) glass;
- (e) paper and cardboard;
- (f) wood; or
- (g) any non-metal not within paragraphs (d) to (f).

6 Plastic packaging component: methodology of determination of plastic content

- (1) This regulation applies for the purposes of providing how the Treasury may be satisfied that a packaging component¹⁰ that contains plastic is not a plastic packaging component.

⁷ Public notices made in respect of plastic packaging tax are available at XXXX

⁸ Section 48(3) of the Act provides that a “plastic packaging component” is a packaging component that contains more plastic, when measured by weight, than any other single substance listed in regulation 6.

⁹ “Plastic” is to be construed in accordance with section 49 of the Act. The term “plastic” includes “recycled plastic”.

¹⁰ “Packaging component” is to be construed in accordance with section 48 of the Act and [S.I. 2021/XXXX].

- (2) For the purposes of section 48(3) of the Act a producer or importer of packaging components that contain plastic must –
 - (a) undertake a determination under paragraph (3); or
 - (b) obtain that determination from another person, and keep a record of it in writing.
- (3) A determination must state –
 - (a) the weight of plastic contained in a plastic packaging component;
 - (b) the weight of each of the single substances listed in regulation 5 contained in that component; and
 - (c) whether the plastic packaging component contains more plastic, according to the weight given under sub-paragraph (a), than any other single substance in respect of each of which the weight is given under sub-paragraph (b).
- (4) Where a plastic packaging component is within a product line, a determination under paragraph (3) may relate to an indicative component rather than to each packaging component within that product line.
- (5) The determination under paragraph (3) must not include –
 - (a) waste material produced and discarded during the production process;
 - (b) waste or surplus material attached to the packaging component at the chargeable event;
 - (c) goods contained within a packaging component, when that component is imported.
- (6) When goods contained within an imported packaging component are other packaging components, an importer must undertake or obtain and keep a record of a determination in accordance with paragraph (3) in respect of those other packaging components.
- (7) At the time that –
 - (a) (if the procedure in paragraph (4) has been applied) the indicative component no longer accurately represents the common properties of a product line; or
 - (b) a determination under paragraph (3) (or any further determination required by this paragraph) is inaccurate or no longer correct,the producer or importer must undertake or obtain such further determinations as may be required and keep a record of them in writing.
- (8) In this regulation, “importer” means a person on whose behalf a packaging component is imported.

7 Provision of evidence that plastic is recycled plastic

- (1) To satisfy the Treasury that plastic is recycled plastic¹¹ in accordance with section 49 of the Act, a person must have sufficient evidence of that fact and keep a record of that evidence.
- (2) For the purposes of paragraph (1), the Treasury must prescribe what constitutes sufficient evidence.
- (3) The matters which may be prescribed are —
 - (a) the types of evidence required;
 - (b) the source of the evidence;
 - (c) a requirement that the evidence must —
 - (i) be in writing;
 - (ii) indicate the date of the matters to which it refers;
 - (iii) (where relevant) relate to a product line that has been produced or imported;
 - (iv) where it relates to the input materials used in a recycling process, be an accurate reflection of the proportion of recycled plastic contained in the output materials of that recycling process;
 - (v) on each occasion on which there is a change to the common properties of a product line, comply with sub-paragraphs (i) to (iv).

8 Chargeable plastic packaging component: method of calculation of recycled plastic content

- (1) To establish that a plastic packaging component does not fall within section 47(1)(a) of the Act, a person liable to register¹² must —
 - (a) undertake the calculation in paragraph (2) in respect of a plastic packaging component; or
 - (b) obtain that calculation from another person,
and keep a record of it in writing.
- (2) The proportion of recycled plastic contained in the plastic packaging component, when measured by weight, must be calculated in accordance with the formula —
$$X(\%) = \frac{A}{B} \times 100$$

¹¹ “Recycled plastic” is to be construed in accordance with section 49 of the Act. Section 49(7) provides that plastic is not to be taken as recycled plastic unless it is shown that it is recycled plastic. This regulation sets out the methodology, information or evidence by which this may be established.

¹² “Liable to register” has the meaning given by section 55(1) of the Act. Section 55(1) is relevantly amended by [paragraph 4 of Schedule 11 to] the Finance Act 2022.

B

Where —

X is the proportion of recycled plastic contained in the plastic packaging component, expressed as a percentage;

A is the weight of recycled plastic used to produce the plastic packaging component;

B is the weight of plastic used to produce the plastic packaging component.

- (3) Where plastic packaging components are part of a production run, a person liable to register may apply the calculation under paragraph (2) (as modified by paragraph (4)) to an indicative component of that production run rather than for each plastic packaging component.
- (4) Where the procedure in paragraph (3) is applied, the calculation in paragraph (2) must be modified by reading —
 - (a) A as the total weight of recycled plastic used in the production run, divided by the number of plastic packaging components in that run; and
 - (b) B as the total weight used in the production run, divided by the number of plastic packaging components in that run.
- (5) At the time that —
 - (a) (if the procedure under paragraph (3) has been applied) the indicative component no longer accurately represents the common properties of a production run; or
 - (b) the calculation made under paragraph (2) (or any further calculation required by this paragraph) is inaccurate or no longer correct,

a person liable to register must undertake or obtain such further calculations as may be required and keep a record of them in writing.

9 Chargeable plastic packaging component: meaning of “substantial modification”

- (1) For the purposes of section 47(3) and (4) of the Act “substantial modification” means a chargeable modification to a plastic packaging component made by a relevant manufacturing process.
- (2) In paragraph (1), a “chargeable modification” is a significant change to the nature of a plastic packaging component, which is a change to the —
 - (a) shape;
 - (b) structure;
 - (c) thickness; or
 - (d) weight,

of that plastic packaging component.

- (3) In this regulation, a “relevant manufacturing process” means any process of production of plastic packaging components other than —
 - (a) blowing or forming from a pre-form;
 - (b) cutting;
 - (c) labelling;
 - (d) sealing.
- (4) Where any of the processes listed at paragraph (3)(a) to (d) are carried out at the same time as a relevant manufacturing process, they are treated as a relevant manufacturing process.
- (5) In paragraph (3)(a), “pre-form” means a plastic packaging component formed into a provisional shape or form prior to its subsequent expansion by blowing or forming.

