

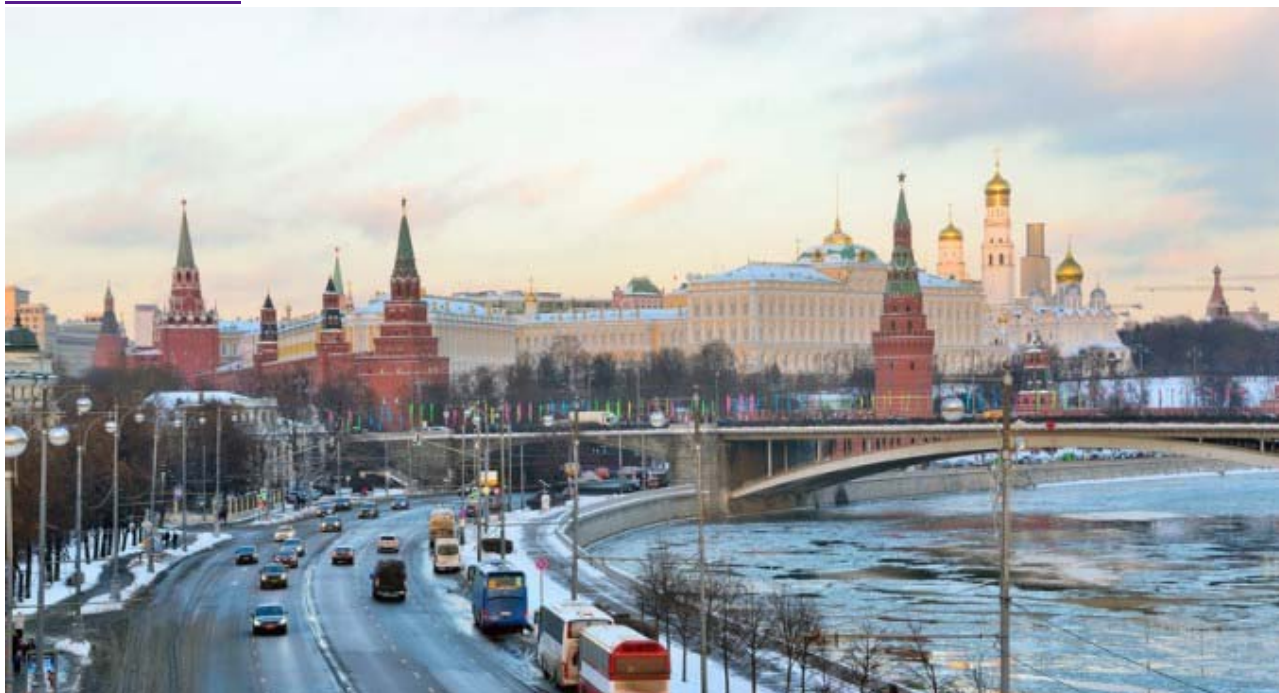
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Russia: New Waste Disposal Rules

by Dr. Max Gutbrod February 19 <http://globalcompliancenews.com/new-waste-disposal-rules-russia-20150219/#share>



With the 23 December 2014 passing of the Federal Law “On Changes to the Federal Law ‘On Wastes Generated in the Manufacturing and Consumption of Products,’ Several Legislative Statutes,” changes have been made to Russian Federal legislation covering waste generated in the manufacturing and consumption of products. Most of the changes to the law “On Waste Generated in the Manufacturing and Consumption of Products” (the “Law”) enter into force on 1 January 2015.

Short description of the various changes to legislation

The Law states that manufacturers and importers of goods must themselves provide for the recycling, salvage, reclamation, and disposal of waste generated from the use of such goods, that is waste generated by products and packaging which are no longer of value to consumers (Article 24.2). A list of specific goods and packaging subject to recycling, normative recycling standards, and the procedures for submitting reports on compliance with the normative standards are to be established by the Government of the Russian Federation (Article 2.4.2).

Normative standards for recycling should be established by the Government for each group of goods as a percentage of the overall quantity of goods put on the market for internal consumption on the territory of the Russian Federation during a given calendar year, depending on the mass/weight of the finished products or the number of units thereof, or the mass/weight of the packaging used for the production of such goods (Article 24.2.12). Normative standards for recycling are to be established

with regard for economic conditions and the potential dangers to human health and the environment posed by the waste, and with regard for the technological feasibility of recycling said goods; these standards will be subject to review every three years (Article 24.2.11). If the packaging of the product is manufactured using secondary raw materials, a lowered coefficient shall be applied, to be calculated as the difference between the item and the quantity of secondary raw material used in the manufacture of said packaging (Article 24.2.14).

