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**Date:** 8/2/2019

**GAIN Report Number:** GM19030

## Germany

**Post:** Berlin

### **Changes to Germany's Packaging Laws – An Exporter's Guide**

**Report Categories:**

FAIRS Subject Report

Trade Policy Monitoring

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**Report Highlights:**

On January 1, 2019, Germany updated their waste management laws in an attempt to advance the country's environmental protection goals and correct regulatory loopholes. Companies selling packaged goods must register with the German government before placing any packaged products on the German market. Although these responsibilities will typically fall to the German importer, U.S. companies should be aware and clearly allocate regulatory compliance duties in their sales agreements with German firms. Failure to register may result in a sales ban and fines of up to €200,000.

## I. Background – German Packaging and Recycling Laws

Entering the 1990s, Germany became increasingly concerned with the environmental impacts of consumer waste, particularly plastic. Consumer waste—including packaging waste—quickly outpaced existing landfill capacity. The public, NGOs, and policymakers pressed for a sustainable approach to packaging, waste management, and recycling.

To address these concerns, in 1991 Germany adopted the *Verpackungsverordnung* (packaging ordinance, VerpackV), a regulation imposing waste collection and recycling obligations onto the producers and distributors of consumer-oriented packaged goods. Under VerpackV, these producers and distributors were made responsible for the collection, recycling, or disposal of their product’s packaging. To fulfill these duties, companies were obligated to contract with a “dual system,” a third-party provider of waste collection, sorting and recycling services. Under the dual system, private sector companies operate alongside existing municipal waste infrastructure to collect, sort, and recycle packaging waste generated by end consumers, including households, restaurants, hotels, and hospitals. Dual system license fees are calculated based on the type and amount of packaging waste generated.

This model remained in effect until January 1, 2019, when the *Verpackungsgesetz* (packaging law, VerpackG) regulations—a modification of the existing VerpackV rules—became law. (See Sections II-IV for current information and legal requirements related to VerpackG.)

## II. New Regulatory System – VerpackG

The VerpackV system lacked a central authority to track regulatory compliance and some companies did not adhere to their packaging registration and licensing requirements, including fee payments. To further its ambitious environmental goals and correct these free rider problems, Germany adopted VerpackG which went into effect on January 1, 2019. VerpackG established a central authority—the *Zentrale Stelle Verpackungsregister*, or *Zentrale Stelle*—to administer and enforce a mandatory registration system. Just as under VerpackV, companies must still license their packaging with an approved dual system provider. The dual system provider will perform the company’s waste collection and recycling obligations in exchange for a license fee, typically based on the composition and weight of the company’s packaging.

Of interest to U.S. companies, under VerpackG, the “initial distributor” of a packaged product must register with the *Zentrale Stelle* before marketing any packaged goods in Germany. The “initial distributor” is defined as entity bearing legal responsibility for the goods at the time of their entry into Germany<sup>1</sup>. Although this will typically be the German importer, U.S. companies should clearly allocate VerpackG regulatory compliance duties in their sales agreements with German firms. Failure to register can result in a sales ban, cease-and-desist actions by competitors, or a fine of up to €200,000.

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<sup>1</sup> For example, if the product is sold “ex works,” the ownership is transferred in the United States, and the buyer bears the costs and risk of transport, this buyer will be considered the “initial distributor.” In contrast, the U.S. exporter will be considered the “initial distributor” if the product is sold “delivery at place”, which means the U.S. exporter bears the costs and risk of transport, and retains ownership until the product arrives in Germany,

VerpackG also imposes ambitious new recycling targets (see Fig. 1 below) and creates incentives for manufacturers to utilize more environmentally friendly packaging options. Following the enactment of VerpackG, the dual systems must adjust their license fees to encourage eco-friendly packaging, providing lower rates for packaging materials that can be more easily recycled or that are made of renewable materials.

**Fig. 1) Changes in German Recycling Targets**



Source: Zentrale Stelle Verpackungsregister, 2019.

