



F-GAS TRADING ISSUES

Part II: GENERIC REGULATIONS AFFECTING F-GASES

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Contents:

- REACH
- CUSTOMS CODE
- ECO-DESIGN



○ No Data - No Market

- Producer and Importers of chemical substances must submit a registration Dossier
- NON-EU producers can appoint an OR (Only Representative) in the Union to fulfil the registration requirements

○ Importers can qualify as "Downstream Users" (DUs)

- Importers defined as "any natural or legal person established within the Union responsible for Import"
 - Conflict with the EU F-GAS Regulation which requires non-EU Quota holders to be the IoR (Importer of Record) with a valid EU EORI number
 - Conflict with CCU (Customs Code of the Union) which also allows for Non-EU undertakings to act as IoR

○ OR must keep record of importers and quantities placed on the market (from 1MT up)

(*) Registration, Evaluation, Authorization and Restriction of Chemicals



REACH Non-Compliance is a major issue

- "The high non-compliance rate for Only Representatives' needs to be addressed [...]. Only Representatives have the highest non-compliance rate, which is twice the average rate for non-compliant companies. Only Representatives are often non-compliant not only due to missing registrations, but also due to the breach of Article 8 of REACH regarding the duties of Only Representatives."
- "Enforcement of REACH registration obligations is - due to the complexity of the rules and the high number of various exemptions - an extremely demanding task for any National Enforcement Authority (NEA). Therefore, the complexity of the rules puts enforceability at stake as resources in NEAs are limited."

Source: Forum REACH-EN-FORCE 3 - Phase 1 Project Report 2014

(*) Registration, Evaluation, Authorization and Restriction of Chemicals



Original Concern - Persistence and Toxicity of long-chain fluorocarbons (PBT or vPvT)

2020 Initiative by five countries for a Risk Management Options Assessment (RMOA) for PFAS as a group

- Using an extremely broad definition: essentially any chemical with at least one perfluorinated methyl group ($-\text{CF}_3$) or at least one perfluorinated methylene group ($-\text{CF}_2$).
- This would include all HFCs and HFOs
- All commonly used HFCs and HFOs are not classified as PBT or vPvB

June 2022 - Proposal for Restrictions expected (Now delayed until January 2023)

- Subject to Stakeholder Consultation

EFCTC is preparing a Socio-Economic Impact Assessment

- Downstream users are encouraged to provide data
- More information at <https://www.fluorocarbons.org/environment/environmental-impact/per-and-polyfluoroalkyl-substances-pfas/>

Note: PBT - Persistent, Bioaccumulative and Toxic; vPvT - very Persistent and very Toxic