PART 3

DEFERRALS AND CREDITS

CHAPTER 1

PLASTIC PACKAGING COMPONENTS INTENDED FOR EXPORT

10 Application

This Chapter applies to a person (“P”) to whom section 51 of the Act applies.

11 Cancellation of liability

For the purposes of section 51(1)(b) of the Act, the direct export condition ceases to be met in relation to a component as a result of it being exported from the Isle of Man before the end of the deferral period¹³, and P must have sufficient evidence of —

- (a) the fact that the component has been exported;
- (b) the weight of the component that has been exported;
- (c) the day on which it was exported,

and keep a record of that evidence.

12 Direct export condition: further conditions

The further conditions specified under section 51(2)(c) of the Act are that —

¹³ Under section 51(5) of the Act, the “deferral period” is the period of 12 months beginning with the day on which the component is produced or imported.

- (a) before or at the time of production or importation, P holds sufficient evidence that they intend to export a chargeable plastic packaging component; and
- (b) P keeps a record of that evidence.

13 Deferrals: meaning of sufficient evidence

- (1) The Treasury must prescribe what it considers to be “sufficient evidence” for the purposes of this Chapter.
- (2) The matters which may be prescribed to be sufficient include —
 - (a) in respect of regulation 11 —
 - (i) a document provided for the purposes of any other tax or duty that evidences that the component has been exported; and
 - (ii) any other document that evidences that export; and
 - (b) in respect of regulation 12(a) —
 - (i) a document provided for the purposes of any other tax or duty that evidences intention to export the chargeable plastic packaging component; and
 - (ii) any other document that evidences that intention.

CHAPTER 2

TAX CREDITS

14 Interpretation

In this Chapter —

“case 1” refers to the case in section 53(1)(a) of the Act¹⁴;

“case 2” refers to the case in section 53(1)(b) of the Act¹⁵;

“liable person” means, subject to regulation 21 —

- (a) a person who is registered under section 56 of the Act at the time that case 1 or case 2 applies to a chargeable plastic packaging component; or
- (b) any other person, where the Treasury is satisfied that that person is entitled to a tax credit by or under section 53 of the Act;

“sufficient evidence” has the meaning given by regulation 17;

¹⁴ Section 53(1)(a) of the Act relates to a component that is exported from the Isle of Man.

¹⁵ Section 53(1)(b) of the Act relates to a component that is converted into a different packaging component.

“tax credit” means the amount (“the credit amount”) of plastic packaging tax payable in respect of the production or importation of a chargeable plastic packaging component.

15 Entitlement to tax credit

- (1) Where case 1 or 2 applies in respect of a chargeable plastic packaging component and the direct export condition¹⁶ is not met in respect of that component, a liable person is entitled to a tax credit if —
 - (a) they are liable to pay plastic packaging tax in respect of the chargeable plastic packaging component;
 - (b) they have sufficient evidence that case 1 or 2 applies and they have kept a record of that evidence;
 - (c) they make a claim for a tax credit in accordance with regulation 16; and
 - (d) where case 2 applies, a person is liable to pay plastic packaging tax in respect of a different packaging component¹⁷.
- (2) No tax credit may be claimed under these Regulations save in accordance with this Chapter.

16 Claim for a tax credit: conditions, form etc.

- (1) A claim for tax credit must be made by a liable person and must —
 - (a) be included in the return for the accounting period in which a liable person first has sufficient evidence that case 1 or 2 applies to a chargeable plastic packaging component;
 - (b) show separately the total of the credit amounts for cases 1 and 2, where each arises in the same accounting period;
 - (c) identify in the credit amount the rate of plastic packaging tax charged on the chargeable plastic packaging component; and
 - (d) comply with such other requirements as to its form and manner as the Treasury may prescribe.
- (2) For the purposes of paragraph (1), the liable person may, in the return, deduct the credit amount from the amount of plastic packaging tax otherwise payable by them in respect of an accounting period.
- (3) No claim may be made for a tax credit in respect of a chargeable plastic packaging component after the end of the period of 2 years beginning with the day on which the charge to tax arose in respect of that component.

¹⁶ The “direct export condition” has the meaning given by section 51 of the Act.

¹⁷ “Different packaging component” has the same meaning as it has in section 53(1)(b) of the Act.

17 Tax credits: meaning of sufficient evidence

- (1) For the purposes of regulations 15(1)(b) and 16(1)(a), the Treasury must prescribe what constitutes “sufficient evidence”.
- (2) The matters which may be prescribed include —
 - (a) where case 1 applies, evidence provided for the purposes of any other tax or duty that a chargeable plastic packaging component has been exported; and
 - (b) where case 2 applies (and so far as relevant to that case), any of the matters in respect of which records are required to be kept under regulation 18.

18 Records for tax credit claims

- (1) A liable person who makes a claim for a tax credit must keep a record of the following matters in respect of the claim —
 - (a) their grounds for claiming that case 1 or 2 applies to the chargeable plastic packaging component;
 - (b) confirmation of the accounting period in which they first have sufficient evidence that case 1 or 2 applies to a chargeable plastic packaging component;
 - (c) where tax has been paid on the chargeable plastic packaging component in respect of which the tax credit claim is made, evidence of the amount, date and manner of that payment;
 - (d) where case 2 applies, evidence as to whether a charge to plastic packaging tax has arisen in relation to the different plastic packaging component; and
 - (e) such other information as the Treasury may prescribe.
- (2) A liable person must preserve the records in paragraph (1) for 6 years beginning with the day that the tax credit claim is made.

19 Payment of tax credit claims

- (1) Where the tax credit claimed by a liable person exceeds the amount of tax due from them for an accounting period, the Treasury must repay the excess to the liable person.
- (2) The Treasury is not liable to make any repayment under paragraph (1) —
 - (a) if any return the liable person is required to make has not been made;
 - (b) to the extent that a tax credit has previously been claimed in respect of the chargeable plastic packaging component to which the repayment relates.

20 Repayment of tax credits

- (1) Where a person has benefitted from a tax credit (whether or not payment has been made under regulation 19) to which they were not entitled, or to which they have ceased to be entitled, that person must repay the amount to the Treasury.
- (2) The amount due to be repaid by a person under paragraph (1) is to be recoverable on the basis that is an amount of plastic packaging tax due from them, payable on the day on which the person first benefitted from the tax credit.

