



Basic information	
<p><b>2014/0059(COD)</b></p> <p>COD - Ordinary legislative procedure (ex-codecision procedure) Regulation</p>	Procedure completed
<p>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</p> <p>See also <a href="#">2018/2542(RSP)</a> See also <a href="#">2018/2557(RSP)</a></p> <p><b>Subject</b></p> <p>3.40.16 Raw materials 6.10.05 Peace preservation, humanitarian and rescue tasks, crisis management 6.20.02 Export/import control, trade defence, trade barriers 6.30 Development cooperation</p>	





Key players				
European Parliament	<b>Committee responsible</b>		<b>Rapporteur</b>	<b>Appointed</b>
	<span style="border: 1px solid red; padding: 2px;">INTA</span> International Trade		WINKLER Iuliu (PPE)	03/09/2014
			Shadow rapporteur ARENA Maria (S&D) MCCLARKIN Emma (ECR) DE SARNEZ Marielle (ALDE) SCHOLZ Helmut (GUE/NGL) KELLER Ska (Verts/ALE) BEGHIN Tiziana (EFDD)	
	<b>Former committee responsible</b>		<b>Former rapporteur</b>	<b>Appointed</b>
	<span style="border: 1px solid red; padding: 2px;">INTA</span> International Trade			
	<b>Committee for opinion</b>		<b>Rapporteur for opinion</b>	<b>Appointed</b>
	<span style="border: 1px solid red; padding: 2px;">AFET</span> Foreign Affairs		The committee decided not to give an opinion.	
	<span style="border: 1px solid red; padding: 2px;">DEVE</span> Development		WENTA Bogdan Brunon (PPE)	29/09/2014
	<span style="border: 1px solid red; padding: 2px;">BUDG</span> Budgets		The committee decided not to give an opinion.	


	<b>ITRE</b> Industry, Research and Energy	The committee decided not to give an opinion.	
	<b>Former committee for opinion</b>	<b>Former rapporteur for opinion</b>	<b>Appointed</b>
	<b>AFET</b> Foreign Affairs		
	<b>DEVE</b> Development		
	<b>BUDG</b> Budgets		
	<b>ITRE</b> Industry, Research and Energy		
Council of the European Union	<b>Council configuration</b>	<b>Meetings</b>	<b>Date</b>
	Agriculture and Fisheries	3529	2017-04-03
European Commission	<b>Commission DG</b>	<b>Commissioner</b>	
	Trade	MALMSTRÖM Cecilia	

Key events			
Date	Event	Reference	Summary
05/03/2014	Legislative proposal published	COM(2014)0111 	<a href="#">Summary</a>
13/03/2014	Committee referral announced in Parliament, 1st reading		
20/10/2014	Committee referral announced in Parliament, 1st reading		
14/04/2015	Vote in committee, 1st reading		
24/04/2015	Committee report tabled for plenary, 1st reading	<a href="#">A8-0141/2015</a>	<a href="#">Summary</a>
19/05/2015	Debate in Parliament	<a href="#">CRE link</a>	
20/05/2015	Decision by Parliament, 1st reading	<a href="#">T8-0204/2015</a>	<a href="#">Summary</a>
20/05/2015	Matter referred back to the committee responsible		
24/01/2017	Approval in committee of the text agreed at 1st reading interinstitutional negotiations		
15/03/2017	Debate in Parliament	<a href="#">CRE link</a>	
16/03/2017	Decision by Parliament, 1st reading	<a href="#">T8-0090/2017</a>	<a href="#">Summary</a>
16/03/2017	Results of vote in Parliament		
03/04/2017	Act adopted by Council after Parliament's 1st reading		
17/05/2017	Final act signed		

17/05/2017	End of procedure in Parliament		
19/05/2017	Final act published in Official Journal		

Technical information	
<b>Procedure reference</b>	2014/0059(COD)
<b>Procedure type</b>	COD - Ordinary legislative procedure (ex-codecision procedure)
<b>Procedure subtype</b>	Legislation
<b>Legislative instrument</b>	Regulation
	See also <a href="#">2018/2542(RSP)</a> See also <a href="#">2018/2557(RSP)</a>
<b>Legal basis</b>	Treaty on the Functioning of the EU TFEU 207
<b>Stage reached in procedure</b>	Procedure completed
<b>Committee dossier</b>	INTA/8/00381

