

*Please note: This English version is a convenience translation –
the German version shall prevail*

'Declaration of completeness audit guidelines'

**for auditing and confirming
declarations of completeness
pursuant to section 11 VerpackG (Packaging Act)**

Last updated: 15 April 2020

Validity: 2019 reference year

VERSION HISTORY

Version	Date	Key changes	Entry into force	Validity
V.1.	Publication	-	At publication	2018 reference year
V.1.1	26 February 2019	Clarification on auditor qualification (NACE code 38) in A.1.2 Editorial amendment to A 3.1 (table; removal of other materials)	At publication	2018 reference year
V.2	13 September 2019	Continuous update of the validity and removal of references to the Verpackungsverordnung Clarification of audit objective in B.2.5 Specifications in the audit areas B.2 and B.9 Specifications in C.2 regarding appendices to the audit report Attachments: update of the producer declaration (Verpackungsgesetz)	At publication	2019 reference year
V.2.1	18 November 2019	Amendments to the producer declaration in appendix 2	At publication	2019 reference year
V.2.2	15.04.2020	Amendment to sample confirmations in appendix 2 (reference to audit guidelines and editorial amendments)	At publication	2019 reference year

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Introduction

- 1.1 The purpose of the '**Verpackungsgesetz**' (Packaging Act – '**VerpackG**')¹ is to prevent or reduce the impact of packaging waste on the environment. In order to achieve this goal, the Act seeks to regulate the actions of those under obligation to prevent packaging waste from coming into existence in the first place and to then prepare packaging waste for re-use or recycling. As part of this process, market participants are to be protected from unfair competitive practices (section 1 (1)).
- 1.2 Above a certain annual threshold (cf. 3.1), a '**producer**', who is the first to place packaging '**subject to system participation**' onto the German market on a commercial basis (who is therefore also called an '**initial distributor**'), is required pursuant to section 11 to file a declaration with the Zentrale Stelle Verpackungsregister (Central Agency Packaging Register – '**ZSVR**') by no later than 15 May of the following year. This declaration covers, amongst other things, all of the retail and grouped packaging that the producer placed onto the German market for the first time during the preceding calendar year (declaration of completeness, or '**DoC**'). The '**reference year**' for which the declaration of completeness is filed is therefore generally the preceding calendar year. In addition, the ZSVR or the responsible state authorities can order that a DoC be filed with the ZSVR even where the threshold has not been exceeded (and even for other preceding years). A producer can also file a DoC voluntarily.
- 1.3 The declaration of completeness must be filed electronically with the ZSVR along with related audit reports and further documentation pursuant to section 7 (3) relating to unsaleable/damaged packaging (cf. section 11 (3)). Pursuant to section 11 (3), the ZSVR has published standard operating procedures concerning the electronic filing procedure, in the form of the '**declaration of completeness technical guidelines**', on its website. These guidelines require the use of certain electronic forms and input screens as well as access to the ZSVR's database (LUCID); cf. <https://www.verpackungsregister.org/en/foundation-administration/audit-guidelines>. The requirements set out in these guidelines must be complied with when making filings.
- 1.4 The declaration of completeness must be audited and confirmed by a registered auditor (section 11 (1)). Registered auditors of declarations of completeness are those registered with the ZSVR pursuant to section 27 and the following individuals who have been admitted to a public register of auditors: experts pursuant to section 3 (15) ('**registered experts**'), auditors, tax advisers and sworn accountants (referred to collectively below as '**auditors**'). 'Auditor' refers to the individual auditor listed in the register of auditors, not the relevant auditor firm or organisation, even if that firm is intended to be the counterparty to the audit assignment.
- 1.5 Pursuant to section 26 (1) no. 28, the ZSVR has authority to formulate binding audit guidelines for declarations of completeness, amongst other things, in coordination with the German Federal Cartel Office. These '**audit guidelines**' must

¹ Unless indicated otherwise, section references to an Act in these audit guidelines are to the Verpackungsgesetz.

be observed when auditing and confirming declarations of completeness pursuant to section 11 (section 26 (1) no. 28). They must further be observed where orders have been issued by the ZSVR under section 11 (3).

- 1.6 Individual terms have been defined for the purposes of these audit guidelines in the glossary as set out in **appendix 1**. The explanations included in the glossary contain requirements that have a binding effect on the auditing of declarations of completeness. **Appendix 2** provides for sample audit certificates and the producer declaration. Appendices to these audit guidelines shall be deemed to be part of these audit guidelines.

A General section

1 Role of an auditor of declarations of completeness

- 1.1 Producers must engage an auditor for the auditing and confirmation of declarations of completeness pursuant to section 11 (1) (cf. Introduction, 1.4). The producer is responsible for the selection and instruction of the auditor from the ZSVR's register of auditors (division 1: registered experts; division 2: auditors, tax advisers, sworn accountants).
- 1.2 Environmental verifiers / environmental verifier firms within the meaning of section 3 (15) no. 2 may only audit and confirm a producer's declaration of completeness if they are NACE code 38 (waste collection, treatment and disposal activities; materials recovery) certified.
- 1.3 These audit guidelines also apply to auditors outside of Germany who are registered pursuant to section 27 and who temporarily or occasionally perform audits of declarations of completeness in Germany.
- 1.4 With regard to the auditor's role, the audit activities may not be performed by a third party / subcontractor. Any reference to the opinion of a third party, including third-party auditors, in the audit of a DoC is prohibited; in particular, the use of opinions on packaging classification (packaging/non-packaging; delineation of packaging subject to system participation) is prohibited (cf. also C4.4 for further details). Exceptions to this include
 - 1.4.1 audit results that are based on technical opinions regarding material specification;
 - 1.4.2 the results of external measurement/weighing.

Here 2.4 and 2.5 apply, respectively. As a registered expert, an auditor must adopt these audit results entirely. This is to be documented in the audit report in each individual case.

2 Basis of the audit

- 2.1 The basis of the audit is the Verpackungsgesetz as interpreted in the audit guidelines as amended for the reference year in question. The audit guidelines at hand apply to the 2019 reference year, subject to an intra-year amendment as per C6. The specific rules of the guidelines as applicable are to be followed for the audit.
- 2.2 In determining the system participation requirement classification, the administrative regulations set out by the ZSVR in the form of the '**system participation requirement catalogue**', as well as decisions published by the ZSVR on applications pursuant to section 26 (1) nos. 23-26 must be given due regard. To delineate between packaging and '**non-packaging**', the definitions in the Verpackungsgesetz in section 3 – including appendix 1 to section 3 (1) and decisions published by the ZSVR on applications pursuant to section 26 (1) nos. 23-25 – must be given due regard where they clarify the preliminary question of classification as packaging. The ability to apply to the ZSVR to classify packaging as being subject to system participation or not remains unaffected.
- 2.3 General requirements on auditors to assure the personal and professional qualifications of the individual registered auditor can be found in the relevant professional regulations.
- 2.4 The audit standard IDW PS 322, revised version dated 19 June 2013, must be applied in order to use the results from packaging weighed by an external or internal expert and to use a technical opinion regarding material specification. Pursuant to 4.a) of the audit standard IDW PS 322, an expert shall constitute an individual, a company or another person with specialist knowledge in an area other than accounting or auditing, whose work in a field assists the financial statement auditor in obtaining sufficient and appropriate audit evidence; such other areas include, but are not limited to weighing pursuant to the requirements of the '**MessEG**' and the '**MessEV**', or the qualification for technical material classification. In the event of conflicting provisions, these audit guidelines supersede the audit standard where the provisions of the audit standard do not relate to the use of the results of the weighing of packaging.
- 2.5 The objective of the audit is to ascertain implementation of the rules of the Verpackungsgesetz regarding DoCs, the placing onto the market as well as the return and the fulfilment of recovery requirements, with '**reasonable assurance**'.

3 Subject of the audit

- 3.1 As a preliminary matter to the audit, there is the question of whether the given producer is required to file a declaration of completeness. This will not be the case, except where expressly ordered by the ZSVR or the responsible state authorities, if certain thresholds have not been exceeded. The relevant thresholds for a calendar year are placing less than 80,000 kilogrammes of glass and/or less than 50,000 kilogrammes of paper/paperboard/cardboard and/or less than 30,000 of the other '**material types**' **collectively** onto the German market. The following table illustrates the various classifications of the material types for calculating the thresholds pursuant to section 11 (4). As stipulated in section 11 (2), the material types as per section 16 (2) in this table must be given due regard. A declaration of completeness may also be filed voluntarily.

