

05 July 2022

Pressure to stop the smuggling of HFCs increases

As one response to the rapid emergence of the illegal traffic of Hydrofluorocarbons (HFCs - or refrigerants) across the European Union, the European Commission has included HFCs as a priority in the new EU Single Window Environment for Customs. The Czech Republic has started using this new system.

Following its formal adoption by the European Parliament and the Council, the intergovernmental component of the Single Window will come into effect by 2025, while the business-to-government scheme will be accessible at a later stage¹.

Concurrently, the European trade association of fluorocarbon producers (EFCTC)² has updated its “Action Line” as part of its programme to counter this illegal trade. Upgrades include an enhanced user interface, the possibility to record voice messages and automatically translate into 70 languages. The updated tool will allow any individual to confidentially report allegedly suspicious HFC offerings to a trusted and independent contractor for investigation.

HFCs are controlled in the European Union via the F-Gas Regulation (EU) No 517/2014³, which aims to cap and phase down the total amount of HFCs with high global warming potential (GWP) through a quota system in the European market and promote the use of low GWP gases in more energy-efficient equipment. As a result of the quota system, the quantity of available HFCs in the EU will be significantly reduced progressively by 2030. The unintended consequence of this significant phase down is the creation of a black market for illegal imports and the illegal trafficking of HFCs in the EU.

To tackle customs fraud and smuggling, the European Commission has developed and introduced the EU Single Window Environment for Customs, which enables customs authorities to automatically verify the legitimacy of F-Gas imports at the border, confirming whether importers are legally registered and have sufficient quota for the import of their goods. The Czech Republic has become the first EU country to adopt the Single Window Environment for Customs to manage the import of HFCs. Other EU countries are expected to follow soon.

“This is a big step forward against the smuggling of HFCs,” stated Dr Nick Campbell, Chairman of the European Fluorocarbon technical Committee (EFCTC), “illegal imports of HFCs have serious economic and environmental effects. The sooner other EU countries can join the EU Single Window Environment for Customs, the faster such illegal trade can be stopped.”

EFCTC is actively supporting the EU Regulation and offering a service to report suspicious activities related to F-gas imports through a confidential Action Line, <https://www.efctc-actionline.com>⁴, an

¹ https://ec.europa.eu/commission/presscorner/detail/en/IP_22_3210

² <https://www.fluorocarbons.org/>

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014R0517>

⁴ efctc - ([efctc-actionline.com](https://www.efctc-actionline.com))

anonymous, autonomous, and safe tool. The Action Line enables market participants and other stakeholders to report suspicious activities, such as: importing or trading illegal or banned products, use of non-refillable cylinders, importing without quota, regulatory breaches, and counterfeiting.

Activated in 2019, the action line has been a successful instrument with a total of 388 reports in three years, which led to the creation of 174 evidence packs being shared with EU enforcement authorities and the European Anti-Fraud Office, OLAF. The majority of reports were submitted from United Kingdom, Greece, Germany, and Italy. The total reports come from 20 countries, 18 of which are jurisdictions in Europe.

The Action Line is also collecting reports of intellectual property, trademark and other infringements taking place in the European online marketplaces. In 2021, 1,595 wrongdoings were reported and removed from the internet with a 99.5% successful removal rate, a steep increase compared with the rate of 85% in 2020.

The use of the Action Line is confidential and independently operated by 3rd party consultants, independent of the EFCTC. For more details on the Action Line, please click on <https://www.efctc-actionline.com>.

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.

Contact: EFCTC Chairman: Dr. Nick Campbell, nick.campbell@arkema.com
EFCTC Secretariat: Angelica Candido, anc@cefic.be