Documentation gateway				
<b>European Parliament</b>				
Document type	Committee	Reference	Date	Summary
Committee draft report		<a href="#">PE546.838</a>	03/02/2015	
Committee opinion	<a href="#">DEVE</a>	<a href="#">PE539.796</a>	23/03/2015	
Amendments tabled in committee		<a href="#">PE549.420</a>	25/03/2015	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A8-0141/2015</a>	24/04/2015	<a href="#">Summary</a>
Text adopted by Parliament, partial vote at 1st reading /single reading		<a href="#">T8-0204/2015</a>	20/05/2015	<a href="#">Summary</a>
Text adopted by Parliament, 1st reading/single reading		<a href="#">T8-0090/2017</a>	16/03/2017	<a href="#">Summary</a>
<b>Council of the EU</b>				
Document type		Reference	Date	Summary
Draft final act		<a href="#">00060/2016/LEX</a>	17/05/2017	
<b>European Commission</b>				
Document type		Reference	Date	Summary
Legislative proposal		<a href="#">COM(2014)0111</a>	05/03/2014	<a href="#">Summary</a>
Document attached to the procedure		<a href="#">SWD(2014)0052</a>	05/03/2014	
Document attached to the procedure		<a href="#">SWD(2014)0053</a>	05/03/2014	
Commission response to text adopted in plenary		<a href="#">SP(2017)309</a>	16/05/2017	
Follow-up document		<a href="#">COM(2022)0052</a>	17/02/2022	

Follow-up document		COM(2024)0415	24/09/2024	
<b>National parliaments</b>				
Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	<a href="#">IT_SENATE</a>	COM(2014)0111	06/03/2015	
<b>Other institutions and bodies</b>				
Institution/body	Document type	Reference	Date	Summary
ECHR	Document attached to the procedure	JOIN(2014)0008	05/03/2014	<a href="#">Summary</a>
EU	For information	N8-0026/2017 OJ C 158 19.05.2017, p. 0001	17/05/2017	

<b>Additional information</b>		
Source	Document	Date
European Commission	<a href="#">EUR-Lex</a>	

<b>Final act</b>	
Regulation 2017/0821 OJ L 130 19.05.2017, p. 0001	<a href="#">Summary</a>

<b>Delegated acts</b>	
Reference	Subject
<a href="#">2019/2519(DEA)</a>	Examination of delegated act
<a href="#">2020/2698(DEA)</a>	Examination of delegated act

## 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) - 05/03/2014 - Legislative proposal

PURPOSE: to establish an EU system of self-certification for importers of tin, tantalum, tungsten and gold.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

**BACKGROUND:** the proposal notes that international measures exist to promote responsible sourcing of minerals in areas at risk or affected by armed conflict. The two best-known were adopted in 2011 and 2010 respectively: the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Due Diligence Guidance) and Section 1502 of the United States Dodd-Frank Wall Street Reform and Consumer Protection Act, which focuses on the Democratic Republic of Congo (DRC) and nine adjoining countries.

Whilst the trade of conflict minerals is very well documented in the case of the DRC, other cases abound elsewhere in Africa, Asia and Latin America. Against this background, the Commission and the High Representative have been working to develop a comprehensive EU responsible mineral sourcing framework. This work follows up a 2010 European Parliament resolution calling for the EU to legislate along the lines of US legislation as well as two Communications in 2011 and 2012 that announced the Commission's intention to explore ways of improving supply chain transparency.

It should be noted that this legislative proposal is accompanied by a [Communication](#) detailing other policy measures that can be deployed to tackle the problem as broadly as possible.

**IMPACT ASSESSMENT:** the Commission examined six options. The preferred option comprises the adoption of a Regulation establishing obligations under a 'EU Responsible Importer' certification based on the OECD Due Diligence Guidance – voluntary.

**CONTENT:** the main objective of this proposal is to help reduce the financing of armed groups and security forces through mineral proceeds in conflict-affected and high-risk areas by supporting and further promoting responsible sourcing practices of EU companies in relation to tin, tantalum, tungsten and gold originating from such areas.