Material type		Material code:	Classification for calculating thresholds
Glass		10000	Glass
Paper, paperboard, cardboard		20000	PPC
Ferrous metals		30000	Other material types
Aluminium		40000	Other material types
Plastics		50000	Other material types
'Beverage carton packaging'		60000	Other material types
Other composite packaging		70000	Other material types
Other material		80000	To be omitted

3.2 Where a declaration of completeness has been filed and confirmed, the subject of the audit is the **review of the entries in the declaration of completeness** in accordance with the basis of the audit as set out in A.2.1, regardless of the reason for the filing. Pursuant to section 11 (2), the declaration of completeness must contain the following entries:

- 3.2.1 Section 11 (2) no. 1: regarding the material type and mass of all the packaging **subject to system participation** placed onto the German market for the first time in the previous calendar year (for material types, cf. A.3.1 above);
- 3.2.2 Section 11 (2) no. 2: regarding the material type and mass of all retail packaging and grouped packaging filled with goods that was placed onto the German market for the first time in the previous calendar year that **typically does not accumulate as waste with a final consumer**;
- 3.2.3 Section 11 (2) no. 3: regarding the **participation in one or more system(s)** for packaging subject to system participation placed onto the German market for the first time in the previous calendar year;
- 3.2.4 Section 11 (2) no. 4: regarding the material type and mass of all packaging collected **by one or more sector-specific solution(s)** in the previous calendar year pursuant to section 8;
- 3.2.5 Section 11 (2) no. 5: regarding the material type and mass of all **packaging collected pursuant to section 7 (3)** in the previous calendar year; in this instance documentation must be submitted with the declaration of completeness, cf. C.1;

- 3.2.6 Section 11 (2) no. 6: regarding the fulfilment of recovery requirements for retail and grouped packaging collected **pursuant to section 15 (1) no. 2** in the previous calendar year;
- 3.2.7 Section 11 (2) no. 7: regarding the fulfilment of the recovery requirements for packaging collected pursuant to **section 7 (3)** during the previous calendar year.
- 3.3 The audit requires an assessment to be made of whether proper documentation has been provided. The technical accuracy of the following things in particular must be reviewed and confirmed as part of the overall assessment (with reasonable assurance in each case):
 - 3.3.1 The technical accuracy of the documents provided by the producer, such as recovery documentation (section 11 (2) nos. 6 and 7) and documentation for damaged packaging / packaging that could not be sold that is subject to system participation and the refunding of fees for this within the meaning of section 11 (2) no. 5 in conjunction with section 7 (3);
 - 3.3.2 The entries in the producer's system for electronic data processing (IT system) relating to entries under section 11 (2);
 - 3.3.3 The correct processing of the data by the producer's IT system;
 - 3.3.4 The correct classification of material types (cf. 3.1);
 - 3.3.5 The completeness of the documentation.
- 3.4 Details can be found in the specific audit activities in audit areas set out in B.1-10.
- 3.5 Auditing the performance of other contractual duties owed under civil law to systems or operators of sector-specific solutions is not within the subject these audit guidelines.

4 Audit assignment

- 4.1 The auditor may only accept the audit assignment if it stipulates that the audit will be conducted solely according to the basis of the audit as set out in A.2.1. Any conflicting provisions are prohibited;
- 4.2 The producer's audit assignment must contain the following provisions:
 - 4.2.1 **Basis of the audit:** The audit assignment must stipulate that the basis of the audit as set out in A.2.1 must be observed and that any departure from the basis of the audit is generally prohibited;
 - 4.2.2 **Allocation of responsibility:** The division of responsibilities between the producer and auditor must be structured as follows:
 - ◆ Proper lawful determination of participation volumes per material type and the other entries in the DoC, as well as complete documentation of the entries in the DoC, are the responsibility of the instructing producer;



this responsibility comprises the regularity of the producer's relevant internal **'IT systems'** and the institution and maintenance of a volume-related internal control system.

- ◆ The lawful determination of participation volumes per material type within the meaning of section 16 (2), and the documentation for this determination, as well as the regularity of the IT systems and internal control systems used for this purpose are, however, a subject of the audit and provisions must be made to this effect;

4.2.3 Information access: in the audit assignment, the auditor must be authorised to request from the producer to be audited – by way of application mutatis mutandis of the principles developed under section 320 (2) **'HGB'** – all explanations, information and evidence, as well as access to the IT systems that are required to duly perform the audit;

4.2.4 Specific training: in the audit assignment, before the audit begins as well as before it is completed, the auditor must be required to be informed of the latest changes to legislation, court rulings and the latest information from the ZSVR on declarations of completeness and the implementation of the audit guidelines;

4.2.5 Confidentiality: in the audit assignment, the provisions governing confidentiality pursuant to C5 must be expressly agreed. Nevertheless, the audit assignment must specifically allow the professional exchanges under C4 in view of maintaining the professional suitability of the respective auditor;

4.2.6 Financial independence: the auditor must be financially and professionally independent. This must be stipulated in the audit assignment, and must be confirmed in the audit report;

4.2.7 Documentation: the audit assignment must contain the documentary requirements set out in these audit guidelines;

- ◆ The auditor must comprehensively document the audit activities carried out to support their opinion and the evidence obtained in their working papers. The documentation must be designed in such a way that it can be followed and understood as well as reviewed by a professional third party and by the ZSVR. The working papers must also show at the same time that the audit was performed taking the basis of the audit under 2 above into account, including these audit guidelines.
- ◆ Furthermore, the audit assignment must also stipulate that the auditor must issue a written confirmation stating the audit result in accordance with the provisions of these audit guidelines;
- ◆ These audit guidelines contain details on the content, technical form and transmission of the confirmation and documentation.

4.2.8 Producer declaration: following conclusion of the audit, the auditor must obtain a declaration from the producer (as per the sample in **appendix 2**) that states the person responsible for preparing the declaration of completeness (naming the responsible party and their business address).

Such declaration must also state that all requested documents, agreements and materials, as well as access to the IT systems, were presented/granted and that all requested information was provided to the best of their knowledge;

4.2.9 Dismissal of the auditor: the audit assignment must specify that the auditor may only be dismissed for good cause. A difference of opinion with the auditor regarding the audit result cannot be justified as good cause.

4.3 Report addressees: the audit assignment must include the following arrangement regarding the report addressees mutatis mutandis:

- ◆ The audit result and the audit documentation are directly addressed to the producer issuing the assignment and to the ZSVR;
- ◆ Third parties only derive claims from the audit assignment if this is explicitly agreed or if this is the case owing to statutory legal provisions. Where any such rights arise, the provisions of the audit assignment also apply to these third parties;
- ◆ Pursuant to its statutory obligations, the ZSVR is authorised under section 26 (1) no. 4 to inform the responsible state authorities of any unresolved irregularities pertaining to the audit result and to provide evidentiary documentation and information about an administrative offence pursuant to section 34 (cf. 34 nos. 11 and 3) where specific cause to do so exists.

5 Audit planning

- 5.1 Prior to beginning the audit, the auditor must register with the ZSVR pursuant to section 27 (1), (2) as an expert or other auditor to be admitted to the register of auditors pursuant to section 27.
- 5.2 The auditor must keep informed of the latest changes to legislation, court rulings and the most recent information from the ZSVR on declarations of completeness and the implementation of the audit guidelines.
- 5.3 The auditor must assess what producer documentation under A.3.2 can be requested that is necessary to conduct the audit.
- 5.4 Examples of required information are set out separately under 'information' in the description of the individual audit areas in Part B of these audit guidelines. It is advisable in particular to request documentation that needs to be assembled across multiple departments at an early stage, in order to ensure that the on-site portion of the audit proceeds efficiently.
- 5.5 The audit involves on-site audits at the producer's premises. These should be scheduled and conducted in good time, where possible during the reference year.
- 5.6 The auditor can establish areas to focus on in a subsequent audit based on documentation received beforehand, as well as questions/irregularities arising as a result of previous on-site audits at the producer's premises and those findings.

- 5.7 Where the auditor is or becomes aware of the fact that their audit assignment is the result of the irregular termination of another auditor, the audit must be conducted with an increased standard of care.
- 5.8 The purpose of the following list and descriptions of the audit areas is to transparently set out the processes involved in auditing declarations of completeness. In practice, the audit can be conducted in an integrative manner whereby different audit areas overlap concurrently across audit activities.

B Special section: audit areas

The audit covers the following areas:

1. Register data reconciliation
2. Audit of the system participation agreements
3. Structural and functional audit of the processes at the producer's premises
 - ◆ Structural audit;
 - ◆ Functional audit;
4. Delineation between packaging/non-packaging and corresponding system participation;
5. Maintaining '**master data**' within the company
6. Sampling
7. Volume determination test run²
8. Reconciliation of the underlying volume parameters underpinning the calculation for a reporting period with the financial accounting
9. Final review of the reporting volumes subject to system participation
10. Additional audit activities in the area of sector-specific solutions

² The test run is generally part of the structural audit. In order to ensure the same standard is maintained across different audit groups, it is set out separately here.