21 Cessation of business etc.

- (1) Where a liable person is no longer liable to pay plastic packaging tax as a result of becoming a member of a group¹⁸ under section 71 of the Act —
 - (a) they remain entitled under this Chapter to tax credits in respect of tax charged on chargeable plastic packaging components before the day on which they cease to be liable; and
 - (b) the representative member of the group¹⁹ is not.
- (2) The Treasury may prescribe the form and manner in which, and the conditions on which, tax credits may be claimed by a liable person who —
 - (a) has ceased to carry on business;
 - (b) is no longer liable to pay plastic packaging tax, including under paragraph (1)(a),where they have ceased to be registered.

PART 4**REGISTRATION AND ADMINISTRATION****CHAPTER 1****REGISTRATION****22 Notification of liability to be registered: form, manner and content**

- (1) The Treasury must prescribe —

¹⁸ “Group” has the meaning given by and under section 71 of and Schedule 13 to the Act, relevantly amended by [paragraph 6 of Schedule 11 to the Finance Act 2022].

¹⁹ “Representative member of a group” is to be construed in accordance with section 71(2) of the Act, relevantly amended by [paragraph 6 of Schedule 11] to the Finance Act 2022.

- (a) the form and manner in which a person is to give notification under section 56 of the Act; and
 - (b) the information that person must include in such a notification.
- (2) The prescribed information given by a person under paragraph (1)(b) must include —
- (a) their name, correspondence address, telephone number and (where available) email address;
 - (b) where given by an officer or employee responsible for giving the notification on behalf of the person, their position in the business²⁰, telephone number and (where available) email address;
 - (c) the address of their principal place of business (if different from sub-paragraph (a) above);
 - (d) whether their business is carried on by an individual, a limited company, partnership or other unincorporated body, or in any other capacity;
 - (e) the unique taxpayer reference allocated to them by the Treasury (if any);
 - (f) whether the person is the representative member of a group;
 - (g) the date of the notification;
 - (h) the day on which they became liable to be registered;
 - (i) the estimated tonnage of finished plastic packaging components which they expect to produce or import in the period of 12 months beginning with the day on which the liability to notify arose;
 - (j) such further information as the Treasury may require in connection with the registration of that person;
 - (k) a declaration that the matters stated in the notification are true and correct.
- (3) Where the registration is made on behalf of a group, the information in paragraphs (2)(a) to (e) above must be given in relation to each member of the group.
- (4) The Treasury may prescribe that a notification is to be given electronically, subject to such exceptions as it may prescribe.

23 Correction of the register

- (1) Paragraph (2) applies to a person —
- (a) who is registered under section 56(3) of the Act; or

²⁰ “Business” has the meaning given in section 43(2) of the Act.

- (b) who has made a notification under section 56 of the Act, where their liability to be registered has not been finally determined.
- (2) Such a person must notify the Treasury (“a further notification”) of —
 - (a) any information they have given to the Treasury which is inaccurate, incomplete or misleading; or
 - (b) any change in circumstances,which may require a correction to be made to an entry made, or to be made, on the register.
- (3) A further notification under paragraph (2) must be given to the Treasury within a period of 30 days beginning, as the case requires, with —
 - (a) the day after the person discovers that any information was inaccurate, incomplete or misleading; or
 - (b) the day after the change in circumstances occurred.
- (4) A further notification under paragraph (2) must be made electronically, subject to such exceptions as the Treasury may prescribe.
- (5) The Treasury may correct the register as it sees fit.

CHAPTER 2

MEASUREMENT OF WEIGHT

24 Application and interpretation

- (1) This Chapter applies for the purposes of the measurement of the weight of any thing for the purposes of any provision in or under the Act.
- (2) Regulations 25 to 29 apply to the measurement of weight undertaken or obtained by any person other than the Treasury.
- (3) This Chapter does not apply to the estimation of the weight of finished plastic packaging components for the purposes of section 55(2)(a) of the Act, or to regulation 22(2)(i).
- (4) In this Chapter —
 - “agreed method” refers to an agreed method provided by regulation 26;
 - “specified rules” refers to the rules provided for by regulation 27.
- (5) Where, in this Chapter, the weight of any thing is measured for the purposes of the procedure in regulation 8(3) —
 - (a) reference to a product line may be construed as if it were to a production run; and
 - (b) “indicative component” bears the same meaning as it does for the purposes of that regulation.

25 Measurement of weight: timing

For the purposes of this Chapter (apart from in regulation 28), the measurement of weight must be carried out —

- (a) in the case of section 55(2)(b) of the Act²¹, on or before the first day of any calendar month;
- (b) where required by regulation 11(b), on or before the day of export of the chargeable plastic packaging component;
- (c) under Chapter 3 of this Part, on or before the last day of the accounting period to which a return or account relates;
- (d) in any other case, on or before the time of the chargeable event.

26 Agreed method of measurement of weight

- (1) The Treasury may agree rules for measuring weight with any person in writing (an “agreed method”).
- (2) The rules that may be agreed under paragraph (1) may (among other things) make provision —
 - (a) for the method by which weight is to be measured;
 - (b) for alternative times at which the weight of any thing may be measured in substitution for those specified by regulation 25 (but a rule providing for an alternative time must be agreed before any measurement of weight is made);
 - (c) for the evidence that must be kept of the measurement of weight;
 - (d) to disregard goods contained within a packaging component that is imported;
 - (e) relating to a product line to which the agreed method may be applied, including that —
 - (i) an agreed method may only be applied to prescribed product lines;
 - (ii) except where regulation 28 applies, the weight of an indicative component may be applied to the measurement of the weight of any other component of that product line, without re-weighing that other component.
- (3) Rules agreed under paragraph (1) may only be applied —
 - (a) by the person with whom the Treasury has agreed those rules; and
 - (b) where the Treasury has not given a notification under paragraph (4), but they may be applied in relation to measurements of

²¹ Section 55(2)(b) must be read subject to section 55(4) for the year beginning with 1 April 2022.

weight obtained by the person with whom the rules are agreed from another person.

- (4) Where the Treasury believes that rules agreed under paragraph (1) —
- (a) do not, or no longer, give an accurate indication of the weight of any thing;
 - (b) have not been complied with by the person with whom they have been agreed; or
 - (c) should no longer be applied for any other reason,
- it may decide that the rules no longer apply, in whole or in part, and notify the person with whom the rules were agreed of that fact.

