

FEEDBACK ON EXEMPTIONS FROM REUSE OBLIGATIONS UNDER THE DRAFT DELEGATED ACT ON PACKAGING AND PACKAGING WASTE (PLASTIC WRAPPINGS AND STRAPS)

INTRODUCTION

The Japan Business Council in Europe (JBCE) welcomes the opportunity to submit its opinion regarding the exemptions from reuse obligations for plastic wrappings and straps.

JBCE endorses the objectives of the Packaging and Packaging Waste Regulation¹ (PPWR) and the EU's transition toward a circular economy, while calling for practical implementation measures that do not impose excessive burdens. We also recognise the importance of promoting reuse and resource efficiency across the entire packaging value chain and highly value the Commission's pragmatic approach in addressing sector-specific challenges through the proposed delegated act.

JBCE supports the direction of the draft delegated act to exempt pallet wrapping films and straps from the 100% reuse requirement for intra-company and domestic transports. This recognises current economic and technological constraints and helps safeguard load stability and worker safety while the market scales viable alternatives. However, key implementation details remain undefined (scope, conditions, reporting). These could set a precedent for future guidance or other packaging formats. We consider it important to help shape a practical outcome that minimises administrative overhead and avoids excessive conditions or complex certification.

KEY MESSAGES

❖ Clarifying the Scope of Exemptions and Conditions for Application

Clarify the scope and material definitions, define how Article 29(1) applies, and ensure practical, transparent conditions without unnecessary complexity.

❖ Design with SMEs in Mind

Prevent disproportionate burdens on SMEs through standardised formats and simplified reporting requirements.

❖ Technological Development and Standardisation

Support R&D, harmonise performance and safety testing, and ensure interoperability of data and labelling.

❖ Considering Phased Implementation

Combine pilots, milestones, and periodic reviews to allow flexible adaptation in line with technological progress.

¹ [Packaging and Packaging Waste Regulation](#)

1. Clarifying the Scope of Exemptions and Conditions for Application

The direction of the exemption criteria is reasonable and can be evaluated as a practical measure to achieve the reuse obligation. However, the current draft leaves some points that would benefit from further clarification.

First, it does not clearly specify whether the exemption applies only to commonly used Low-Density Polyethylene (LDPE) stretch wrap or also extends to other plastic materials with different technical characteristics. Therefore, further clarification of the scope of the exemption, particularly regarding the material definition of pallet wrapping films and straps, would be highly beneficial.

In addition, the applicability of Article 29(1) of the PPWR in this context may need to be addressed. Article 29(1) sets an annual aggregate reuse target and allows lower-reuse formats to be offset by higher-reuse formats. However, in one-way inbound logistics from outside the EU, the reuse rate of pallet wrapping films and straps is often beyond operators' control, making this compensation mechanism difficult to apply in practice and creating structural compliance risks. From this perspective, we believe it would be appropriate to consider the possibility of extending the scope of the exemption to Article 29(1).

Furthermore, the draft does not specify the details of the exemption conditions or reporting requirements, leaving companies with uncertainty in terms of preparation and investment decisions. This lack of clarity may also affect the design of future regulations, including other packaging formats and related guidance.

Accordingly, **we recommend clarifying the scope of the exemption and defining the materials covered, explicitly addressing how Article 29(1) applies in this context, and ensuring that conditions and reporting requirements remain practical and consistent without unnecessary complexity.** Enhancing transparency and avoiding unnecessary reporting burdens or complicated certification processes will be key to smooth implementation and maintaining the credibility of the regulation.

2. Design with SMEs in Mind

The proposed exemption reduces the burden of reuse obligations, but if the conditions or reporting and certification mechanisms become overly complex, SMEs may face a disproportionate impact. Specifically, additional data collection and reporting requirements, fixed costs associated with certification, and the need to secure specialised personnel could pose significant challenges. These burdens are particularly severe for SMEs, which have limited resources and staffing compared to large enterprises. Therefore, in designing the framework, it is **essential to avoid unnecessary complexity and ensure practical measures such as simplified requirements, standardised reporting formats, and clear guidance.**

3. Technological Development and Standardisation for a Sustainable Transition

The exemption is based on the current technical and economic challenges of fully applying reuse obligations. However, in the long term, **accelerating technological development and standardisation will be essential to enable the implementation of reuse models**. In designing exemption conditions and transition schedules, it is also important to take into account the technological availability and development, as well as the cost impact. Advancing standardisation through CEN/CENELEC and supporting R&D for robust materials and automated equipment will lay the foundation for safe and efficient reuse systems. Furthermore, harmonising performance and safety testing, establishing interoperable data and labelling standards, and leveraging targeted public procurement will help reduce investment risks, lower long-term costs, and improve safety and efficiency in logistics. These efforts are expected to drive a successful transition toward a circular economy.

4. Considering Phased Implementation

Instead of requiring 100% reuse from a single start date, **we recommend adopting a flexible, phased model**. Combining pilot implementation, transition milestones, measurable KPIs, and periodic reviews based on technological progress and market conditions will help achieve an effective and sustainable transition while avoiding disruption to supply chains. Such an approach provides predictability for businesses, prevents excessive burdens, and strengthens the credibility of the system.

5. Reducing Reporting Burden and Digital one-stop-shop (OSS) platform

While clarifying and simplifying exemption conditions is essential, further alleviating the operational burden on businesses also requires streamlining reporting obligations.

In its Communication entitled 'Simplifying for Sustainable Competitiveness',² published in December 2025, the European Commission reaffirmed simplification and digitalisation measures that are envisaged under the forthcoming Circular Economy Act, setting out the following orientations. These measures are also relevant for the implementation of PPWR, where reducing reporting burdens and advancing digitalisation will be key to practical compliance.

- Establishing an annual reporting frequency cap and promoting simplified data submission.
- Relaxing the obligation to appoint authorised representatives in each Member State, thereby reducing burdens for cross-border operators.

² [Simplifying for Sustainable Competitiveness](#)

- Advancing the integration and harmonisation of Extended Producer Responsibility schemes through digitalisation, with plans to develop a future One Stop Shop platform.

These initiatives align with JBCE's call for practical and coherent implementation and are expected to reduce administrative burdens for companies while ensuring environmental objectives.

Conclusion

JBCE welcomes the European Commission's proposal to exempt pallet wrapping films and straps, recognising the value of its pragmatic consideration of sector-specific constraints.

To ensure practical and coherent implementation, JBCE recommends clarifying the scope and material definitions, defining how Article 29(1) applies in this context, and encouraging consideration of the possibility of extending the scope of the exemption to Article 29(1).

JBCE also calls for clear and simplified exemption conditions, minimised reporting obligations, consideration for SMEs, the promotion of technological development and standardisation, as well as a phased implementation for a flexible transition. These measures will help ensure the delegated act avoids excessive administrative burdens without compromising environmental objectives.

In addition, JBCE supports the 'Simplifying for Sustainable Competitiveness' package, which aims to streamline reporting obligations and enhance efficiency through digitalisation. These initiatives align with JBCE's call for practical and coherent implementation and are expected to reduce administrative burdens while safeguarding environmental goals.

ABOUT JBCE

Founded in 1999, the Japan Business Council in Europe (JBCE) is a leading European organisation representing the interests of over 110 multinational companies of Japanese parentage active in Europe. Our members operate across a wide range of sectors, including information and communication technology, electronics, chemicals, automotive, machinery, wholesale trade, precision instruments, pharmaceuticals, textiles, and glass products.

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