B.1: Audit area	1	Register data reconciliation	Information and documentation
<p><u>Description of the audit area:</u> Comparison of the register data with producer entries</p> <p><u>Objective:</u> The conformity of the DoC with the producer entries in the public register must be assessed, as well as the responsibilities, for example, with respect to own brands, imports and special offer products.</p> <p><u>Location of the audit activities:</u> At the premises of the auditor and the producer</p> <p><u>Approach:</u> Comparison</p> <ul style="list-style-type: none"> • of the identity of the producer with the public identity of the producer in the register pursuant to section 9 (2) no. 1; • of the brand names in the register pursuant to section 9 (2) no. 4 with the system participation agreements and the volume reports pursuant to section 10, with regard to the completeness of the brand names for the packaging subject to system participation that the producer places onto the German market according to the register. • Delineation of producer status in the case of own brands with regard to section 3 (9) <p><u>Tools:</u></p> <ul style="list-style-type: none"> • LUCID producer registration (public register, section 9) • Every producer has been assigned a registration number, under which the DoC must be filed. All details pursuant to section 11 (1) must refer to the producer as identified by the registration number. 			<p><u>Sources of information:</u> e.g.</p> <ul style="list-style-type: none"> • LUCID • System participation agreements • Volume reports • Producer's IT systems <p><u>Documentation:</u></p> <ul style="list-style-type: none"> • Erroneous register entry of producer data pursuant to section 9 (2) nos. 1 and 4 • In the event of inconsistencies: (i) explanation of the system participation requirement for the brand names of packaging placed onto the German market vis-à-vis actual system participation, as well as (ii) addressing the inconsistency in terms of system participation (e.g. subsequent participation). • Inconsistencies concerning producer status with regard to own brands

B.2: Audit area	2	Audit of the system participation agreements	Information and documentation
<p><u>Description of the audit area:</u></p> <p>Audit of the system participation agreements and reconciliation of parallel agreements, e.g. side letters, agreements governing the system participation of own brands, involvement of sector-specific solutions</p> <p><u>Objective:</u></p> <p>The aim of the audit is to ensure (i) the presence of system participation agreements for packaging subject to system participation that was introduced into a sector-specific solution on a non-exceptional basis, and (ii) that the entry pursuant to section 11 (2) no. 3 on the volumes of this packaging is correct. Participation in a system will only be deemed to have occurred when it was effected under a system participation agreement concluded in good time. A system participation agreement must include the requirement to participate certain packaging volumes in a system for recovery purposes or must address the matter in additional documents (specific agreements, contractually agreed volume reports) in a legally binding manner. The participated volumes by material type must arise from the documentation.</p> <p><u>Location of the audit activities:</u></p> <p>At the premises of the auditor and the producer</p> <p><u>Approach:</u></p> <p>Audit of the material provisions in the agreement pertaining to participation-relevant content</p> <ul style="list-style-type: none"> • Binding participation of the volumes placed onto the market in one or more system(s) (delineation to mere framework agreements, contingents, pricing agreements on unspecified volumes) • Arrangement of participation through 'appointed third parties' (e.g. broker, retailer) • Audit of the participation scope (per material category and system) • Other agreements pertaining to influences on participation volumes (e.g. provisions governing deductions) • Comparison for contradictions to: <ul style="list-style-type: none"> ○ Agreements on participation in sector-specific solutions (cf. audit area B.10) ○ Correspondence regarding participation in sector-specific solutions ○ Agreements with appointed third parties 		<p><u>Sources of information:</u></p> <ul style="list-style-type: none"> • System participation agreements • Correspondence regarding system participation agreements • Agreements regarding participating in sector-specific solutions • Correspondence regarding agreements for participating in sector-specific solutions • Agreements with appointed third parties (including trading companies) • Correspondence with appointed third parties (including trading companies) • Producer's internal check lists (where available) <p><u>Documentation:</u></p> <ul style="list-style-type: none"> • Entry regarding volumes per material type in kg per system, section 11 (2) no. 3, as per the agreements • Documentation of provisions governing deduction volumes, stipulating counterparty and duration of the agreement 	

- Correspondence with appointed third parties

Please note:

- A legal contractual audit is not part of the audit activities in relation to the audit of the system participation agreements and other agreements.
- Responsibility for fulfilling the system participation requirement remains with the producer, even if it was an '**appointed third party**' who entered into the agreement.
- A system participation agreement shall be deemed to have been concluded in good time only where all of the packaging subject to system participation placed onto the German market by the producer has been covered by a system participation agreement by no later than 31 December of the year prior to the year to which the DoC relates or where a contract spanning multiple years was in place. In cases where new products have been placed onto the German market during the reference year, the relevant packaging must participate in a system prior to the products being placed onto the market. A distribution ban applies to all packaging that has not participated in a system pursuant to section 7 (1).
- Producers can participate in a system with their packaging that is subject to system participation even if some of this packaging accumulates as waste with sources of waste generation for which a sector-specific solution exists, where evidence can be shown that the requirements of the Verpackungsgesetz and these audit guidelines for the participation of the specific articles of packaging in the relevant sector-specific solution have been met.

Tools:

- Declaration of completeness technical guidelines
- System participation requirement catalogue, and the guideline thereon

B.3: Audit area	3	Structural and functional audit	Information and documentation
<p><u>Audit area:</u></p> <p>Review, for risk assessment purposes, whether and to what extent the auditor can rely on the accurate and complete operational recording and processing of the relevant information in the area being assessed</p> <p><u>Objective:</u></p> <p>The audit activities for the purpose of risk assessment also include an assessment of the adequacy of the internal control system (<i>structural audit</i>) where it is material to the determination of the packaging mass subject to system participation. The structural audit must cover, in particular, whether the internal control system is structurally adequate to prevent and/or identify and correct materially incorrect entries in the documentation under review (declaration of completeness and system participation documentation). The objective of the structural audit is to generate an opinion of the system for participation reporting (organisation, responsibilities/duties, communication / reporting processes and operational data processing). The results of the structural audit impact the scope of subsequent audit activities.</p> <p>The structural audit is verified with a <i>functional audit</i>, in which observations and tests are used to investigate whether and to what extent the system generates correct results in the course of regular operations.</p> <p><u>Location of the audit activities:</u></p> <p>Preferably at the premises of the producer</p> <p><u>Structural audit approach:</u></p> <ul style="list-style-type: none"> • Organisational classification of the reporting area across the entire company • Interviews with operationally responsible employees as per the organisation chart / standard operating procedures / SOPs • Determination of the IT process used to generate data for determining the volumes of packaging subject to system participation / sector-specific solution volumes 			<p><u>Information:</u></p> <p>e.g.</p> <ul style="list-style-type: none"> • Organisation chart • Internal standard operating procedures • Handbooks • Check lists • Interview results with responsible employees • Printouts from the test run • Screen shots (e.g. merchandise information system) <p><u>Documentation:</u></p> <ul style="list-style-type: none"> • Organisation chart • Standard operating procedures (SOPs) • Structural and functional audit result: report of relevant results in regular operations • Documentation of identified sources of errors • Documentation of errors (e.g. in calculation methods)

- Where data processing procedures of external service providers are used: existence of control mechanisms to ensure data quality
- Procedure to determine sales figures (e.g. from the operational IT system)
- Calculation methods relating to the volume parameters relevant for participation purposes
- Analysis of potential sources of errors (e.g. interfaces, no clearly defined responsibilities for collecting, reporting and maintaining packaging data)
- Method for recording returns (in the merchandise information system) and their impact on reporting values
- Method of recording deductions due to damage or unsaleability
- Audit of the company-wide procedure for data reconciliation where an appointed third party is engaged
- Documentation of the reasons for using consumption-oriented procedures instead of sales-oriented volume determination procedures
- Documentation of simplifying procedures to determine deduction volumes
- Assessment of the efficacy of the control and monitoring measures employed by management with regard to the completeness of reports on packaging subject to system participation

Functional audit

- Where the structural audit has indicated that adequate controls are in place, the auditor must undertake functional audits to satisfy themselves that these controls are effective. The auditor of the declaration of completeness therefore gathers audit evidence of the efficacy of the internal control system relating to the determination of the packaging mass subject to system participation. The objective of functional audits is, in particular, to determine whether the internal control system was in place continuously and was effective throughout the calendar year under review. Functional audits are necessary in the following circumstances, in particular:
 - Where the auditor's risk assessment is based on the assumption that certain control measures are effective, the auditor must conduct relevant functional audits of these control measures if they want to gain a degree of reasonable assurance for the audit result.
 - Further to this, the auditor is required to perform control measures deemed to be appropriate during the structural audit, if conducting substantive procedures alone would not be enough to achieve reasonable assurance for the audit result.
- The functional audit contains, among other things, the following audit areas which are set out in detail below.
 - Delineation between packaging/non-packaging and classification of the system participation requirement using the typical source of waste generation (including use of the system participation requirement catalogue) (cf. audit area B.4)

- Master data maintenance (cf. audit area B.5)
- Sampling check (cf. audit area B.6)
- Test run of a volume determination for a reporting period that has concluded (generally a monthly report) and comparison of the results (test run ↔ actual report) (cf. audit area B.7)
- Reconciliation of the underlying volume parameters underpinning the calculation for a reporting period (e.g. month) with the financial accounting and reconciliation of the relevant payment transactions (cf. audit area B.8)

Please note for structural audits:

- The reporting process must proceed according to the dual control principle.
- Conclusive personnel provisions governing coverage for absent employees must be in place.
- Review of whether there are determinations on employees' job descriptions and qualification relating to the various roles pertaining to the determination and reporting of packaging subject to system participation
- Review of whether there are standard operating procedures for those employees operationally responsible (SOPs)
- Check whether relevant measures (providing information and making information accessible, training) ensure that employees will be able to properly enforce the requirements of the Verpackungsgesetz.
- The responsible employees entrusted with the DoC must have adequate knowledge of the Verpackungsgesetz and be informed of relevant publications / legally binding decisions of the ZSVR (interviews).
- Where IT is used to generate the volumes of packaging subject to system participation, review as to whether the collaboration of responsible specialist departments is provided for when developing/maintaining the IT application in addition to the employees of the IT department (assurance of technical expertise)
- Generally, only sales-oriented volume determination procedures satisfy the requirements for correct volume determination at the individual product level. Only in sub-areas, i.e. in certain justifiable exceptional cases, do consumption-oriented procedures lead to correct results (e.g. in the area of mail order cartons).