The draft regulation **lays down the supply chain due diligence obligations of Union importers who choose to be self-certified** as responsible importers of minerals or metals containing or consisting of tin, tantalum, tungsten and gold, as set out in Annex I.

**Self-certification as a responsible importer :** any importer of minerals or metals within the scope of the Regulation may self-certify as responsible importer by declaring to a Member State competent authority that it adheres to the supply chain due diligence obligations set out in the Regulation. The declaration shall contain documentation in which the importer confirms its adherence to the obligations including results of the independent third-party audits carried out.

Member State competent authorities shall carry out appropriate ex-post checks in order to ensure that self-certified responsible importers of the minerals or metals within the scope of this Regulation comply with their obligations.

**OECD Due Diligence Guidance:** the Regulation relies on the OECD Due Diligence Guidance to define obligations for EU importers that opt to be self-certified as responsible importers of tin, tantalum and tungsten ores and metals, and gold, on the basis of a self-declaration of compliance.

EU importers opting for self-certification are obliged to integrate all elements of the OECD Due Diligence Guidance **in their management system** by: (i) maintaining a system of controls and transparency over the mineral supply chain, which includes inter alia the country of mineral origin and the smelters/refiners; (ii) identifying and assessing risks in the supply chain against the OECD model supply chain policy; (iii) designing and implementing a strategy to respond to identified risks; (iv) obtaining independent third-party audit assurances of supply chain due diligence; and (v) reporting publicly on supply chain due diligence.

**Disclosure:** the EU self-certified importer is required to disclose annually to the Member State competent authority the identity and geographical location of the smelters/refiners in its supply chain.

The importer is also required to provide independent third-party audit assurances and pass them on to Member States' competent authorities and to downstream purchasers, with due regard to business confidentiality and other competitive concerns.

On the basis of the information disclosed to the competent authorities, the EU will publish annually, after consultation with the OECD, a list of responsible smelters and refiners that source according to the Regulation.

**Infringement:** in the case of infringement, competent authorities will issue a notice of remedial action to be taken by the EU importer. If such action is inadequate, the authority will then issue a non-recognition notice for the responsible importer certificate for the minerals and metals covered by the draft Regulation.

**Budgetary implications:** the present proposal entails limited financial implications for the Union budget for administrative purposes: **EUR 2.72 million** for the period 2014-2018.

## **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) - 05/03/2014 - Document attached to the procedure

The Commission and the High Representative for Foreign Affairs and Security Policy present a Joint Communication aiming for an integrated EU approach to responsible sourcing of minerals originating in conflict-affected and high-risk areas. The paper discusses **how to break the link between minerals extraction and conflict** and confirms that the Commission and High Representative will promote strong and coherent EU raw materials diplomacy.

The problem is most acute in Africa, particularly in the Great Lakes Region (GLR). Recent studies show that resource-related conflicts are currently prevalent in Africa (27 cases) and the Americas (21 cases), but less prevalent in Asia and Oceania (11 cases), the Middle East and Maghreb (7 cases) and Europe (4 cases).

This Communication accompanies a Commission proposal setting up a Union system for supply chain due diligence self-certification of responsible importers of tin, tantalum, tungsten and gold. The following accompanying measures will enhance the impact of the regulation and further encourage the responsible sourcing of minerals :

- **Incentives for companies to promote responsible sourcing.** These include promotion of responsible practices by smelters and refiners : the EU has provided financial support for the implementation of the OECD Due Diligence Guidance since January 2014 and will continue to do so through the Instrument for Stability. Support will focus on capacity-building and outreach activities, targeting public authorities, the private sector and civil society organisations involved in the supply chain of minerals from conflict-affected and high-risk areas.
- **Funding possibilities for SMEs for the voluntary certification scheme :** the Commission will explore funding to promote the uptake of the future voluntary certification scheme within the Competitiveness of Enterprises and SME's Programme (COSME).
- **Public Procurement incentives :** performance clauses will be inserted in the Commission's own public procurement contracts. Products purchased through public procurement containing tin, tantalum, tungsten and/or gold will therefore need to respect OECD Due Diligence Guidance or equivalent due diligence schemes in order to satisfy contractual obligations.
- **Use of government-to-business networks to facilitate uptake of the EU 'responsible importer' certificate :** National Contact Points established under the OECD Guidelines for Multinational Enterprises will help raise awareness of the certification procedure established under the draft Regulation, as will the Enterprise Europe Network (EEN)
- **"Letters of Intent" – industry commitments :** the EU will take action to provide visibility to the efforts of companies that provide letters of intent announcing relevant commitments.

