

Preparing for Impact of Brexit on REACH

CLEPA MATERIALS REGULATIONS EVENT
STUTTGART

Dr. David Bassan

IMPACT OF BREXIT ON REACH

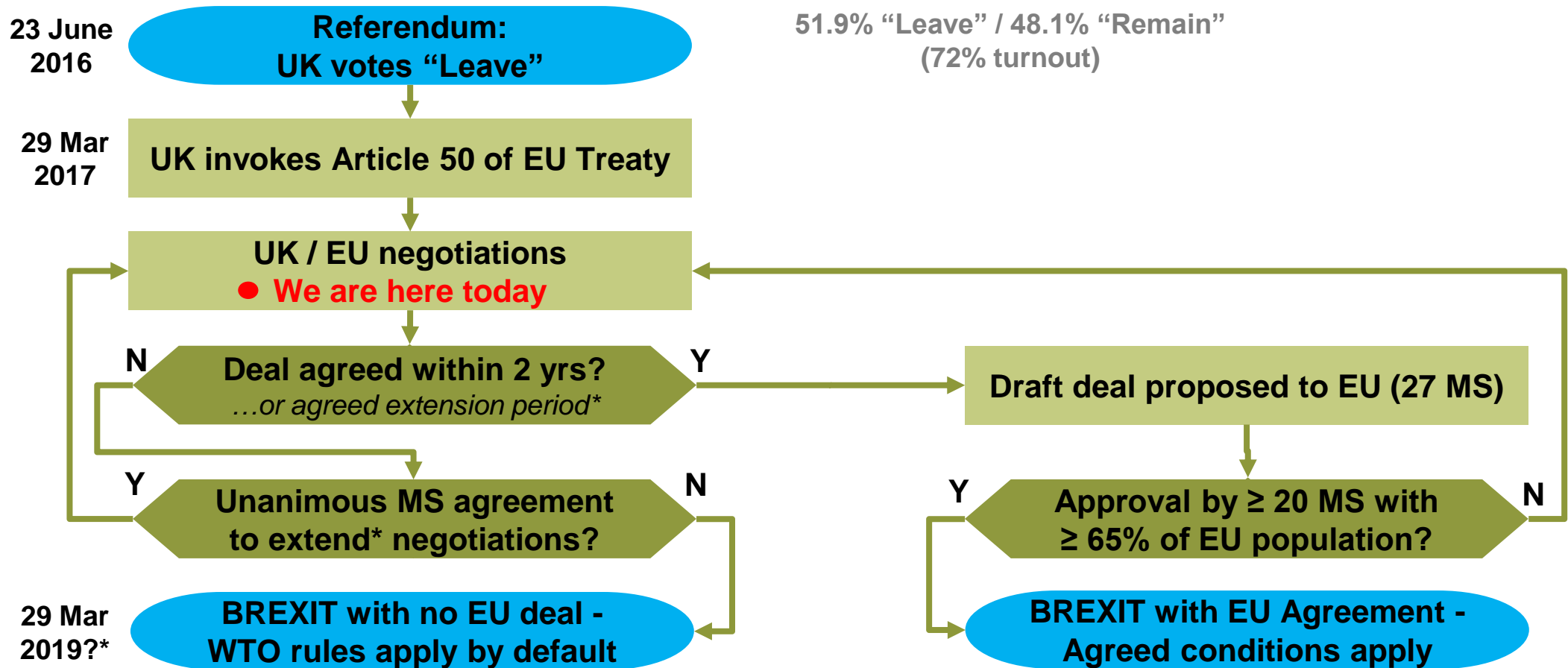
Overview

- **What Brexit means for REACH**
- **Impact on automotive industry**
- **Status of current activities**
- **What you can do to prepare for the impact of Brexit on REACH**



WHAT BREXIT MEANS FOR REACH

BREXIT Process Overview



* 19 Mar 2018: UK has agreed in principle to EU27 proposal of 21 month "stand still" transition period to end on 31 December 2020, but...
"NOTHING IS AGREED UNTIL EVERYTHING IS AGREED"

WHAT BREXIT MEANS FOR REACH

Hope for the best...