- There should be a verifiable procedure for updating master data.
- Deductions due to returns must have been made in such a way that they are supported with evidence and capable of being reviewed, and must be correctly accounted for in the volume determination. Deductions must be caused by evidence of actual occurrences (such as packaging damage or unsaleability, the collection and recovery of which must be documented in each individual case in a verifiable way).
- Often, linkage between sales volumes and master data information causes errors in downstream processing in spreadsheet programmes, particularly because of reference errors or incorrect overwriting.

Tools:

- System participation requirement catalogue, and the guideline thereon, together with decisions published by the ZSVR on applications pursuant to section 26 (1) nos. 23-25

B.4: Audit area	4	Delineation between packaging/non-packaging (and corresponding system participation)	Information and documentation
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Description of the audit area:

Review of correct classification at the packaging versus non-packaging level. This audit area falls within the functional audit and is closely related to the following audit areas:

- Master data maintenance
- Sampling

Objective:

Audit of the delineation between packaging and non-packaging, as well as the correct classification of all packaging components and the subsequent categorisation of packaging type, is designed to ensure that all of the producer's packaging subject to system participation has actually participated in a system.

Location of the audit activities:

Preferably at the premises of the producer

Approach:

- Check against legal requirements and/or regulations by the ZSVR whether the producer:
 - has correctly delineated packaging from non-packaging (product, product components), and
 - has recorded all packaging components, and
 - has correctly classified the packaging with regard to the system participation requirement (the guideline and the system participation requirement catalogue itself).
- The accuracy of the delineation between packaging and non-packaging must be reviewed using sampling (cf. audit area 6).

Please note:

- The term packaging is defined in section 3 (1)-(5), and detail is provided in appendix 1 to section 3 (1) using examples.

Information:

- Article lists
- Product data sheets from packaging suppliers
- Product range lists / producer's website
- Externally generated packaging master data
- Producer's merchandise management systems

Documentation:

- Incorrect classification of certain articles / article groups
- Confirmation of correct classification



- When assigning the category of packaging type, special attention should be paid to correctly distinguishing between '**transport packaging**' and retail and grouped packaging.

Tools:

- System participation requirement catalogue, and the guideline thereon, together with decisions published by the ZSVR on applications pursuant to section 26 (1) nos. 23-25
- Appendix 1 to section 3 (1)

B.5: Audit area	5	Master data maintenance within the company	Information and documentation
<u>Description of the audit area:</u>		Review that 'master data' is correctly maintained within the company	<u>Sources of information:</u>
<u>Objective:</u>		The review of how master data is maintained is intended to ensure that complete, current and correct master data is available for volume determination.	In particular
<u>Approach:</u>		<ul style="list-style-type: none"> • Identification of the relevant 'article master', including all packaging components with system participation requirement classification (e.g. according to the primary, secondary, tertiary packaging level) • Review of the article master for completeness of the producer product range (e.g. including service packaging, seasonal goods and special offer products) • Visual check for missing individual packaging weights and/or the relevant weight of a unit of packaging per material category (depending on how sales figures are determined) • Determination of the process for determining master data, e.g. by: <ul style="list-style-type: none"> ○ Review of the producer specification / product data sheet ○ Inspection weighing, whereby the producer observes the MessEG³ and the MessEV ○ Information from the packaging supplier ○ External weighing in compliance with the MessEG and the MessEV; here A.2.4 applies for the auditor • Determination of the date of the last master data review / whether up-to-date (not more than two years in the past) • Accuracy of the master data must be reviewed using sampling (cf. 1.1.6). 	<ul style="list-style-type: none"> • Producer specifications and the packaging supplier's product data sheets • Article lists • Producer's website, showing range of articles • Externally generated packaging master data (weighing protocols) • Interview results • Merchandise management system
<u>Please note:</u>			<u>Documentation:</u>
			<ul style="list-style-type: none"> • Compliance with weights and measures law as set out in the MessEG and MessEV; use of an uncalibrated scale must be documented in the audit report, sampling must be increased accordingly. • Incorrect classification in product data sheets

³ Because weights are being used in commercial transactions, compliance with weights and measures law is necessary (section 33 MessEG).

- For all weighings, it should be noted and documented that the scale used at the time of the weighing was calibrated and a valid calibration certificate is available.
- Where product data sheets / specifications for the packaging are used to determine master data, attention must be paid at this juncture that the packaging material is correctly categorised. Particular care must be taken regarding correct assignment in the composite category as per the definition for '**composite packaging**' as set out in section 3 (5).
- The composite definition in section 3 (5) provides for three preconditions for composite packaging, all of which must be met:
 - 1) Different material types are used. Packaging will only be deemed to be composite packaging when the packaging, or a packaging component, comprises at least two types of the materials set out in section 16 (2).
 - 2) The individual materials cannot be separated by hand.

This means that the definition of composite not only includes flat sheets such as PET/aluminium/PE, but also any type of tightly bonded packaging components that cannot be separated by hand (such as a paper label glued onto a plastic film or an aluminium closure sprayed with a plastic compound). As such, the test of whether something is a composite encompasses both the material and the construction of the packaging.

The hand-separation requirement relates to the recovery of the packaging material. Only packaging components which the final consumer can separate without tools will be deemed capable of being separated by hand. Whether the final consumer actually effects the separation is irrelevant.
 - 3) No single material type exceeds 95%. In other words, this means that if a material mass constitutes more than 95%, then the packaging cannot be a composite.

It is important that the test of the 95-percent rule (cf. the practice regarding the Verpackungsverordnung for the time prior to 1 January 2019; cf. section 3 (5) now) must be applied to every component of the packaging that can be separated. That means that every component of a piece of packaging that can be separated can be classified as a mono-material or as composite packaging.
- For companies with a range of products that changes regularly (where seasonal goods are concerned or as part of the business model as a whole), the auditor should seek to make sure that multiple examples are retained for each type of packaging. The samples used should be labelled.
- Master data not sufficiently up-to-date
- Description of the standard weighing process where any anomalies are present

Tools:

- User guides for the producer's IT systems

B.6: Audit area	6	Sampling	Information and documentation
<p><u>Description of the audit area:</u> Audit of the article master data</p> <p>This audit area falls within the functional audit and is closely related to the following audit areas:</p> <ul style="list-style-type: none"> • Delineation between packaging/non-packaging and classification according to the system participation requirement catalogue • Master data maintenance <p><u>Objective:</u> The purpose of the sampling procedure is to formulate an opinion on the accuracy of the article master data as a whole, based on the result of a sample.</p> <p><u>Location of the audit activities:</u> Preferably at the premises of the producer</p> <p><u>Approach:</u></p> <ul style="list-style-type: none"> • Sample selection <ul style="list-style-type: none"> ○ The basis is the total article list of the product range in the relevant reference year. ○ The selection can be made either on-site at the premises of the producer or in advance for when the audit is scheduled. ○ The selection of the sample must be made according to the principles of inductive statistics, especially bearing in mind the size of the product range and its sales figures. • Sampling appraisal 		<p><u>Information:</u> In particular</p> <ul style="list-style-type: none"> • Sampling list (possibly before the audit) • Original packaged articles • Producer specification and other product data sheets and/or protocols from third party weighings • Inspection weighing protocols • Photos • Registered brand names pursuant to section 9 (2) no. 4 <p><u>Documentation:</u></p> <ul style="list-style-type: none"> • Incorrect total article list • Material errors in the filed packaging weights • Incorrect classification by material type 	

- Check delineation between packaging and non-packaging (product)⁴, including sampling using the system participation requirement catalogue, for whether the packaging has been correctly categorised as grouped packaging subject to system participation and not as transport packaging
 - Review of whether all of the sales unit's packaging components have been recorded
 - Review of correct material classification (material type pursuant to section 16 (2)) (cf. also remarks about the definition of composite on page 17 et seq.), where necessary referring to the articles as originally packaged
 - Check the packaging weights recorded in the master data by weighing them (test whether the material types and weights of the selected articles of packaging subject to system participation were correctly determined)
 - Weighing multiple times to determine variance values
- Incorrect categorisation as non-packaging
 - Incorrect categorisation as transport packaging
 - Incorrect classification of composites to a material degree

Please note:

- In sampling, one describes a portion of a whole that has been chosen according to certain criteria.
- The sampling is based on the delineation between packaging/non-packaging and the delineation of packaging subject to system participation (guideline and system participation requirement catalogue).
- The sampling size should be structured in such a way that reasonable assurance of the outcome can be gained. It should cover various types of packaging (it should include a review of the most cost-intensive packaging in terms of participation, and the packaging for articles with the highest sales figures), with at least three different items of packaging being weighed. Depending on the size of the product range, the selection should be adjusted upwards. Particularly where very lightweight packaging is concerned, the number of individual articles of packaging should be increased to improve the accuracy of the measurement results.
- Where the originally selected sampling indicates a larger number of inconsistencies, sampling should be increased as part of the audit in order to gain reasonable assurance.
- Where filled and unfilled packaging is presented, care should be taken that all packaging components are weighed.

⁴ pursuant to administrative regulation and appendix 1 VerpackG



- In the case of filled packaging, care should be taken that all contents are emptied (without any residues) before weighing.
- Inspection weighings should be performed wherever possible in the presence of the employee responsible for the master data, if no external weighing was conducted.
- In the event of immaterial weight inconsistencies, the auditor is responsible for deciding according to their own judgement whether the cause was the result of circumstances that could not be influenced (e.g. moisture content, production process and/or residues) or of incorrect master data determination. The goal of reasonable assurance remains unaffected.
- Incorrect category assignments often occur in connection with composites (classification in main material components, even though the '95-percent rule' under section 3 (5) would indicate a composite).