### III. Compliance Requirements for Manufacturers/Distributors of Packaged Goods

**1) Registration:** The “initial distributor” for products manufactured abroad is the entity bearing legal responsibility for the goods when they enter Germany. Although this will typically be the German importer, U.S. companies should clearly allocate VerpackG regulatory compliance duties in their sales agreements with German firms. U.S. companies should also obtain proof of compliance from their German distributors ensuring those companies have registered with the *Zentrale Stelle*, are licensed with an approved dual system, and have adequate record-keeping procedures in place. Even if a U.S. company is not required to register its packaging directly under VerpackG, they may be required to share information about packaging materials and volumes with their German importers for those companies’ reports to the *Zentrale Stelle*. Businesses such as online retail and mail-order companies that ship directly to German consumers are responsible for their own VerpackG registration and recordkeeping.

Companies responsible for their own VerpackG registration and reporting must register with the *Zentrale Stelle* before attempting to sell any packaged products in Germany. The VerpackG requirements apply to producers, shippers, and distributors introducing any amount of packaging onto the market. A company must register on the [LUCID Packaging Database](#), the *Zentrale Stelle*’s official VerpackG registration site. Registration is free of charge. The company must provide the following information during registration:

- Company name, address, and contact information
- Name and contact details of a natural person with legal power of representation for the business
- National ID number of the company, including the European or national tax number
- Brand names of the packaged products the company will sell in Germany
- Certification that the company has registered with a dual system to fulfill its waste collection and recycling obligations

This registration must be done by the regulated company and may not be delegated to a third-party service provider, waste management contractor, or consulting firm. The information provided to the *Zentrale Stelle* during the registration process will become part of a public database to ensure greater transparency in the German waste management system and enable enforcement of VerpackG requirements.

**2) Participation in a Dual System:** Following registration, a company will receive a registration number. Using this number, the company must enter into a licensing contract with a German dual system service provider that will handle the collection, sorting, and recycling of its packaging waste. The company will be required to furnish its dual system service provider with an estimate of the amount of each type of packaging waste it will generate within the contracting period. Based on the estimated waste generation and the particular composition of the packaging waste, the dual system will determine the appropriate licensing fee. Following the enactment of VerpackG, the dual systems must provide lower rates for packaging materials that can be more easily recycled or that are made of renewable materials. At the end of the contracting period, the dual system service provider determines the actual amount of packaging waste generated, and licensing fees are adjusted accordingly.

After concluding an agreement with a certified dual system service provider, a company must share its packaging waste estimations and information about its selected dual system partner with the *Zentrale Stelle*.

For further information on certified dual system service providers, contact your potential German importer and/or one of the following registered dual system companies:

- Der Grüne Punkt – Duales System Deutschland GmbH, Koeln - <https://www.gruener-punkt.de/en.html>
- BellandVision GmbH, Pegnitz - [www.bellandvision.de](http://www.bellandvision.de)
- EKO-PUNKT GmbH, Luenen - [www.eko-punkt.de](http://www.eko-punkt.de)
- INTERSEROH Dienstleistungs-GmbH, Koeln - <https://www.interseroh.de/en/>
- Landbell AG, Mainz - [www.landbell.de](http://www.landbell.de)
- Reclay VFW GmbH & Co. KG, Köln – <https://www.reclay-group.com/de/en/>
- Veolia Umweltservice Dual GmbH, Rostock - <https://www.veolia.de/dual>
- Zentek GmbH & Co. KG, Köln - <https://www.zentek.de/en/services/zentek-dual-system/>

**3) Reporting Requirements:** Whenever a company reports the type and weight of all packaging materials placed on the market to its dual system partner, it must simultaneously report that information to the *Zentrale Stelle*. A company must report this information at least once a year. For companies placing more than a minimal amount of packaging on the market, an annual “declaration of completeness” is also required. These minimal levels vary with the type of packaging and are defined as follows:

- Glass: 80,000 kg.
- Paper/paperboard/cardboard: 50,000 kg.
- Ferrous metals/aluminum/plastics/drink cartons/other composites: 30,000 kg.