Manufacturers and importers must themselves ensure the implementation of recycling standards and practices via one of the following means (i) by organizing their own infrastructure (that is, to themselves carry out the collection, processing, and recycling of waste) or (ii) by signing contracts with municipal solid waste removal contractors (including regional contractors) (Article 24.2.3).

Normative recycling standards may also be met through the creation of a corresponding association of manufacturers or importers. Such associations may also sign contracts directly with the contractors for the purpose of ensuring that recycling takes place (Article 24.5.4). Environmental 2 Legal Alert

□December 2014 The manufacturers or importers may carry out their recycling obligations throughout the entire territory of the RF, regardless of in which federal subject (region, oblast, etc.) the manufacturer or importer has its business operations (Article 24.2.8).

If the manufacturer or importer of goods does not itself ensure recycling in compliance with the established standards and practices, it will be required to pay an ecological levy (Article 24.2.7). The ecological levy is classified as nontax state budgetary revenue, and the levy amount shall be determined by the Government of the Russian Federation (Article 24.5.1). The ecological levy shall be calculated by multiplying (i) the ecological levy index/rate by (ii) the mass (weight) or number of units of finished goods put on the market on the territory of the Russian Federation (or the mass/weight of the packaging used in the production of the goods), and by (iii) the normative recycling standard (Article 24.5.6).

If the normative standards for recycling are not reached by the manufacturers or importers **who took on the obligation to independently recycle wastes** but did not fully achieve the required standard, the ecological levy will be assessed in the following way: (i) the ecological levy index/rate is multiplied by (ii) the difference between the required quantity of recycled waste and the quantity actually achieved, by (iii) the mass/weight of finished goods or number of units of finished goods subject to recycling and put on the market on the territory of the Russian Federation (or mass/weight of the packaging used in the production of the goods), and by (iv) the unachieved normative standard of recycling, expressed in relative units (Article 24.5.7).

The ecological levy index/rate is based on the average expenditure for the collection, transport, processing and recycling of a single item, or of one unit of mass/weight, of a product that is no longer of value to consumers. The ecological levy index/rate may include a separate amount representing expenditure on creating recycling infrastructure facilities. The ecological levy rates for each category of goods subject to recycling after they are no longer of value to consumers are to be determined by the Government of the Russian Federation (Article 24.5.5).

The procedures for reporting on compliance with normative recycling standards should be set by the Government (Article 24.2.16). Monitoring and supervision of the correct calculation and payment of ecological levies will be carried out by a Government-authorized executive agency (Article 24.5.9).

The revenue paid into the state budget in the form of ecological levies should be used to provide subsidies to Russian Federal subjects carrying out measures related to waste recycling (Article 24.5.10). Thus, the ecological levy has become, along with payments for negative impacts on the environment (Article 23) and recycling levies (Article 24.1), yet another type of payment into the state budget related to waste recycling.

Solid municipal waste

Producers of solid municipal waste should conclude contracts for the recycling of such waste with regional contractors (Article 24.7). A regional contractor will be designated in each Russian federal subject by tender (Article 24.6.4).

Regional contractors, as well as owners of residential property, are required by law to sign contracts for recycling services with producers of solid municipal waste (Article 24.7.1), which means that in a given federal subject the regional contractor will essentially be a monopolist in the provision of services for recycling solid municipal waste. Several types of activity in the sphere of handling solid municipal waste will be regulated by the authorities (processing, decontamination, storage, handling services provided by the regional contractor); and fees will be set for such activities (Articles 24.8.1 and 24.8.2). As indicated above, the services of handling solid municipal waste may only be provided to the producers of such waste by a regional contractor (Articles 24.6 – 24.8). Other types of activity may be carried out by other contractors even if regulated (Article 24.9.3).

As indicated above, each Russian federal subject will appoint a regional contractor whose responsibilities will include handling solid municipal waste.

Regional contractors may also sign contracts with manufacturers and importers to ensure that targets are met for recycling waste from product usage.

Schedule of payments for ecological levies in 2015

In order to determine the quantity of goods subject to recycling in 2015, as well as for the calculation of ecological levies, data will be used on the amount of goods put on the market on the territory of the Russian Federation, including packaging, for nine months in 2015.

If the manufacturers and importers of goods do not themselves provide for the recycling of waste, then the ecological levy for the first nine months of 2015 will be subject to payment before 15 October 2015. The ecological levy for October, November, and December 2015 will be subject to payment before 1 February 2016.

If the manufacturers and importers themselves provide for the recycling of waste then their 2015 accounts will have to be submitted to the authorized Government body before 1 April 2016.

Conclusion

In accordance with the explanatory note on the draft law, the purpose of the changes in the law was to create economic incentives for incorporating waste products into the marketplace as a secondary material resource. In comparison with world practice the law seems to only employ a comparably small range of methods for dealing with waste. Time will determine the level of success of this approach.

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