

## Frequently Asked Questions

### **Q1 Do I need to register as registered supplier?**

A1 According to the requirements of the Producer Responsibility Scheme on Glass Beverage Containers, starting from 1 May 2023, beverage suppliers (including manufacturers and importers) must first register with the Environmental Protection Department as registered suppliers before **distributing** any “regulated articles” (“RAs”), i.e. glass-bottled beverages, in Hong Kong.

<b>Yes</b> - in these cases:	<b>No</b> - in these cases:
<ul style="list-style-type: none"><li>• Manufacture or import RAs</li><li><b>and</b></li><li>○ Sell RAs, or</li><li>○ Exchange or dispose of RAs for consideration, or</li><li>○ Give RAs as prize or gift</li></ul>	<ul style="list-style-type: none"><li>• No manufacture or import of RAs, or</li><li>• No distribution of RAs (e.g. only for tasting or display in the venues), or</li><li>• Exporters or re-exporters of RAs, or</li><li>• Logistics services providers who only provides transportation service</li></ul>

### **Q2 I have registered as registered supplier. Do I need to pay container recycling levies for the following regulated articles?**

- **For charitable donation or as gift for staffs**
- **For tasting during promotion**
- **For storage in warehouse**
- **As sample sent from overseas**
- **For those being stolen**

A2 Registered suppliers are required to submit returns and pay container recycling levies for the regulated articles “distributed” and “consumed” in Hong Kong. In relation to a regulated article, “distribute” means to sell the article, exchange or dispose of the article for consideration, or give the article to another person as a prize or gift; while “consume” means to open the sealed container of the article for the first time or abandon the article.

According to the above definition, regulated articles given for charitable donation or as gift for staffs are regarded as “distributed”, and regulated articles provided for tasting during promotion are regarded as “consumed”. Registered suppliers are

required to submit returns and pay levies for these regulated articles.

The regulated articles stored in warehouses or sent from overseas as samples are imported into Hong Kong in the course of business of the registered suppliers. Registered suppliers are required to submit returns and pay levies after these regulated articles are “distributed” or “consumed” in Hong Kong.

Since the definitions of “distribute” and “consume” do not include “stolen”, registered suppliers are not required to submit returns or pay container recycling levies for regulated articles that have been stolen.

**Q3 If the regulated articles distributed are returned to the registered supplier, will there be a refund of the container recycling levy paid?**

A3 As beverage suppliers have various modes of operation and goods supply, and the situations involving return of goods vary, there is no standard reply applicable to all and the circumstances of individual cases should be looked into. However, according to the requirements of the legislation, payment of container recycling levy is required only once for any RAs distributed in Hong Kong.

<b>Reasons for return of goods</b>	<b>Are submission of return and payment of levy required?</b>
The goods are not damaged or consumed but are returned because of commercial reasons.	The goods would not be regarded as “distributed” and payment of container recycling levy is not required. However, if the supplier re-distributes the goods to other customers later, payment of the levy is required.
The goods have been distributed but are returned due to defects.	The goods have been “distributed” and shall be abandoned after returned, therefore, the goods are considered as “consumed” and payment of container recycling levy is required even being returned.

<b>Reasons for return of goods</b>	<b>Are submission of return and payment of levy required?</b>
<p>The goods were sent on consignment but returned as unsold.</p>	<p>It will be subject to the established accounting policies of the registered supplier for the definition of revenue. If revenue is recognized once the goods are delivered to consignee, the goods are deemed “distributed” after delivery. The registered supplier must submit return and pay container recycling levy for the goods. If the goods are returned to the registered supplier without any damage and have not been consumed, they would not be regarded as “distributed” and payment of container recycling levy is not required. However, if the registered supplier re-distributes the goods to other customers later, they need to submit return and pay levy accordingly.</p> <p>On the other hand, if the established accounting policy of the registered supplier is to recognize revenue only after confirmation of sales or receipt of payment, the goods would not be regarded as “distributed” after delivery to the consignee. Therefore, the registered suppliers are not required to submit a return for delivering the goods, and the return figures would not be affected by any returned goods.</p>

**Q4 Are registered suppliers required to pay container recycling levy for regulated articles that have been re-exported?**

**A4** Registered suppliers are required by law to pay container recycling levies for the regulated articles that they distributed and consumed,

excluding regulated articles exported out of Hong Kong. Therefore, regulated articles imported for re-export or manufactured locally for export are not subject to container recycling levy. Registered suppliers do not need to include those regulated articles imported for re-export or manufactured locally for export in returns to the Environmental Protection Department.

