



REACH Presentation

Special relationship between Only Representative and clients in the entire REACH Process

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v.1.0



Agenda

Part 1. REACH - impact for Non-EU Manufactures

Part 2. Duties of an Only Representative

Part 3. Exchange of Information

Part 4. Risks and Chances

Part 5. Conclusion



WHO WE ARE



- The likedeelers GmbH is a German consultancy firm that is specialized to provide its services with competent experts and solutions to the benefit of its customers.
- By our service line **Fit4REACH** we will support with our experts in all REACH relevant issues.
- All of them have long time project experiences in management consultancy, project management, chemical substances and chemical legislation.
- Also we offer the **Fit4REACH** - Navigator, a special REACH software solution.

www.fit4reach.eu



Our Expertise



by likedealers GmbH



Only Representative



by likedealers GmbH



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DEUTSCH-CHINESISCHE WIRTSCHAFTSVEREINIGUNG E. V.
 德 中 经 济 联 合 会





REACH in general

- *Since June 1st 2007 REACH stepped into force and regulates now the future of chemicals on the European market.*
- *Each company that offers chemistry dependent products is forced to face up to the new EU regulation no. 1907/2006 REACH.*
- *Consequently REACH is a new challenge for all enterprises within the range of this EU regulation. This includes non EU exporting companies that want to keep the EU market.*
- *Each company has to scope the individual impact of REACH and prepare for the foreseeable changes on EU market conditions for chemicals, so it will sustain*





REACH in general



What are the components of the REACH System?



Every company

Every chemical substance in a company

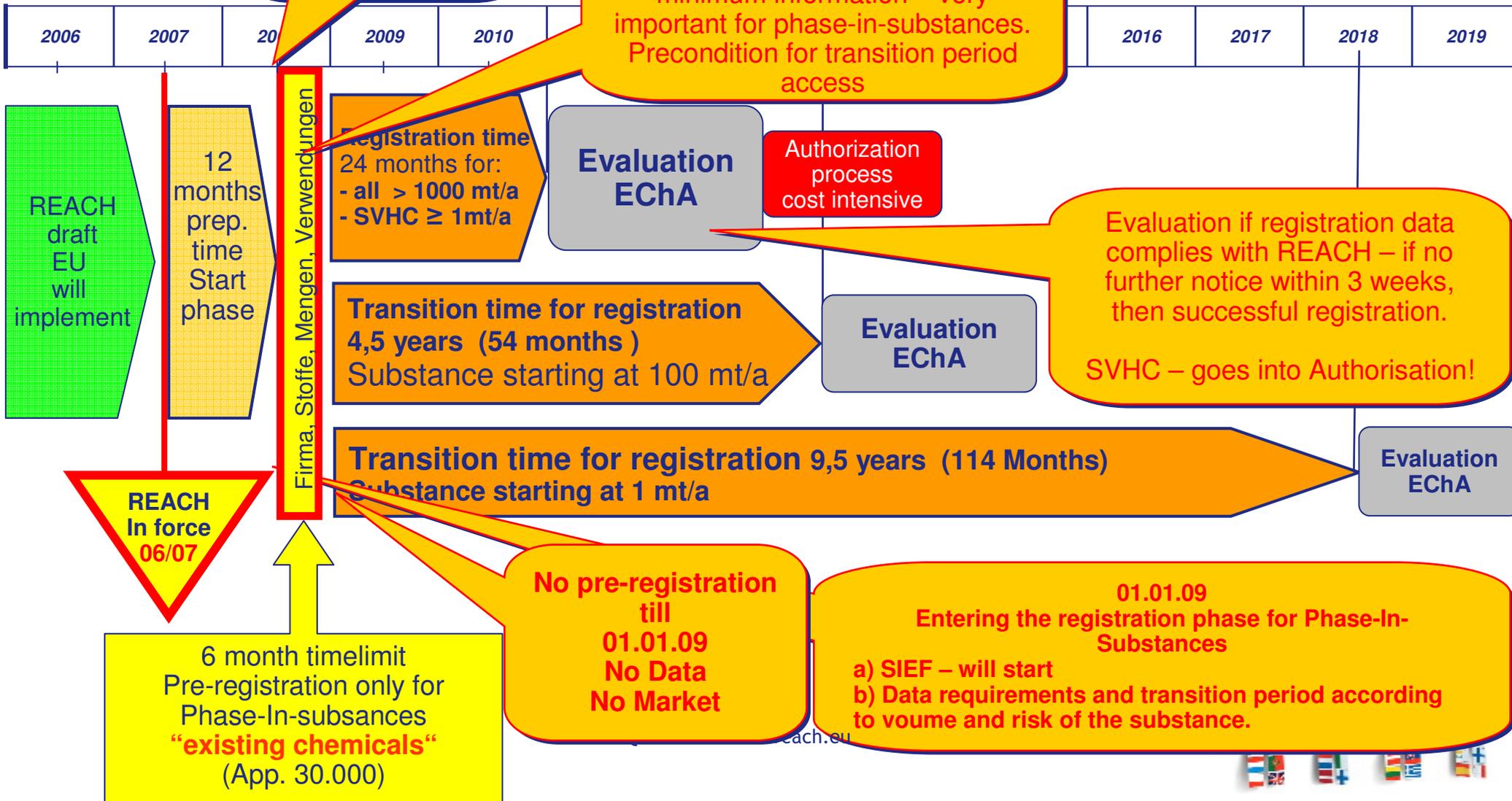
Every substance, inside a company with an annual amount of more than 1 metric ton

Every substance, inside a company, with 1 metric ton per year and its uses

**REACH
Art. 5
No Data
No Market**

Attention!
Many focus only on
REGISTRATION
but
REACH holds more
obligations!

REACH timeline





1. REACH Impact for non EU Companies

They too have to become fit for REACH!



