Sabiedrisko pakalpojumu regulēšanas komisija

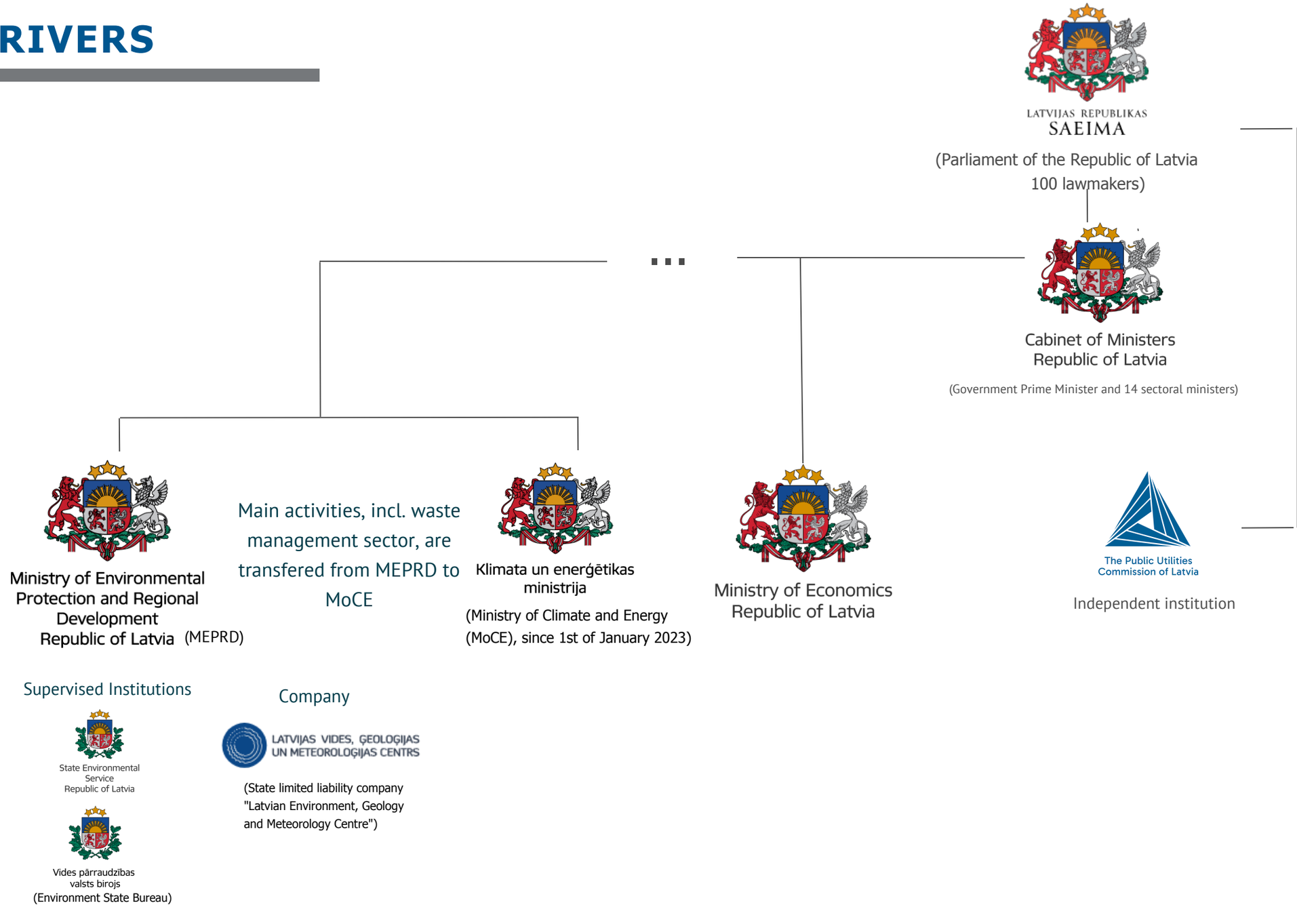
Workshop "TF Waste"

