

EFCTC: Enforcement workshop on Illegal HFCs

16th October 2020



STOP SMUGGLING.
START TRACING.



About us

The European FluoroCarbons Technical Committee is a sector group of the European Chemical Industry Council (Cefic) and represents the companies Arkema, Chemours, Daikin Refrigerants, Honeywell and Koura.



ARKEMA
INNOVATIVE CHEMISTRY

 **Chemours™**

 **DAIKIN**

koura

Honeywell



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Outline

1. **HFCs in the EU**
2. **What has happened?**
3. **Solutions – how can you help?**
4. **Scenarios for identifying materials**
5. **Documents: check for accurate details**
6. **Some good news!**
7. **What to do with confiscated material?**
8. **Contacts**



1. HFCs in the EU



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What are HFCs and what are they used for?

HFC stands for hydrofluorocarbons. They are refrigerant gases, used in:



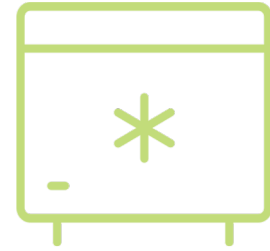
Airconditioning
in cars, homes,
hotels, hospitals,
data centers and
other buildings



**Fire
extinguishers,**
sprays and
insulation



Heat pumps
used for space,
water and
manufacturing
process heating



Refrigeration
in supermarkets
and industry

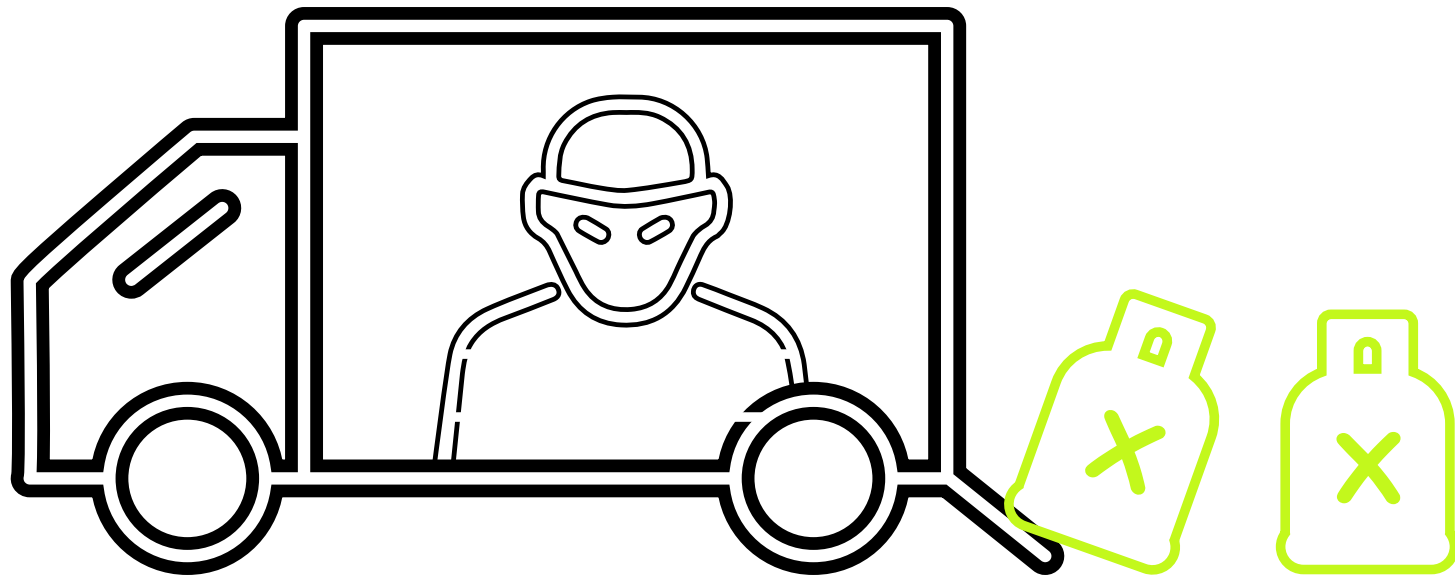
2. What has happened?



