



**STOP SMUGGLING.  
START TRACING.**



**“Best practice” law to implement the F-gas Regulation comes into force in Germany to further curb illegal HFC trade;**

**EFCTC calls on other Member States to follow suit**

- Amendment to German Chemical Act will increase transparency throughout the HFC supply chain, enabling authorities and those buying HFCs to track the legality of the products.
- EFCTC spokesperson Felix Flohr says this “sets a good example to other Member States.”
- Tighter enforcement in several EU Member States already deters criminals from illegally importing HFCs into the EU.

**Brussels, 23rd June 2021:** A new law published by the German Federal Government on 9th June and entering into force on 1<sup>st</sup> August 2021 marks an important step in combatting the illegal trade of hydrofluorocarbons (HFCs) in Europe. Recognising the need for stricter measures and checks, the amendment to the German Chemical Act means that everyone buying HFCs will be able to check whether they were legally imported into the EU. It also empowers competent authorities to prohibit the use of HFCs found in violation of the quota regime. The changes will not only enable people to have more confidence when buying HFCs in Germany, but they also mean that enforcement authorities will be able to more closely investigate the origins of products held by companies.

A black market for HFCs has been thriving in the EU in recent years. The gases [HFCs], which are commonly used in refrigeration and air conditioning systems, are subject to a phase down through a quota system to reduce their consumption, on a GWP basis, by 79% by 2030.<sup>1</sup> Uneven enforcement by EU Member States coupled with a lack of knowledge and understanding of HFC smuggling created an opportunity for criminals to bypass the quota system and import HFCs into the EU illegally. HFC smuggling harms progress towards the EU’s climate goals and undermines the introduction of lower-GWP alternatives.

Once F-gases have been brought into the EU, it is impossible to verify whether they fall in or outside of the quota and the value chain cannot easily distinguish which products are legal. From 1st August, the new amendment to the German Chemical Act will legally require those selling HFCs in Germany, no matter where they are in the value chain, to provide the appropriate documentation which allows the authorities and buyers to determine whether they traded within the quota.

EFCTC spokesperson Felix Flohr said, “This is an important step forward and sets a good example to other Member States on how to introduce effective new measures that implement the EU F-gas Regulation and which prevent the illegal trade of HFCs. The act will help shed light on the legality of products traded further down the supply chain, uncovering a blind spot which has been exploited by criminal organisations.”

“More and more, we are seeing national authorities take steps to combat the black market and we urge other Member States to follow suit. Harmonised enforcement of the F-gas Regulation across Europe will ensure that this lucrative trade is not simply displaced to other countries.”

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<sup>1</sup> The baseline for the HFC phase down process is the average consumption of HFCs on the EU market during the years 2009 to 2012.





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Germany is not alone in imposing stricter measures to prevent illegal HFC trading. A broader recognition of the issue has led to further action across the EU, for example, the Italian government is now able to impose fines of up to €100,000 for breaches of the F-gas regulation. Moreover, a Joint Ministerial Decree in Greece is expected to impose heavier civil and criminal penalties later this year.

Felix Flohr added, “As the European Commission works to revise the F-gas regulation, steps taken by Germany could be considered best practice when looking at how to improve the implementation and enforcement of existing rules. The F-gas review provides an opportunity to take effective steps in the fight against the illegal trade in HFCs and better enforce the existing regulation.”

Strong enforcement and policy actions from Member States are vital in the fight against the illegal HFC trade, however, vigilance from members of the refrigerant value chain also plays a key role. As part of the solution to this problem, EFCTC runs an anonymous Action Line which is available in 14 languages to help the fight against illegal trade. Anyone can report suspicious activity to the Action Line which examines intelligence and passes on information to enforcement authorities.

EFCTC also invites all actors engaged in the HFC value chain to join a dedicated pledge which encourages joint action to eradicate the black market. The pledge is open to individuals and companies alike and encourages all parties to work together and play their part.

*The EFCTC Action Line for anonymous reporting of illegal F-gas products and illegal F-gas trade is available at: <https://efctc.integrityline.org/index.php>*

*To join the fight and #SayNoToIllegalHFCs, please visit [www.stopillegalcooling.eu/pledge](http://www.stopillegalcooling.eu/pledge)*

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**About EFCTC**

The European FluoroCarbons Technical Committee is a sector group of the European Chemical Industry Council (Cefic) – EU Transparency Register n° 64879142323-90 – and represents the companies Arkema, Chemours, Daikin Chemical, Honeywell and Koura. Its main objectives are to provide up to date information about applications, safety, health and environmental effects for HFCs (hydrofluorocarbons), HFOs (hydrofluoro-olefins), and the relevant European and international legislation.

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