

# 4 NETWORKS DAY

Online conference

21 May 2021



EU FORUM OF JUDGES FOR THE ENVIRONMENT  
UE FORUM DES JUGES POUR L'ENVIRONNEMENT

EU GREEN WEEK 2021 PARTNER EVENT

**ZERO** #EUGreenWeek  
**POLLUTION**  
for healthier people and planet

Hosted by : 



# 4 NETWORKS DAY



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## Together in the fight against environmental crime

**Date:** 21 May 2021

**Time:** 09:00 - 12:30 | 13:30 - 16:15 CET

**Location:** online, hosted by LIFE+ SATEC





# ILLEGAL TRADE IN F-GASES

Eva Cornelissen & Sijmen Roosma (NL)

Human Environment and Transportation Inspectorate

- EU + International goals
- F-gas regulation + illegal trade
- 2 cases
- Current developments
- Discussion
- Who is (fairly) new to the F-gas subject?



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# EU + International Goals

## EU

- Aims to be climate-neutral by 2050
- Cut greenhouse gas emissions by 55% in 2030
- F-gases emission reduced by two-third in 2030

## F-gases:

- Fluorinated greenhouse gases -> man-made, range of industrial applications
- Substitute for ODS but powerful GHG -> high Global Warming Potential
- Hydrofluorocarbon (HFC) -> most important F-gases (R404a: 3922 GWP: 1 kg ~ 3922 kg CO<sub>2</sub>)  
2013: 2.5% of EU GHG emissions (2050: 10% of global GHG without restrictions in place)

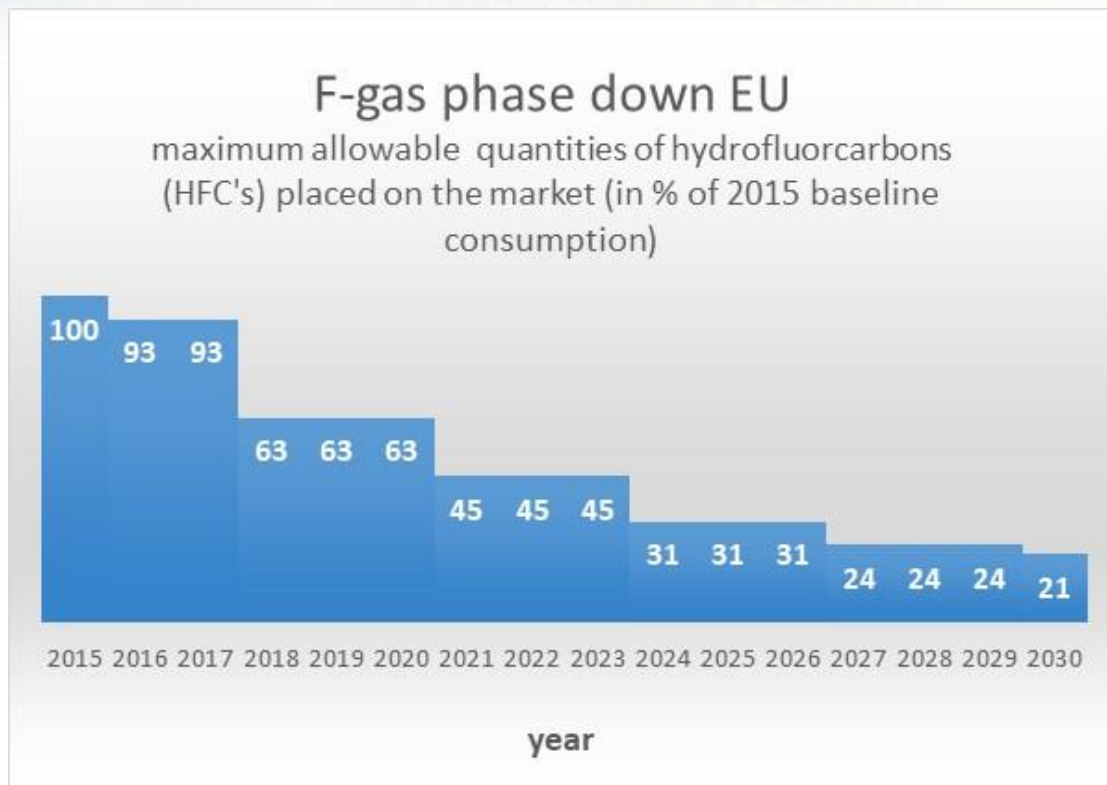
## International

- Kigali amendment (signed 2016, effective 2019, 120 parties) to the Montreal Protocol  
-> Aims reduction consumption and production HFC's  
-> Different timing phases worldwide