B.7: Audit area	7	Volume determination test run	Information and documentation
<p><u>Description of the audit area:</u> Volume determination test run</p> <p><u>Objective:</u> Volume determination functional audit</p> <p><u>Location of the audit activities:</u> At the premises of the producer</p> <p><u>Approach:</u></p> <ul style="list-style-type: none"> • Test run of a volume determination for a reporting period that has concluded (generally a monthly report, unless the company only reports annually) and comparison of the results of the test run with the actual report <p><u>Tools:</u></p> <ul style="list-style-type: none"> • Previous audit result 		<p><u>Sources of information:</u></p> <ul style="list-style-type: none"> • Producer's IT systems • Standard operating procedures/SOPs • Report for the trial period • Financial transactions for the test period <p><u>Documentation:</u></p> <ul style="list-style-type: none"> • Successful test run • Anomalies 	

B.8: Audit area 8	Financial accounting reconciliation	Information and documentation
<p><u>Description of the audit area:</u> Reconciliation between the underlying volume parameters underpinning the calculation for a reporting period and financial accounting</p> <p><u>Objective:</u> Functional audit of volume documentation</p> <p><u>Location of the audit activities:</u> At the premises of the producer</p> <p><u>Approach:</u></p> <ul style="list-style-type: none"> Reconciliation between the underlying volume parameters underpinning the calculation for a reporting period (e.g. month) and financial accounting, and comparison of the relevant payment transactions to the system / financial accounting department cash flow resulting from distribution <p><u>Tools:</u></p> <ul style="list-style-type: none"> Previous audit result 	<p><u>Sources of information:</u></p> <ul style="list-style-type: none"> Producer's IT systems Financial accounting documentation Account statements Standard operating procedures/SOPs <p><u>Documentation:</u></p> <ul style="list-style-type: none"> Successful reconciliation Anomalies 	

B.9: Audit area 9	Final review of volumes subject to system participation	Information and documentation
<p><u>Description of the audit area:</u> Final review of the reporting volumes subject to system participation</p> <p><u>Objective:</u> Mathematical comparison between the volumes determined (audit result) for a producer (as identified by their registration number) in relation to the volumes of packaging subject to system participation reported for a producer (as identified by their registration number);</p>	<p><u>Information</u> In particular</p> <ul style="list-style-type: none"> Sales list with article master data (reference year) Volume confirmations from the dual systems 	

the comparison is carried out by the auditor following the end of a given reference year in order to obtain reasonable assurance

Location of the audit activities

Preferably at the premises of the producer

Approach:

- Mathematical review of the total reporting volumes using the producer's data after the conclusion of the reference year and after the producer has prepared the year-end report
 - Where **'service packaging'** was used: Check whether it was already sourced with system participation (concrete evidence).
 - Where deductions have been made by the producer in determining their reporting volumes (year-end report) due to exports made by their immediate recipient (trade, ship chandlers), all documentation must be presented.
 - The audit must be specific to a producer (as identified by their registration number); 'group volumes' or other volume aggregations of several registration numbers are not permissible.
- Mathematical review of the 'commercial volumes' pursuant to section 15 (1) no. 2 according to the system participation requirement catalogue in addition to the 'guideline for using the system participation requirement catalogue'; commercial volumes are not subject to system participation, but must be included in the declaration of completeness (mass / material type) pursuant to section 11 (2) no. 2
- **Review of the volumes for which a third party oversaw system participation (pursuant to section 33) according to the confirmation and/or notification from the system(s).** Reimbursement documentation for participation fees must be reviewed as well. Sampling is insufficient in this area (full investigation)
- The documentation for complying with the recovery requirements for deduction volumes pursuant to section 7 (3) must be confirmed in the declaration of completeness and checked (full investigation) accordingly.

- Where applicable, confirmation(s) of the pre-licensed service packaging or other documentation showing this
- Producer specifications and other product data sheets
- Documentation for exports from producers' immediate recipients
 - Exporter declaration of consent
 - List of exported volumes at the article level

Documentation

- Complete documentation of upstream distributor's service packaging participation
- Complete documentation of evidence of deduction volumes
- Complete documentation of recovery of deduction volumes

- Volumes pursuant to section 33 (reporting by '**appointed third parties**') must generally be compared with the systems' confirmation pursuant to section 7 (1). Immaterial inconsistencies may emerge due to variations in the measurement date.
- Where no concrete evidence of an upstream distributor's participation for '**service packaging**' (from 1 January 2019 with registration number reference) exists, care must be taken that this is reflected in the volume determination for the year-end report. In this situation, a consumption-oriented approach may be suitable.
- Conformity in the comparison between the reporting volumes pursuant to section 10 (1) of the year-end report and the figure in the relevant confirmation generated by the system is necessary. This confirmation must be issued to the producer immediately pursuant to section 7 (1).

Please note:

- Where different IT systems or data processing programmes are used, or where multiple departments are involved, care must be taken that data is merged correctly (interface issues).
- Returns (except in the case of damage or unsaleability, section 7 (3)) that can be evidenced and are recorded in the merchandise management system in such a way that they can be reviewed, are deemed not to have been placed onto the German market. If this results in a negative value, the period settings should be reviewed.
- Deduction volumes pursuant to section 7 (3) must be documented in a verifiable way in every instance. The documentation process in the declaration of completeness, with documentation deemed to be part of the declaration of completeness, is described in the declaration of completeness technical guidelines. In the audit report, it must be confirmed that the deduction volumes have been cross-checked with the merchandise management system, and that the number and plausibility of the individual documents could be confirmed in each case as per section 7 (3).

Tools:

- Spreadsheet programmes (e.g. Excel)
- Computing machines for uncoded data

B.10: Audit area 10	Sector-specific solutions	Information and documentation
<p><u>Description of the audit area:</u></p> <p>Review of the packaging generally subject to system participation returned according to section 8 (sector-specific solution packaging) by material type and mass in the reference year, section 11 (2) no. 4</p> <p><u>Objective:</u></p> <p>Determination of the correct packaging volumes. Where the initial distributors do not fulfil the requirements of section 8 through the sources of waste generation involved in the sector-specific solution, recourse to the exemption clause is unavailable and the participation requirement pursuant to section 7 (1) remains in force.</p> <p><u>Location of the audit</u></p> <p>At the producer's premises; follow-up audit steps at the auditor's premises</p> <p><u>Approach:</u></p> <ul style="list-style-type: none"> • Review of the transmission of the sector-specific solution's notification to the ZSVR and/or documentation of the sector-specific solution's operator to evidence the volumes for the producer • Comparison of the delivery data with the notification – delivery only to the sector-specific solution the notification relates to / only service to the sources of waste generation listed in the notification / notification of changes (as last amended), reflecting the fact that the notification and the notification of changes (particularly where sources of waste generation have been added) only come into effect four weeks after receipt of notification by the ZSVR (section 8 (2)) • Review of the conclusion of a financing agreement between the producer / operator of the sector-specific solution where multiple producers are involved • Agreements with operators of sector-specific solutions about involvement in the sector-specific solution (e.g. regarding deduction volumes) • As a producer that operates a sector-specific solution as the sole producer: review of the agreements to service the sources of waste generation in relation to the introduced packaging (e.g. deduction volumes) 		<p><u>Information:</u></p> <ul style="list-style-type: none"> • Notification of the sector-specific solution (as last amended), especially the list of sources of waste generation • Agreements regarding operating/participating in sector-specific solutions • Correspondence with state authorities (up to 31 December 2018) and the ZSVR (after 1 January 2019) • Delivery notes to sources of waste generation • Documentation of the packaging introduced into the sector-specific solution in the producer's IT systems • Documentation of the determination of the packaging introduced into a sector-specific solution • Procedure to determine volumes in the IT systems / relevant documentation <p><u>Documentation:</u></p>

- Sampling: Review of producer's delivery notes for sector-specific solution packaging with the list of sources of waste generation contained in the notification
- Review of the list of sources of waste generation filed with the producer for inconsistencies with the notification of the sector-specific solution
- Review for apparent servicing of trading companies as 'sources of waste generation'
- Review that packaging is eligible for a sector-specific solution (no single-use beverage packaging subject to deposit)
- Principles, according to which packaging collected by the sector-specific solution is determined, that a producer can use to participate in a sector-specific solution
- Determination of the sector-specific solution volumes

Please note:

- Pursuant to section 8 (1), the producer's duty to undertake system participation is avoided only where the producer, or an intermediary distributor, has accepted the return of the retail packaging they have placed onto the German market at comparable sources of waste generation within the meaning of section 3 (11), and has transferred it for recovery.
- A legal review of the agreement for the operation of / participation with a sector-specific solution is not necessary.
- Providing evidence of the packaging volumes placed onto the German market via comparable sources of waste generation within the meaning of section 3 (11) via studies, sorting analyses or market opinions is prohibited. Evidence must instead be furnished on a case-by-case basis / with regards to the individual sector-specific solution.
- Agreements governing deduction volumes in connection with the operation of the sector-specific solution have no effect; the relevant packaging is fully subject to system participation.
- Deposit-free one-way beverage packaging pursuant to section 31 (4) may not be introduced to a sector-specific solution pursuant to section 8 (1).
- Trading companies (including shopping centres) cannot constitute sources of waste generation within the meaning of section 8 (1) (check for apparent anomalies).
- For sources of waste generation that in some subordinated areas are comparable with private households but in other areas have retail characteristics (e.g. workshops that also sell replacement parts; hospitals with kiosks), packaging subject to system participation delivered for the retail activity may not be taken into account for the sector-specific solution.