27 Specified rules for the measurement of weight

- (1) The Treasury must prescribe specified rules for measuring weight when —
- (a) there is no agreement to use an agreed method;
 - (b) for any reason, an agreed method does not apply;
 - (c) an agreed method is not used by any person when that method would apply to the measurement of any thing; or
 - (d) a decision has been made by the Treasury under regulation 26(4).
- (2) The specified rules under paragraph (1) may make provision —
- (a) for the method by which weight is to be measured;
 - (b) to disregard goods contained within a packaging component that is imported;
 - (c) relating to a product line to which the specified rules may be applied, including that —
 - (i) the specified rules may only be applied to prescribed product lines;
 - (ii) except where regulation 28 applies, the weight of an indicative component may be applied to the measurement of the weight of any other component of that product line, without re-weighing that other component;
 - (d) for alternative times at which the weight of any thing may be measured in substitution for those specified by regulation 25;
 - (e) providing for different rules to apply for different purposes.

28 Requirement to re-weigh

A person who measures the weight of any thing must re-weigh that thing or obtain a further measurement of the weight of that thing when —

- (a) there is a change to the input materials used to produce that thing;

- (b) there is any change of common properties of a product line (including where an indicative component no longer accurately represents those common properties); or
 - (c) when they first become aware of any other relevant change of circumstances that may affect the accuracy of the measurement of weight, and
- the provisions of this Chapter apply to the re-weighing of that thing.

29 Records of measurement

Where the weight of any thing is measured for purposes in or under the Act, a record must be kept of –

- (a) the result of the weighing process, expressed in the unit of measurement in which the process was carried out;
- (b) the methodology used to carry out the measurement; and
- (c) if the result of the process is expressed in a unit of measurement other than metric units, the calculations showing the conversion of that result into metric units.

30 Determination of weight by the Treasury

- (1) Paragraph (2) applies where it appears to the Treasury that a person has, for any purpose in or under the Act –
 - (a) made an incorrect measurement of weight;
 - (b) obtained a measurement of weight from another person that is incorrect;
 - (c) failed to give the correct weight of any thing to the Treasury;
 - (d) failed to weigh (or re-weigh) any thing when required to do so;
 - (e) failed to keep any records under this Chapter; or
 - (f) failed to comply, where applicable, with an agreed method or (as the case may be) with specified rules.
- (2) The Treasury may –
 - (a) determine the weight of any thing for purposes in or under the Act to the best of its judgment;
 - (b) substitute that determination for any measurement or calculation of weight made by any person; and
 - (c) notify the determination to that person.
- (3) In making a determination under paragraph (2)(a), the Treasury may –
 - (a) make estimates or assumptions;
 - (b) make comparisons between the thing to be weighed and products or materials that are similar in nature, and may rely on any

evidence it may have as to the weight of such similar products or materials;

- (c) rely on samples taken under paragraph 1 of Schedule 12 to the Act;
- (d) rely on any information or documents (including obtained in the course of an inspection) under any other power that applies for the purposes of plastic packaging tax.

CHAPTER 3

ACCOUNTING PERIODS, PAYMENT, RETURNS ETC.

31 Interpretation

- (1) In this Chapter, “P” refers to a person who is liable to be registered at any time in an accounting period to which any provision in this Chapter relates.
- (2) In paragraph (1), it is immaterial whether P is, at any time, registered under section 56 of the Act.

32 Accounting periods

The accounting periods for plastic packaging tax are the three month periods ending with 31 March, 30 June, 30 September and 31 December.

33 Payment

- (1) P must make payments of plastic packaging tax in respect of each accounting period.
- (2) P must pay the total amount of plastic packaging tax payable in respect of an accounting period no later than the day by which they must make a return for that period under regulation 34(1).
- (3) The Treasury may, in such circumstances as it may prescribe, extend the period in paragraph (2) by notice in writing to P for such additional period as it sees fit.
- (4) The total amount of plastic packaging tax payable is the amount required to be stated in the return in respect of the period.
- (5) Payment must be made by the method prescribed by the Treasury.

34 Requirement to make returns

- (1) For each accounting period, P must make a return to the Treasury no later than the last working day of the month immediately following the end of the accounting period to which it relates.

- (2) The Treasury may extend the period in paragraph (1) by notice in writing to P for such additional period as it sees fit.

35 Form, manner and content of returns etc.

- (1) A return must be dated and made in the form and manner prescribed by the Treasury.
- (2) The Treasury must prescribe the matters to be included in a return.
- (3) The matters prescribed must include, in respect of the accounting period for which the return is made, each of —
- (a) the total weight of —
 - (i) chargeable plastic packaging components produced or imported; and
 - (ii) chargeable plastic packaging components in respect of which the direct export condition ceases to be met by or under section 51(1)(a) of the Act;
 - (b) the total weight of —
 - (i) plastic packaging components produced or imported that are not chargeable to plastic packaging tax²²; and
 - (ii) chargeable plastic packaging components within subparagraph (d);
 - (c) the total weight of plastic packaging components produced or imported in respect of which it is shown that the components do not fall within section 47(1)(a) of the Act²³;
 - (d) the total weight of chargeable plastic produced or imported in respect of which the direct export condition is met by and under section 51(2) of the Act;
 - (e) the total weight of plastic packaging components produced or imported that are exempt under section 52(4) of the Act;
 - (f) the total value of tax credits claimed by and under section 53 of the Act, and
- the return must contain a declaration by P that the matters contained in it are true and accurate.
- (4) For the purposes of paragraph (3)(b)(i), the weight given must include plastic packaging components exempt from the charge to plastic packaging tax under section 52(4) of the Act.

²² Section 43 of the Act (read in conjunction with section 52, apart from section 52(4), for these purposes) determines when a plastic packaging component is chargeable. Section 43 is relevantly amended by [paragraph 2 of Schedule 11 to] the Finance Act 2022.

²³ Section 47(2) states that a plastic packaging component is taken to fall within section 47(1)(a) unless it is shown that it does not. Regulation 9 above sets out the methodology by which this may be established.

- (5) P must keep records in support of the matters to be included in a return in such manner as the Treasury may prescribe.
- (6) The Treasury may prescribe under paragraph (5) requirements to keep records by reference to a product line.

36 Correction of returns

P must correct any error made in a return for an accounting period —

- (a) in such manner as the Treasury may prescribe; and
- (b) within a period of 2 years, beginning with the last day on which the return must be made under regulation 34(1).