**Q5 Does a business under duty-free condition distribute regulated articles to customers from other places subject to container recycling levy?**

A5 Registered suppliers are required by law to pay container recycling levies for the regulated articles that they distributed and consumed, excluding regulated articles exported out of Hong Kong. However, if the regulated articles are not traceable to establish evidence of export or re-export after being distributed in Hong Kong, such regulated articles shall be included in a return.

**Q6 If a registered supplier has paid the relevant container recycling levy to the Government for distributing regulated articles to a wholesaler, and the wholesaler subsequently exports the products out of Hong Kong, can the paid levy be refunded?**

A6 Registered suppliers are required by law to pay a recycling levy for the regulated articles they distributed and consumed, excluding regulated articles exported out of Hong Kong. If the concerned registered supplier is satisfied that the wholesaler has exported the goods out of Hong Kong (e.g. the wholesaler has provided relevant cargo documents), the registered supplier may:

- Report the discrepancy in annual audit report. If the auditor identifies any discrepancy between a return and the records and documents kept, the auditor must set out the discrepancy in a specified form, i.e. discrepancy list, a copy of which must be attached to the audit report and submit to the Environmental Protection Department. In accordance with the discrepancy set out, the Environmental Protection Department may adjust the amount of container recycling levy payable in relation to a subsequent return of the registered supplier.
- Lodge a written claim to the Environmental Protection Department for refund of the paid levy and provide relevant documentary evidence for review.

Relevant arrangements between the supplier and the wholesaler should be handled between themselves.

**Q7 Are vinegar, cooking wine, collagen, essence of chicken, bird’s nest regarded as beverages under the Producer Responsibility Scheme on Glass Beverage Containers (“GPRS”)?**

**A7** The Schedule 8 to the Product Eco-responsibility Ordinance (Cap. 603) has clearly defined “beverage” as (a) a ready-to-serve drink, including alcoholic drink, water, soft drink, juice, coffee, tea, soybean and dairy-based drink; and (b) a product that is a liquid or consists of liquid and is commonly served as a drink after being diluted or reconstituted. In general,

<b>Products</b>	<b>Assessment</b>
energy drink	are ready-to-serve drinks, fall within the definition of “beverage” in part (a).
rye juice	
guiling tea	
canned orange juice, aloe vera juice with aloe vera, passion fruit juice with chia seeds	
plum wine containing plums, rice wine containing (glutinous) rice	
cooking wine (huadiao, jiafan, sanzhen (triple-distilled), shuangzhen (double-distilled), miju (rice wine), fenjiu, soju, sweet wine)	can be used for cooking and drinking, fall within the definition of “beverage” in part (a).
concentrated fruit juice, fruit vinegar, tea vinegar, roselle honey, jujube tea, grapefruit tea, grapefruit honey	are liquid or consist of liquid and are commonly served as drinks after being diluted or reconstituted, fall within the definition of “beverage” in part (b).
honey, royal jelly	

<b>Products</b>	<b>Assessment</b>
BBQ honey	is commonly applied on BBQ food for cooking purpose and not ready-to-serve drink nor served as a drink after dilution. It does not fall within the definition of “beverage” in part (a) or (b).
vinegar (such as sweet vinegar, balsamic vinegar, black vinegar, malt vinegar, red wine vinegar, white wine vinegar, salad vinegar, white vinegar, white rice vinegar, aged vinegar, rice vinegar)	are used to enhance the aroma and taste of food. They are kind of vinegar and not ready-to-serve drink nor served as a drink after dilution. They do not fall within the definition of “beverage” in part (a) or (b).
soy sauce	is a kind of condiment and not ready-to-serve drink nor served as a drink after dilution. It does not fall within the definition of “beverage” in part (a) or (b).
loquat paste, medicinal wine	proprietary Chinese medicines that consist of liquid, such as cough syrup and products that possessed the “Notice of Confirmation of Transitional Registration of pCm” or the “Certificate of registration of a pCm”, are medicines or health supplements and not ready-to-serve drink nor served as a drink after dilution. It does not fall within the definition of “beverage” in part (a) or (b).
essence of chicken, bird’s nest, collagen supplements	are “dietetic food” or “supplementary food” with reference to the Codex Alimentarius which contains definition of individual food categories, and is not considered as “beverage”. However, if a supplier promotes and sells these products as “beverage”, such products may be considered as “beverage” under the GPRS.

