



Finance Act 2021

2021 CHAPTER 26

PART 2

PLASTIC PACKAGING TAX

Miscellaneous

72 Prevention of artificial separation of business activities: directions

- (1) This section, and section 73, apply for the purpose of preventing the maintenance or creation of any artificial separation of business activities carried on by two or more persons from resulting in an avoidance of plastic packaging tax.
- (2) The Commissioners may make a direction under this section naming any person only if they are satisfied that—
 - (a) the person is producing or importing, or has produced or imported, chargeable plastic packaging components,
 - (b) the activities in the course of which the person produces or imports, or produced or imported, chargeable plastic packaging components form only part of certain activities, the other activities being carried on concurrently or previously (or both) by one or more other persons,
 - (c) the activities carried on by those persons have been, or are, artificially separated, having regard to whether the persons carrying on those activities are connected within the meaning of section 1122 of CTA 2010 (“connected” persons), and
 - (d) if all the activities of those persons were taken into account, a single person carrying on that business would at the time of the direction be liable to be registered by virtue of section 55.
- (3) Subsection (4) applies where, after making a direction under this section that specifies a description of business, it appears to the Commissioners that a person (P) who was not named in that direction is producing or importing, or has produced or imported, chargeable plastic packaging components in the course of activities which should be regarded as part of the activities of that business.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2021, Section 72. (See end of Document for details)

- (4) The Commissioners may make a supplementary direction referring to the earlier direction and the description of business specified in it and adding P's name to those of the persons named in the earlier direction with effect from—
- (a) the date on which P began to produce or import those components, or
 - (b) if later, the date with effect from which the single taxable person referred to in the earlier direction became liable to be registered under this Part.
- (5) If, immediately before a direction (including a supplementary direction) is made under this section, any person named in the direction is registered under this Part, the person ceases to be liable to be so registered with effect from the later of—
- (a) the date with effect from which the single taxable person concerned became liable to be registered, and
 - (b) the date of the direction.
- (6) A direction under this section must be given to each person named in it.

Modifications etc. (not altering text)

- C1** Pt. 2 modified (1.4.2022) by [The Plastic Packaging Tax \(Descriptions of Products\) Regulations 2021 \(S.I. 2021/1417\)](#), regs. 1, **3-5**
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Commencement Information

- I1** S. 72 in force at 10.12.2021 for specified purposes by [S.I. 2021/1409](#), **reg. 3**
- I2** S. 72 in force at 1.4.2022 in so far as not already in force by [S.I. 2021/1409](#), **reg. 4**

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2021, Section 72.