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# EU F-gas Regulation Phase Down



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# EU F-gas Regulation Phase Down

- **Quota system:**
  - > HFC being put on the EU market (2015: 182,5 mln ton CO2 equivalent)
  - > Distributed among HFC Bulk importers:
  - > Registered in EU F-gas portal
  - > Sufficient quota
- Restrictions placing on EU market: products + equipment (e.g. non refillable cylinders since 2007)
- **ONLY THE PLACING ON THE EU MARKET IS PROHIBITED  
FURTHER USE AND DISTRIBUTION ISN'T**
  - > = supplying or making available to another party in the Union for the first time,..... and includes customs release for free circulation in the Union;



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# ILLEGAL TRADE

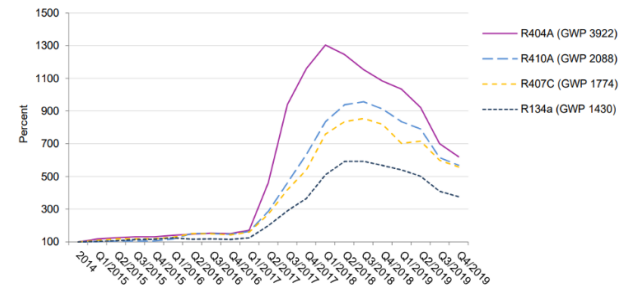
- Phase down- > high prices + demand-> estimates **16% - 42%** illegal import EU

- Criminal structure distribution:**

- > China: source country
- > Turkey + EU East border countries + EU ports
- > Distribution in EU crossing multiple internal EU borders
- > End users: door to door, online

- Ways of illegal import EU:**

- > import via customs while exceeding quota
- > import via customs via misdescription
- > misusing T1 (transit) procedure
- > plain smuggling



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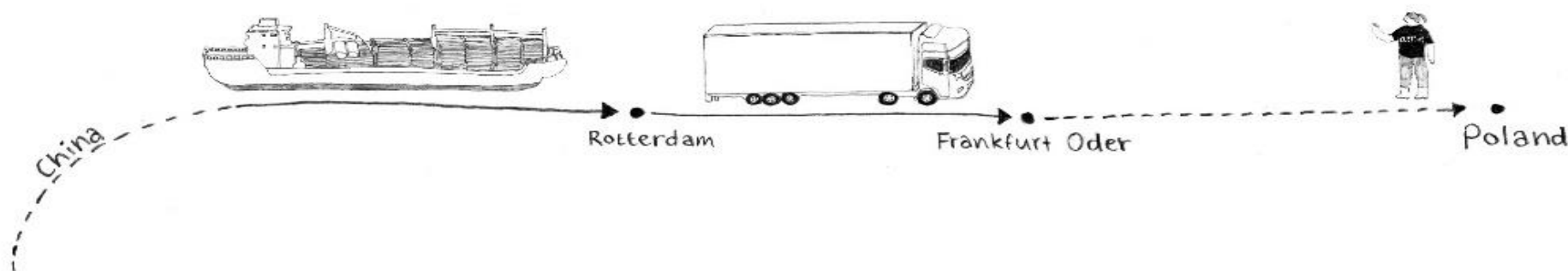


# CASE I What to do with F-gases from China that arrived in port of Rotterdam?

*message received from OLAF (European Anti Fraud Bureau) of arrival of nine (9) ISO containers F-gas R134a with foreseen destination Poland*

*doubt about registration in F-gas portal and quota = possible attempt of illegal import ( $\approx 200.000.000$  kg CO<sub>2</sub> equivalent)*