REACH Impact for non EU Companies

FACT:

REACH

The new EU law applies on all companies that manufacture REACH relevant products inside and/or import them into the EU

Therefore, it imposes a risk for manufacturers of chemicals from outside the EU

Only companies (legal entities) inside the EU can comply with REACH

- Access to EU Market is at stake!
- Risk of loosing control of selling!
- Risk of loosing EU customers!
- Risk of false interpretation of REACH due to social/cultural background



REACH Impact for non EU Companies

REACH gives non EU companies 4 alternatives

1) No Registration (with Pre-Registration)

*No EU Market access starting 01.06.2008 (non-phase-in)
and 01.12.2008 (phase-in)*

2) EU Importer registers

Importer takes over all responsibilities from the manufacturer!

3) Non EU Manufacturer established an subsidiary inside EU

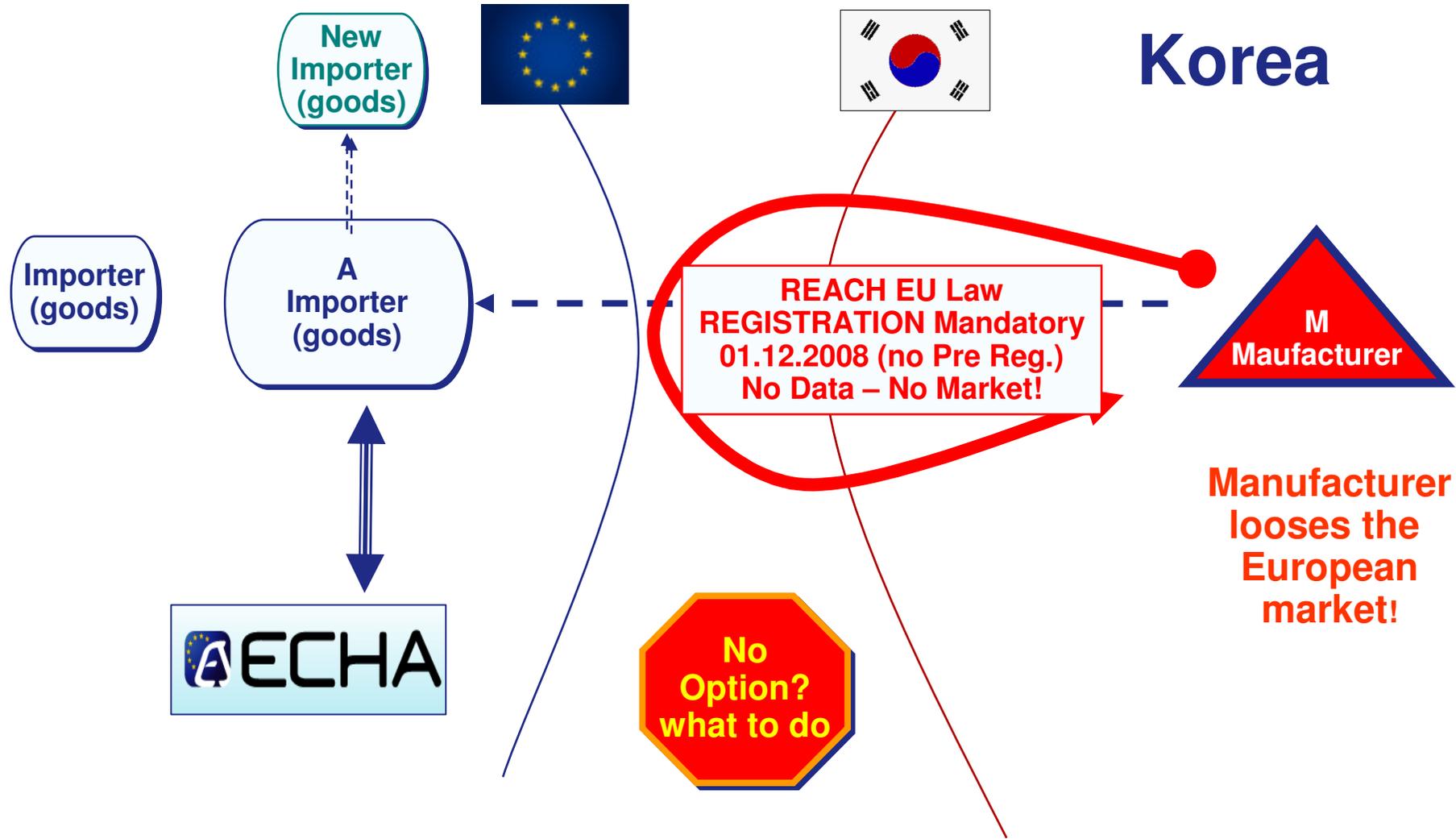
EU subsidiary fulfills all responsibilities of the manufacturer!

4) Non EU Manufacturer appoints an only representative (REACH Art. 8)