REGULATION OF THE DEPOSIT SYSTEM IN LATVIA

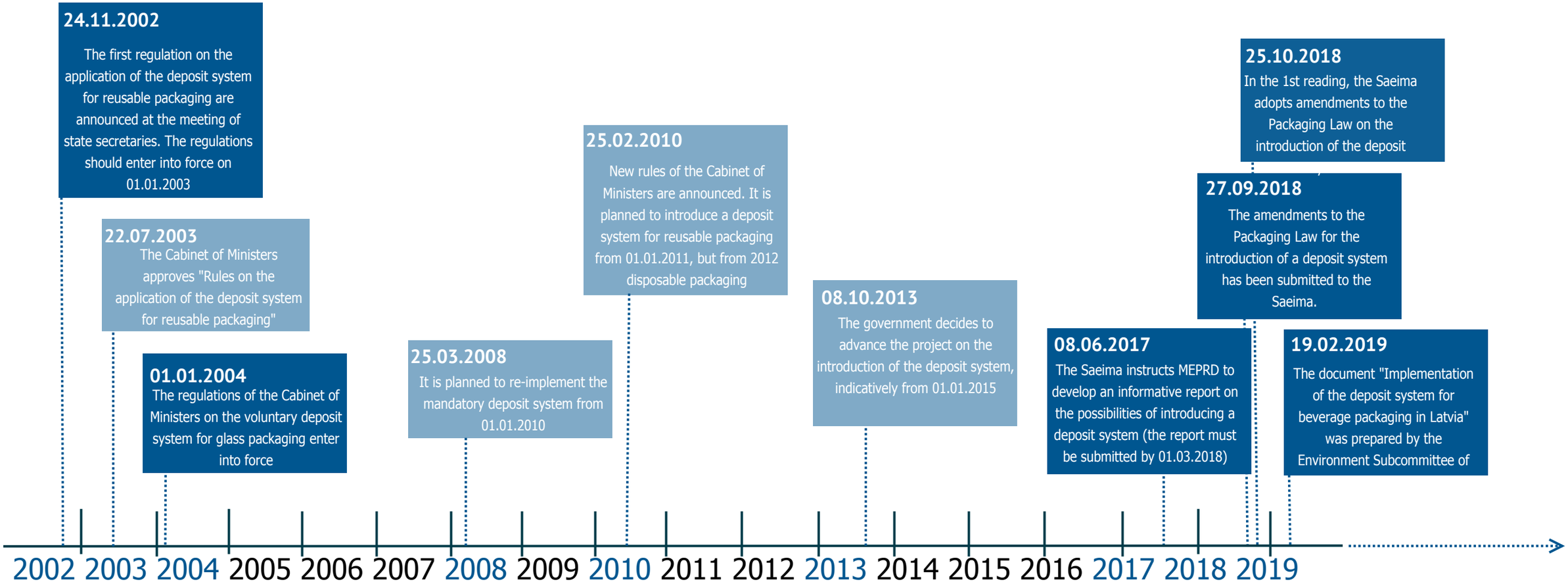
24th of October, 2024

INARA TEIBE
Senior Expert
Deposit System and Waste Management Division
Water, Deposit System and Waste Management Department