#### Policy dialogues with third countries and other stakeholders

- **Building on existing policy dialogues :** the EU will use its political, development, trade and security dialogues and contacts with governments in mining, producing, processing and consuming countries (and has already begun in South American and Caribbean countries) to further develop a common understanding of the needs, and opportunities of conflict-free and responsible mineral extraction.
- **Reaching out to countries hosting smelters :** the EU will engage with the countries where the majority of the world's smelters/refiners are located, notably China, Malaysia, Indonesia, Thailand and Russia to promote its integrated approach and will hold an international conference on responsible sourcing of minerals originating in conflict-affected and high-risk areas in 2015.
- **A responsible sourcing chapter in raw materials dialogues :** the EU will use its raw materials dialogues inter alia with China, Japan and Mongolia, and has recently launched a raw materials dialogue with Myanmar/Burma.

**Development cooperation with third countries :** the key lines of intervention through which the EU may support partner countries are:

- transposing the OECD Due Diligence Guidance into national due diligence frameworks and legislation;
- building further capacity to implement the national due diligence frameworks ;
- supporting advocacy and political dialogues in the countries concerned between local and central government authorities, civil society organisations and business operators ;
- creating visibility for the actions carried out and the results achieved by the producer countries.

**Honest broker – raw materials diplomacy :** the Commission services and the EEAS will gather and analyse data regarding multi-stakeholder initiatives. Public-private alliances will be given due consideration.

**EU Member States:** complementary initiatives could be developed at national level in the area of consumer information and labelling and further incentives for responsible corporate behaviour created. Moreover, the Commission will encourage EU Member States to foster the uptake of OECD Due Diligence Guidance through performance clauses of procurement contracts signed by their authorities and will develop recommendations for Member State authorising officers.

## 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) - 20/05/2015 - Text adopted by Parliament, partial vote at 1st reading/single reading

The European Parliament, by 402 votes to 118 with 171 abstentions, adopted amendments to

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 **question was referred back to the competent committee for re-consideration** and the vote was deferred to a later session.

The main amendments adopted amended the Commission proposal as follows:

**Purpose:** the Regulation was one of the ways of **eliminating the financing of armed groups by means of controlling trade of minerals from conflict regions**. It reflected the need for due diligence along the entire supply chain from the sourcing site to the final product.

Accordingly, **all companies** who first place covered resources, including products that contain those resources on the Union market must conduct and publicly report on their supply chain due diligence.

**Certification system:** Parliament stated that the Regulation should establish the European certification of responsibility' (and not just self-certification as the Commission had proposed) regarding due diligence obligations in order to curtail opportunities for armed groups and security forces to trade in tin, tantalum and tungsten, their ores, and gold.

**All Union importers** who source minerals and metals falling within the scope of this Regulation must conform to the OECD Due Diligence Guidance.

**Downstream companies:** these companies must take all reasonable steps to identify and address any risks arising in their supply chains for minerals and metals coming within the scope of the Regulation. In this connection, they should be **required to provide information** on the due diligence practices they employ for responsible supply chains. The exercise of due diligence must be tailored to the activities of the undertaking in question, its size and its position in the supply chain. The Commission may provide **further guidelines** on the obligations to be met by undertakings, depending on their position in the supply chain, to ensure that the system involves a flexible procedure that takes into account **the position of SMEs**.

**Verification by third-parties:** certified responsible importers of smelted and refined metals shall be exempted from carrying out independent third-party audits provided they submit substantive evidence that all smelters and refiners in their supply chain conform to the provisions of the Regulation.

**List of responsible importers:** the Commission should adopt and make publicly available a decision listing the names and addresses of responsible importers of minerals and metals within the scope of the Regulation. It must update and publish, including on the internet, the information included in the list in a timely manner.