37 Requirement to keep accounts

- (1) For each accounting period, P must keep —
 - (a) accounts for the purposes of plastic packaging tax; and
 - (b) records in support of the details that must be included in those accounts under paragraph (2).
- (2) The accounts must include, in respect of the accounting period for which the accounts must be kept, details of —
 - (a) where liability to pay plastic packaging tax is deferred under section 51(1)(a) of the Act, the weight of chargeable plastic packaging components intended for export;
 - (b) where liability to pay plastic packaging tax is cancelled under section 51(1)(b) of the Act, the weight of chargeable plastic packaging components exported;
 - (c) the calculation of any tax credits claimed by or under section 53 of the Act;
 - (d) whether that credit is claimed by or under section 53(1)(a) or section 53(1)(b) of the Act;
 - (e) any adjustments or corrections made in respect of any previous accounting period, including the identification of that period;
 - (f) where there has been a change in the rate of plastic packaging tax charged, the rate applied to any chargeable plastic packaging components from time to time;
 - (g) the matters required to be included in the return.
- (3) The accounts must state the total amount of plastic packaging tax payable in respect of the accounting period —
 - (a) disregarding any amount of tax deferred under section 51(1)(a) of the Act; and
 - (b) after the deduction of any tax credit claimed in accordance with regulation 16(2).

- (4) P must preserve accounts for the period of 6 years beginning with —
- (a) the last day of the accounting period to which the accounts relate;
or
 - (b) the day P pays the total amount of plastic packaging tax payable in respect of an accounting period,
- whichever is the later.
- (5) The Treasury may prescribe for the purposes of this regulation that records required to be kept under paragraph (1)(b) must be kept by reference to a product line.

PART 5

PRESERVATION OF RECORDS

38 Preservation of records

- (1) Where —
- (a) a record is required to be kept by or under the Act; and
 - (b) that record relates to an accounting period,
- the record must be preserved for the period of 6 years beginning with the last day of that accounting period.
- (2) Where paragraph (1) does not apply, a person must preserve any record required to be kept by them or under the Act for a period of 6 years beginning with the day on which the record is created.
- (3) In paragraph (1)(b), a record relates to the accounting period in which the requirement to keep that record first arose.
- (4) This regulation does not apply to records that must be kept under —
- (a) Chapter 2 of Part 3 (tax credits); or
 - (b) Part 6 (repayments),
- of these Regulations (which make separate provision).

PART 6

REPAYMENTS

39 Interpretation

In this Part —

“C” means a claimant;

“claim” means a claim made under paragraph 7 of Schedule 10 to the Act for repayment of an amount paid to the Treasury by way of tax which was not due to the Treasury, and “claimed” is to be construed accordingly;

“reimbursement arrangement” is to be construed in accordance with paragraph 10(2) of Schedule 10 to the Act;

“relevant amount” means that part (which may be the whole) of the amount of the claim which C has reimbursed or intends to reimburse to other persons.

40 Form, manner and content of claims for repayment

- (1) A claim under paragraph 7 of Schedule 10 to the Act must be made —
 - (a) in writing and in the form prescribed by the Treasury; and
 - (b) by reference to such documentary evidence as is in the possession of C, state the amount of the claim and the method by which that amount was calculated.
- (2) The Treasury may require C to provide additional information in support of a claim, as it may prescribe.

41 Reimbursement arrangements: general

For the purposes of paragraph 8(2) of Schedule 10 to the Act²⁴ reimbursement arrangements made by C are to be disregarded except where they —

- (a) include the provisions described in regulation 42; and
- (b) are supported by the undertakings described in regulation 45.

42 Reimbursement arrangements: provisions to be included

The provisions referred to in regulation 41(a) are that —

- (a) reimbursement for which the reimbursement arrangements provide will be completed by no later than 90 days after the repayment to which it relates;
- (b) no deduction will be made from the relevant amount by way of a fee or charge (however expressed or effected);
- (c) reimbursement will be made in a manner prescribed by the Treasury;
- (d) any part of the relevant amount that is not reimbursed by the time mentioned in paragraph (a) will be repaid by C to the Treasury;
- (e) any interest paid by the Treasury on any relevant amount repaid by it will also be treated by C in the same way as the relevant amount falls to be treated under paragraphs (a) and (b); and

²⁴ Paragraph 8(2) of Schedule 10 to the Act provides that it is a defence to a repayment claim that the repayment would unjustly enrich a claimant.

- (f) the records described in regulation 44(1) will be kept by C and produced by them to the Treasury in accordance with that regulation.

43 Reimbursement arrangements: repayments

C must, without prior demand, make any repayment to the Treasury that C is required to make by virtue of regulation 42(d) or (e) within 14 days of the expiry of the period referred to in regulation 42(a).

44 Records relating to reimbursement arrangements: keeping and production

- (1) C must keep records of the following matters –
- (a) the names and addresses of those persons whom C has reimbursed or whom C intends to reimburse;
 - (b) the total amount reimbursed to each such person;
 - (c) the amount of interest included in each total amount reimbursed to each person;
 - (d) the date that each reimbursement is made.
- (2) Where the Treasury gives C notice in accordance with paragraph (3) below, C must, in accordance with such notice, produce to the Treasury the records that C is required to keep pursuant to paragraph (1).
- (3) A notice given for the purposes of paragraph (2) must –
- (a) be in writing;
 - (b) state the day on which and the place and time at which the records are to be produced;
 - (c) be signed and dated by the Treasury, and
- may be given before or after, or both before and after, the Treasury has paid the relevant amount to C.

45 Undertakings

- (1) The undertakings referred to in regulation 41(b) must be given to the Treasury by C no later than the time at which C makes the claim for which the reimbursement arrangements have been made.
- (2) The undertakings must be in writing and be signed and dated by C, and must be to the effect that –
- (a) at the day of the undertaking, C is able to identify the names and addresses of those persons whom C has reimbursed or intends to reimburse;
 - (b) C will apply the whole of the relevant amount repaid to them (without any deduction by way of fee, charge or otherwise) to the reimbursement of such persons, no later than 90 days after C

receives the amount (unless C has already properly reimbursed the persons);

- (c) C will apply any interest paid on the relevant amount repaid to C wholly to the reimbursement of such persons by no later than 90 days after that interest is received;
- (d) C will repay to the Treasury without demand the whole, or such part, of the relevant amount repaid or any interest paid to C as C fails to apply in accordance with the undertakings mentioned in sub-paragraphs (b) or (c);
- (e) C will keep the records described in regulation 44(1); and
- (f) C will comply with any notice given in accordance with regulation 44(2) concerning the production of such records.

