

31 March 2017

Minister of Environment
Karolina Skog
Regeringskansliet
Rosenbad 4
103 33 Stockholm
SWEDEN

Minister of Finance
Magdalena Andersson
Regeringskansliet
Rosenbad 4
103 33 Stockholm
SWEDEN

RE: Critical Review Identifies Additional Key Areas of Concern warranting further consideration.

Dear Mrs. Skog, dear Mrs. Andersson,

We are writing to you with regard to the Swedish Act (2016:1067) concerning tax levied on chemicals in certain electronic items coming into force on 1 April 2017.

We have undertaken a critical review of the legislation and identified additional key areas of concern requiring further consideration, including, but not limited, to:

- I. The Annex to the Act concerning tax levied on chemicals in certain electronic items contains more than 60 identified problems likely to result in incorrect claims and disputes¹;
- II. Lack of standard test methods for the majority of substances making implementation by industry, as well as for authorities, impossible;

¹Some of the identified mistakes include 1) incorrect CAS numbers; 2) 9 out of the 10 listed reactive phosphorous compounds should be additive; 3) substances that, depending on the application, can be both additive and reactive; 4) more than 20 substances have been banned for many years (via RoHS and PoPs).

- III. In contrast with its perceived intention, in its current form the Act does not promote the development of less hazardous alternatives to the substances taxed. This is due to the fact that substances are taxed based on their physical and chemical properties (additive versus reactive), rather than on their specific toxicological hazards. In doing so, safer alternatives in some cases may be taxed more severely than more hazardous substances, while some related substances with scientifically demonstrated health hazard properties are excluded. We think this cannot be the intention of the Act.

We will be providing more detailed information shortly, however, if not addressed, we believe those points will lead to a too complicated, too burdensome, and too bureaucratic legislative framework without obvious benefits with respect to safety or the environment and a lack of incentive with respect to the substitution of hazardous substances with safe or less severe ones.

Moreover, there is significant risk of stakeholders at large, including but not limited to businesses, not being able to understand and accurately follow the legislation, and devoting significant resources to try to apply the new rules, rather than continuing Research, Development and Innovation, growing businesses and creating jobs. Furthermore, requirements are complex and burdensome, and the amount of time and work required should not be underestimated.

We therefore request a minimum 12-month delay in implementing the legislation allowing jointly thoroughly reviewing these considerations together with recognized industry and independent experts.

In the meantime, we would be very pleased to meet with you to answer any questions you may have and expand on the concerns set forth in this letter. We trust that you will appreciate the importance of this matter to our members who want to ensure continued compliance with applicable legal requirements globally when this law becomes effective in just a few months.

We would welcome the opportunity to work with you to achieve a solution that ensures the necessary protection for human health and the environment, while maintaining and enhancing competitiveness.

Yours sincerely,

Sylvie Feindt
Director, Sustainability
DIGITALEUROPE

Fern Abrams
Director of Regulatory Affairs and Government Relations
IPC- Association Connecting Electronics Industries

Erica Logan
Senior Director, Environment & Sustainability
Information Technology Industry Council