OR is appointed by manufacturer and handles all REACH obligations

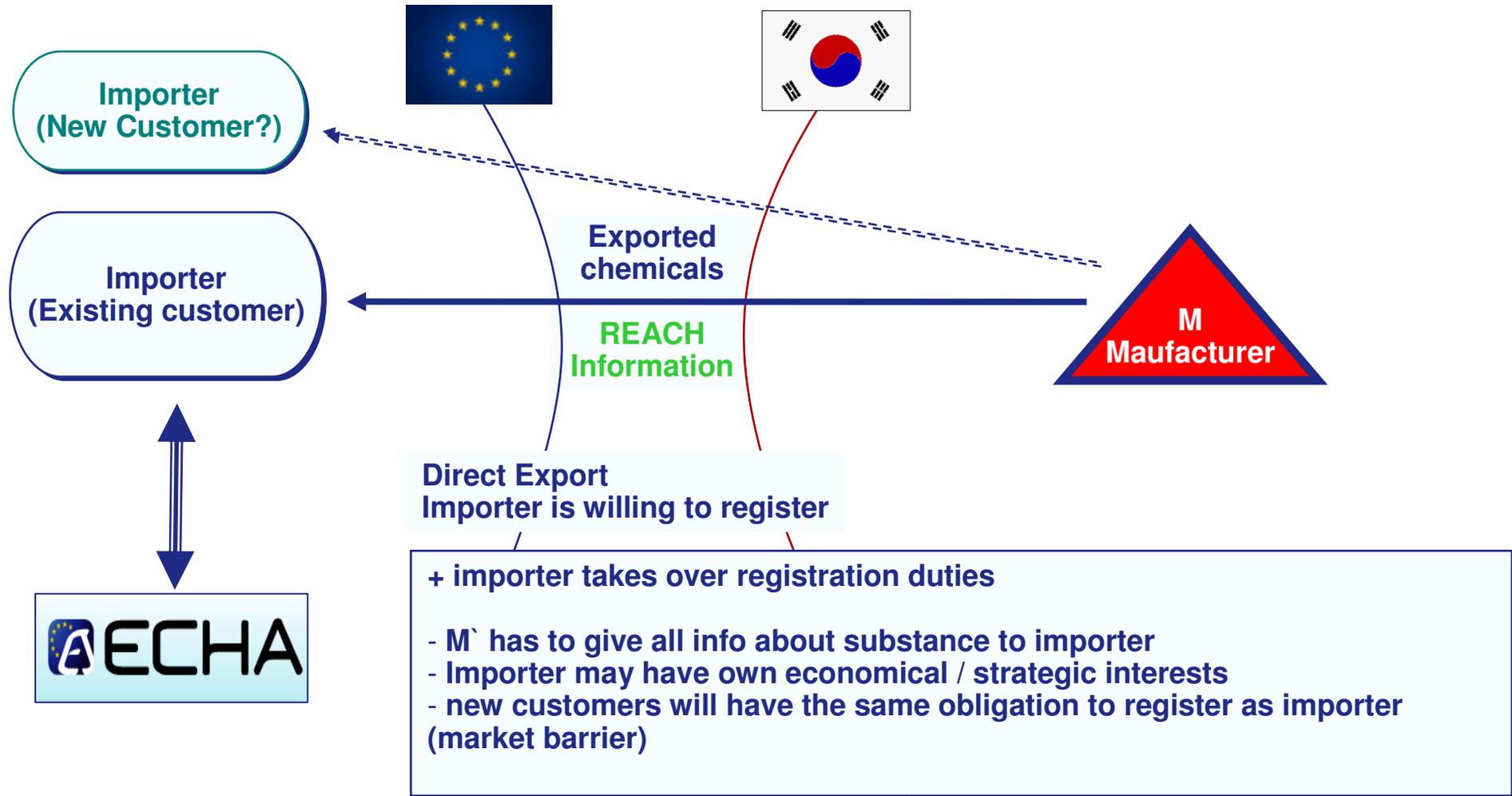


Alternative 1 - No Registration



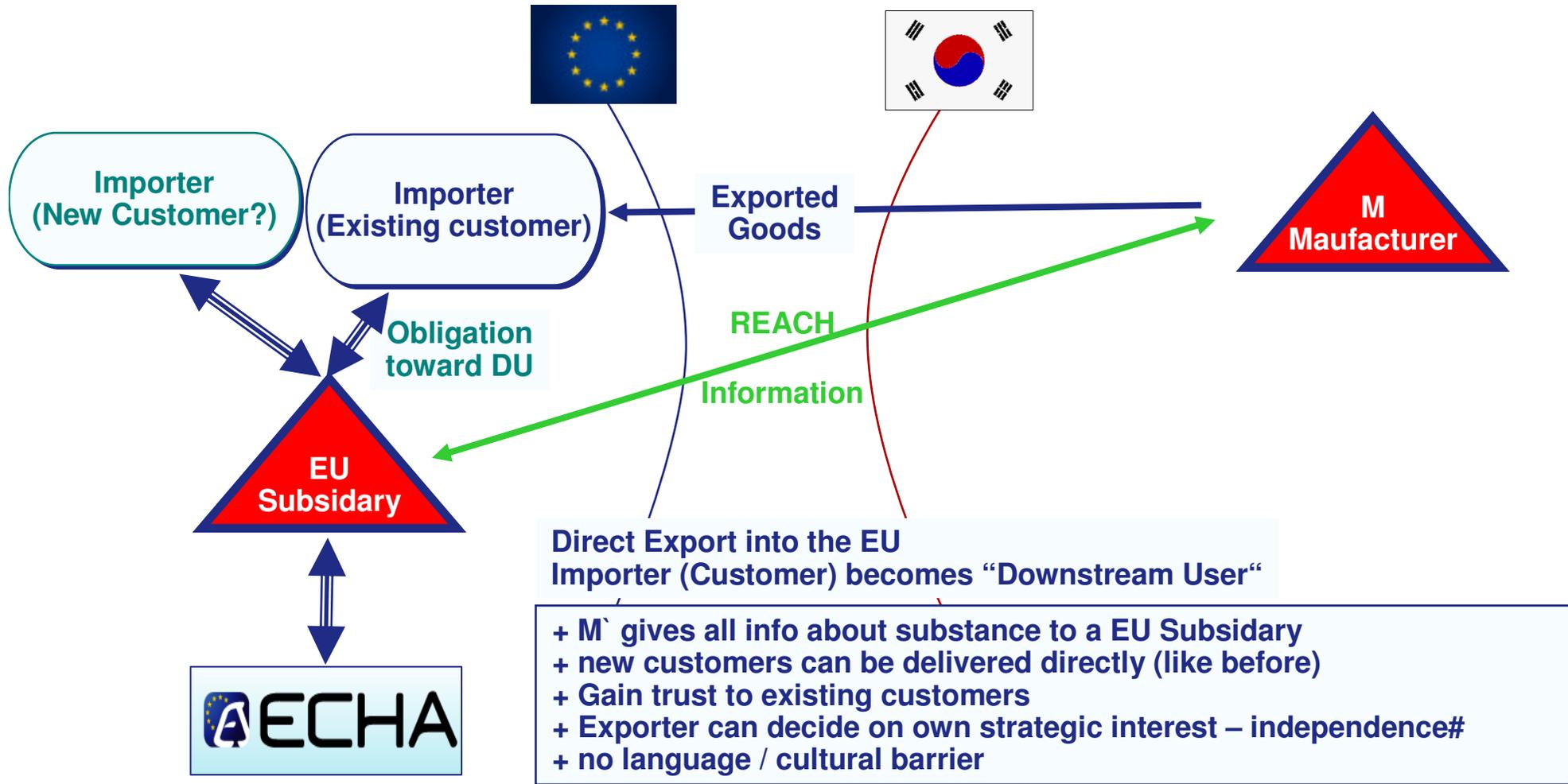


Alternative 2 - REACH Registration by EU Importer





Alternative 3 - REACH Registration by EU Subsidiary





REACH Options for Manufacturers (Scenario 3)

Install an own EU subsidiary

PRO

- Option to has full control and EU market accessibility (+ +)