PART 7

CHAPTER 1

SECONDARY LIABILITY AND ASSESSMENT NOTICES

46 Interpretation

In this Chapter, “P” and “R” have the same meaning as in paragraph 1 of Schedule 9 to the Act.

47 Secondary liability and assessment notices: factors that may be taken into account

- (1) This regulation applies for the purposes of determining the factors the Treasury may take into account in considering whether it may give a secondary liability and assessment notice to R under paragraph 2(1) of Schedule 9 to the Act.
- (2) The Treasury may take into account —
 - (a) the relationship between R and P, including —
 - (i) whether R and P are connected persons within the meaning of section 119C of the Income Tax Act 1970 (of Tynwald)²⁵;
 - (ii) whether R and P have any contractual or commercial relationship;
 - (b) whether R has conducted due diligence in order to make themselves aware of P’s compliance with any requirement relating to plastic packaging tax, including whether R has —

²⁵ AT 3 of 1970.

- (i) required any information or evidence from P;
 - (ii) kept any information or evidence which relates to P;
 - (iii) assessed the reliability or veracity of the information or evidence under sub-paragraphs (i) or (ii) with reasonable care;
 - (iv) included any contractual terms in relation to ensuring the payment of plastic packaging tax in their commercial agreements with P;
- (c) the circumstances of the production, importation, transportation, storage or supply of, or R's dealing with, a chargeable plastic packaging component, including –
- (i) R's reasons for having possession or control of the chargeable plastic packaging component;
 - (ii) R's conduct, including any refusal by R to disclose to the Treasury the intended use of the chargeable plastic packaging component;
 - (iii) R's intended use of the chargeable plastic packaging component;
 - (iv) the content of any document or other information relating to the chargeable plastic packaging component;
 - (v) the extent of R's knowledge about P failing to pay plastic packaging tax;
 - (vi) the use or condition of the chargeable plastic packaging component, including any change to that use or condition (such as it becoming waste, or being filled with goods etc.);
 - (vii) the use or condition of any goods contained, handled, delivered or presented in or by the chargeable packaging component;
 - (viii) the number of chargeable plastic packaging components produced, imported, transported, stored, supplied or otherwise dealt with;
 - (ix) the open market price of the chargeable packaging component at the time that R deals with it;
 - (x) the open market price of the goods contained, handled, delivered or presented in or by the chargeable packaging component at the time that they are first contained, handled, delivered or presented in or by that component;
- (d) any other circumstance that appears to the Treasury to be relevant.
- (3) The Treasury may further prescribe for the purposes of paragraph (2) –
- (a) the factors it may take into account in considering whether due diligence checks carried out by R are sufficient; and

- (b) the form and manner of those checks.

48 Secondary liability and assessment notices: applications to revoke or reduce amount

- (1) An application under paragraph 5(1) of Schedule 9 to the Act by R to revoke or reduce a secondary liability and assessment notice must be made in writing in the form and manner prescribed by the Treasury and contain the information in paragraph (2).
- (2) The information that must be supplied by R under paragraph (1) is —
 - (a) an explanation of why the revocation or reduction is appropriate;
 - (b) for an application under paragraph 5(1)(a) of Schedule 9 to the Act, an explanation of how R has taken all reasonable steps to establish that P had paid or intended to pay all the plastic packaging tax which P was liable to pay at the relevant time;
 - (c) for an application under paragraph 5(1)(b) of Schedule 9 to the Act —
 - (i) a calculation of the reduced amount that R claims it would be just and reasonable for R to pay; and
 - (ii) an explanation of why the reduced amount is just and reasonable.
- (3) The steps taken by R which are to be regarded as reasonable for the purposes of paragraph 5(1)(a) of Schedule 9 to the Act may include such further steps as the Treasury may prescribe.
- (4) The Treasury may by notice in writing require P or R —
 - (a) to provide information; or
 - (b) to produce a document,if the information or document is reasonably required by the Treasury for the purposes of determining whether a revocation or reduction of a secondary liability and assessment notice is appropriate.

CHAPTER 2

JOINT AND SEVERAL LIABILITY NOTICES

49 Interpretation

In this Chapter, “P” and “R” have the same meaning as in paragraph 9 of Schedule 9 to the Act.

50 Joint and several liability notices: factors that may be taken into account

- (1) This regulation applies for the purposes of determining the factors the Treasury may take into account in considering whether it may give a joint and several liability notice to R under paragraph 10(1) of Schedule 9 to the Act.
- (2) The Treasury may take into account —
 - (a) what business R carries out, including whether R is involved in transporting, storing or otherwise dealing with a chargeable plastic packaging component;
 - (b) the relationship between R and P, including —
 - (i) whether R and P are connected persons within the meaning of section 119C of the Income Tax Act 1970 (of Tynwald);
 - (ii) whether R and P have any contractual or commercial relationship;
 - (c) the circumstances of the production, importation, transportation, storage, supply of, or R's dealing with, a chargeable plastic packaging component, including —
 - (i) R's reasons for having possession or control of the chargeable plastic packaging component, including transporting, storing or otherwise dealing with the component;
 - (ii) R's knowledge of P's lack of intention to pay plastic packaging tax;
 - (iii) R's conduct, including —
 - (aa) R's intended use of the chargeable plastic packaging component;
 - (bb) any refusal by R to disclose the intended use of the chargeable plastic packaging component;
 - (iv) the content of any document or other information R has kept relating to the chargeable plastic packaging component;
 - (v) the use or condition of the chargeable plastic packaging component, including any change to that use or condition (such as it becoming waste, or being filled with goods etc.);
 - (vi) the use or condition of any goods contained, handled, delivered or presented in or by the chargeable packaging component;
 - (vii) the number of chargeable plastic packaging components produced, imported, transported, stored, supplied or otherwise dealt with;

- (viii) the open market price of the chargeable packaging component at the time that R deals with it;
 - (ix) the open market price of the goods contained, handled, delivered or presented in or by the chargeable packaging component at the time that they are first contained, handled, delivered or presented in or by that component;
 - (d) any other circumstances that appears to the Treasury to be relevant.
- (3) In a case where paragraph 10(2) of Schedule 9 to the Act applies, the Treasury may also take into account whether R has conducted due diligence in order to make themselves aware of P's compliance with any requirement relating to plastic packaging tax, including whether R has —
 - (a) conducted any checks in relation to P's compliance with any such requirement;
 - (b) required any information or evidence from P;
 - (c) kept any information or evidence which relates to P;
 - (d) assessed the reliability or veracity of information or evidence under sub-paragraphs (b) or (c) with reasonable care;
 - (e) included any contractual terms in relation to ensuring the payment of plastic packaging tax in their commercial agreements with P.