*identity of importer for custom clearance still unknown, transport under T1 procedure*



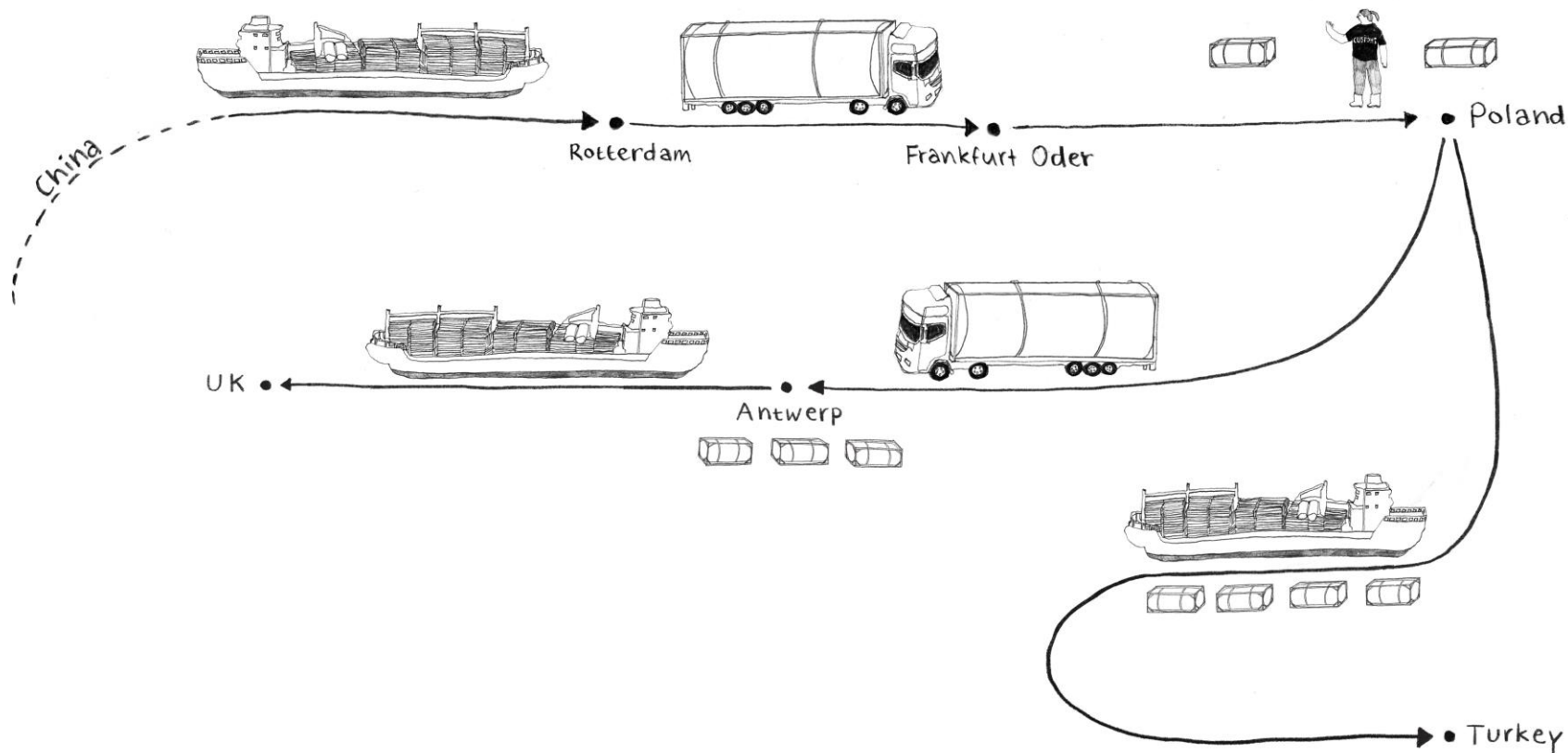
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## CASE I

# What to do with F-gases from China that arrived in port of Rotterdam?



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## CASE I

# What to do with F-gases from China that arrived in port of Rotterdam?

Question 1: Should Dutch authorities pay (more) attention to arrival(s) in port of Rotterdam, as a main EU port, when goods are destined for other Member States and transported under T1 procedure (not custom cleared in the Netherlands)?