- Loyal to company (+)

CON

- Setup an legal entity inside EU (Time / Costs) (--)
- Costs (Setup fees for company / salary / Employees / Responsibilities)
- **Know-How (Staff has to be trained on REACH) (--)**

FACT:

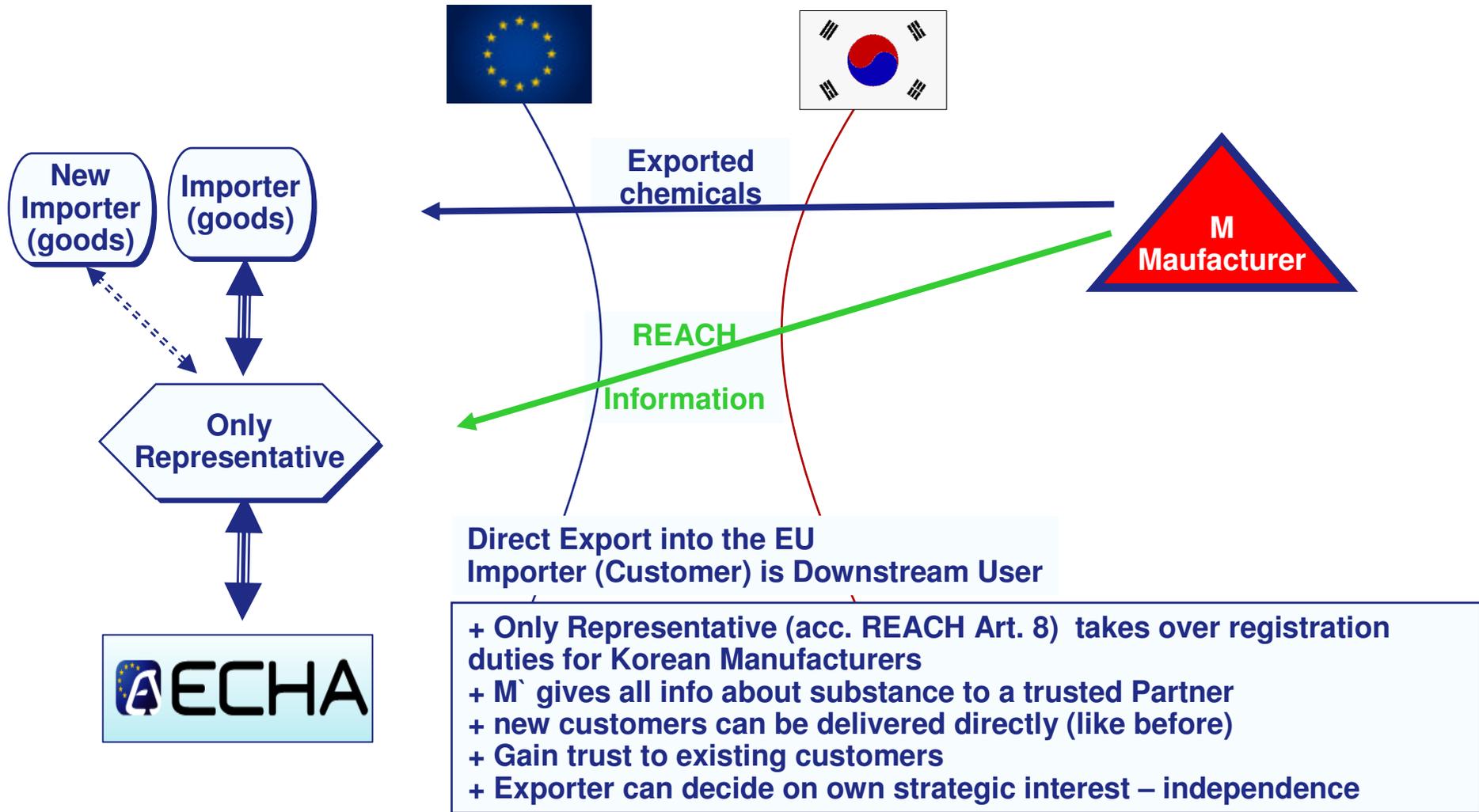
Best option for foreign manufacturer but, cost intensive option

Highly recommendable, if a EU office is existing!

Should seek for REACH assistance and consultancy by REACH Experts!