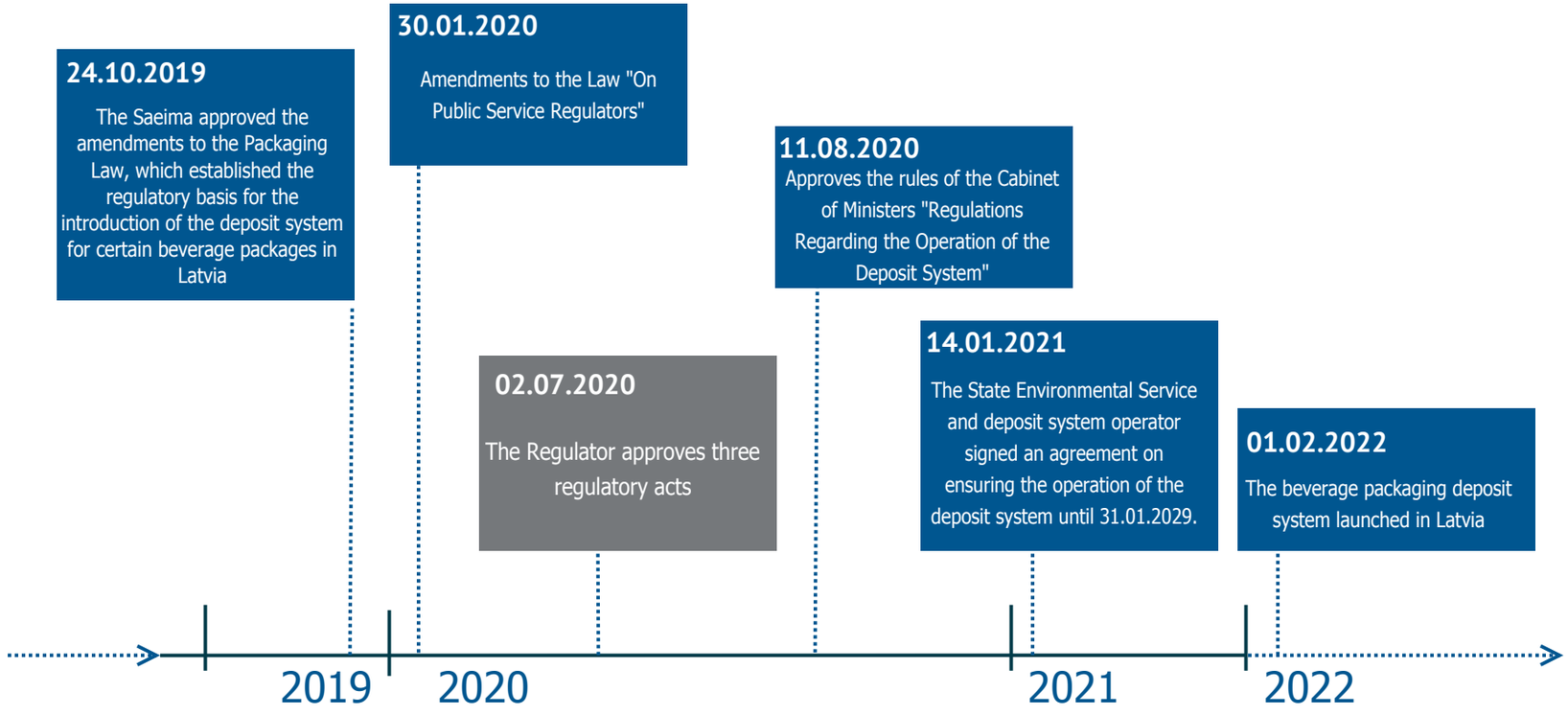
POLICY DRIVERS



THE DEPOSIT SYSTEM IMPLEMENTATION TIMELINE (I)



THE DEPOSIT SYSTEM IMPLEMENTATION TIMELINE (II)

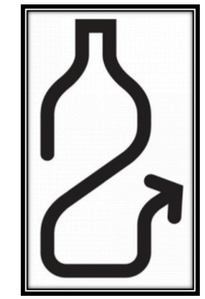


Regulatory acts issued by the regulator:

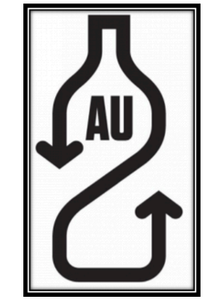
1. Methodology for the Calculation of the Deposit System Participation Fee;
2. Regulations Regarding the General Authorisation, Registration, and Submission of Information in the Deposit Packaging Management Sector;
3. Regulations Regarding the Examination of the Discrepancies on the Deposit Packaging Management Fee.

Depozīta punkts

Deposit system operator -
Depozīta Iepakojuma Operators, Ltd



Single-use deposit packaging
(PET clear, PET mix, metal (Al), metal (Fe), glass)



Reusable glass
(universal and individual design)

THE MAIN REGULATORY ACTS

Waste Management Law

Packaging Law

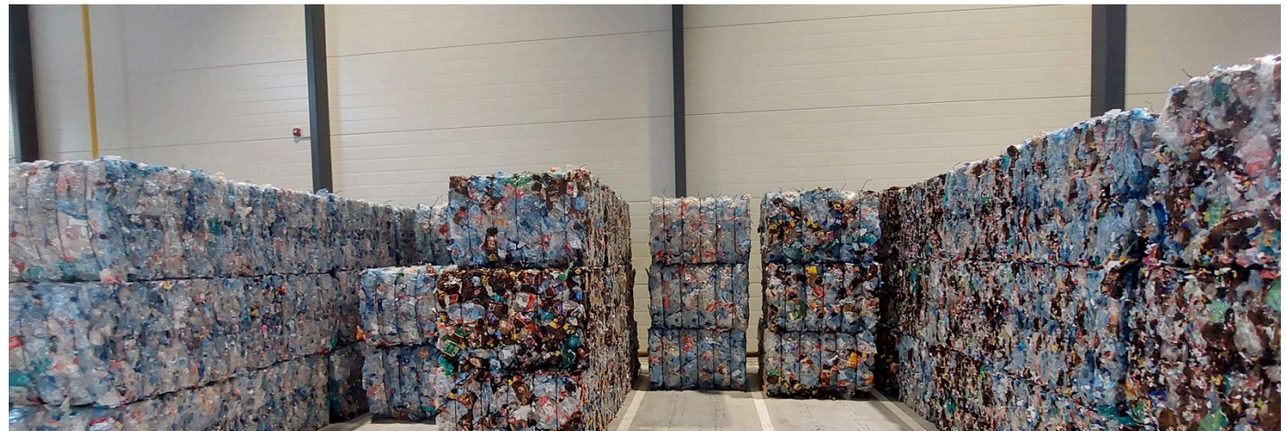
Regulations Regarding the Operation of the Deposit System (Minister Cabinet Regulation No.519)