**Due diligence obligations applicable to smelters and refiners:** smelters and refiners established in the Union which process and import minerals and concentrates thereof would have an obligation to apply the Union system for supply chain due diligence or a due diligence system recognised as equivalent by the Commission. If there were a failure to comply with these obligations, the authorities would notify the fact to the smelter or refiner, and ask them to take corrective measures in order to comply with the European due diligence system.

In the event of a persistent failure to comply, Member States competent authorities would impose penalties for the infringement.

**Transition period:** provision should be made for a two-year transitional period to allow the Commission to set up a third-party audit system and for responsible importers to become familiar with their obligations under the Regulation.

**Accompanying measures:** the Commission should submit a **legislative proposal**, as appropriate, within the transitional period setting up accompanying measures in order to enhance the effectiveness of this Regulation in line with responsible sourcing of minerals. These should cover the following:

- **support for responsibly sourcing enterprises** in the form of incentives, technical assistance and guidance to enterprises, taking into account the situation of small and medium-sized enterprises;
- ongoing **policy dialogues** with third countries;
- continued, **targeted development cooperation with third countries**, in particular aid for the marketing of non-conflict minerals;
- close cooperation with Member States for the launching of complementary initiatives in the area of **consumer, investor and customer information**.

**Strengthened review clause:** Parliament recommended stricter monitoring of the system, with a review two years after its application and every three years thereafter (rather than three and six years respectively, as proposed by the Commission).

## 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.

## 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) - 17/05/2017 - Final act

**PURPOSE:** to put an end to the financing of armed groups through trade in minerals from conflict areas.

**LEGISLATIVE ACT:** Regulation (EU) 2017/821 of the European Parliament and of the Council laying down 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.

**CONTENT:** human rights abuses are common in resource-rich conflict-affected and high-risk areas and may include child labour, sexual violence, the disappearance of people, forced resettlement and the destruction of ritually or culturally significant sites.

**Purpose and scope:** this Regulation establishes a **Union system for supply chain due diligence** in order to curtail opportunities for armed groups and security forces to trade in tin, tantalum and tungsten, their ores, and gold.

At least **95% of all EU imports** of metals and minerals will be covered, while small volume importers will be exempt.

The Regulation builds upon **2011 OECD guidelines** which set the international benchmark for supply chain due diligence.

**Importers' obligations:** this Regulation obliges EU companies to source their imports of tin, tantalum, tungsten and gold **responsibly** and to ensure that their supply chains do not contribute to funding armed conflict. To this end, it lays down the supply chain due diligence obligations of Union importers of minerals or metals containing or consisting of tin, tantalum, tungsten or gold.

**Union importers of minerals shall:**

- **identify and assess the risks** of adverse impacts in their mineral supply chain on the basis of the information provided by independent third-party audits of the smelters and refiners in the supply chain;
- implement a **strategy** to respond to the identified risks;
- provide the competent authorities of the Member State with evidence of conformity with a supply chain due diligence scheme recognised by the Commission;
- make available to their **immediate downstream purchasers** all information gained and maintained pursuant to their supply chain due diligence;
- prepare a **report**, on an annual basis, on their supply chain due diligence policies and practices for responsible sourcing.

The **competent authorities** shall carry out checks to ensure that EU importers of minerals and metals comply with their due diligence obligations.

**Certification:** governments, industry associations and groupings of interested organisations having due diligence schemes in place may apply to the Commission to have the supply chain due diligence schemes that are developed and overseen by them recognised by the Commission.

The Commission shall establish and keep up-to-date a register of recognised supply chain due diligence schemes. That register shall be made publicly available on the internet. The Commission shall adopt implementing acts establishing or amending the list of the names and addresses of **global responsible smelters and refiners**.

**Guidelines:** the Commission, in consultation with the European External Action Service and the OECD, shall prepare non-binding guidelines in the form of a **handbook** for economic operators, explaining how best to apply the criteria for the identification of conflict-affected and high-risk areas.



**Review clause:** by 1 January 2023 and every three years thereafter, the Commission shall review the functioning and the effectiveness of the Union system, and its impact on the ground as regards the promotion of responsible sourcing of the minerals falling within the scope of this Regulation from conflict-affected and high-risk areas and on Union economic operators including SMEs. It shall propose new mandatory measures in order to ensure sufficient leverage of the total Union market on the responsible global supply chain of minerals.