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The beginning of illegal trade of HFCs



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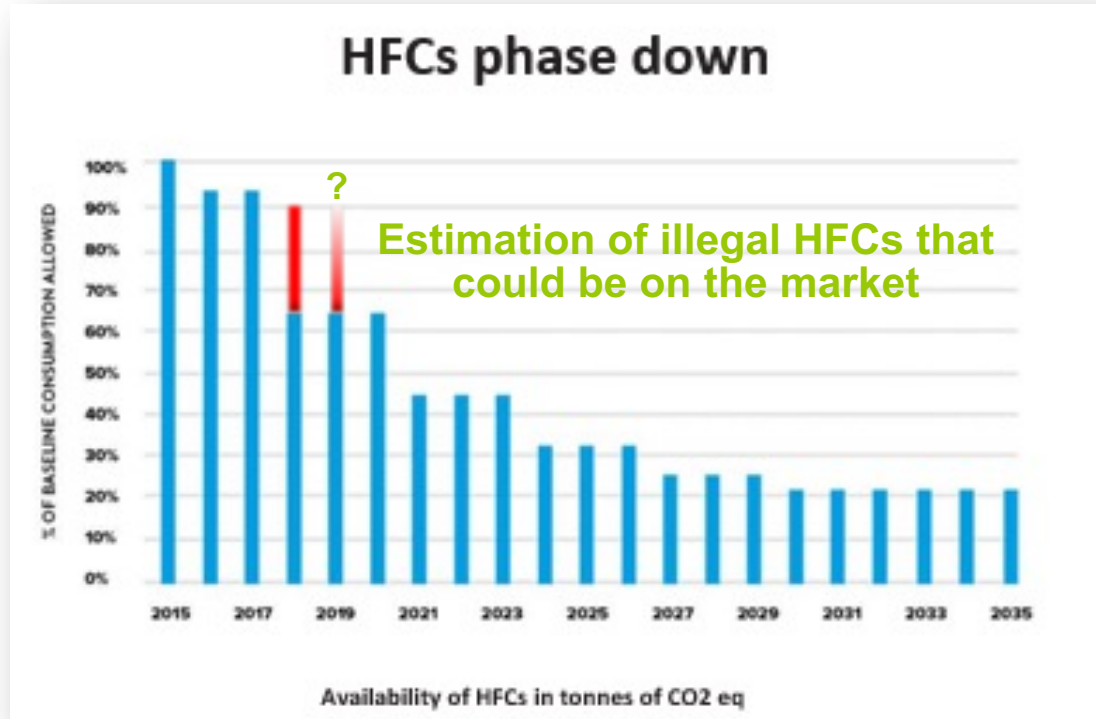
Most Common HFCs traded illegally

Name	GWP*	Commodity code (TARIC)	UN Code
HFC-134a; R-134a; 1,1,1,2 Tetrafluoroethane	1430	2903 39 26 90	3159
HFC-32; R-32; Difluoromethane	675	2903 39 21 00	3252
R-404A	3922	3824 78 20 10	3337
R-407C	1774	3824 78 40 20	3340
R-410A	2088	3824 78 30 10	1078 or 3163
R-507/ R-507A	3985	3824 78 10 10	1078 or 3163

*Global Warming Potential (GWP) is an indicator defining the contribution of a specific substance to the greenhouse effect compared to CO₂



Phase Down vs Illegal Imports



The impact of illegal trade of HFCs



ECONOMY

Illegal trade has a serious negative impact on both Member States' tax revenues and the economic viability of legitimate businesses who comply with the regulation.



R&D AND INNOVATION

Companies across the whole supply chain have invested significant resources to achieve the objectives of the F-gas Regulation. The uncertainty surrounding the enforcement of the F-gas Regulation, however, may discourage private sector innovation and resources for developing new technologies for new substances with lower Global Warming Potential.



INDUSTRIAL AND CONSUMER SAFETY

HFCs are liquefied gases under pressure, which are safe when handled with care. Illegal refrigerants can pose a serious risk to the health and safety of installers, users and the general public.