Law On Regulators of Public Utilities

Regulations Regarding Types of Regulated Public Utilities (Minister Cabinet Regulation No.1227)

Decisions of the Board of the Public Utilities Commission:

- Methodology for the Calculation of the Deposit System Participation Fee;
- Regulations Regarding the General Authorisation, Registration, and Submission of Information in the Deposit Packaging Management Sector;
- Regulations Regarding the Examination of the Discrepancies on the Deposit Packaging Management Fee.



WHEN THE DEPOSIT SYSTEM IS APPLIED

Regulations Regarding the Operation of the Deposit System

1. Anex1
Types of single use and reusable packaging:
1. Glass bottles:
1.1. glass bottles with a volume of 0.1 to 3 l (not included)
1.2. glass bottles for other fermented products with an alcohol content of up to 6 % with a volume of 0.1 to 0.75 l (not included)
2. Plastic bottles:
2.1. plastic (PET material group) bottles with a volume of 0.1 to 3 l (not included)
2.2. plastic bottles for beer and other fermented products with an alcohol content of up to 6 %, with a volume of 0.1 to 0.5 or 1 l
3. Tins with a volume of 0.2 to 1 l

Beverages

- Carbonated and non-carbonated non-alcoholic beverages (for example, mineral water, drinking water, lemonades, energy drinks, ice tea, juices, nectars).
- Beer.
- Other fermented products with an alcohol content of up to 6 % (for example, cider, alcoholic cocktails with an alcohol content of 0.5 % to 6 %), wine, sparkling wine, and fruit wine.

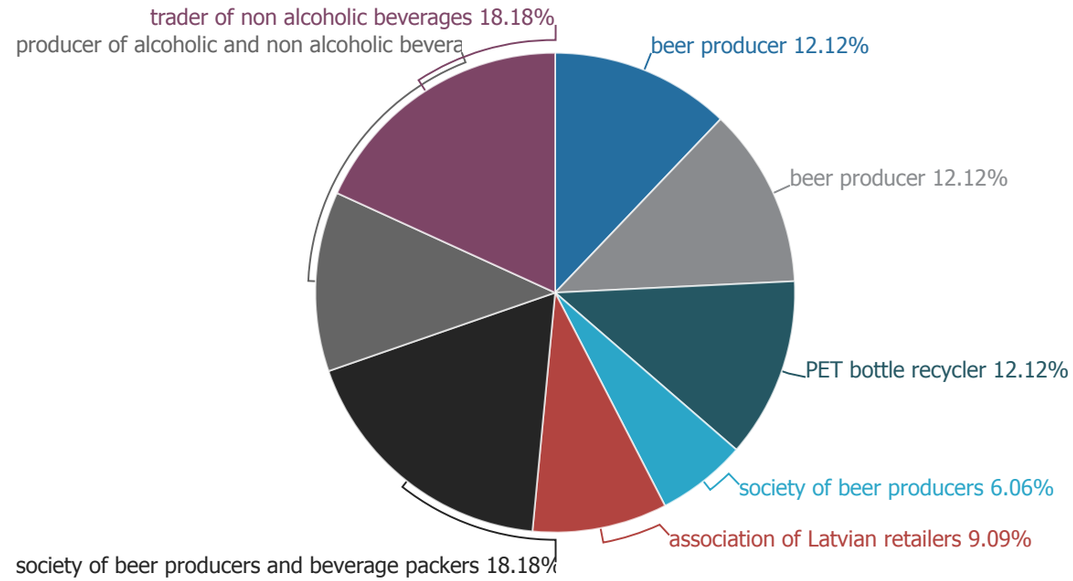
Packaging Law

Section 18.1 A deposit packer the amount of beverage deposit packaging waste of which makes 150 kilograms or more in a calendar year has an obligation to manage the beverage deposit packaging waste in the entire territory of Latvia by entering into an agreement with a deposit system operator on participation in the system.

