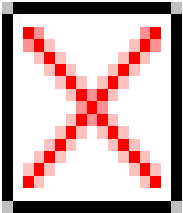


Plastic Waste Management - GST E-invoice for EPR Compliance

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Introduction:

INDIA

generates a massive amount of plastic waste, with an estimated 9.46 million tonnes produced annually. Unfortunately, a significant portion of this plastic waste is not properly collected or disposed of, resulting in serious environmental and health problems. To address this issue, India introduced the Extended Producer Responsibility (EPR) Guidelines.

On February 16, 2022, the Ministry of Environment, Forest and Climate Change (MoEF&CC) notified Guidelines on Extended Producer Responsibility (EPR) for Plastic Packaging, which were included in Schedule-II of the 4th amendment of the Plastic Waste Management Rules, 2018. These guidelines were further amended later in July 2022. The EPR Guidelines have provided clarity on the obligations of various entities involved in plastic packaging and waste management. This article will explore the provisions of the EPR Guidelines related to Producers/ Importers/ Brand owners (PIBOS) and Plastic Waste Processors (PWPs).

The EPR Guidelines require producers, brand owners, and importers of certain plastic products to be responsible for managing the waste generated by their products, from collection to disposal. The aim of the EPR Guidelines is to shift the burden of managing plastic waste from municipalities and local governments to the producers, thereby incentivizing them to reduce their use of plastic and promote sustainable alternatives.

The EPR Guidelines are part of a larger framework of environmental regulations and policies in India aimed at reducing plastic waste and promoting sustainable practices. In 2014, India launched the Swachh Bharat Abhiyan campaign which aimed at making India a clean and litter-free country by 2019. Additionally, India has implemented a nationwide ban on single-use plastic products, including plastic bags, cups, and straws.

Coverage under EPR Guidelines:

The EPR Guidelines state that producers, importers, brand owners, and waste processors are responsible for managing plastic waste. This includes those who produce plastic packaging, import plastic packaging or products with plastic packaging, and own brands that use plastic packaging. Waste processors are also responsible for managing plastic waste.

Registration of entities:

Entities involved in recycling, waste to energy, waste to oil, and industrial composting, such as Producers, Importers, Brand Owners, and Plastic Waste Processors, need to register on a centralized portal developed by the Central Pollution Control Board. During registration, they must provide various details, including PAN Number, GST Number, CIN Number of the company, Aadhar Number, PAN Number of authorized person or representative, and any other necessary information required.

Once registered, the entities will be required to submit an annual report to the Pollution Control Board, online. The report will detail the amount of plastic waste generated, collected, and recycled during the previous year. It will also include information on the systems and processes put in place to manage plastic waste and any challenges faced during the process. Entities failing to comply with the reporting requirements may

face penalties and other consequences as per the EPR Guidelines. The reporting requirements aim to ensure transparency and accountability in the management of plastic waste and to help track progress towards achieving India's environmental goals.

Calculation of EPR Targets:

Section 7 of the EPR Guidelines provides further details for calculation of Extended Producer Responsibility (EPR) Targets to be fulfilled by the Registered PIBOS. To calculate the Extended Producer Responsibility (EPR) Targets, the quantity of plastic waste generated by a Producer, Importer, Brand Owner or Plastic Waste Processor must be determined. Then, the percentage of plastic waste collected by the entity must also be determined. Using these figures, the EPR Target can be calculated according to the guidelines.

Record Maintenance:

According to the EPR Guidelines, Brand Owners must provide details of plastic packaging purchased from Producers and/or Importers separately, and the quantities will be deducted from the obligation of Producers and Importers. Records of such purchases must be maintained separately by the Brand Owner. Producers and importers must also maintain records of the quantity of plastic packaging material made available to Brand Owners, or else they will have to fulfill their complete EPR obligation. The online platform will cross-check the transactions among Producers, Importers, and Brand Owners.

Registration of Plastic Waste Processors:

All plastic waste processors must register with their respective State Pollution Control Board or Pollution Control Committee and the centralized portal developed by the Central Pollution Control Board. The registration process should follow the provisions of the Plastic Waste Management Rules, 2016.

Certificate for Plastic Waste Processing:

The EPR Guidelines require registered plastic waste processors to provide certificates for plastic waste processing, as stated in Section 11.5. These certificates are crucial for fulfilling Extended Producer Responsibility obligations, and only certificates provided by registered plastic waste processors will be accepted.