Companies exceeding these levels must submit an annual “declaration of completeness” verifying the accuracy of their disclosures to the *Zentrale Stelle*. This declaration is due by May 15<sup>th</sup> of each year and must be reviewed by a registered auditor, tax consultant, or accountant.

## IV. FAQs

- **What entities are covered by the new VerpackG registration requirements?**
  - The VerpackG regulations apply to “initial distributors” of packaged goods. Initial distributors are the first entities to commercially introduce business-to-consumer (B2C) packaging materials onto the German market. For products made abroad, the entity bearing legal responsibility for the goods at the time of their entry into Germany bears registration responsibilities. Therefore, if the German importer bears legal responsibility for the goods when the shipment enters the country, that domestic importer—not the foreign manufacturer—is responsible for registering with the *Zentrale Stelle*. If the foreign manufacturer or exporter retains legal responsibility for the shipment after its entry into Germany, that entity is responsible for registration. Online or mail-order businesses located outside of Germany that sell directly to German consumers are responsible for registration.
  - NOTE: There is no minimum packaging requirement for VerpackG liability. A distributor’s VerpackG disposal and recycling obligations apply for *any volume* of packaging—no matter how large or small—placed on the German market.
- **What types of packaging does VerpackG cover?**
  - VerpackG covers packaging waste from commercially sold products that typically accumulates as private household waste with end consumers. It also applies to packaging from “equivalent sources of waste generation,” like cinemas, restaurants, hotels, amusement parks, and hospitals.
- **What types of packaging material does VerpackG cover?**
  - Nearly all packaging materials are subject to licensing and registration under the VerpackG guidelines. These materials include:
    - **Paperboard, paper and cardboard:** shipping cartons, folding cartons, packing paper, paper bags
    - **Glass:** non-reusable bottles and jars
    - **Plastics:** plastic bags, bottles, wrap, and containers
    - **Ferrous metals:** metal cans
    - **Aluminum and other metals:** bottle caps, foil
    - **Composite beverage cartons:** laminated cardboard, plastic/aluminum composites
    - **Other composite packaging:** vacuum packaging for coffee
    - **Other materials:** cotton, wood, rubber, copper, ceramic

- **How can companies reduce VerpackG compliance costs?**
  - Developing more environmentally friendly packaging will reduce compliance costs for companies with obligations under VerpackG. Packaging that is easily recyclable or that is derived from renewable resources like wood rather than nonrenewable resources like fossil fuels have lower dual system licensing fees under VerpackG.
  
- **What are the penalties for VerpackG noncompliance?**
  - Products that are not registered with the *Zentrale Stelle* will be subject to a sales ban, and the liable distributor could face fines of up to €200,000. Industry competitors can also report noncompliance and institute a cease and desist action against offending companies. A manufacturer, retailer, wholesaler, or importer who meets the VerpackG “first distributor” definition must comply with the law’s registration and reporting requirements. An entity does not have to actually sell an unregistered product to violate the VerpackG regulations, it merely has to offer an unregistered product for sale.
  
- **Sources for more information:**
  - *Verpackungsregister*/LUCID How-To Guide: [https://www.verpackungsregister.org/fileadmin/user\\_upload/How-to-Guide\\_en\\_04092018.pdf](https://www.verpackungsregister.org/fileadmin/user_upload/How-to-Guide_en_04092018.pdf)
  - LUCID Registration Site: <https://lucid.verpackungsregister.org/>
  - *Zentrale Stelle* FAQs: [https://www.verpackungsregister.org/fileadmin/user\\_upload/10-W-Fragen\\_en\\_15082018.pdf](https://www.verpackungsregister.org/fileadmin/user_upload/10-W-Fragen_en_15082018.pdf)

## V. Contact Information

If you have questions or comments regarding this report or need assistance exporting to Germany, please contact the Foreign Agricultural Service in Berlin. Importer listings are available from the Foreign Agricultural Service for use by U.S. exporters of American food and beverage products.

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