Section 18.8 (1) A deposit packaging seller has an obligation to accept all types of beverage deposit packaging waste from a final user at its point of sale, its territory, or in the vicinity of the sales point, however not further than 150 metres from the point of sale:
1) in State cities if the area of the sales room is equal to 300 square metres or larger;
2) in other administrative territories if the area of the sales room is equal to 60 square metres or larger.

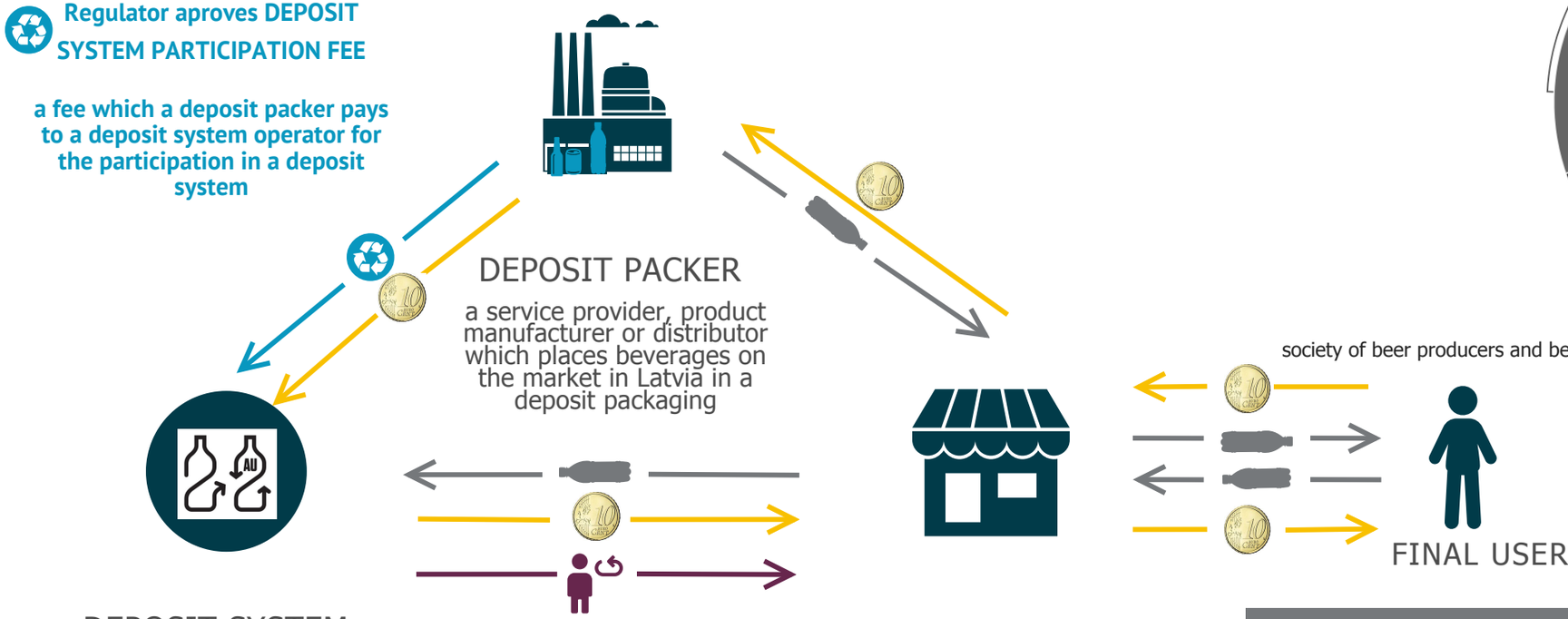
REGULATION OF THE DEPOSIT SYSTEM

Depozīta Iepakojuma Operators, Ltd shareholders



Regulator aproves DEPOSIT SYSTEM PARTICIPATION FEE

a fee which a deposit packer pays to a deposit system operator for the participation in a deposit system



DEPOSIT PACKER

a service provider, product manufacturer or distributor which places beverages on the market in Latvia in a deposit packaging

DEPOSIT SYSTEM OPERATOR

an economic operator the founders and participants of which are deposit packers and associations the members of which are deposit packers

DEPOSIT PACKAGING MANAGEMENT FEE

a fee which covers eligible expenses for acceptance, sorting, storage, accounting of deposit Packaging and maintenance of the deposit packaging acceptance point