51 Joint and several liability notices: notifications and applications to revoke

- (1) A notification made by R under paragraph 13(1) of Schedule 9 to the Act must —
 - (a) be made in writing in a form and manner prescribed by the Treasury; and
 - (b) the information that must be supplied by R is —
 - (i) an explanation of why the revocation is appropriate and, in particular, why paragraph 10(2)(a) or (3)(a) of Schedule 9 to the Act do not apply, or have ceased to apply, to R; and
 - (ii) if relevant, the day on which either of those paragraphs ceased to apply to R.
- (2) An application made by P under paragraph 14(1) of Schedule 9 to the Act must —
 - (a) be made in writing in a form and manner prescribed by the Treasury; and
 - (b) P must supply an explanation of why the revocation is appropriate and, in particular, why the conditions in paragraph 10(2) or (3) of Schedule 9 to the Act do not apply to R —

- (i) in relation to anything done or not done by P; or
 - (ii) in relation to the intention of P.
- (3) For a notification or application made under this regulation, the Treasury may by notice in writing require R or P –
 - (a) to provide information; or
 - (b) to produce a document,if the information or document is reasonably required by the Treasury for the purposes of determining whether a revocation of a joint and several liability notice is appropriate.

PART 8

GROUPS

52 Applications for group treatment

- (1) The Treasury must prescribe the form and manner in which an application for group treatment under paragraph 3 of Schedule 13 to the Act must be made.
- (2) An application under paragraph (1) must include a declaration by the representative member on behalf of all bodies to be treated as members of the group that –
 - (a) all bodies to be treated as members of the same group are eligible for group treatment under paragraphs 1(1), 1(3) and 2 of Schedule 13 to the Act;
 - (b) the representative member is eligible under paragraph 1(2) of Schedule 13 to the Act; and
 - (c) the matters stated in the application are true and correct.
- (3) The Treasury may prescribe that such applications are to be given electronically, subject to such exceptions as it may prescribe.

53 Other applications and notifications

- (1) Applications under paragraph 5(1) of Schedule 13 to the Act²⁶ must be made in writing to the Treasury and include such information as it may prescribe.
- (2) A notification under paragraph 11 of Schedule 13 to the Act²⁷ must be made in writing to the Treasury and include such information and particulars as it may prescribe.

²⁶ Paragraph 5(1) of Schedule 13 to the Act relates to applications to modify an existing group treatment.

- (3) The notification required by paragraph (2) must be received by the Treasury no later than 30 days from the day that –
- (a) any member becomes aware that it ceases to be eligible under paragraph 11(1) of Schedule 13 to the Act; or
 - (b) the representative member ceases to have an established place of business in the Isle of Man.

54 Corrections to applications and notifications

- (1) A person who has made an application or notification to the Treasury under this Part must notify it of any information they have given which is, or becomes, inaccurate.
- (2) A notification under paragraph (1) must be –
- (a) given to the Treasury within a period of 30 days beginning with the day after the person discovers that the original notification is or has become inaccurate; and
 - (b) made in such form and manner as the Treasury may prescribe.

PART 9

MISCELLANEOUS MATTERS

CHAPTER 1

PARTNERSHIPS AND OTHER UNINCORPORATED BODIES

55 Unincorporated bodies: general

- (1) Anything done or required to be done by or under the Act in respect of a business which is carried on by a partnership or another unincorporated body may be done in the name of that firm or body.
- (2) Nothing in paragraph (1) affects any requirement by or under the Act that is the responsibility of a person listed in regulation 56(2) or 58(2).

56 Partnerships: compliance with requirements

- (1) This regulation applies for determining by what person anything required to be done by or under the Act is to be done where, apart from this regulation, that requirement would fall on persons carrying on business in partnership.

²⁷ Paragraph 11 of Schedule 13 to the Act concerns notifications where a body treated as a member of a group ceases to be eligible to be a member of a group.

- (2) Any such requirement shall be the joint and several responsibility of every partner.
- (3) Compliance with such a requirement by at least one of the partners shall suffice as compliance by all of them.

57 Partnerships: changes of partners etc.

- (1) Without prejudice to section 38 of the Partnership Act (rights of persons dealing with firm against apparent members of firm), where —
 - (a) persons have been carrying on in partnership any business in the course or furtherance of which any chargeable plastic packaging component has been produced or imported; and
 - (b) a person ceases to be a member of the firm,that person shall be regarded for the purposes of the Act (including paragraph (5) of this regulation) as continuing to be a partner until the day on which the change in the partnership is notified to the Treasury.
- (2) Without prejudice to section 18 of the Partnership Act (notice to acting partner to be notice to the firm), any notice, whether of assessment or otherwise, which —
 - (a) is addressed to a firm by the name in which it is registered; and
 - (b) is served in accordance with provisions by or under the Act,shall be treated for purposes by or under the Act, as served on the firm and, accordingly, where paragraph (3) applies, as served also on the former partner.
- (3) Where a person ceases to be a member of a firm during an accounting period (or is treated as so ceasing by virtue of paragraph (1)) any notice, whether of assessment or otherwise, which —
 - (a) is served on the firm for the purposes of any provision by or under the Act; and
 - (b) relates to, or to any matter arising in that period or any earlier period during the whole or part of which the person was a member of the firm,shall be treated as also served on that person.
- (4) Subject to paragraph (5), nothing in this regulation shall affect the extent to which, under section 11 of the Partnership Act (liability of partners), a partner is liable for plastic packaging tax owed by the firm.
- (5) Where a person is a partner in a firm during part only of an accounting period, their personal liability for plastic packaging tax incurred by the firm in respect of chargeable plastic packaging produced or imported in that period will include, but must not exceed, such proportion of the firm's liability as may be just and reasonable in the circumstances.