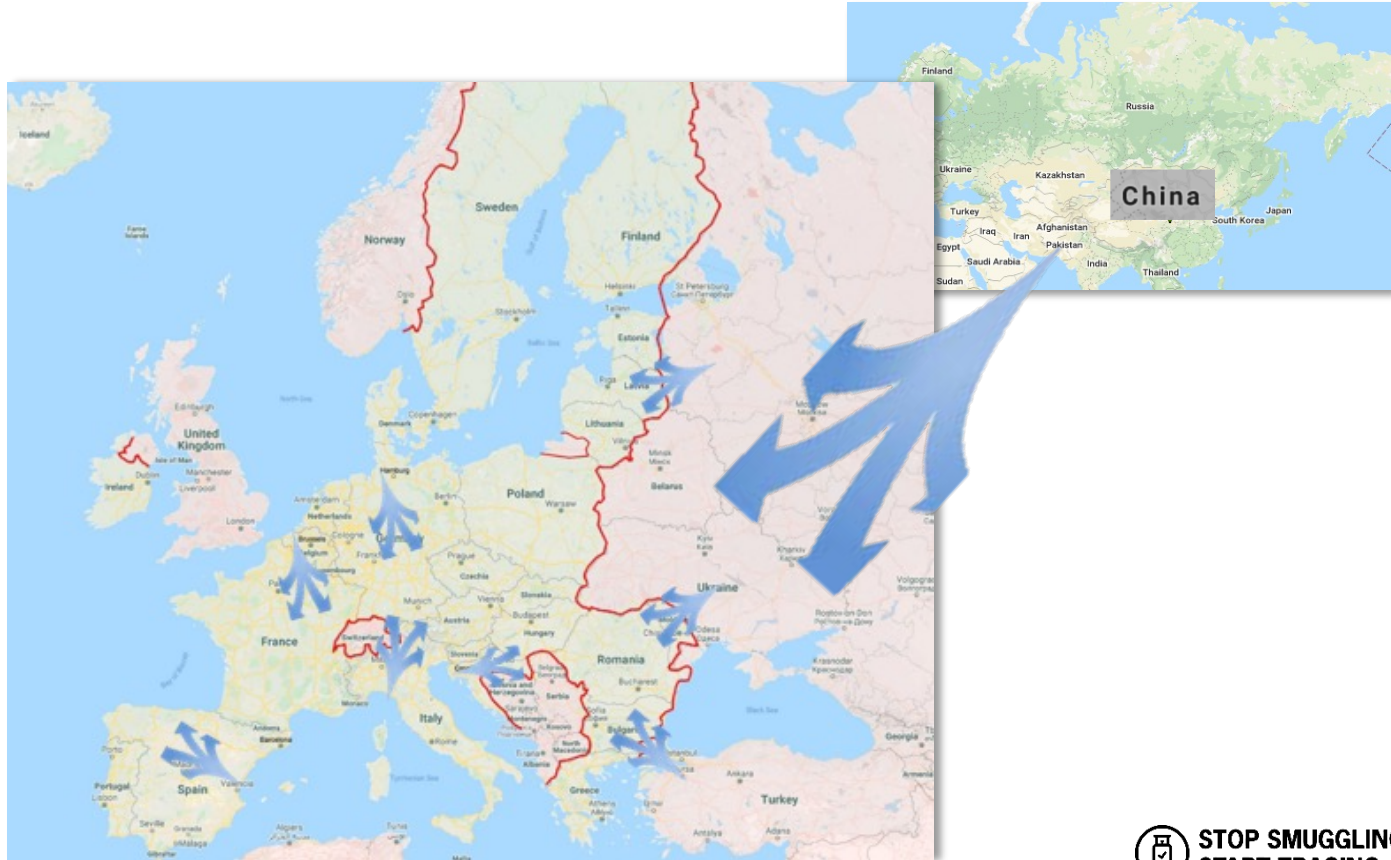


CLIMATE ACTION OBJECTIVES

Illegal trade results in additional HFC emissions that are associated with global warming and ultimately undermines the objectives of the F-gas Regulation and EU's climate goals.