DEPOSIT PACKAGING SELLER

a person who offers or sells beverages in a deposit packaging to final users

FINAL USER

3F's

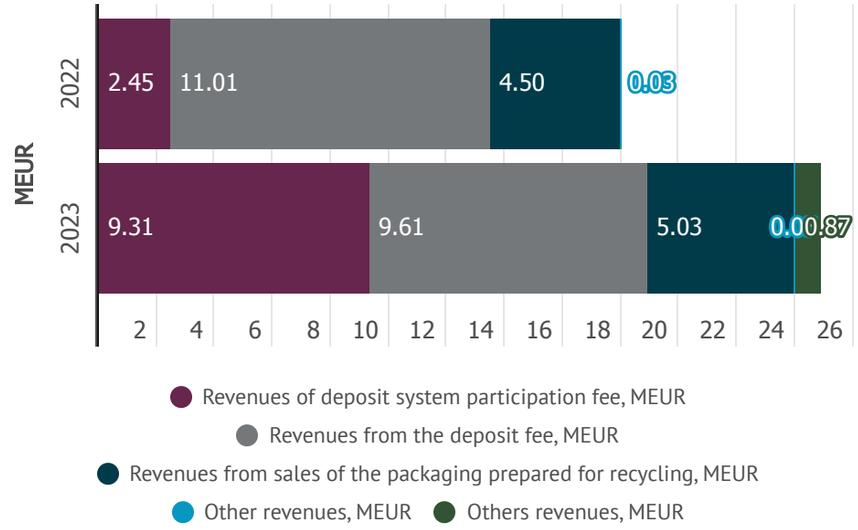
1) deposit fee per deposit packaging - 0,10 EUR - regulation of the Cabinet of Ministers;

2) deposit packaging management fee - determined by deposit system operator (functional audit performed by the independent auditor);

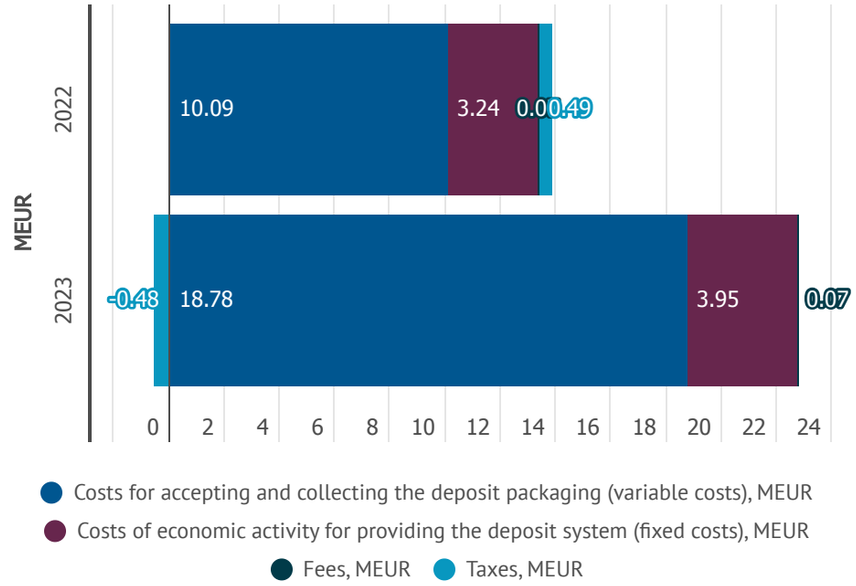
3) deposit system participation fee (industry fee) - approved by Regulator.

ACTUAL FIGURES, 2022-2023 (I)

Structure of the deposit system revenues, MEUR



Structure of the deposit system costs, MEUR



Methodology for the Calculation of the Deposit System Participation Fee

Revenues from deposit fee includes:

- Revenues from the unrepaid deposit fee;
- Adjustment of the value of market liabilitie.