- (6) In this regulation, “the Partnership Act” means the Partnership Act 1909 (of Tynwald)²⁸.

58 Other unincorporated bodies

- (1) This regulation applies for determining by what persons anything required to be done by or under the Act is to be done where, apart from this regulation, that requirement would fall on persons carrying on business together as an unincorporated body other than a partnership.
- (2) Any such requirement shall be the joint and several liability of —
- (a) every person holding office in that body as president, chairman, treasurer, secretary or other similar office;
 - (b) if there is no such office holder, every person who is a member of a committee by which the affairs of that body are managed; or
 - (c) if there is no such member, every person carrying on that business.
- (3) Compliance with such a requirement by one or more of the persons referred to in paragraph (2) shall suffice as compliance with that requirement by all of them.

CHAPTER 2

DEATH, INCAPACITY ETC.

59 Death, incapacity or insolvency

- (1) Paragraph (2) applies where a person (“T”) is registered under section 56(3) of the Act for the purposes of plastic packaging tax —
- (a) where T is an individual, they have died or become incapacitated; or
 - (b) where T is subject to an insolvency procedure, and
- in this regulation, the business of T is the business of producing or importing finished plastic packaging components.
- (2) The person (“P”) who —
- (a) where T is an individual, carries on the business of T on behalf of, or in succession to T; or
 - (b) acts as the insolvency practitioner in relation to the business of T,
- must notify the Treasury of that fact no later than 21 days after the date on which P proceeded to carry on the business or proceeded to act as described in relation to the business.
- (3) A notification under paragraph (2) must be in writing and include —

²⁸ AT 3 of 1909.

- (a) evidence (including the date) of the death of T, details of when and in what manner T became incapacitated, or of the date when T first became subject to an insolvency procedure and the nature of that procedure;
 - (b) evidence of P's authority to carry on or act in relation to, the business.
- (4) A failure by P to comply with paragraph (2) is to be treated as if it were a failure by P to comply with section 56(1) of the Act.
- (5) The Treasury may treat P as if they were T for the purposes of plastic packaging tax for a period of up to 6 months beginning with the day on which notification under paragraph (2) is required.
- (6) The Treasury may extend the period in paragraph (5) by notice in writing to P for such additional period as it sees fit.
- (7) In this regulation —
- (a) “insolvency practitioner” means —
 - (i) a trustee in bankruptcy;
 - (ii) a liquidator;
 - (iii) a receiver;
 - (iv) an administrator; or
 - (v) anyone acting in an equivalent capacity in respect of an insolvency procedure;
 - (b) “insolvency procedure” means bankruptcy, winding-up, receivership, administration or an equivalent procedure, including under the law of a jurisdiction outside the Isle of Man.

60 Transfers of going concerns

- (1) Where —
- (a) a business carried on by a person (“P”) who is registered under section 56 of the Act is transferred to another person (“T”) as a going concern;
 - (b) the registration of P has not been cancelled under section 57 of the Act;
 - (c) the transfer requires that P's registration be cancelled and that T be registered for plastic packaging tax under section 56 of the Act; and
 - (d) an application is made by P or T in writing to the Treasury notifying it of the transfer and its date,

the Treasury may, with effect from the day of the transfer, cancel the registration of P and register T in their place with the registration number previously allocated to P.

- (2) Where the Treasury cancels the registration of P and registers T in their place –
- (a) any duties and liabilities of P existing at the day of the transfer to make a return or to pay plastic packaging tax shall become the day and liability of T;
 - (b) any right of P, whether or not existing at the date of transfer to a tax credit or repayment by or under the Act shall become the entitlement of T; and
 - (c) any other provision or circumstances by or under the Act relating to plastic packaging tax, that applied to P before P's registration was cancelled (or any such provision or circumstances that continues to apply to P after the cancellation shall apply to T.

MADE

D J ASHFORD, MBE
Minister for the Treasury

*EXPLANATORY NOTE**(This note is not part of the Regulations)*

These Regulations make provision for plastic packaging tax, introduced by Part 2 of the Finance Act 2021 (c.26) (“the Act”).

Part 1 of the Regulations provides definitions used in the Regulations including the definition of the term “prescribed”.

Part 2 of the Regulations provides for —

- (a) the other substances that must be considered when determining whether a packaging component is plastic and how to determine the plastic content;
- (b) the requirement to have evidence to prove that plastic is recycled plastic and for the Treasury to provide guidance stating what amounts to sufficient evidence of this;
- (c) the formula for calculating the recycled plastic content in a plastic packaging component and the requirement to keep records in relation to the calculation;
- (d) the meaning of substantial modification, which determines when a plastic packaging component is finished for the purposes of the tax, and becomes chargeable. Manufacturing processes excluded from the definition are also set out.

Part 3 of the Regulations provides for —

- (a) the requirement to keep evidence where goods are exported, so that liability to the tax is cancelled;
- (b) further details about the entitlement to tax credits, including conditions that must be met and evidence that must be kept, payments and repayment of such credits.

Part 4 of the Regulations provides for —

- (a) the form, manner and content of a notification of liability to be registered, and making corrections to the register maintained by the Treasury;
- (b) the standard method for measuring the weight of plastic packaging components, and the provision for alternative methods to be used, where published by, or agreed with the Treasury;
- (c) the requirement that the units of measurements be metric for the purposes of the tax and record keeping requirements regarding the weight of a plastic packaging component;

- (d) the circumstances where the Treasury may assess the weight of packaging components for the resulting tax due, using best judgment where appropriate, including the ways the weight should be assessed;
- (e) requirements for persons who are liable to be registered for the tax to make returns and payments for each accounting period, including the form and manner of those returns and correction of errors.

Part 5 of the Regulations requires persons who are liable to be registered for the tax to keep and preserve records for a certain length of time.

Part 6 of the Regulations makes provision for the repayment of overpaid tax.

Part 7 of the Regulations provides for the administration of secondary liability and joint and several liability notices, including the factors the Treasury must consider when issuing such notices.

Part 8 of the Regulations provides for the application for, modification of, and termination of group treatment, including making the representative member responsible for specific actions.

Part 9 of the Regulations provides for —

- (a) the administration concerning partnerships and other unincorporated bodies, in particular determining what person is required to meet the obligations of the tax;
- (b) the administration concerning the death, incapacity or insolvency of a person registered for the tax;
- (c) the administration concerning transfers of going concern to another person.