# UK urged to close tax loopholes and introduce product passports to tackle fast fashion crisis



The UK stands at a critical crossroads regarding its approach to the fast fashion industry, as highlighted by a newly released white paper that underscores the urgent need for regulatory reform. Compiled by campaign group Fashion Declares in collaboration with law firm Bates Wells, the report warns that without substantial changes to current legislation, the UK risks lagging behind global efforts to mitigate the environmental and social impacts contributed by the fashion sector.

The key reforms advocated in the report aim to address systemic weaknesses in fashion policy which, the authors argue, are outdated and inadequate. Central to their proposals is the closure of tax loopholes that allow ultra-fast fashion retailers to thrive at the expense of domestic brands. For instance, the de minimis tax exemption enables low-value imports to avoid import duties, allowing companies like Shein to bypass an estimated £150 million in UK taxes in 2023 alone. This loophole has been cited as contributing to the rise of “disposable fashion,” as it favours foreign competitors that can flood the market with cheaply produced garments.

In addition, the authors propose implementing an Extended Producer Responsibility (EPR) scheme tailored for textiles. This would mandate brands to take accountability for the lifecycle of their products, facilitating systems for collection, recycling, or responsible disposal. The suggestion is that companies producing durable, repairable clothing would incur lower fees, encouraging more sustainable production methods. This concept aligns with broader movements within the fashion industry that call for more responsible practices aimed at reducing waste and promoting environmental stewardship.

The third significant recommendation is the introduction of Digital Product Passports—QR codes affixed to garments that would provide consumers with information about a product's materials, manufacturing conditions, and sustainability credentials. This approach echoes trends in the European Union, where similar initiatives are set to launch by 2027. Such transparency could empower consumers to make informed choices, thereby encouraging brands to adopt more ethical production processes.

Safia Minney, founder of Fashion Declares, expressed a sense of urgency regarding these reforms: “We need regulation urgently to build a new economy based on working within planetary boundaries and redistributing wealth more fairly.” This perspective is echoed by Oliver Scott from Bates Wells, who pointed out that the fashion industry itself is demanding better legislation, recognising the glaring gaps in current laws. The industry’s push for practical, targeted reform reflects a growing consensus that “business as usual” no longer suffices in addressing the mounting challenges posed by fast fashion.

The backdrop to these calls for reform includes a global shift towards stricter regulatory frameworks. While other countries, particularly within Europe and the United States, are taking decisive action against unsustainable practices, the UK has been notably slow to follow suit. This delay has raised concerns that the UK could become a hub for cheap imports and unchecked waste, largely due to inadequate oversight.

Recent discussions have also highlighted the intersection of sustainability and social justice, particularly in terms of racial inequalities entrenched in global supply chains. Baroness Lola Young, a prominent advocate in this space, has voiced the need for a comprehensive approach that addresses not only environmental factors but also the socio-economic conditions affecting workers in the fashion industry. Her remarks at the white paper's launch serve as a reminder of the complex layers involved in critiquing and reforming fashion practices.

Moving forward, Fashion Declares plans to present these recommendations to government officials, aiming to galvanise broader support for legislative change. Minney emphasised the importance of gathering feedback and building momentum around these proposals, indicating a hopeful outlook for the future of fashion regulation in the UK.

With the stakes higher than ever, the call to action encapsulated in the white paper could mark a pivotal moment for the UK fashion industry. If successful, these reforms may not only help level the playing field for domestic brands but also lay the groundwork for a more sustainable, equitable fashion landscape.

### Reference Map

1. Paragraphs 1, 2, 3, 4, 5, 6, 7, 8
2. Paragraphs 4, 5
3. Paragraphs 1, 3
4. Paragraphs 2, 6
5. Paragraph 7
6. Paragraph 5
7. Paragraph 6

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## Bibliography

* <https://www.independent.co.uk/life-style/fashion/news/fast-fashion-uk-white-paper-b2750085.html> - Please view link - unable to able to access data
* <https://fairtrade-advocacy.org/other-information/we-release-the-white-paper-fair-thread-policy-recommendations-for-a-sustainable-textile-industry/> - The Fair Trade Advocacy Office and Fashion Revolution released the 'Fair Thread' white paper, presenting 19 policy recommendations aimed at addressing inequalities in the fast fashion model. The paper emphasizes the need for sustainable practices to improve the livelihoods of workers and farmers in the EU textile industry, highlighting the importance of policy changes that benefit both large corporations and small and medium-sized enterprises (SMEs).
* <https://www.gov.uk/government/news/greenwashing-cma-issues-tailored-guide-for-fashion-brands> - The UK's Competition and Markets Authority (CMA) issued a compliance guide to assist fashion businesses in adhering to consumer protection laws concerning environmental claims. The guide provides practical examples to help retailers make accurate and clear green claims, aiming to prevent misleading information and ensure a level playing field in the fashion industry.
* <https://mail.texfash.com/update/variable-epr-fees-needed-for-clothing-and-textiles-says-white-paper-on-uk-circularity> - An industry-backed white paper advocates for the UK government to implement variable Extended Producer Responsibility (EPR) fees to promote sustainability and establish a circular economy in the fashion and textiles sector. The proposed fees would hold producers accountable for the end-of-life treatment of their products, ensuring environmental costs are internalized and encouraging responsible production practices.
* <https://committees.parliament.uk/writtenevidence/130103/html/> - The UK government's 'Maximising Resources, Minimising Waste' program, introduced in August 2023, aims to support the country's net-zero commitment and waste reduction targets. The program focuses on increasing product longevity and reducing waste to landfill and incineration, including initiatives like a circular economy innovation fund to support projects such as an EPR industry pilot and textiles sorting and recycling demonstrators.
* <https://www.whitecase.com/insight-alert/navigating-evolving-era-greenwashing-regulations-fashion-industry> - White & Case LLP discusses the evolving landscape of greenwashing regulations in the fashion industry, highlighting the UK's Competition and Markets Authority's (CMA) efforts to enforce compliance with environmental claims. The article outlines the CMA's Green Claims Code and its investigations into misleading green claims, emphasizing the need for businesses to substantiate their environmental claims to avoid legal repercussions.
* <https://www.2harecourt.com/training-knowledge/regulating-the-fast-fashion-industry-what-does-the-future-hold/> - This article explores potential regulatory measures for the fast fashion industry, including the introduction of a 'Fit to Trade' licensing scheme for suppliers and the establishment of an independent regulator to monitor retailer-supplier relationships. It discusses the challenges of implementing such regulations, particularly concerning supply chain visibility and the need for comprehensive oversight to address issues like labor exploitation and environmental harm.