Alternative 4 - Registration by only representative





REACH Options for Manufacturers (Scenario 4)

Use an Only Representative inside EU

PRO

- Keep the option of full control and EU market accessibility (+ +)
- Loyal to manufacturer / company (+)
- No costs for setup of a legal entity inside EU (Time / Costs) (+ +)
- **Know-How (Staff is already trained on REACH) (+ +)**
- **Accustom to local official handling procedures – no cultural barrier (++)**
- **REACH IT and IUCLID 5 handling**
- SEIF participant according to client (Mandant)

CON

- Passing on sensible information
- Possible language / cultural barrier to the non-EU client

FACT:

The only way to remain access to EU markets

Recommendable, if there no EU office is existing



2. Duties of an Only Representative

Article 8 and its implications



Duties of an Only Representative



One Article in three parts

– they handle the complex obligations of an Only Representative (OR)

Article 8 - Only representative of a non-Community manufacturer

1. A natural or legal person established outside the Community who manufactures a substance on its own, in preparations or in articles, formulates a preparation or produces an article that is imported into the Community may by mutual agreement appoint a natural or legal person established in the Community to fulfil, as his **only representative**, the obligations on importers under this Title.

- ⇒ **Manufacturer - what happens to non EU distributors as exporters?**
- ⇒ **All Product types - substance / preparation / article!**
- ⇒ **Mutual Agreement – OR is appointed (how can valid proof be given?)**
- ⇒ **Obligation on importers is related on Title II (Art. 5-24)**



Duties of an Only Representative

2. The representative shall also comply with all other obligations of importers under this Regulation.

To this end, he shall have a sufficient background in the practical handling of substances and the information related to them and, without prejudice to **Article 36**, shall keep available and up-to-date information on quantities imported and customers sold to, as well as information on the supply of the latest update of the safety data sheet referred to in **Article 31**.

- ⇒ OR has to comply with all other obligations of Importers?
(This is a contradiction → OR is a special roll and therefore this statement has to be seen in relation to art. 8)
- ⇒ OR is responsible for data exchange: (Client / ECHA / Downstream User / national authorities)
- ⇒ OR has to define the REACH processes, who will enable him to comply successful with his responsibilities (information exchange) under REACH. This means access to sensible information, client cooperation, etc..

quantities

MSDS

EU Customers

storage / documentation / proof



Duties of an Only Representative



One Article handles the complex obligations of an only Representative

3. If a representative is appointed in accordance with paragraphs 1 and 2, the non-Community manufacturer shall inform the importer(s) within the same supply chain of the appointment.

These importers shall be regarded as downstream users for the purposes of this Regulation.

⇒ **Client has to inform the appointment of OR**
(Even non-EU companies have obligations)

⇒ **Article 8 declares EU customers of the non EU supplier as downstream users.**

- How will the prove be given?
- Only Representative operates under national laws of his usual place of business



Duties of an Only Representative

Obligation due to REACH

- Person or. legal entity inside a EU country
- Hold staff and know-how on chemical
- Is appointed directly by a company from outside EU
- Handles all REACH issues for client inside the EU (Registration, Notification, SIEF obligation, contact point of EU customers, etc)
- Client has to give him all relevant data, so he can fulfill his duties!
- By representing the non-EU company – the OR is also responsible and liable for legal claims by ECHA, EU customers of client, national authorities!

Fact:

OR has to focus on many issues in order to comply with REACH – and secure all interests!