- Where the initial distributors do not fulfil the requirements of section 8 through the sources of waste generation involved in the sector-specific solution, recourse to the exemption clause is unavailable and the participation requirement pursuant to section 7 (1) remains in force.

Tools:

- DoC for the previous reference years

C Audit documentation

1 Evaluation and audit result

- 1.1 In their notes for each audit activity, the auditor must set out the extent to which the entries in the declaration of completeness conform with the auditor's findings.
- 1.2 Where the auditor arrives at an audit result with reasonable assurance which finds that the entries in the declaration of completeness conform with the requirements of the Verpackungsgesetz and these audit guidelines, the auditor must issue a confirmation.
- 1.3 Where the auditor arrives at an audit result with reasonable assurance which finds that the entries in the declaration of completeness do not conform with the requirements of the Verpackungsgesetz and these audit guidelines, the auditor must issue a qualified confirmation (where the producer's report can be confirmed with reasonable assurance, but other qualifications exist) or decline to issue a confirmation (where the producer's report cannot be confirmed with reasonable assurance). The latter also applies for a qualification resulting from an inability to fully review the entries in the declaration of completeness.
- 1.4 In cases where the confirmation is declined or only issued with qualifications, the producer must be notified of this fact immediately. Where the overall result contains qualifications or a rejection, the reasons must be specifically stated in the audit report.

2 Audit report

- 2.1 A report must be issued containing the result of the audit of the declaration of completeness pursuant to section 11 (3). It must set out how the auditor reviewed the entries made in the declaration of completeness and what the results of that review were.
- 2.2 The report must cover – at a minimum – the following information and entries (qualitatively, not in the sense of a sub-opinion), as well as attachments (cf 2.2.14 and 2.2.15):
 - 2.2.1 Producer required to prepare a declaration of completeness in accordance with published register entries pursuant to section 9 (2) no. 1:
 - 2.2.2 Registration number within the meaning of section 9 (4);
 - 2.2.3 Reference to the area of activity (addressee's sector);
 - 2.2.4 Description of the subject of the audit (section 11);
 - 2.2.5 The reason for filing the declaration of completeness (e.g. because a de minimis threshold has been exceeded – specifically citing the de minimis threshold, because the responsible state authorities or the ZSVR ordered it to be filed or because the producer is voluntarily filing the declaration of completeness);

- 2.2.6 Underlying legal regulations (e.g. Verpackungsgesetz; where necessary referring to the administrative regulations of the ZSVR, in particular the system participation requirement catalogue with reference to the relevant product data sheet according to product group number);
- 2.2.7 Company-related documentation referred to (e.g. system participation agreements, with contract date), sales statistics, documentation of export volumes, returns and deductions, product data sheets, producer specifications);
- 2.2.8 Type, extent and timeframe of the audit;
- 2.2.9 Date of the on-site audit and participants in the audit (on behalf of the company and the auditor);
- 2.2.10 Volume in kilogrammes per material type (volumes subject to system participation pursuant to section 7 (1) and volumes pursuant to section 15 (1) no. 2);
- 2.2.11 Qualitative result (audit findings by audit area including possible qualifications to supplement the auditor's confirmation);
- 2.2.12 Number and quality (plausibility) of the individual documents pursuant to section 7 (3) including the outcome of the cross-check with the merchandise management system in each individual case;
- 2.2.13 Confirmation by appropriate sampling in the merchandise management system and financial accounting system;
- 2.2.14 Confirmation of the addressee regarding the accuracy and completeness of the entries made within the scope of the audit, and that all related documentation has been presented in the form of the producer declaration as per the sample in **appendix 2** as a mandatory attachment to the report;
- 2.2.15 Volume confirmations from the dual systems within the meaning of section 7 (1) as required mandatory attachments to the report;
- 2.2.16 List of the sector-specific solution's serviced sources of waste generation via which the producer's packaging has been collected, stipulating the volumes recorded for the producer for each source of waste generation;
- 2.2.17 Description of the process for determining the packaging introduced into a sector-specific solution;
- 2.2.18 Confirmation of the review of the concrete documentation for deduction volumes pursuant to section 7 (3) including recovery documentation;
- 2.2.19 Description of subsequent participations, where applicable;
- 2.2.20 Confirmation that the auditor is free from financial conflicts of interest;

- 2.2.21 Divergence from the audit basis if (i) the producer has proceeded on the basis of a different legal interpretation, (ii) the auditor is of the opinion that the producer's legal interpretation is correct and (iii) a clarification of the underlying question in accordance with the process set out in C.4 for dealing with legal questions has not eliminated the need for deviation in the opinion of the producer and auditor;
- 2.2.22 Place, date, signature, name, auditor ID.
- 2.3 The audit result described in the auditor's confirmation must be explained, particularly in the event of a qualified confirmation or where the auditor has declined to issue a confirmation.
- 2.4 The auditor must document the audit activities that support their opinion and the evidence obtained and other notes (in the sense of working papers). The documentation must be assembled in such a way that it can be followed and reviewed by the report addressee within the meaning of 4.3. The documentation must also show at the same time that the audit was performed in conformity with these audit guidelines.

3 Electronic filing in the ZSVR's register

- 3.1 Only when the following documents have been filed in LUCID, the ZSVR's electronic filing platform, will the declaration of completeness be deemed to have been filed within the meaning of section 11 (1). For technical reasons, only the following approach can ensure the conclusiveness of the reference of the confirmation to a concrete version of the producer's declaration:
 - 3.1.1 By making the entries in the declaration of completeness pursuant to A3.2, an unchangeable PDF document – the so-called producer declaration – is generated. It must be given a qualified electronic signature by the auditor, and filed in LUCID.
 - 3.1.2 The auditor's certificate must be filed in LUCID with a qualified electronic signature.
 - 3.1.3 The audit report must be filed in LUCID electronically.
- 3.2 Only when all the documents under C.3.1 have been filed in LUCID is the declaration of completeness deemed to have been submitted. For information about the technical process for filing the declaration of completeness, please refer to the declaration of completeness technical guidelines.

4 Dealing with legal questions

- 4.1 Legal questions connected to the wording and application of these audit guidelines must be submitted to the ZSVR on an anonymised basis. The ZSVR will comment on the wording wherever possible and, where necessary, amend the audit guidelines with the agreement of the German Federal Cartel Office.

- 4.2 The ZSVR reserves the right to publish notes about the wording of the audit guidelines on an anonymised basis, where doing so relates to legal questions connected with conducting audits in specific circumstances.
- 4.3 The ZSVR offers a training course at least once a year which also covers use of the audit guidelines. Registered experts are required to complete one of these training courses within one year of admission into the register of auditors, and once every five years thereafter. The annual training courses are also used to share experiences connected with the audit guidelines without prejudice to confidentiality, as set out in C.5. Auditors' comments can lead to the audit guidelines being amended as set out in C.6.
- 4.4 The guideline for using the system participation requirement catalogue and the system participation requirement catalogue itself, as well as any relevant decisions published by the ZSVR on applications pursuant to section 26 (1) nos. 23-25 must be consulted when classifying packaging as being subject to system participation. Individual opinions stating that the packaging of a specific producer does not accumulate as waste with a final consumer / comparable source of waste generation may not be used as a basis for deviating from the classification set out in the system participation requirement catalogue within a declaration of completeness audit. Where necessary, an application pursuant to section 26 (1) no. 23 must be made to the ZSVR. Explicit reference is made in this regard to the process set out in C.4.1 and, as necessary, documentation of a deviation under C.2.2.21 in the audit report.

5 Confidentiality

The auditor has a duty to keep confidential the information shared with them by a given system and any knowledge obtained in the course of the audit, in particular commercially sensitive data (clients, prices, tonnages, etc.) and only to disclose this information to third parties where required to do so by law or where necessary for the purposes of clarifying a legal question by the ZSVR (the latter on an anonymised basis). Anyone assisting them must also be subject to this duty of confidentiality. This is without prejudice to professional privilege.

6 Amendments

The audit guidelines are evaluated by the ZSVR on a continuous basis. Any necessary amendments are made with the agreement of the German Federal Cartel Office. Amendments will be signposted with transitional provisions where required by legitimate expectations. Amendments, where necessary, are made with appropriate transitional periods and with prospective effect. The validity of these audit guidelines is defined for each new version (cf. A2.1).

Appendix 1: Glossary

Appendix 2: Samples:

- Audit certificate
- Producer declaration

Appendix 1: Glossary

The explanation of the following terms are binding within the scope of these audit guidelines.