Potential trade routes of illegal trade of HFCs



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3. Solutions – how can you help?



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**Customs is the first line of defense
at the door of entry to prevent
potentially illegal HFC products
from entering into the EU**



4. Scenarios for identifying materials



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Type of Illegal imports of HFCs



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Legal containers for HFC import



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Type	Typical filling volumes
Bottles/cylinders	2kg – 60kg
Ton tank containers/roll drums <ul style="list-style-type: none">7-ton drums can be transported in a 20ft or 14 in a 40ft container	650kg – 900kg
ISO tank containers	15-20 tonnes



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Legal containers for HFC import

Refillable cylinders - What to look for:

Approved for use
within the EU

ADR Transport Symbol
and UN number

The seller may provide a
Certificate of Conformity

WARNING: In some cases
cylinder content may still be
illegal!



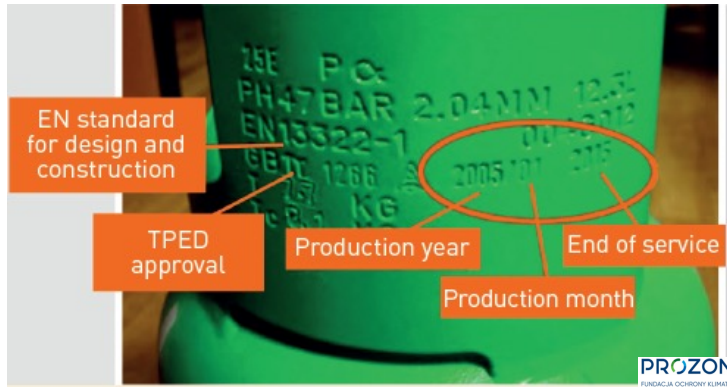
Markings on legal cylinders

- **Construction standards**
- **Identification of country where approved**
- **Inspection body signs**
- **Legalization date**
- **Designation of technical parameters**
- **Clear indication of the producer**
- **Safety indication in your national language**
- **ADR Transport Symbol and UN number**



Markings on legal cylinders

Cylinders need to bear the following stamps and information:

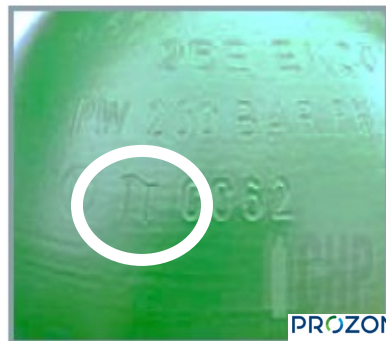


Year and month of production

EN 13322-1: compliance with standard of design and construction

TPED approval

Cylinders need to be maintained/inspected after 10 years. The year of end of service must be marked on the cylinder

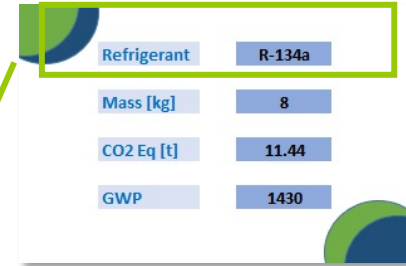


Labelled with the Pi (π) stamp

Labelling of F-gas containers

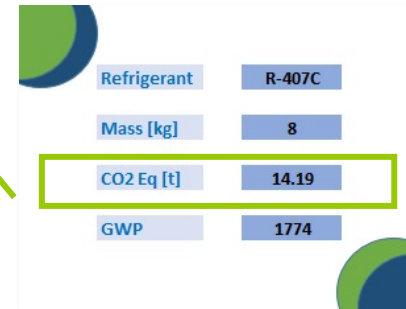
The **label** shall indicate :

- A **reference** that the product contains fluorinated greenhouse gases
- The **refrigerant name**
- **Quantity expressed in weight and in CO2 equivalent** of fluorinated greenhouse gases contained in the product



A label for R-134a refrigerant. The label is white with blue and green decorative elements. It contains the following information:

Refrigerant	R-134a
Mass [kg]	8
CO2 Eq [t]	11.44
GWP	1430



A label for R-407C refrigerant. The label is white with blue and green decorative elements. It contains the following information:

Refrigerant	R-407C
Mass [kg]	8
CO2 Eq [t]	14.19
GWP	1774

Non-refillable = prohibited in the EU



*It is prohibited to place F-gases in DACs on the EU market since 4th July 2007!**

What to look for:

- Cylinder **cannot** be refilled
- **Lack of quality guarantee** or product description
- Non-refillable cylinders* are often distributed in **carton boxes**



Non-refillable cylinders (DACs) 10t in a 20ft container



5. Documents: check for accurate details



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What to look for in an SAD?

31 colli en omschrijving van de goederen	Merken en nummers - Container(s) nr(s) - Aantal en soort . SIMU7103189 1 FLUOROCARBON GAS R-410A (REFRIGERANT R410A)
--	--



Example of Commodity codes used –

R-134a:
29 03 39 26 90

R-410A:
38 24 78 30 10



31 Packages and description of Goods	Marks and Numbers - Container No(s) - Number and kind	32 Item 1 No.	33 Commodity code [TARIC]		
	Marks & no of packages Nbr & Kind	34 Container No	a) PROCEDURE	b) Net mass(kg)	39 Quota
	Containers N		40 Summary declaration/Previous document		
			41 Supplementary Units	42 Item Price	43 V.M. Code
44 Additional information/Documents produced/Certificates and authorizations	License No	RAR No.	46 Statistical value		
	A.D.		47 Calculation of Taxes		
	Type	Tax Base	Rate	Amount	MP
			48 Deferred payment		49 Identification of Warehouse
			B ACCOUNTING DETAILS		

Name of refrigerant

BOX 31:
Container number
Refrigerant name / type
Description of the imported good

BOX 44: Possibility to add the CO2 eq

What to look for in an SAD?

Refer to Guidance on „How to register in the HFC Registry“ in order to check if the importer has a profile or not.

A OFFICE OF DISPATCH/EXPORT			
2 Consignor / Exporter No. _____		1 DECLARATION _____	
3 Forms _____		4 Loading lists _____	
1 1 _____		Manifest _____	
5 Items 0		6 Total packages _____	7 Reference Number 2011
8 Consignee		9 Person responsible for financial settlement _____	
14 Declarant/Representative TIN: _____		10 Country of first destin. _____	11 Trading ctly. _____
18 Identity and nationality of means of transport at departure _____		12 Value details _____	13 C.A.P. 0
19 Ctr. _____		15 C.E. Code _____	16 Country of origin _____
20 Delivery terms _____		17 Country of destination a1 b1 _____	17 Country of destination a2 b2 _____
21 Identity and nationality of active means of transport crossing the border _____		22 Currency and total amount invoiced _____	23 Exchange Rate _____
24 Nature of transaction _____		25 Mode of transport at the border _____	26 Inland mode of transport _____
27 Place of loading _____		28 Financial and Banking Data Bank code _____	28 Terms of Payment _____
29 Office of exit _____		30 Location of goods _____	Bank Name _____
			Branch _____
			BA/CB Number _____

**BOX 8:
Company
name
EORI Number
Address**

Guidance for equipment importers:

2.1. Who is the importer?

The importer is the legal person importing the gas or the equipment when it clears EU customs. For complying with the F-gas Regulation, the paper documentation at customs is relevant as it provides proof of the importing entity. **The importer is identified in this documentation as the 'consignee'** (Field 8 of the customs declaration document or Single Administrative Document (SAD)).