☐ No, because ... (who can I give the floor?)

☐ Yes, because ... (who can I give the floor?)

Question 2: Should OLAF (=European Anti Fraud Bureau) been given more legal tools to investigate cases like this?

☐ No, because ... (who can I give the floor?)

☐ Yes, because ... (who can I give the floor?)



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## CASE II      How many steps till illegal import? Is it worth to investigate?

Step 1:    *Inspectorate received information about non-refillable cylinders*

Step 2:    *17 empty cylinders that contained F-gas 134a found*



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## CASE II      How many steps till illegal import? Is it worth to investigate?

Only import (placing on the EU-market) is illegal according F-gas regulation (517/2014); further distribution and use isn't.

Question 3:    *Is it considered worth (feasible) to investigate the first placing on the EU-market (import)?*



No



Yes



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## Case II

# How many steps till illegal import? Is it worth to investigate?

Step 3: 44 cylinders that contain F-gas 134a and 410a found  
equals  $\approx 850.000$  kg CO<sub>2</sub> equivalent



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## Case II      How many steps till illegal import? Is it worth to investigate?

Step 4a: *illegal import(er) found !!*

*1620 cylinders F-gas R134a from Turkey to a Dutch company*

*equals  $\approx$  31.500.000 kg CO<sub>2</sub> equivalent (Global Warning Potential  
R134a = 1430)  $\approx$  same as 40 return flights Australia – Europa or  
4200 Dutch households.*

*gross profit step 4 to step 2  $\approx$  200 euro per cylinder  
(1620 \* 200 = 324.000 euro)*

Question 4: Is it considered meaningful to start a criminal investigation e.g. to stop illegal import / confiscate the ill-gotten gains / punish importer?

☐ No, because ... (who can I give the floor?)

☐ Yes, because ... (who can I give the floor?)



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## Case II

# How many steps till illegal import? Is it worth to investigate?

Question 5: What is a reasonable fine?



10.000 euro max



20.000 euro or more

Step 4b: *invoice found of transfer of 1200 cylinders F-gas 134a from Slovenia to Dutch company*

Question 6: Should this transfer be further investigated that than needs international cooperation?



*No, because ... (who can I give the floor?)*



*Yes, because ... (who can I give the floor?)*



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# HOW TO STOP ILLEGAL TRADE

- **VERY INTERNATIONAL +CROSS BORDER -> COOPERATION NECESSARY**
- PARTIES INVOLVED: customs, F-gas authorities, investigation services/police + EU organizations (OLAF, Europol) + business + NGO's



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# HOW TO STOP ILLEGAL TRADE

## CURRENT INITIATIVES + DEVELOPMENTS

-> Europol: EMPACT operational action F-gases, Operational Task Force, OP. WEBGAS

-> DG TAXUD project group

-> EFCTC/KROLL project

-> Review F-Gas regulation

-> CCWP 10.2.2 Action Plan

### February 2020 – Italy

- 1 098 cylinders - 12.5 tonnes
- containing HFC gas (R134a, R410a and R404a)
- Approx: 26 269 tonnes of CO<sub>2</sub>e



### 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 CO<sub>2</sub>
- Operation guided by Romanian authorities

### July 2020 – The Netherlands

- 14 tonnes
- roughly 2,807 tonnes of CO<sub>2</sub> 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

### 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 CO<sub>2</sub>



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# Questions/discussion

## DO YOU HAVE ANY QUESTIONS/DISCUSSION TOPICS?

We are interested in:

1. Would it be helpful to add infringements of F-gas Regulation in article 3 of the Environmental Crime Directive? (article 3: listing of criminal offences)?
2. How to cooperate with China as main country of origin?
3. Your experiences (good and bad) with creating or maintaining an international, interdisciplinary and as much as possible effective enforcement network are very welcome?

## CONTACT:

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