- The chemical industry and downstream industry users of chemicals have issued multiple position papers and made direct contacts to UK Government to make clear their **preference to remain covered by EU REACH** to avoid trade disruption and duplicate regulatory burdens, especially on registration
- UK Parliament Environmental Audit Committee recommended UK to **remain a participant in the EU chemicals regulatory system** – rejected by Government Minister
- 2 March 2018: Prime Minister Theresa May said she would seek “associate membership” of the **European Chemicals Agency** after Brexit, but...
- European Union chief negotiator Michel Barnier responded: *“Clearly you can’t have the status of a third country and ask for the advantages of partnership”*

WHAT BREXIT MEANS FOR REACH

Plan for the worst...



- UK Department for Environment, Food & Rural Affairs (**DEFRA**) is the policy lead on REACH
- Planning now for **complete replication of EU REACH** into UK law ("UK-REACH")
- Day-One of Brexit should have **no policy changes** from current legislation
- **Additional staff** for UK-REACH planning
- £5.8m to start building **UK-REACH-IT system**
- **Consulting** with trade associations and individual companies on the principles and implementation of UK-REACH
- Plans to bring out "**white paper**" in May 2018

WHAT BREXIT MEANS FOR REACH

Impact on REACH of Brexit Deals

No	NEGOTIATION 29.03.2017 → 29.03.2019	TRANSITION 30.03.2019 → 31.12.2020	FINAL DEAL 31.12.2020 → onwards
1	EU Membership UK subject to EU REACH	EEA-Like Agreement UK remains covered by EU REACH	UK/EU Sector-Specific Trade Deal UK pays for Membership of ECHA
2	EU Membership UK subject to EU REACH	UK/EU Sector-Specific Trade Deal UK pays for Membership of ECHA	
3	EU Membership UK subject to EU REACH	EEA-Like Agreement UK remains covered by EU REACH	UK/EU Non-Sector-Specific Deal Separate UK/EU REACH
4	EU Membership UK subject to EU REACH	No UK/EU Deal No Separate UK/EU REACH	

REGULATORY BURDEN TO INDUSTRY:



No changes



Only minor changes



Major changes



IMPACT ON AUTOMOTIVE INDUSTRY

Luckily your business will only be affected...

- IF: You work in the UK for a **UK company**
- OR: You work in the EU27 but your company has **UK sites**
- OR: Your EU27 company has direct **chemical suppliers in the UK**
- OR: Your EU27 company has direct **parts suppliers that use chemicals in the UK**

- OR: Your company has any **UK chemicals or parts suppliers anywhere in your supply chain**



IMPACT ON AUTOMOTIVE INDUSTRY

Impacts for Use of Chemicals in EU27

Brexit Scenario (examples only)	Additional regulatory burden (staff/costs/time)	Interruption of chemicals supply
Existing registration by UK OR becomes invalid in the EU27	OR transfers/duplicates registrations to EU27 OR	OR decides not to transfer/duplicate registrations to EU27 OR
Existing registration by UK company becomes invalid in the EU27	Registrant transfers registrations to EU27 company entity	Registrant decides not to transfer registrations to EU27 company entity
UK supplier's authorisation covering EU27 customer's use becomes invalid in the EU27	EU27 customer applies for own authorisation	EU27 customer decides not to apply for own authorisation
EU27 customer buying from UK manufacturer/formulator becomes an EU importer	EU27 customer persuades UK manufacturer/formulator to set up an OR to take on registrations	UK manufacturer/formulator declines to set up an OR, and EU27 customer also decides not to take on registrations
EU27 customer buying from UK distributor becomes an EU importer	EU27 customer takes on registrations	EU27 customer decides not to take on registrations