Check for potentially illegitimate importers

What to look for:

In **cooperation with Member States**
F-gas competent authorities

**Companies not registered
as importers of HFCs**

**Wrong or missing labels of
products containing HFCs**



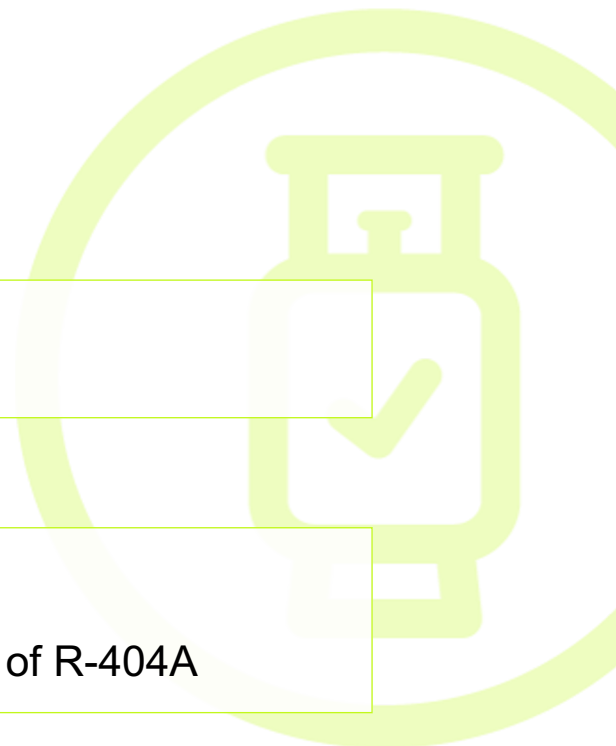
Check for potentially illegitimate importers

What to monitor:

Track HFCs in transit (T1) and make sure that they are finally either customs cleared or leave the EU.

Companies who **repeatedly import** very **small quantities of HFCs** per shipment that collectively exceed the 100 TCO₂e_q annual threshold

- 100 tonnes of CO₂e is around 70 kg of R-134a or 25 kg of R-404A



6. Some good news!



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Examples of successful seizures

BULGARIA

- 2018: 78 cases - 2,114 kg (R134a, R404A)
- May 2019: 13.6 kg - 2 cylinders (R134a)
- Dec 2019: 634.5 kg – 60 cylinders
- Jan 2020: 12,977 kg (R134a)
- May 2020: 490 kg (R134a, R404A)

POLAND

- 2018: 414 cases - 10,676 kg
- April 2019: 25 t (R134a, R404A, R410A)
- Sept 2019: 13,768 kg - 1,202 cylinders (R404A)

CROATIA

- 2018: 25 cases - 1,941.8 kg - 102 cylinders (R134a, R410A, R404A, R407C)

ITALY

- Sept 2019: 11 cylinders (R22, R134a, R410A, R404A)
- Feb 2020: 10 t - 38 cylinders (Photos suggest some of it was R404A)

GREECE

- 2018: 5 cases – 432 kg (R134a, R404A, R410A, R407C)
- Sept 2019: 23 t – 1,939 cylinders (R407C, R404A)

ROMANIA

- July 2019: 95 cylinders
- July 2019: 86 Kg (R134a, R404A, R32)
- July 2020: 76 t

THE NETHERLANDS

- July 2020: 1,150 cylinders or 14t (R410A, R32, R404A)
- August 2020: 300 HFC aerosol cans (130 tons of CO₂e)

SPAIN

- April 2019: 10 t (R22)
- Aug 2019: 255 Cylinders



Examples of successful seizures - OLAF

February 2020 – Italy

- 1 098 cylinders - 12.5 tonnes
- containing HFC gas (R134a, R410a and R404a)
- Approx: 26 269 tonnes of CO₂e



August 2020 - Romania

- 76,045 kg of illicit refrigerant gases detained in Romania keep of illicit HFCs
- Potential global warming impact of 170,000 metric tonnes of CO₂
- Operation guided by Romanian authorities

September 2020 – Italy

- From China to the port of Livorno, Italy
- Approx: 3.7 tonnes of (HFC) and hydrochlorofluorocarbon gases (HCFC)
- Packaged in 300 non-refillable cylinders
- Imported gases were in non-refillable cylinders
- Equivalent to the emissions produced by a car travelling for 35 million Km - around 6,800 tonnes of CO₂