3. Exchange of Information

Main objective in the whole REACH process



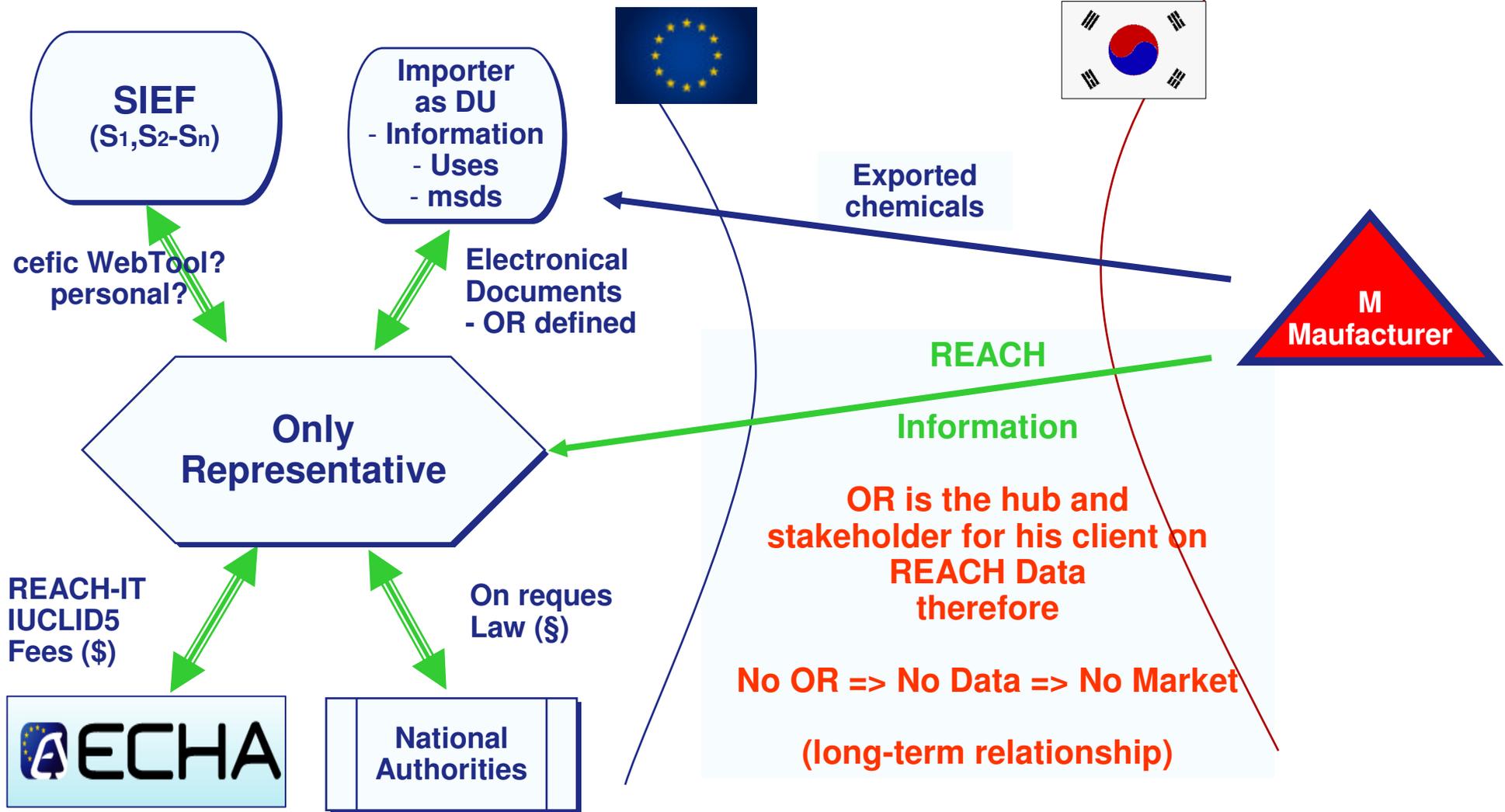
Exchange of Information

The OR is the legal carrier of REACH relevant data in the whole process, therefore he has to take into account the following relationships between:

1. OR between client
 - Sensible data, correct data, up-to-date data, msds
2. OR between EU customers (DU) of client
 - provide access point for DU information, msds, uses, process of registration
3. OR between SIEF
 - act according to SIEF and to client interest
4. OR between ECHA
 - Data according to REACH specification and timeframe
5. OR between national authorities
 - information on request



Exchange of Information





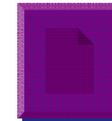
Exchange of Information

OR has to provide the framework for his services on which flow of valid information is based and can be enforced.

a) *Only Representative master contract*



b) *REACH Service Packages*



c) *Letter of confirmation*



d) *OR - certificate*



(Example of OR contracts by Likedeelers)



Exchange of Information




Home ■ Extranet

Extranet

Dieser Bereich befindet sich in der Testphase!

[DE] Dieser Bereich dient zur Kommunikation in der Lieferkette.

Als Alleinvertreter (REACH gem. Artikel 8) sind wir verpflichtet den REACH Informationsfluss in der Lieferkette sicherzustellen.

Dies wird in diesem geschützten Bereich erfolgen, denn sowohl unsere nicht-EU Mandanten, als auch deren EU Kunden haben ein Anrecht auf Vertraulichkeit.

DATENSCHUTZ:
An uns übermittelte Daten werden nur für die von REACH vorgesehen Zwecke verwendet. Eine weitere kommerzielle Verwertung von Adressdaten wird nicht erfolgen.

[EN] This area is reserved for the supply chain communication.

As an "only representative" (REACH acc. Art. 8) it is our duty to guarantee the flow of REACH information in the supply chain.

We will provide this service in a special secured area on this website, because our non-EU clients, as well as their EU customers can claim confidentiality for their provided data.

DUTY OF SECRECY:
Transmitted data to us will only be used to comply with the mandatory REACH obligations. Further commercial use of address data will not occur.

suchen...

LOGIN

Benutzername

Passwort

Angemeldet bleiben

Anmelden

Passwort vergessen?

likedeelers®
likedeelers GmbH
Hallbergstr. 10
D-40239 Düsseldorf

OR
Exchange in the
supply chain.

The use of a
secure area on
a OR-Web Site
with login.

Access will give
all relevant
stakeholders
the access to
REACH info.

eg. notify uses,
or msds down-
load.



Exchange of Information



3. ECHA

- *Information has to be provided by the client (list of substances, quantities, etc.)*
- *OR will process this information by the mandatory electronic channels (REACH-IT / IUCLID5 / others)*
- *Each client should be considered separately (substance / quantities)*
- *OR has to handle fees on registration*

4. SIEF

- *OR should be capable to access each SIEF (Per Substance one SIEF)*
- *OR acts in the interests of his client – enabled by his client*
- *If requested - use SIEF as a marketplace for REACH data (buy / sell)*

5. National Authorities

- *OR is liable for correct REACH process and data for each client. Authorities will access OR for investigations*





4. Risks and Chances

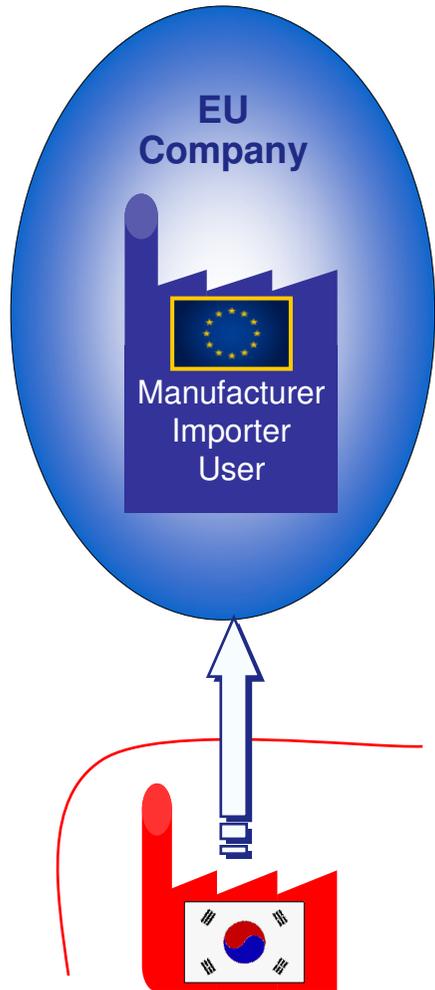
Matching – Client to Only Representative



Risks and Chances



Status Quo



Every company that uses and/or is dependent on chemical substances in its business concept has the obligation to comply with REACH, even then – if the company is not directly related to the chemical industry or located in the EU.



