

Public Consultation on the review of the F-gas Regulation

EFCTC supports the objectives and structure of the F-gas Regulation. Since 2015, the European market has demonstrated that the structure of the F-gas Regulation works in its current format, as it provides the market flexibility to make appropriate refrigerant choices while fostering the use of lower GWP refrigerants in combination with measures directly targeting the reduction of refrigerant related emissions. EFCTC believes that the key focus of the F-gas review process should be to ensure and improve the implementation and enforcement of the regulation, especially, in view of the European Green Deal and its goal of minimizing F-gas emissions, while also aligning the Regulation with the Montreal Protocol.

In response to the [public consultation](#) on the F-gas Regulation, four main themes are addressed in the EFCTC submission:

- Improving the functioning of the legitimate supply chain, including reclamation and destruction
- Strengthening measures to eliminate illegal trade
- Delivering HFC emissions reductions
- Maintaining market flexibility and avoiding market disruption with the existing phase-down schedule and use bans

Improving the functioning of the legitimate supply chain including reclamation and destruction

A key priority must be further harmonization, implementation and enforcement of the F-gas Regulation across the EU, closely linked with improvement in Customs procedures related to F-gases and market surveillance to detect illicit and illegal activity. Existing cross border waste shipment regulations are a barrier to effective F-gas end-of-life treatment. The F-gas Regulation must serve to facilitate transport of recovered F-gases across borders for reclamation/destruction. Currently, transport of waste across EU national boundaries requires significant quantities of documentation for each shipment. Additionally, legitimate economic operators which have invested in providing services to handle, recycle, recover and reclaim HFCs, have been undermined by the large numbers of New Entrants which, in most cases, cannot or do not provide such services.

The New Entrant Reserve system should be revised to ensure that all participants are legitimate economic operators which can safely handle HFCs and offer an adequate package return system. Furthermore, bans in individual Member States impact the competitiveness of EU companies and undermine the single market as well as the F-gas Regulation. The quota and reporting exemption for economic operators which place on the market either less than one metric ton of product or 100 tonnes of CO₂ equivalent of F-gases per year provides a loophole for unscrupulous operators, including the potential for multiple imports.

Strengthening measures to eliminate illegal trade

Illegal trade has been recognised as a significant issue that is jeopardizing the goals of the F-gas Regulation as well as those of the European Green Deal initiative. Authorities have struggled to react to the increase in illegal imports of HFCs since 2017. This is primarily due to inconsistent implementation and enforcement of the F-gas Regulation by Member States and the lack of standardized European penalties with accompanying enforcement guidance. Ineffective enforcement by Member States has delayed the introduction of lower-GWP alternatives. While some progress has been made, it is essential that further actions are taken such as: improved enforcement, harmonised and dissuasive penalties, rapid introduction of the single Customs window and changes in the T1 Transit process to ensure that all F-gas economic operators are registered in the F-gas Portal or equivalent registry. It is essential that Customs Authorities stop and confiscate HFC imports which are not quota compliant as well as monitor companies that are importing for “re-export”. Linked inspections on VAT and F-gas would also be beneficial to restrict the flow of illegal HFCs as well as the continued purchase and use of banned disposable containers. Increased inspections at F-gas handling facilities in combination with analysis of logbooks should be mandatory with the goal of verifying the use of legitimately purchased HFCs to ensure that the use of non-compliant products (packaging, labelling, REACH etc.) is prohibited. Internet sales (e-commerce) of chemical substances, including HFCs have been increasing significantly in the last few years. Often, HFCs sold on internet platforms and private websites do not comply with the European regulation, have not been legitimately placed on the market with corresponding quota consumption and reporting, and lack required safety and handling information. Non-compliant products (packaging, labelling, REACH etc.) placed on the market, undermine climate goals and the F-gas phase down and pose a serious risk to end users.

Delivering HFC emissions reductions

Data from the European Environment Agency has demonstrated that F-gas emissions have been decreasing since 2014 and leading the European Commission to conclude that the F-gas Regulation’s provisions are effective. However, the impact of illegal trade quantities since 2018 on the magnitude of the emission reductions is uncertain. As the objective of the F-gas Regulation is to reduce carbon emissions by two-thirds by 2030 (in terms of CO₂ eq) compared to 2015 levels, improved enforcement at Member State level is essential to achieving this objective.

To improve the operation of the F-gas Regulation, it is imperative that there is a requirement for Member States to evaluate mandated logbooks and hence data about leakage, recycling, recovery and reclamation – and ultimately emissions. Ineffective enforcement of the F-gas Regulation by Member States has negatively impacted the competitiveness of legitimate operators in the EU market. As a consequence, it has also delayed the development and introduction of the lower-GWP alternatives to the high-GWP products.

Maintaining market flexibility and avoiding market disruption with the existing phase-down schedule and use bans

Changes in the HFC phase-down or introduction of F-Gas prohibitions on the use of lower-GWP products could significantly disrupt the investments planned by market operators to achieve compliance through to 2030, particularly impacting SMEs. Depending upon the measures chosen, R&D and innovation on more sustainable solutions could be affected. Measures must be aligned with the Montreal Protocol to ensure that the global competitiveness of EU based companies is protected. Any new measures proposed during the review must take into account the investments that market operators have already made to meet the requirements under the current F-gas regime, which run until 2030.

Alterations to the current regime could potentially be both disruptive and costly, with little actual environmental benefit. For example, both the Montreal Protocol and Annex I of the current F-gas regulation, reference AR4 GWP values. Using dissimilar GWP values in these two legislative acts will lead to confusion. Furthermore, any changes made to F-gas Regulation Annex I GWP values could require significant investment by industry, as GWP values are referenced in throughout the Regulation.

In conclusion, the current F-gas Regulation is successfully driving change to lower GWP solutions.

The current Regulation provide a predictable signal to the industries using F-gases and to those introducing/developing alternatives to F-gases. The EU HFC phase down has proven to be a powerful driver for the industry to transition towards lower GWP solutions. The phase down process has allowed industry to manage the reduction in the consumption of HFCs through the development of energy efficient, safe and affordable alternatives. Illegal trade in HFCs has undermined the regulation's implementation to a significant extent.

About EFCTC

The European FluoroCarbons Technical Committee is a Cefic Sector Group that monitors legislation related to HFCs (hydrofluorocarbons), and HFOs (hydrofluoro-olefins) in the EU and at global level. Fluorocarbons are used as feedstock, as refrigerants, as solvents and as blowing agents for insulation plastic foams.

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