Costs

Costs of accepting and collecting of deposit packaging (variable costs)

2.1. Costs of the deposit packaging management fee

2.1.1. Automated acceptance point

2.1.1.1. compressed packaging

2.1.1.2. uncompressed packaging

2.1.2. Manual acceptance point

2.2. Costs of renting reverse vending machines for deposit packaging

2.3. Costs of collection and logistics of deposit packaging

2.4. Costs of packaging materials and equipment for storage and collection of deposit packaging

Costs of Economic Activity for Providing the Deposit System (Fixed Costs)

3.1.Costs of reverse vending machines;

3.2. Costs of depreciation of fixed assets of the centre for sorting, ect.;

3.3. Credit interest payments;

3.4. Staff costs;

3.5. Costs of providing the technological processes for sorting, ect.;

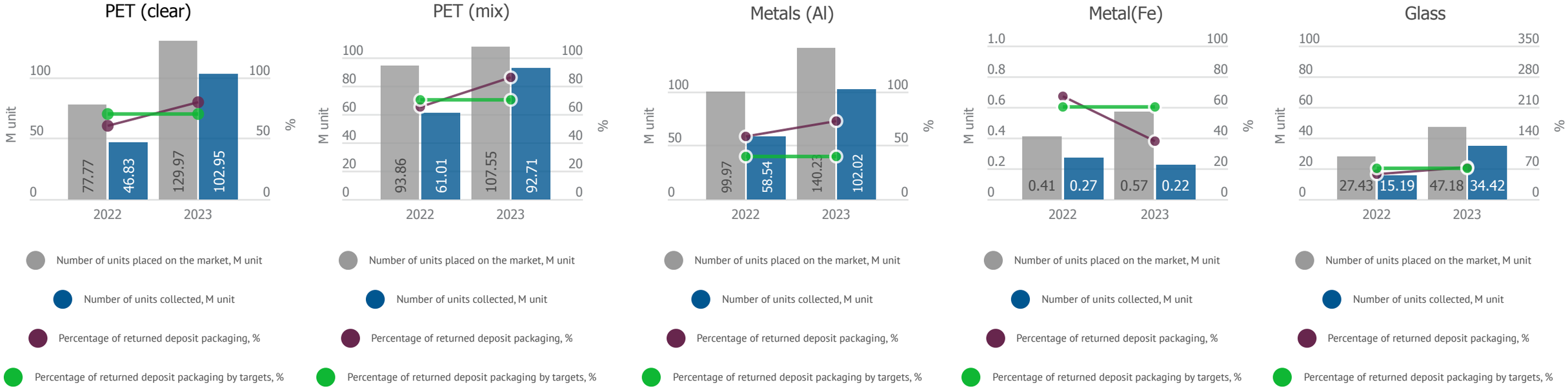
3.6. Costs of administration which are not included in other cost items;

3.7. Costs of public outreach;

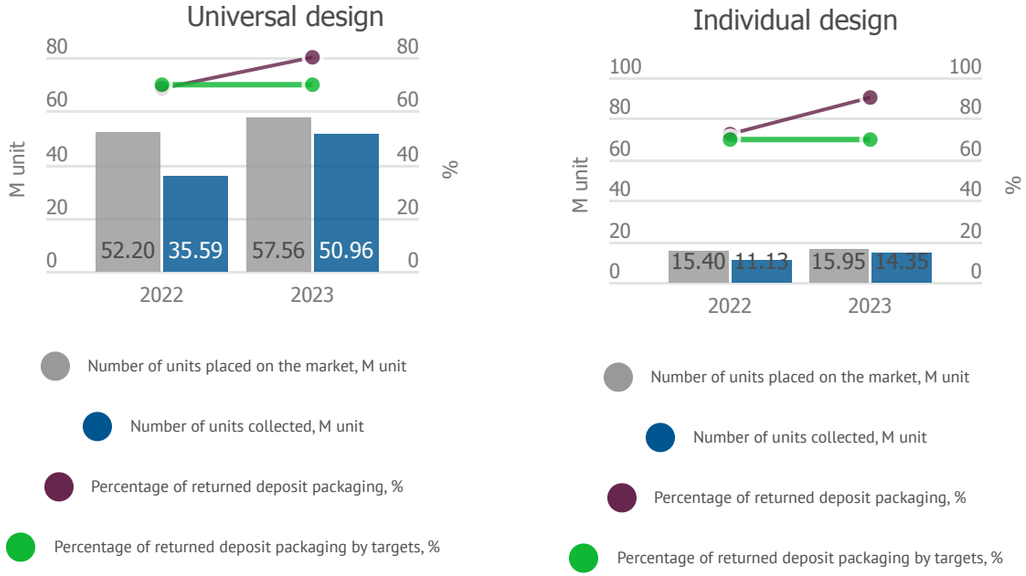
3.8. Other costs.