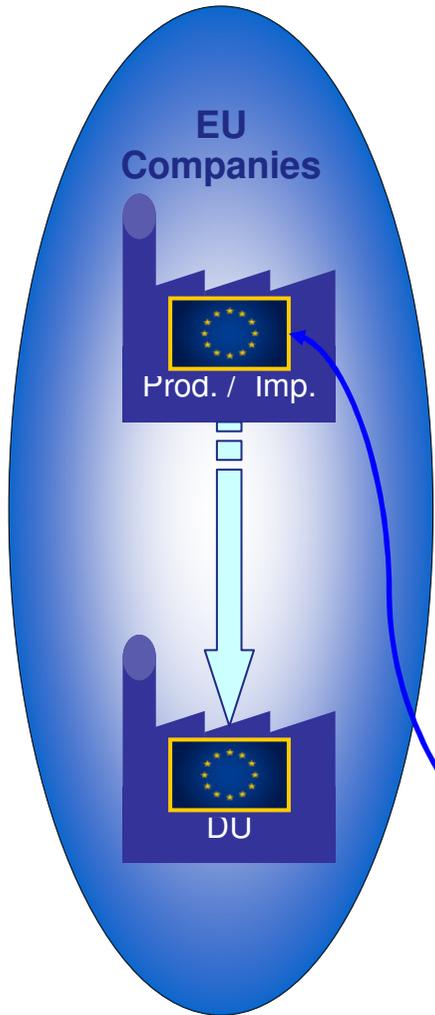
**Target:
Secure your own business and markets under REACH**



Risks and Chances



Every company has to check, its obligation under REACH.



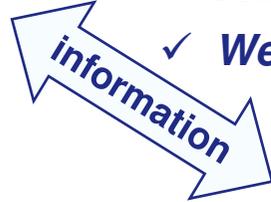
Is my company influenced by REACH?

- 1) **If Not:** The company should know and state, why REACH has definitely no impact! (REACH Statement)
- 2) **If Yes:** The company should immediately start to act according to REACH and inform their customers (REACH obligation Art.)!
 - ✓ *Start activities and document them as proof/evidence*
 - ✓ *Implement REACH an consider consequences
→ Budget / resources / Know-how...*
 - ✓ *REACH Risk assessment (individual)*
 - ✓ *Check future marketability of products*
 - ✓ *alternatives to secure business*



Risks and Chances

REACH is enforced by the „market forces“



I. Task (EU Importers)

Evaluation of suppliers

with respect to own uses!

1) Contact EU suppliers

Contact persons, statements on REACH, actual MSDS, intended uses

2) Contact non-EU suppliers

*Contact persons, statements on REACH, registration type (by importer or by Only Representative), actual MSDS, intended uses and **TIMELINE***

II. Task

REACH customer information

with respect to own roles (REACH statement)

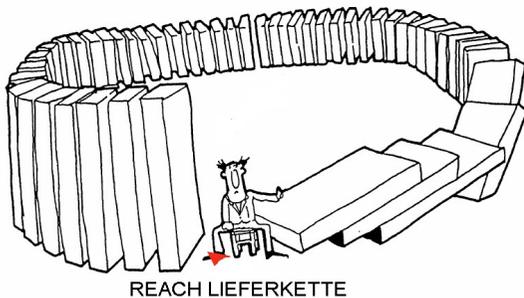
- ✓ *We are in preparation*
- ✓ *We are in active dialogue with our suppliers*
- ✓ *You can contact our REACH reference person (eg.: reach@company.com)*
- ✓ *We will inform you on changes.*
(e.g. changes on annex IV)



Risks and Chances



What is at stake?



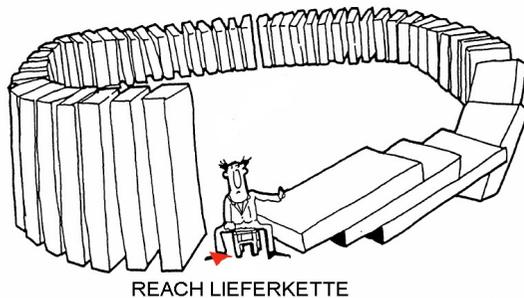
>> Due to the strong relationship inside the supply chain, the misbehavior of few may cause strong negative affects for others, that relay on information to comply with REACH!<<

- Time is running out and the supply chain is only as strong as the weakest link.
- Complexity of REACH prevented early action, but waiting too long might cause uncertainty within the supply chain.
- Especially non-EU companies should give a clear statement on their course of action on REACH – otherwise they risk, that their EU customers seek new REACH compliant suppliers!



Risks and Chances

Chances



➤ Scarce Resources in the REACH process

✓ REACH Know-How

✓ Time

Save good consultants / early, will pay of in the long run

➤ Early Bird strategy – Engage in REACH and make a clear statement towards EU Customers

➤ Was a budget for REACH planed

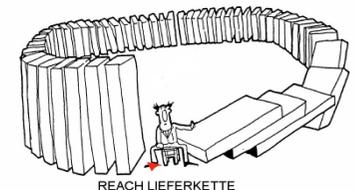


REACH Snap-Shot



REACH - Status Quo Europe

- Many importers have realized late (in 2008) to what extend REACH effects their business - awareness rises!
- Due to the complexity of REACH, they hastate – or neglect the option of registration as an “Importer”
- Fear of national law and legal claims rise uncertainties
- Strong uncertainty, if their non-EU suppliers are able (capable) to comply with REACH
- Plan B – seeking new supply channels inside the EU has begun