(*) Registration, Evaluation, Authorization and Restriction of Chemicals

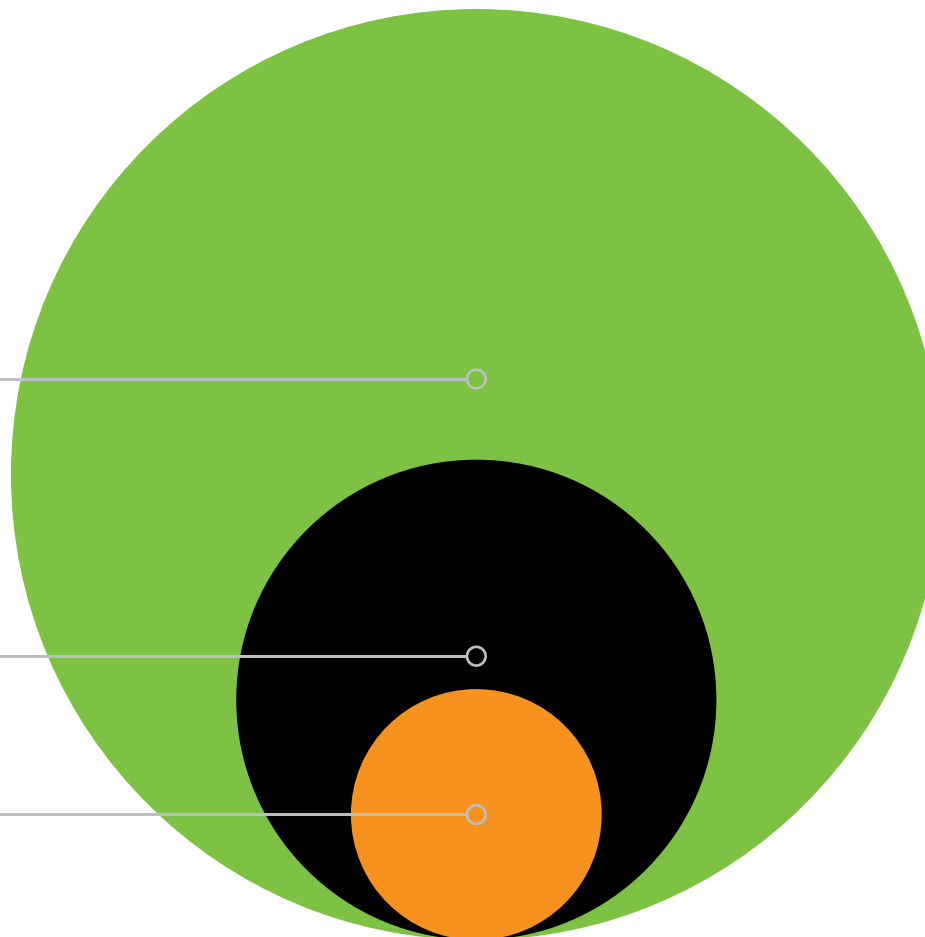


All PFAS (13'000+)

Includes all mainstream HFC/HFOs

PBT

vPvT



(*) Registration, Evaluation, Authorization and Restriction of Chemicals



- 20 January 2022 - 15 April 2022 Public Consultation on "revision of REACH Regulation to help achieve a toxic-free environment".
 - https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12959-Chemicals-legislation-revision-of-REACH-Regulation-to-help-achieve-a-toxic-free-environment_en
- Shift from Risk-based approach to Hazard-based approach
- Industry
 - Focus on Enforceability (non-compliance is a major issue)
 - Risk-based approach brings societal benefits and minimises environmental impact
 - Could lead to off-shoring production

(*) Registration, Evaluation, Authorization and Restriction of Chemicals



- Lays down the rules for international commerce
 - Complete the shift to a paperless and fully electronic customs environment
 - Reinforce swifter customs procedures for compliant and trustworthy economic operators
- Basis is a Customs Declaration
 - Single Administrative Document (SAD)
 - Identifying goods (HS codes), quantity & value
 - Plus any additional relevant information
 - For F-Gases and equipment containing F-Gases: CO₂eq tonnes *
- Recognises that non-EU Economic Operators can make a Customs Declaration for Import into the EU

*COMMISSION IMPLEMENTING REGULATION (EU) 2021/1832 (OJ L 385, 2021)



"From an environmental point of view, electricity consumption in the use phase is the main environmental impact [...]. The Regulation is expected to deliver estimated additional net electricity savings in the range of 1.5 to 3.5 TWh by 2030. This translates into an estimated 1.4 to 2.2 million tonnes of CO₂eq savings."

The screenshot displays a webpage for a public consultation initiative. The title is 'Energy efficiency – ecodesign rules for air-to-air conditioners, air-to-air heat pumps and comfort fans (review)'. Below the title, there is a breadcrumb trail: 'Have your say > Published Initiatives > Energy efficiency – ecodesign rules for air-to-air conditioners, air-to-air heat pumps and comfort fans (review)'. The page is divided into two main sections. On the left, a vertical timeline shows the stages of the initiative: 'Call for evidence' (with a feedback period from 21 January 2022 to 18 February 2022, marked as 'FEEDBACK: CLOSED'), 'Draft act' (marked as 'UPCOMING' and 'FEEDBACK: UPCOMING'), and 'Commission adoption' (planned for the third quarter of 2023). On the right, the 'About this initiative' section provides details: the 'Summary' states the Commission aims to review ecodesign requirements to reflect technological progress; the 'Topic' is 'Energy'; the 'Type of act' is 'Regulation'; and the 'Committee' is 'C07900'. Below this, a 'Call for evidence' section indicates the feedback period (21 January 2022 - 18 February 2022) and provides a link to 'View feedback received >'. At the bottom, there is a download link for a document titled 'Call for evidence for an impact assessment - Ares(2022)475851' in English (259.8 KB - PDF - 3 pages), with a 'Download' button.



THANK YOU

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