

SCOOP

THE LATEST TRENDS, SERVICES & PROMOTIONS

ELECTRICAL & ELECTRONICS, SGS HONG KONG

SEP, 2011

DENMARK ECO TAX PROGRAM ON PVC AND PHTHALATES

Polyvinyl chloride, commonly abbreviated PVC is the world 3rd most common widely produced plastic. PVC is a thermoplastic which can be brought into many different forms and shape. PVC polymer is often mixed with a number of additives such as plasticisers, flame retardant to allow PVC to serve specific functions in practice.

Among the different plasticisers added to plastics, phthalates are primarily used as vinyl softener. Depending on the final use, plasticizer contents vary between 15-60%, with typical range from 35-40%.

Although widely applicable to serve different functions, PVC and phthalates have drawn much public attention due to their adverse effect on human health. Vinyl chloride residual monomer is a known human carcinogen; on the other hand, phthalates are demonstrated to mimic human hormones, adversely affecting the development of young children.



Due to these negative impacts of PVC and phthalates on human health, DENMARK has established the **Taxes on Polyvinylchloride and Phthalates Bill** in year 2000 aiming to demand cleaner products and encourage industry to use materials and processes that have less impact on the environment. Under this Act, products containing (i) PVC or (ii) PVC containing phthalates will be charged for taxes and details of the Act are as follow:

■ SCOPE

Products (including imported products) with **PVC content greater than 10% of the products weight** and the categories include plastic flooring materials, self-adhesive film, ring binders, files, plastic folders, gloves, aprons, protective suits of PVC, tarpaulins, covers, curtains, insulated wires, cables, leads, tiles and pipes.

■ TAX RATE

Apportioned to the weight of PVC and, where applicable, **phthalates** contained in the product. To encourage the minimization of the use of Phthalates, a **reduced tax rate** could be enjoyed if the manufacturers established PVC containing **no phthalates**. The average reduced rate is approximately half original rate.

■ CONTROL PROVISION

To control compliance with the Act, the customs and tax authorities are empowered to conduct **inspection of accounting materials and goods** at any time.

■ PENALTIES

Fine will be imposed on the submission of incorrect or misleading information and failure to disclose information used to control the law tax.

Throughout our global network of laboratories, we are able to provide a range of services in a comprehensive range of consumer products for worldwide markets. Please do not hesitate to contact us for further information.

FOR ENQUIRIES:

HONG KONG

Ms. Carmen LEUNG
t + 852 2334 4481 Ext. 3350
e Carmen.Leung@sgs.com

Ms. Lillian POON
t +852 2334 4481 Ext. 3388
e Lillian.Poon@sgs.com

Ms. Tammy LEE
t +852 2774 7160
e Tammy.Lee@sgs.com

© 2011 SGS. All rights reserved. The information contained herein is provided "as is" and SGS does not warrant that it will be error-free or will meet any particular criteria of performance or quality. Do not quote or refer any information herein without SGS' prior written consent. Any unauthorized alteration, forgery or falsification of the content or appearance of this document is unlawful and offenders may be prosecuted to the fullest extent of the law.

