

# Supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas

2014/0059(COD) - 24/04/2015 - Committee report tabled for plenary, 1st reading/single reading

The Committee on International Trade adopted the report by Iuliu WINKLER (EPP, RO) on the proposal for a regulation of the European Parliament and of the Council setting up a Union system for supply chain due diligence self-certification of responsible importers of tin, tantalum and tungsten, their ores, and gold originating in conflict-affected and high-risk areas.

The committee recommended that Parliament's position adopted in first reading following the ordinary legislative procedure should amend the Commission proposal as follows:

**Purpose and scope:** Members felt that the Regulation was one of the ways of eliminating the financing of armed groups by means of controlling trade of minerals from conflict regions. The latter should **ensure that the nexus between conflict and illegal exploitation was broken.**

Accordingly, the objective of the Regulation was to lay down the supply chain due diligence obligations of **Union importers who choose to be self-declared as responsible importers** of minerals or metals containing or consisting of tin, tantalum, tungsten and gold. Metals reasonably assumed to be recycled should be excluded from the scope of this Regulation.

The **definition of importers was widened** to enable traders to self-certify and participate in the new system.

**Conformity assessment:** the importer responsible for the minerals or metals within the scope of the Regulation should request a notified conformity assessment body carry out a conformity assessment in accordance with a **conformity assessment scheme.**

The Commission shall adopt an implementing act establishing one or more conformity assessment scheme (s) covering all of the responsible importer's activities, processes and systems used to implement supply chain due diligence.

Member States should **notify the Commission** and the other Member States of bodies authorised to carry out third-party conformity assessment tasks under the Regulation. The Commission should make publicly available the list of the bodies.

Members set out the **requirements** related to conformity assessment bodies seeking notification and also set out the **obligations** of notified conformity assessment bodies.

A conformity assessment body should be a **third-party body independent of the importer it assesses** and the smelter or refiner, the smelter's or refiner's subsidiaries, licensees, contractors, suppliers and companies cooperating in the conformity assessment.

Where a notified conformity assessment body found that an importer had not met requirements of the conformity assessment scheme, it should require that importer to take appropriate **corrective measures** and should not issue a certificate.

Where corrective measures were not adopted or did not have the required effect, the assessment body should **suspend or withdraw** the certificate if necessary.

**List of responsible importers:** in order to provide visibility for the efforts of companies taking on commitments in this domain, the Commission should draw up a list of responsible importers on the basis of reports on the implementation of the regulation by the Member States.

**The ‘European responsible importer’ label:** responsible importers should be granted a ‘European responsible importer’ label by Member States’ competent authorities. The label should be suspended or withdrawn where there is non-compliance.

**Due diligence obligations applicable to smelters and refiners:** Members proposed that the Regulation must be **compulsorily applied** for smelters and refiners established in the Union, who were key actors in the supply chain, as they were involved in the stage when minerals were processed. They were therefore in a better position to gather, communicate and verify information about the origin of minerals and the various operators that had been responsible for them.

**Establishment of a "European certification of responsibility" for companies operating downstream:** companies established in the Union operating downstream of the supply chain of minerals and taking due diligence measures, might be granted a "European certification of responsibility" by the competent authorities of the Member States.

**Review:** two years after the date of application of the Regulation and every three years thereafter, the Commission will review the functioning and effectiveness of the Regulation and the latest impact of the scheme both in the EU and on the ground.

The Regulation should apply two years after its entry into force.