ENTRY INTO FORCE: 8.6.2017.

APPLICATION: from 9.7.2017. Rules relating to due diligence shall apply as from 1.1.2021.

DELEGATED ACTS: the Commission may adopt delegated acts for the amendment of Annex I to the Regulation by establishing and amending the volume thresholds of minerals and metals falling within the scope of Regulation (EU) 2017/821 according to the Combined Nomenclature. The power to adopt such acts shall be conferred on the Commission for a period of five years (renewable) from 8 June 2017. The European Parliament or the Council shall have the right to object to a delegated act within a period of two months (extendable for two months) from the notification of the act.

## 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) - 16/03/2017 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 558 votes to 17, with 45 abstentions, a legislative resolution 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.

Parliament's position adopted at first reading following the ordinary legislative procedure amended the Commission proposal.

**Subject matter and scope:** the Regulation, by controlling trade in minerals from conflict areas, is one of the ways of **eliminating the financing of armed groups**. It lays down the supply chain due diligence obligations of Union importers of minerals or metals containing or consisting of tin, tantalum, tungsten or gold.

This Regulation shall not apply to Union importers of minerals or metals, where their annual import volume of each of the minerals or metals concerned is below the volume thresholds set out in Annex I to the Regulation.

All volume thresholds are set at a level that ensures that the vast majority, but no less than **95 %**, of the **total volumes** imported into the Union of each mineral and metal under the Combined Nomenclature code is subject to the obligations of Union importers set out in this Regulation.

In exercising its power to adopt delegated acts to modify existing thresholds, the Commission has undertaken to take account of the position of micro, small and medium-sized enterprises which import gold.

**Importers' obligations:** Union importers of minerals or metals shall comply with the supply chain due diligence obligations set out in this Regulation and shall keep documentation demonstrating their respective compliance with those obligations.

Union importers of metals shall identify and assess, in accordance with the **OECD Due Diligence Guidance**, the risks in their supply chain based on available third-party audit reports concerning the smelters and refiners in that chain, and, by assessing, as appropriate, the due diligence practices of those smelters and refiners.

Union importers shall carry out audits of their own supply chain due diligence via an **independent third-party** unless there is evidence of conformity with a supply chain due diligence scheme recognised by the Commission.

The Commission shall adopt implementing acts establishing or amending the **list of the names and addresses** of global responsible smelters and refiners.

**Disclosure obligations:** Union importers shall: (i) make available to the Member State competent authorities the reports of any third party audit carried out or evidence of conformity with a supply chain due diligence scheme recognised by the Commission; (ii) make available to their immediate downstream purchasers all information gained and maintained pursuant to their supply chain due diligence; (iii) publicly report as widely as possible, including on the internet, and on an annual basis on their supply chain due diligence policies and practices for responsible sourcing.

**Certification:** the amended text stipulates that governments, industry associations and groupings of interested organisations having due diligence schemes in place ('scheme owners') may apply to the Commission to have the supply chain due diligence schemes that are developed and overseen by them recognised by the Commission.

**The methodology and criteria** for such schemes to be recognised as equivalent to the requirements of this Regulation shall be established in a delegated act to avoid double auditing. Such schemes shall incorporate the overarching due diligence principles, ensure that requirements are aligned to the specific recommendations of the OECD Due Diligence Guidance.

The Commission shall establish and keep up-to-date a **register** of recognised supply chain due diligence schemes. It shall be made publicly available on the internet.

**Guidelines:** in response to the European Parliament's request for specific guidelines, the Commission shall prepare non-binding guidelines in the form of a handbook for economic operators, explaining how best to apply the criteria for the identification of conflict-affected and high-risk areas.

By means of such guidelines, relevant companies with **more than 500 employees** that are required to disclose non-financial information would be encouraged to disclose specific information in relation to products containing tin, tantalum, tungsten or gold.

**Review clause:** by 1 January 2023 and every three years thereafter, the Commission shall review the functioning and effectiveness of this Regulation in order to assess the adequacy and implementation of these due diligence schemes and the impact of the Union system on the ground. It shall propose new mandatory measures in order to ensure sufficient leverage of the total Union market on the responsible global supply chain of minerals.