July 2020 – The Netherlands

- 14 tonnes
- roughly 2,807 tonnes of CO₂ equivalent
- suspicious cargo destined for a consignee in Lithuania - not registered to receive imports of this nature
- Shipment coming from China was initially discharged in the port of Hamburg and declared in transit towards Rotterdam



7. What to do with confiscated material?



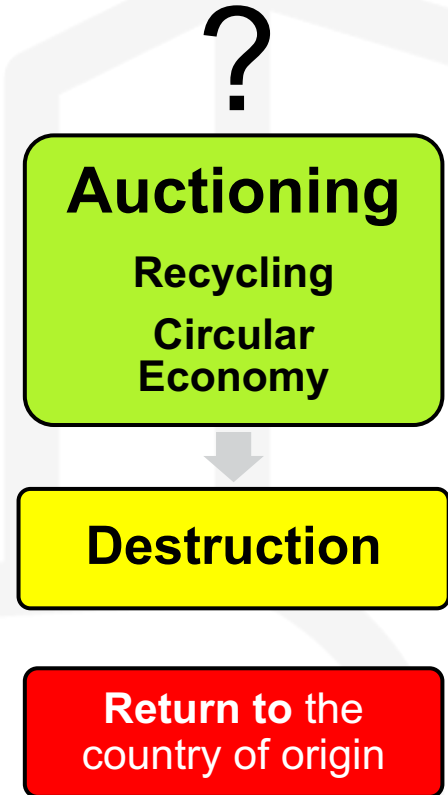
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What to do with Confiscated Material?

- Follow your normal **national procedures** for seized materials
- **Determine next steps** (auctioning, destruction or re-circulation)
- **Inform F-gas contact** in Ministry of Environment or relevant agency for the next steps
- Consider **options for testing** (on-site equipment or laboratory analysis)

NOTE: For auctioning it must be ensured that quota is used for placing on the market.



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Equipment for rapid tests on-site



Possible
equipment
on site:

handheld
device



Where to test confiscated material?

Professional certified laboratories are all over the EU and Turkey



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Additional resources

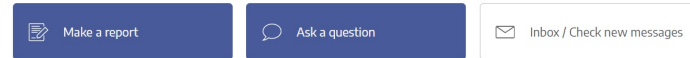
Tools to help you identify suspicious activity:

- **KROLL** – investigative services
- **Action Line** - <https://efctc.integrityline.org>

- In early 2021, the **EU Customs Single Window – CERTEX**, will be **interconnected with the F-GAS portal & Licensing System**.
- It will be in place in **participating countries**. This will allow **registration checks to be performed in an automated manner**.

Welcome on the Action Line for reporting illicit F-Gas products and trading

Contact us if you have obtained knowledge of incidents relating to smuggling, mislabeling, counterfeiting of F-Gas products, the use of illegal canisters (i.e. disposable) or other breaches of F-Gas quotas.



 You are on the protected reporting system of EQS. This is not part of the website or the intranet of EFCTC. Your report cannot be traced back to you if you report anonymously.

Moving forward

- ✓ Contact your (F-gas) **national experts (competent authority)**
- ✓ Consult our **EFCTC practical guide**
- ✓ Respond to requests from OLAF and, where appropriate, Kroll



8. Contacts



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Useful Contacts

EFCTC – European Fluorocarbons Technical Committee

Cefic – The European Chemical Industry Council

- Rue Belliard 40, Box 15
B-1040 Brussels, Belgium
EU Transparency Register n° 64879142323-90

EFCTC Secretariat

- Angelica Candido: anc@cefic.be
- Eszter Komaromi: eko@cefic.be

OLAF [website](#)

PROZON
FUNDACJA OCHRONY KLIMATU

 STOP SMUGGLING.
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THE BLACK MARKET FOR REFRIGERANT GAS
IS THRIVING ACROSS EUROPE.

THIS ACTIVITY FINANCES ORGANISED CRIME,
THREATENS LEGITIMATE SMALL BUSINESSES
AND HALTS PROGRESS TO CLIMATE GOALS.

LET'S TAKE ACTION, NOW.

fluorocarbons.org
stopillegalcooling.eu

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 EFCTC



Questions?



Thank you!



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