The certificate format will be developed by the Central Pollution Control Board and include important details such as the registered plastic waste processor's name and address, the date of processing, quantity of plastic waste processed, and destination of the processed plastic waste. This certificate serves as evidence that the plastic waste generated by the producer has been managed correctly by a registered plastic waste processor, and the producer has fulfilled their Extended Producer Responsibility obligations.

Producers are advised to obtain these certificates as they can be asked to provide evidence of compliance with EPR obligations during regulatory audits or inspections. This certificate can also demonstrate a producer's commitment to sustainability and responsible waste management practices to their customers, shareholders, and other stakeholders.

Standard Operating Procedure for EPR Registration

The EPR Guidelines in Section 12.1 state that the Central Pollution Control Plastic Board will prescribe the standard operating procedure for registration of Producers, Importers & Brand-Owners under Waste Management Rules, 2016. It is observed that verified details of all plastic waste/packaging transactions between PIBOs & PWPs are required for foolproof calculation of EPR targets of PIBOs, cross-checking of transactions, and generation of EPR certificates. Section 9 of the EPR Guidelines states that Environment Compensation (EC) will be levied by CPCB/SPCB/PCC on PIBOs for non-fulfilment of their EPR targets, responsibilities, and obligations, and EC of Rs.5000/- per ton will be levied for shortfall in EPR target on defaulting PIBOs. Non-fulfilment of EPR targets by PIBOs can have huge financial implications and severe adverse environmental impact.

Importance of GST E-invoice for EPR Compliance

GST invoice provides verified details of all transactions, including those related to plastic waste/packaging transactions, and PIBOs are mandated to provide details of sales & procurement of plastic packaging. The EPR portal developed by CPCB has provisions for cross-validation of transactions between PIBOs/PWPs and auto-generation of EPR targets based on real-time capture of procurement/sales of plastic packaging. The portal also allows for the generation of EPR certificates based on actual sales figures of PWPs/PIBOs and transfer of certificates between PWPs/PIBOs.

Compliance Requirements for PIBOs and PWPs

Under the Plastic Waste Management Rules, 2016, all PIBOs and PWPs are directed to upload GST E-invoice details of all transactions related to plastic packaging and waste on the centralized EPR portal to ensure compliance with the provisions contained in the Guidelines on Extended Producer Responsibility for Plastic Packaging. Non-compliance with these directions may result in action being taken against the PIBOs/PWPs.

Conclusion

In conclusion, the implementation of Extended Producer Responsibility (EPR) for plastic packaging is an important step towards sustainable waste management. The guidelines laid out by the Central Pollution Control Board and the Ministry of Environment, Forest & Climate Change provide a framework for Producers, Importers & Brand-Owners (PIBOs) and Plastic Waste Processors (PWPs) to take responsibility for the end-of-life management of their products. The use of GST E-invoice details and the centralized EPR Portal for registration and reporting of plastic waste and packaging transactions will enable effective monitoring, cross-checking and enforcement of EPR targets, and help minimize the environmental impact of plastic waste. It is essential for all PIBOs and PWPs to comply with these guidelines and take necessary actions towards sustainable waste management, failing which strict action will be initiated against the defaulting parties. It is the collective responsibility of all stakeholders to work towards a cleaner and greener environment for present and future generations.

Way forward

In addition to the EPR Guidelines, there may be other solutions worth considering for reducing plastic waste. It may be valuable to explore alternative approaches. Here are some examples for the same:

- Reducing plastic consumption: One of the most effective ways to reduce plastic waste is to reduce plastic consumption altogether. This can be done by using reusable bags, water bottles, and containers, and avoiding single-use plastic products like straws and cutlery which has been banned by the govt.
- Promoting the use of sustainable alternatives: There are many sustainable alternatives to plastic, such as bamboo, paper, and biodegradable plastics. Governments and businesses can promote the use of these alternatives by providing incentives, such as tax breaks, and investing in research and development.
- Implementing a deposit-return system: A deposit-return system involves paying a deposit on a product, which is refunded when the product is returned for recycling. This system has been successful in reducing plastic waste in countries like Germany and Denmark.
- Implementing a plastic tax: A plastic tax is a tax on plastic products, which can provide an incentive for producers to reduce their plastic use and develop more sustainable alternatives.
- Investing in recycling infrastructure: Investing in recycling infrastructure can help to increase the recycling rates of plastic waste, reducing the amount that ends up in landfills or the environment. This could include investing in new technology to improve the efficiency of recycling processes and expanding the capacity of recycling facilities.

[The views expressed are strictly personal.]

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