

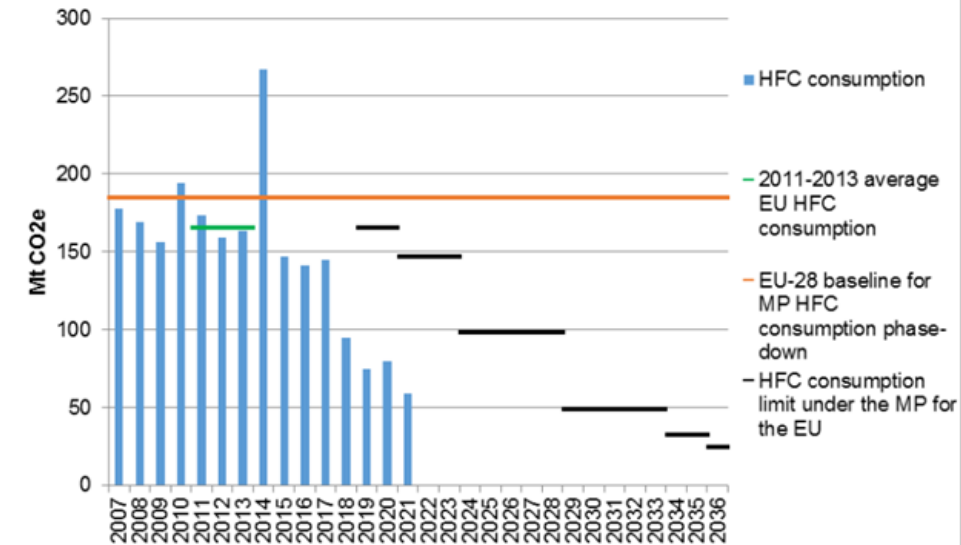


The EU Licensing system(s) for HFCs and ODS

Workshop on strengthening the effective implementation and enforcement of the Montreal Protocol

Bangkok, 2 July 2023

Main Policy Driver for the HFC phase-down: The Quota System



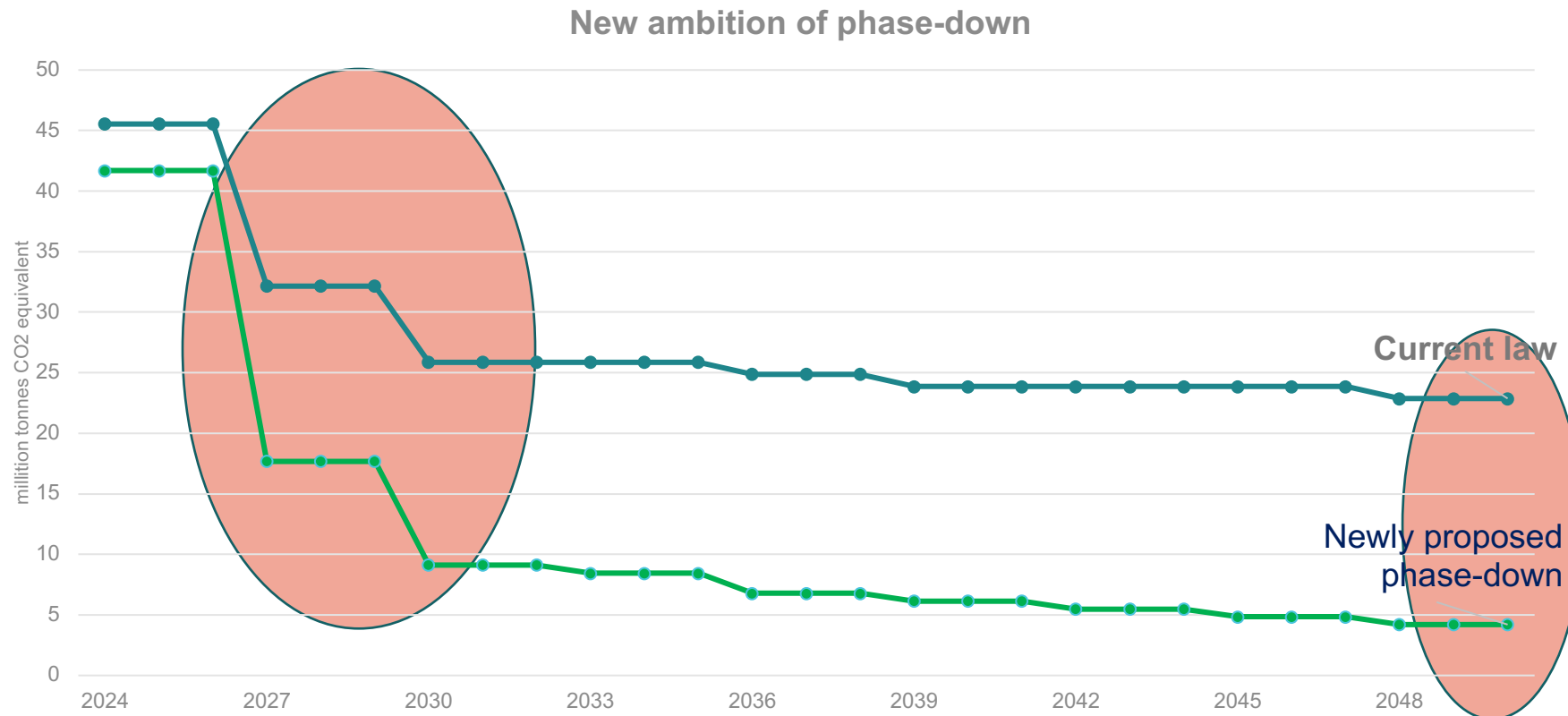
Upstream Market Measure: Reduce EU (initial) HFC placing on the market (measured in CO₂eq.!) in 3 year steps by 80% (2015- 2030)