IMPACT ON AUTOMOTIVE INDUSTRY

Impacts for Use of Chemicals in UK

Brexit Scenario (examples only)	Additional regulatory burden (staff/costs/time)	Interruption of chemicals supply
UK-REACH not fully functioning in time for Brexit	Administrative delays for EU→UK chemicals	No mechanism for EU→UK chemicals
Existing registration by EU27 OR becomes invalid in the UK	OR transfers/duplicates registrations to UK OR	OR decides not to transfer/duplicate registrations to UK OR
Existing registration by EU27 company becomes invalid in the UK	Registrant transfers/duplicates registrations to UK company entity	Registrant decides not to transfer/duplicate registrations to UK company entity
UK customer buying from EU27 manufacturer/formulator becomes a UK importer	UK customer persuades EU27 manufacturer/formulator to set up an OR to take on registrations	UK customer declines to set up an OR, and EU27 manufacturer/formulator also decides not to take on registrations
UK customer buying from EU27 distributor becomes a UK importer	EU27 distributor takes on registrations	EU27 distributor decides not to take on registrations

STATUS OF CURRENT ACTIVITIES

Automotive industry activities

- 2017 & 2018: UK REACH Cross Sector Industry Group – DEFRA (+HSE & BEIS & DIT) participate to gain understanding of Brexit impacts on REACH
- June 2017: SMMT HMWG – Initial REACH scenarios developed
- July-Oct 2017: ACEA WG M&S – REACH position was based on assessment of several “no deal” scenarios
- Dec 2017 – Jan 2018: Individual companies invited to meet DEFRA to discuss practical impacts
- Jan 2018: SMMT HMWG – Scenarios used as a basis for SMMT scenarios, used in discussion with DEFRA
- Jan 2018: UK REACH Cross Sector Industry Group – SMMT scenarios used as basis for X-Sector scenarios, provided on request to DEFRA, and used as basis meeting with Thérèse Coffey, Junior Minister for DEFRA
- Feb-April 2018: SMMT + TF-REACH + CLEPA developing detailed scenarios/impacts/solutions

STATUS OF CURRENT ACTIVITIES

Automotive industry approach

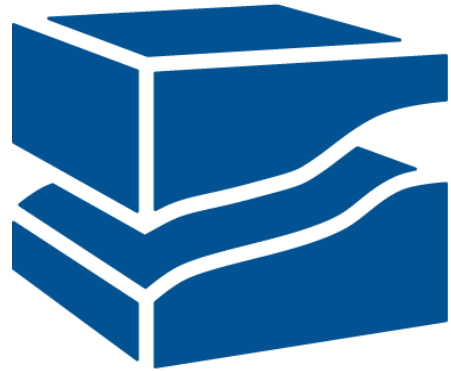
- **Maintain public positions** regarding what overall deal we want (i.e. minimal disruption)
- Concentrate TF activities on evaluating **post-Brexit scenarios, impacts and proposed solutions** for post-Brexit UK-REACH and EU REACH
- Establish **cooperation within automotive industry** (ACEA, CLEPA) to build on existing SMMT and other scenarios
- Use analysis to **provide inputs to DEFRA public white paper consultation** and for other common lobbying activities
- Follow outcomes and use information gained to **produce guidance to automotive supply chain**

WHAT YOU CAN DO TO PREPARE

Just like starting REACH all over again...

- Update your REACH inventory of substances/mixtures you use in any way, and your current roles
- Familiarise yourself with the likely Brexit scenarios and impacts
 - Join the industry efforts to evaluate Brexit scenarios, impacts, and efficient solutions
- Identify your post-Brexit roles and how the Brexit scenarios will affect you
- Plan your responses for the most efficient transition
- Apply the same kind of approach for biocidal products regulation and others...

THANK YOU FOR YOUR ATTENTION



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www.ACEA.be