Term	Explanation	Item
Appointed third party	<p>An 'appointed third party' is a person (natural persons or companies) whom 'producers' and distributors can instruct to perform their duties under the Verpackungsgesetz.</p> <p>Exception: For registration under section 9 and for data reports under section 10, the use of appointed third parties to perform duties under the Verpackungsgesetz is prohibited pursuant to section 33.</p> <p>Where the use of an appointed third party is permitted, the following applies:</p> <ul style="list-style-type: none"> - The various rights and obligations of each party, e.g. in connection with performing returns and recovery requirements and record keeping, must be set out <i>in writing</i>. - An operational involvement of an appointed third party in connection with system participation is only permitted where the third party explicitly acts on behalf of the producer and undertakes participation under the producer's name for the producer's specific participation volumes. A follow-up control can be performed by the producer using the confirmations for the participated volumes by material type that their 'system'/systems has issued the producer pursuant to section 7 (1). This confirmation must also be issued if participation has been arranged by an appointed third party. 	B.2
Audit guidelines	' Audit guidelines ' are these declaration of completeness audit guidelines, in the version currently in force.	Introduction
Auditor	' Auditor ' for the purposes of these audit guidelines refers to a 'registered expert' or auditor or tax advisor or sworn accountant so long as each is admitted to the ZSVR's publicly accessible auditor register under www.verpackungsregister.org (division 1: registered experts, division 2: DoC auditors).	A2.1
Beverage carton packaging	' Beverage carton packaging ' within the meaning of section 16 (2) is beverage packaging within the meaning of section 3 (2) in the form of composite packaging within the meaning of section 3 (5), whereby the base material is cardboard.	A3.1
BGBl.	' BGBl ' is the abbreviation for the Bundesgesetzblatt – the Federal Law Gazette.	Appendix 1
Composite packaging	' Composite packaging ' is packaging within the meaning of section 3 (5).	

Declaration of completeness technical guidelines	The ' declaration of completeness technical guidelines ' is guidance on the ZSVR's electronic filing procedure pursuant to section 11 (3), which can be accessed at https://www.verpackungsregister.org/ .	Introduction
DoC	' DoC ' is the abbreviation used in these audit guidelines for 'declaration of completeness' within the meaning of section 11 VerpackG.	Introduction
EfbV	' EfbV ' is the abbreviation for the 'Verordnung über Entsorgungsfachbetriebe, technische Überwachungsorganisationen und Entsorgungsgemeinschaften' – Ordinance on Specialised Waste Management Companies, Monitoring Organisations and Waste Disposal Associations dated 2 December 2016 (BGBl. I, page 2770), last amended by article 2 (2) of the Act dated 5 July 2017 (BGBl. I, page 2234) in the version currently in force.	B.9
Grouped packaging	' Grouped packaging ' is packaging within the meaning of section 3 (1) no. 2. To interpret the question of what retail or grouped packaging is subject to system participation, refer to the ' system participation requirement catalogue '.	Introduction
Guideline	For the guideline, refer to the 'system participation requirement catalogue'.	A2.2
HGB	' HGB ' is the abbreviation for the 'Handelsgesetzbuch' or German Commercial Code in the revised version of 10 May 1897 published in the German Federal Gazette Part III. No. 4100-1, last amended by article 8 (4) of the Act of 8 July 2019 (BGBl. I, page 1002), in the version currently in force.	A4.2.3
Initial distributor	' Initial distributor ' is a synonym for the term ' producer ' pursuant to section 3 (14) and is therefore used synonymously with 'producer'.	Introduction
IT systems	' IT systems ' are systems used for electronic data processing.	A4.2.2
Master data	' Master data ' is data that contains basic information about items relevant for operations required for ongoing processing.	B.3
Material type	' Material types ' in connection with the DoC from the 2019 reference year onwards are the material types set out in section 16 (2): glass, ' PPC ', ferrous metals, aluminium, ' beverage carton packaging ', other composite packaging.	A.3.1
MessEG	' MessEG ' is an abbreviation for the 'Gesetz über Inverkehrbringen und die Bereitstellung von Messgeräten auf dem Markt, ihre Verwendung und Eichung sowie über Fertigpackungen', or Act Governing the Placing on the Market and Provision of Measuring Devices, their Use and Calibration, and Governing Prepackaging (Mess- und Eichgesetz), version promulgated on 25 July 2013 (BGBl. I, page 2722),	A2.4



	last amended by article 3 of the Ordinance of 30 April 2019 (BGBl. I, page 579), in the version currently in force.	
MessEV	' MessEV ' is an abbreviation for 'Verordnung über das Inverkehrbringen und die Bereitstellung von Messgeräten auf dem Markt sowie über ihre Verwendung und Eichung', the Ordinance Governing the Placing on the Market and Provision of Measuring Devices, their Use and Calibration (Mess- und Eichverordnung) of 11 December 2014 (BGBl. I 2014, page 2010), last amended by article 1 of the Ordinance of 10 August 2017 (BGBl. I, page 3098), in the version currently in force.	A2.4
NACE codes	' NACE codes ' are contained in the NACE Code Classification Index of economic activities.	B.9
Non-packaging	' Non-packaging ' comprises products as opposed to ' packaging '.	A.A2.2
Packaging subject to system participation	<p>'Packaging subject to system participation' is retail or grouped packaging within the meaning of section 3 (8).</p> <p>Packaging subject to system participation also includes packaging under section 3 (8) VerpackG that is collected by sector-specific solutions. Where a sector-specific solution does not meet the requirements set forth in section 8 VerpackG, the packaging that was introduced into this sector-specific solution (not complying with the law) must undergo subsequent participation.</p> <p>To interpret the question of what retail or grouped packaging is subject to system participation, the ZSVR developed administrative regulations in the form of the 'system participation requirement catalogue'.</p>	Introduction
PPC	' PPC ' is an abbreviation for paper, paperboard, and cardboard.	Appendix 1
Producer	' Producer ' is a distributor within the meaning of section 3 (14), section 3 (9).	Introduction
Reasonable assurance	To obtain ' reasonable assurance ', the audit must be designed to identify inaccuracies and violations to the Verpackungsgesetz relating the determination of the packaging volume which must be indicated – by material type and mass – as part of the declaration of completeness as well as relating to the review of the documentation for complying with the recovery requirements. In practice, this means that the auditor assesses the inherent risk and the control risk. If there is an audit risk according to this, i.e. the probability that major errors in the packaging volume or the documentation for complying with the recovery requirements remain undetected, the auditor must minimise the risk accordingly by expanding and intensifying their audit activities.	A.2.5

Reference year	' Reference year ' is the calendar year for which the declaration of completeness is submitted.	Introduction
Registered experts	' Registered experts ' refers to experts as set out in sections 3 (15), 27 (1).	Introduction
Retail packaging	' Retail packaging ' is packaging within the meaning of section 3 (1) no. 1. This includes ' service packaging ' and ' shipment packaging '. If retail packaging typically accumulates as waste with a final consumer after use, then it is subject to system participation pursuant to section 3 (8). To interpret the question of what retail or grouped packaging is subject to system participation, refer to the ' system participation requirement catalogue '.	Introduction
Sector	' Sector ' is a generic term for companies that manufacture / comparably sell products or services that are largely interchangeable with one another within the meaning of section 8 (1). ' NACE code ' sections, for example, can be used to determine whether something is a sector.	B.10
Sector-specific solution	' Sector-specific solution ' is established legally in section 8, but is not explicitly defined. A sector-specific solution concerns an initial distributor collection solution related to returns and transfer for recovery, independent from the ' systems ', with the following features in particular: <ul style="list-style-type: none"> - Only one or more 'initial distributor(s)' within a 'sector' can collaborate in a sector-specific solution. - Where multiple 'initial distributors' (within a 'sector') are collaborating, they must designate a natural or legal person or partnership as the operator of the sector-specific solution (section 8 (1)). - The collection (return) of the packaging in a sector-specific solution must service sources of waste generation that are comparable to private households pursuant to section 3 (11), and be effected either by the collaborating 'initial distributors' themselves or by an intermediary distributor in a manner that can be evidenced. - The collection (return) must be free of charge from the point of view of the surrendering parties. 	B.10
Service packaging	' Service packaging ' is ' retail packaging ' pursuant to section 3 (1) no. 1 (a), that is only filled at the premises of the final distributor at the point of sale or in the immediate vicinity thereof (e.g. in an adjoining room to the sales area) in order to hand over or to facilitate the handing over of goods to the final consumer. Service packaging is used in settings such as retail outlets or restaurants. 'Shipment packaging' does not constitute service packaging.	B.9

	Pursuant to section 7 (2), a special condition applies for service packaging whereby a producer, i.e. the party filling the service packaging, can request that the upstream distributor of the packaging undertake participation with one or more 'system(s)' for the unfilled service packaging supplied to the producer; the producer can also request a confirmation that the system participation has been completed. The party filling the service packaging is not subject to any duties pursuant to sections 9-11 in terms of the scope of the confirmation (mass / material type of the retail packaging).	
Subsequent participation	System participation for a given reference year that is undertaken after submitting a declaration of completeness	B.1
System participation requirement catalogue	The ' system participation requirement catalogue ' comprises norm-interpreting, non-exhaustive administrative regulations published by the ZSVR that contain indications of how the ZSVR would likely decide an application concerning the classification of a type of packaging as being subject to system participation or not (section 26 (2) no. 23). The catalogue is supported by the guidance contained in the 'guideline for using the system participation requirement catalogue'. The catalogue and guideline can be accessed on the ZSVR's website at https://www.verpackungsregister.org/ .	A2.2
Systems	' Systems ' are legal persons or partnerships organised under private law that meet the requirements set out in section 3 (16) and in particular have system approval pursuant to section 18.	Introduction
Transport packaging	' Transport packaging ' is packaging within the meaning section 3 (1) no. 3. Containers used in road, rail, maritime and air transport do not constitute transport packaging.	B.5
Verpackungsgesetz (VerpackG)	The ' Verpackungsgesetz ' (' VerpackG ') is the Act Governing the Placing onto the Market, Collection and High-Quality Recovery of Packaging (Verpackungsgesetz) of 5 July 2017 (BGBl I 2017, page 2234), in the version currently in force.	Introduction
Verpackungsverordnung (VerpackV)	The ' Verpackungsverordnung ' (' VerpackV ') is the Ordinance on the Prevention and Recovery of Packaging Waste of 21 August 1998 (BGBl. I, page 2379), last amended by article 11 (10) of the Act of 18 July 2017 (BGBl. I, page 2745), repealed as of 1 January 2019.	Introduction
ZSVR	The ' ZSVR ' is the Stiftung Zentrale Stelle Verpackungsregister (Foundation Central Agency Packaging Register) within the meaning of the Verpackungsgesetz (cf. section 24 (1)).	Introduction