- Companies **importing or producing** HFCs (bulk) get **HFC quota** every year (in **CO₂eq**) → more metric tonnes of climate-friendlier substances can be sold
- A company can only place quantities of HFCs on the EU market up to their annual quota limit
- All HFCs in pre-charged RAC equipment need to be accounted for in the quota system

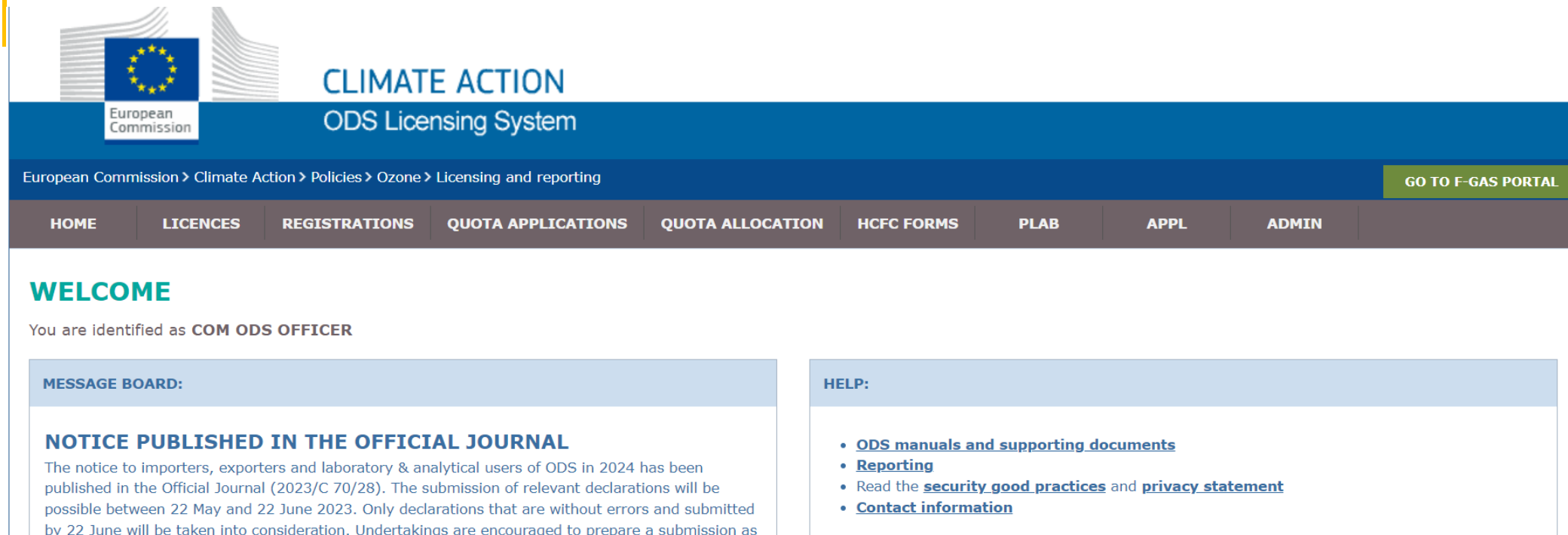
The HFC phase-down under the revised EU F-gas Regulation

Quantities HFCs supplied to the EU market to be reduced by 98% from 2015 to 2050 – **Under discussion!**

Note: This includes quantities imported in pre-charged equipment



Licensing for ozone depleting substances



The screenshot shows the top navigation bar of the ODS Licensing System. It includes the European Commission logo, the text 'CLIMATE ACTION ODS Licensing System', and a breadcrumb trail: 'European Commission > Climate Action > Policies > Ozone > Licensing and reporting'. A green button labeled 'GO TO F-GAS PORTAL' is on the right. Below the breadcrumb is a dark blue navigation menu with links: HOME, LICENCES, REGISTRATIONS, QUOTA APPLICATIONS, QUOTA ALLOCATION, HCFC FORMS, PLAB, APPL, and ADMIN. The main content area starts with a 'WELCOME' heading and a message: 'You are identified as COM ODS OFFICER'. There are two sidebars: 'MESSAGE BOARD' and 'HELP:'. The 'MESSAGE BOARD' contains a notice titled 'NOTICE PUBLISHED IN THE OFFICIAL JOURNAL' regarding the 2024 ODS declaration period. The 'HELP:' sidebar lists links for 'ODS manuals and supporting documents', 'Reporting', 'security good practices and privacy statement', and 'Contact information'.