ACTUAL FIGURES, 2022-2023 (II)

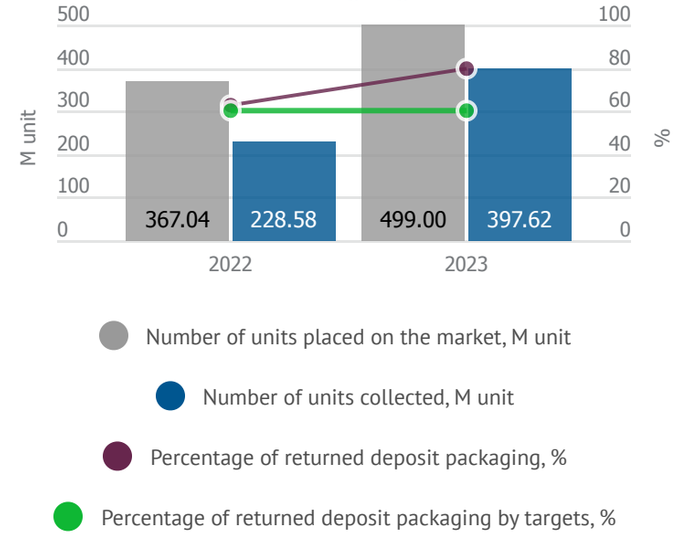
Singe-use deposit packaging



Reusable glass

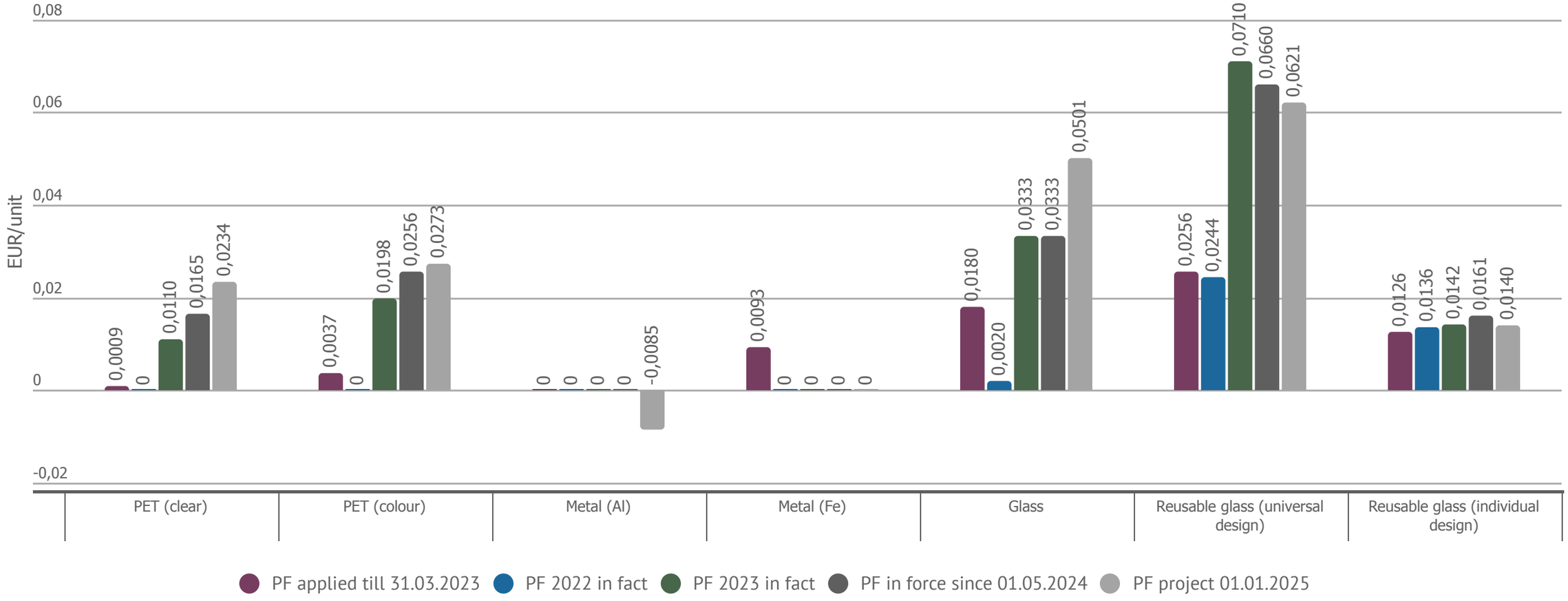


Total managed quantity of the deposit packaging



ACTUAL FIGURES, 2022-2023 (III)

Deposit packaging participation fees (PF), EUR/unit



The Public Utilities Commission of Latvia

Thank you for your attention!

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