REACH LIEFERKETTE

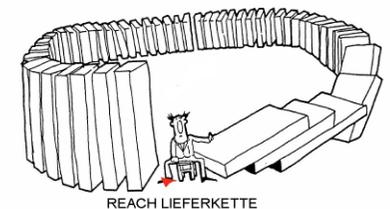


REACH Snap-Shot



REACH - Status Quo ASIA

- Asian Export Nations have realized the Importance of REACH (many activities of official authorities)
- Many exporters have started to realized to what extend REACH will effects their business (→ EU Market is at stake)
- Due to the complexity of REACH, they are uncertain of the best way, how to handle REACH
- Wait ´n´see strategy is predominant choice - fear of wrong decisions
- REACH Timeframe makes action unavoidable





5. Conclusion

Task for tomorrow – get started



Conclusion



- There is no standard way – because every company is different

- Non-EU Manufacturer have to find an Only Representative that matches!
Choosing the OR should be based on:
 - REACH Know-How
 - REACH services and legal framework
 - REACH Solutions / experience
 - Intercultural competence (Korean and European REACH staff for optimal understanding)

- Flexibility of Services but strict compliance with REACH is the foundation of an successful long term relationship



likedeeleers

Special REACH Service and Solutions for Korean Companies



 **SWIT Deutschland GmbH**

www.reach-korea.com



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(NRW)
German-Korean consulting Company,
– REACH only Representative Services
– Environment- & Chemical Consulting
– Practical Experience
– Service in Korean, German and English



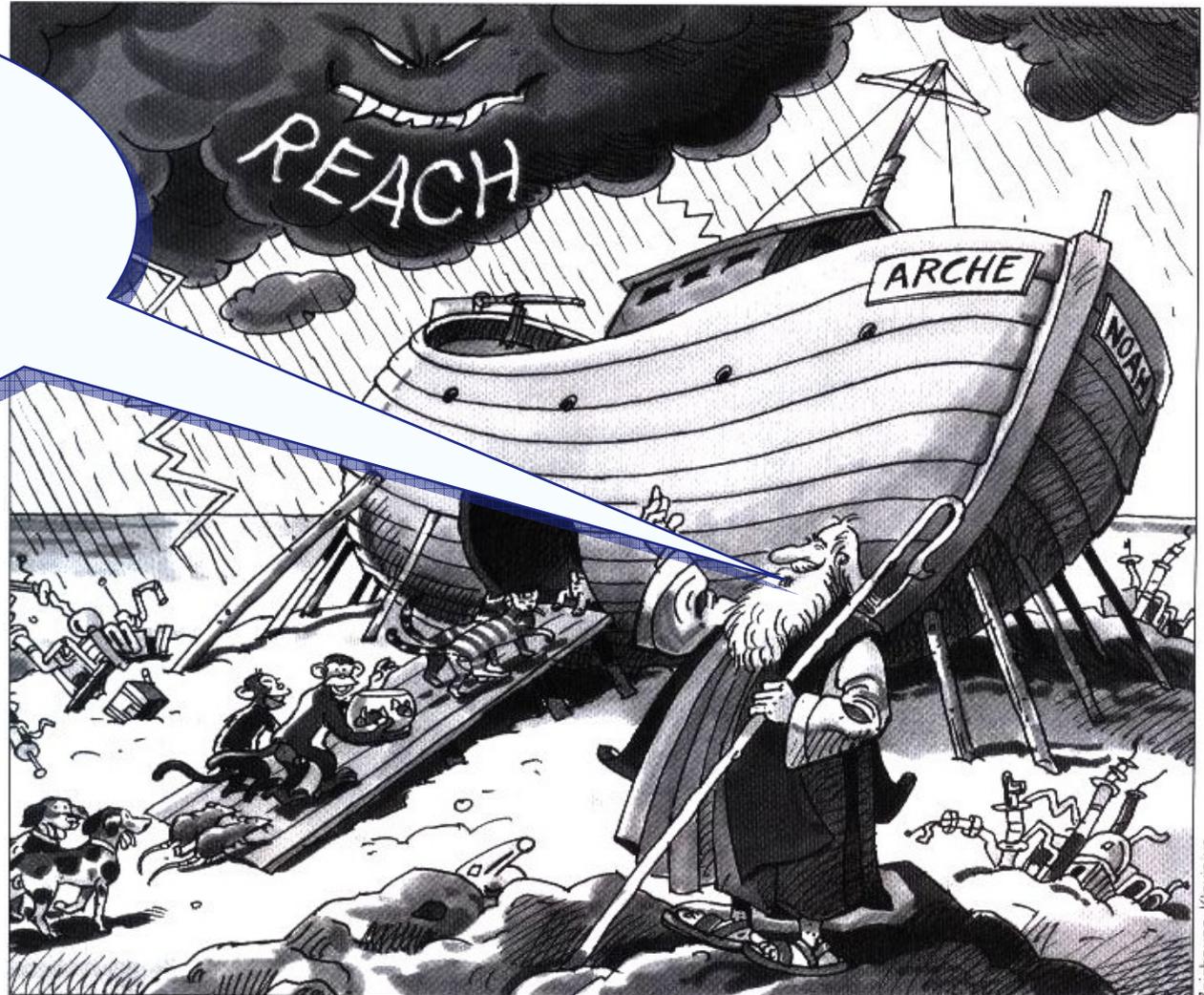
**Joint
Services
for the
benefit
of our
customers**

Fit4REACH:
– REACH Experts Network
– Experts in REACH
– IT Solutions
– REACH Process Design
– Long Time Experience in REACH
– Practical Experience



End

**Last call –
come aboard
and be safe of
REACH!**



Quelle:
Chemische Rundschau,
Nr. 1-2, 6. February 2007, page 63.