Appendix 2: Sample confirmations

Declaration of completeness pursuant to section 11 VerpackG: Unqualified confirmation:

Confirmation pursuant to section 11 (1) VerpackG

For the declaration of completeness filed electronically with the Zentrale Stelle Verpackungsregister (Central Agency Packaging Register) pursuant to section 11 (1), (3) for the producer **[producer company name]** (with the registration number **[registration number]**) and pertaining to the year **[year/month/day]** (see attachment), I have issued the following unqualified confirmation signed on **[year/month/day]**:

I have audited the declaration of completeness for the producer **[company name, address, registration number]** for **[reference year]**.

I hereby confirm that I am free from financial and professional conflicts of interest.

[Last name, first name and business address] is responsible for preparing the declaration of completeness for the producer **[company name, registration number]**.

I conducted the audit pursuant to section 11 in compliance with the principles set out in the 'declaration of completeness audit guidelines' in the version applicable to the audited reference year between **[year/month/day]** and **[year/month/day]**.

My role is to assess with reasonable assurance whether the entries in the producer's declaration of completeness (**see attachment**) conform with the provisions of the Verpackungsgesetz and the 'declaration of completeness audit guidelines'. It is my opinion that my audit enabled me to form an opinion with reasonable assurance.

My audit of the declaration of completeness did not lead to any material objections. It is my opinion, based on the observations gained during the audit, that the entries in the declaration of completeness conform with the provisions of the Verpackungsgesetz and the 'declaration of completeness audit guidelines'.

Stamp, city/town, date and signature

Auditor name

Auditor ID

Attachment:

Producer declaration⁵

⁵ As per the sample in **appendix 2**.

Declaration of completeness pursuant to section 11 VerpackG:

Qualified confirmation:

Confirmation pursuant to section 11 (1) VerpackG

For the declaration of completeness filed electronically with the Zentrale Stelle Verpackungsregister (Central Agency Packaging Register) pursuant to section 11 (1), (2) for the producer **[producer company name]** (with the registration number **[registration number]**) and pertaining to the year **[year/month/day]**, I have issued the following qualified confirmation, signed on **[year/month/day]**:

I have audited the declaration of completeness for the producer **[company name, address, registration number]** for **[reference year]**.

I hereby confirm that I am free from financial and professional conflicts of interest.

[Last name, first name and business address] is responsible for preparing the declaration of completeness for the producer **[company name, registration number]**.

I conducted the audit pursuant to section 11 in compliance with the principles set out in the 'declaration of completeness audit guidelines' in the version applicable to the audited reference year between **[year/month/day]** and **[year/month/day]**.

My role is to assess with reasonable assurance whether the entries in the producer's declaration of completeness (**see attachment**) conform with the provisions of the Verpackungsgesetz and the 'declaration of completeness audit guidelines'. It is my opinion that my audit enabled me to form an opinion with reasonable assurance.

My audit of the declaration of completeness, with the **[qualification/qualifications]** as documented in the audit report, did not lead to any material objections. It is my opinion, based on the observations gained during the audit, that the entries in the declaration of completeness conform with the provisions of the Verpackungsgesetz and the 'declaration of completeness audit guidelines' as published on 1 January 2019.

Stamp, city/town, date and signature

Auditor name

Auditor ID

Attachment:

Producer declaration⁶

⁶ As per the sample in **appendix 2**.

Declaration of completeness pursuant to section 11 VerpackG:

Confirmation declined:

Declined confirmation pursuant to section 11 (1) VerpackG

For the declaration of completeness filed electronically with the Zentrale Stelle Verpackungsregister (Central Agency Packaging Register) pursuant to section 11 (1), (2) for the producer **[producer company name]** (with the registration number **[registration number]**) and pertaining to the year **[year/month/day]**, I have declined to issue a confirmation:

I have audited the declaration of completeness for the producer **[company name, address, registration number]** for **[reference year]**.

I hereby confirm that I am free from financial and professional conflicts of interest.

[Last name, first name and business address] is responsible for preparing the declaration of completeness for the producer **[company name, registration number]**.

I conducted the audit pursuant to section 11 in compliance with the principles set out in the 'declaration of completeness audit guidelines' in the version applicable to the audited reference year between **[year/month/day]** and **[year/month/day]**.

My role is to assess with reasonable assurance whether the entries in the producer's declaration of completeness conform with the provisions of the Verpackungsgesetz and the 'declaration of completeness audit guidelines'. It is my opinion that my audit enabled me to form an opinion with reasonable assurance.

My audit of the declaration of completeness, with the **[material qualification/qualifications]** in the audit report, lead me to decline to issue a confirmation. It is my opinion, based on the observations gained during the audit, that the entries in the declaration of completeness do not conform with the provisions of the Verpackungsgesetz and the 'declaration of completeness audit guidelines' as published on 1 January 2019.

Stamp, city/town, date and signature

Auditor name
Auditor ID

Attachment:

Producer declaration⁷

⁷ As per the sample in **appendix 2**.

Producer declaration pursuant to section 11 VerpackG (Packaging Act) for the **personalise** reporting period

Entries for the registration number **[producer].[registration no.]**
for the **personalise** reporting period (the substantive provisions of the Verpackungsgesetz (Packaging Act) shall apply)

- **[producer].[name]**
[address line1-3]
[address].[street].[address].[no.]
[address].[postcode] [address].[town/city]
[producer].[LAND]

Entries for the authorised person filing the declaration of completeness:

- **[ID of authorised person who filed the DoC => producer ID or appointed third party ID]**
[academic title, first and last name of contact person at the producer's, or academic title, first and last name of appointed third party]
[country code, dialling code and phone number of producer or appointed third party]
[login e-mail address of producer or appointed third party]

Gross packaging pursuant to section 11 (2) in conjunction with section 16 (2) VerpackG, per system, in kg

Systems (gross)	Glass	PPC	Ferrous metals	Aluminium	Beverage cartons	Other composite packaging	Plastics	Other materials
Dual system A								
Dual system B								
Dual system C								
.....								
Gross total (kg)								

Packaging pursuant to section 7 (3) VerpackG, in kg

Section 7 (3) VerpackG	Glass	PPC	Ferrous metals	Aluminium	Beverage cartons	Other composite packaging	Plastics	Other materials
Dual system A								
Dual system B								
Dual system C								
.....								
Total (kg)								

Net volumes, in kg (gross volumes – packaging pursuant to section 7 (3) VerpackG)

Systems (net)	Glass	PPC	Ferrous metals	Aluminium	Beverage cartons	Other composite packaging	Plastics	Other materials
Dual system A								
Dual system B								
Dual system C								
Net total (kg)								

Packaging pursuant to section 8 VerpackG (sector-specific solution), in kg

Sector-specific solution(s)	Glass	PPC	Ferrous metals	Aluminium	Beverage cartons	Other composite packaging	Plastics	Other materials
Sector-specific solution A								
Sector-specific solution B								
...								
Total (kg)								

Packaging pursuant to sections 7 and 8 VerpackG (total), in kg

Systems (net) and sector-specific solution(s)	Glass	PPC	Ferrous metals	Aluminium	Beverage cartons	Other composite packaging	Plastics	Other materials
Total (kg)								

Packaging pursuant to section 15 (1) no. 2 VerpackG

Section 15 (1) no. 2 VerpackG	Glass	PPC	Ferrous metals	Aluminium	Beverage cartons	Other composite packaging	Plastics	Other materials
Quantity (kg)								

The company specified above confirms recovery under section 16 VerpackG and the relevant recovery documentation.

Recovery is by [ITSELF] / [A THIRD PARTY] / [ITSELF AND BY A THIRD PARTY].

Producer declaration

The details and documents filed as part of the declaration of completeness are correct, complete, and up-to-date. The basis of the underlying information can be fully verified and is documented. The requirements laid out in the Verpackungsgesetz to participate in a system for packaging and regarding returns and recovery of other packaging declared here (section 8 VerpackG, section 15 VerpackG, section 7 (3) VerpackG) have been fully met. **This is hereby confirmed by the producer upon creation of this document, which cannot be changed.**

This unchangeable PDF document – known as the 'producer declaration' – was created by LUCID on the basis of a document template by the Zentrale Stelle Verpackungsregister (Central Agency Packaging Register – ZSVR) once the information for the declaration of completeness was entered. It must be given a qualified electronic signature by a registered auditor and filed in LUCID, together with the corresponding recovery documentation.