- **Per-shipment licenses for bulk substances and some products & equipment - and trader licenses for products & equipment for critical uses of halons, valid up to a calendar year)**
- **Quota for import of bulk substances**
- **Linked to the electronic reporting system**

Licensing for ozone depleting substances

IDENTIFICATION OF GOOD:

USE

SELECTED USE
Export of substance for feedstock use (EFDS)

SUBSTANCE

TYPE OF GOOD: *
 Substance Mixture

SELECTED SUBSTANCE* ⓘ
HCFC-22

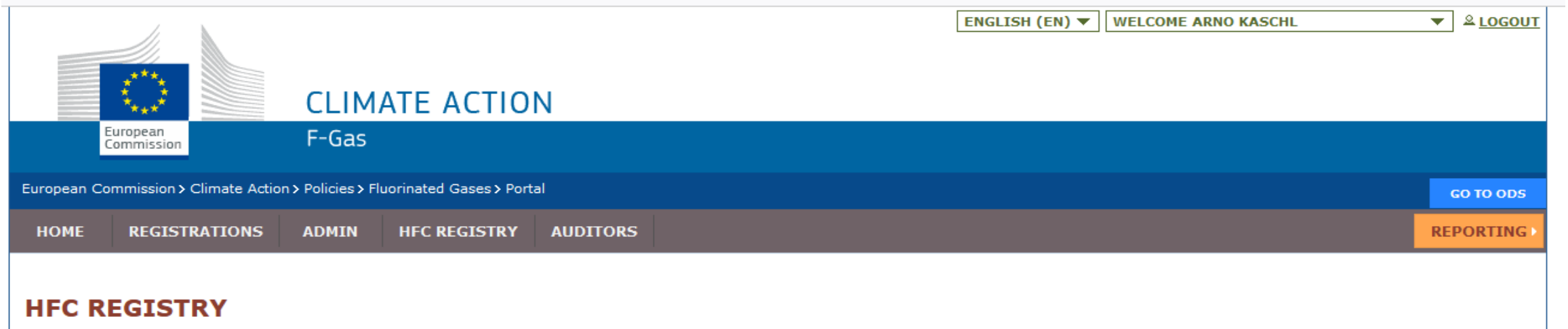
CN CODE(S) CAS NUMBER
2903 71 00 00 - Chlorodifluoromethane (HCFC-22) 75-45-6

GROSS MASS * ⓘ NET MASS * ⓘ TOTAL ODP MASS
42460 Kg 23120 Kg 1271.600

NATURE OF SUBSTANCE

- Accessible for custom offices and other competent authorities in the EU Member States
- Option for National Ozone Units to register to view issued of licences concerning this country

Implementation of the HFC-quota system



The screenshot shows the top navigation bar of the European Commission F-Gas Portal. It includes the European Commission logo, the text 'CLIMATE ACTION F-Gas', and a user profile section with 'ENGLISH (EN)', 'WELCOME ARNO KASCHL', and a 'LOGOUT' link. Below this is a breadcrumb trail: 'European Commission > Climate Action > Policies > Fluorinated Gases > Portal'. A navigation menu contains 'HOME', 'REGISTRATIONS', 'ADMIN', 'HFC REGISTRY', and 'AUDITORS'. A 'GO TO ODS' button is on the right, and a 'REPORTING' button is highlighted in orange.

• F-gas Portal & HFC Licensing System:

- Valid registration of companies (importers, exporters, producers, etc) → Trader License
- Application for quota/Allocation of quota, Transfer of quotas, Authorisation of quota use for the placing on the market of pre-charged equipment
- **Linked to the electronic reporting system**
- **Ex-post verification** (independent auditors)

The future system for licensing trade in HFCs and ODS – as of 2025

➤ EU Single Window Environment for Customs

- Mandatory participation of all 27 EU countries, from 3/2025
- Connects customs offices (ca. 2500) in 27 Member States to EU-central database on fluorinated gases (incl. HFCs) and Ozone Depleting Substances
- Less burden for economic operators, customs and other competent authorities, but better control!

The future system for licensing trade in HFCs and ODS – as of 2025

- **For HFCs: Valid registration constitutes the licence for individual companies, required under the Montreal Protocol**
- **For ODS: Simplified licensing and no longer quotas for exempted uses**
- **Full integration in the *‘EU Single Window Environment for Customs’* ensures:**
 - Real-time license checks
 - Quota debit system
 - Flagging of suspicious activities
 - Tracking of shipment data
- **Collected Data allows for**
 - Verification of ex-post reporting
 - robust interventions in case of non-compliance

Thank you

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https://ec.europa.eu/clima/eu-action/fluorinated-greenhouse-gases_en
https://climate.ec.europa.eu/eu-action/protecting-ozone-layer_en