<b>Products</b>	<b>Assessment</b>
soup	are “soup” with reference to the Codex Alimentarius which contains definition of individual food categories, soup is not considered as “beverage”.
coffee powder, cocoa/chocolate powder	are not beverages as beverages must be liquid or consist of liquid.
guiling jelly	

**Q8 Can a registered supplier adjust figures in a subsequent return to offset any amount of container recycling levy that has been overpaid?**

A8 Each return submitted by a registered supplier must include information about the total litre volume of glass-bottled beverages that were distributed or consumed in Hong Kong during the reporting period. Registered suppliers are not allowed to adjust figures in a return taking into account any discrepancies. For refund of overpaid sum, registered suppliers may either report the discrepancy in annual audit reports, or lodge written claims accompanied by documentary evidence to the Environmental Protection Department for review.

**Q9 Can the container recycling levy be listed on the receipts and collected from consumers?**

A9 Suppliers of regulated articles are required by law to pay a container recycling levy to the Government. There is no requirement for listing the container recycling levy on the receipts issued to consumers nor regulation on how the suppliers may recover all or part of the container recycling levy from other stakeholders through the supply chain. Relevant stakeholders and the trade should determine according to the operation of the free market and decide themselves.

**Q10 Can registered suppliers report the volume of regulated articles imported in returns?**

A10 According to the legislation, the levy would only be collected after glass-bottled beverages have been distributed and reported in the returns. The arrangement is intended to minimize the impact on cash flow of beverage suppliers, in particular the small and medium enterprises.

**Q11 How many decimal places are required for reporting in returns?**

A11 Please provide figures to 3 decimal places in returns.

**Q12 If no glass-bottled beverages are distributed or consumed, is a registered supplier required to submit return?**

A12 Registered suppliers are required by law to submit returns to the Environmental Protection Department. Regardless of the volume of glass-bottled beverage “distributed” or “consumed” during the reporting period, registered suppliers are required to submit returns.

**Q13 Can the container recycling levy be exempted if the aggregate amount of levy payable for an audit year does not exceed HK\$20,000?**

A13 If the aggregate amount of container recycling levies payable for an audit year does not exceed HK\$20,000, a registered supplier may apply to the Environmental Protection Department for exemption from submitting an audit report to reduce compliance costs. However, the registered suppliers is still required to pay the container recycling levy.

**Q14 Is it permissible to keep records and documents relating to returns in electronic form?**

A14 Registered suppliers may scan and keep images of the original records and documents in electronic form. The information should remain complete and unaltered for subsequent reference.

**Q15 Is there any reference material available for preparing the audit report?**

A15 The Hong Kong Institute of Certified Public Accountants (HKICPA) has issued the relevant circular in its website: Circular on Reporting under Section 20 of the Product Eco-responsibility (Regulated Articles) Regulation (Cap. 603C) ([https://www.hkicpa.org.hk/-/media/HKICPA-Website/New-HKICPA/Standards-and-regulation/SSD/03\\_Our-views/TB\\_-\\_Cir/Auditing/603cc.pdf](https://www.hkicpa.org.hk/-/media/HKICPA-Website/New-HKICPA/Standards-and-regulation/SSD/03_Our-views/TB_-_Cir/Auditing/603cc.pdf))

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**Q16 If I purchased glass-bottled beverages from abroad and brought it back to Hong Kong for personal use, am I subject to the container recycling levy?**

A16 Consumers are not subject to the container recycling levy for the regulated articles purchased from abroad for personal use. However, if the regulated articles are distributed for business (i.e. parallel trading), the person is regarded as a supplier under the Producer Responsibility Scheme on Glass Beverage Containers and is subject to the relevant statutory obligations.