



EPMF Membership versus LoA

1. EPMF Membership

The REACH registration process has been finalised in June 2018, an important milestone for the Precious Metals & Rhenium Consortium (PMC) and the EPMF. The integration of EPMF and PMC is a natural step to ensure that REACH/chemicals management remains a core focus of the EPMF and ensures continuity of PMC-related activities while moving from the phase of registration to that of risk management.

The added value of the new structure will be ad hoc support based on a tailor-made approach via platforms and projects to address their specific needs within the highly diverse precious metals industry, including the maintenance of the registration dossiers, as the related potential obligations like Dossier or Substance Evaluation.

In addition to REACH, the focus areas of EPMF include Chemicals Management (EHS, occupational health, etc.), Sustainability including Circular Economy, responsible sourcing and due diligence, and trade and taxes. The membership fees are detailed in the cost sharing formula: see appendix 8 of the EPMF Internal Rules.

2. EPMF LoA

For parties not being a contracting Party to the EPMF Articles of Association and EPMF Internal Rules, so being 'third parties', Article 10.2.2 of the EPMF Internal Rules foresees that *'the Board of Directors may decide to grant to third parties'*, (without becoming an EPMF Member), through a Letter of Access ('LoA') to be executed between EPMF and the third party, *'the right to use (including the right to cite, or to refer to) new information'* developed by the EPMF; it may include, for instance, the right to refer to Registration Dossiers produced and submitted by EPMF Members to ECHA.

The LoA fees are composed of administrative costs and other applicable costs. The administrative costs are equally shared between all registrants within the same REACH related platform. The calculation of the other applicable costs is based on the same cost-sharing formula as the one with which EPMF REACH related platforms costs are calculated (i.e. Appendix 8 of the EPMF Internal Rules, See Appendix 1) but includes only the costs related to the preparation of the dossiers, the maintenance of the dossiers and potential evaluation costs when relevant. Both the administrative costs and the REACH related costs are based on the actual costs of the past years. The LoA agreement includes a clause ensuring that additional invoices can be sent after selling a LoA. A reimbursement mechanism is also in place and the principle is included in the LoA agreement.



3. EPMF membership versus EPMF LoA

For completeness, the table below summarises the differences between the rights and obligations of a EPMF Member and a LoA purchaser.

Table 1. Differences between the rights and obligations of an EPMF Member and a LoA purchaser.

	EPMF Membership	LoA purchase
Open to/payment per	One Company Member (together with its Affiliates)	One Company (together with its Affiliates)
Participation to Decision on EPMF activities	Yes, via participation in Work Groups, and General Assembly.	None
Access to Work Group and General Assembly	Yes, per platform	None
Involvement in EPMF work	Active participation in the different Work Groups is required	None
Copy of Registration Dossier	Provided entirely	Sections 1 and 3 of IUCLID and CSR (when relevant)
Ownership rights	All data generated jointly for each declared Substance are co-owned by EPMF Members having included this Substance in their 'Substance and tonnage band declaration'	None
Use rights	All data generated jointly as per above can be used for free: <ul style="list-style-type: none">• by all the company Member's affiliates• under REACH or outside REACH, and• in the EU or outside the EU	None; The LoA is only a right to refer. if needed only via separate/additional <i>ad hoc</i> Licence to Use and related financial compensation to be paid
Reimbursement of incomes and reserves	Reimbursement principle included	Reimbursement principle included



Appendix 1 - Cost sharing formula

For EPMF members:

See appendix 8 of the EPMF Internal Rules.

For LoA purchasers:

As regards the administrative costs, the allocation key will be driven by the relative proportion of human resources expended by REACH related platform and will be assessed at the end of each year. These administrative costs will be borne by the concerned REACH related platform and will be equally shared by the co-registrants concerned by the above mentioned REACH related platform.

As regards the REACH related platforms costs, see below article 2.2 of appendix 8 of the EPMF internal rules.

APPENDIX 8 - Cost sharing

2.2 REACH Related Platforms costs

The allocation of the applicable REACH Related Platform costs will be done as follows:

- 2.2.1 *The share of applicable costs to be paid by each concerned Member A shall be inter alia calculated based on (i) the declaration submitted by the Member to the Trustee at the moment of the admission to the Association or afterwards updated to the Trustee and (ii) on the annual budget prepared by the Secretary-General and the Treasurer, as approved by the Board of Directors and the General Assembly of the Association.*
- 2.2.2. *The cost-sharing formula should not result in any concerned Member A paying more than what it would have paid to meet its obligations under the REACH Regulation without joining the Association. In such case, the concerned Member A should inform the Board of Directors, who will consider what action, if any, needs to be taken. Furthermore, in case of specific works/studies related to nano, the General Assembly may decide, at its sole discretion and on an annual basis, to apply to the cost-sharing formula a different weighting factor as the one defined under this Article 2.2. of Appendix 8.*
- 2.2.3. *Such REACH Related Platform costs shall be borne by each concerned REACH Related Platform.*
- 2.2.4. *As regards multi-substances REACH Related Platforms:*

The costs of each REACH Related Platform shall be shared by the concerned Members A following 2 (two) weighted approaches:



- a) Weighted approach based on the number of Substances: 50% (fifty percent) of these costs will be allocated according to the total number of Substances each Member A has declared to the Trustee at the moment of the admission to the Association or afterwards updated to the Trustee, and
- b) Weighted approach based on the REACH requirements: 50% (fifty percent) of these costs will be allocated according to:
- i. the number of Substances per tonnage band each concerned Member A has declared to the Trustee at the moment of the admission to the Association or afterwards updated to the Trustee,
 - ii. the number of Isolated Intermediates handled under strictly controlled conditions each Member has declared to the Trustee at the moment of the admission to the Association or afterwards updated to the Trustee, where:
 1. Isolated Intermediates handled under strictly controlled conditions in any tonnage band (1 (one) to 10 (ten) tonnes per year), 2 (10 (ten) to 100 (one hundred) tonnes per year), 3 (100 (one hundred) to 1000 (one thousand) tonnes per year, or 4 (more than 1000 (one thousand) tonnes per year) will be weighted with a factor of 1 (one);
 2. Substances in tonnage band 1 will be weighted with a factor of 5 (five);
 3. Substances in tonnage band 2 will be weighted with a factor of 20 (twenty);
 4. Substances in tonnage band 3 will be weighted with a factor of 100 (one hundred); and
 5. Substances in tonnage band 4 will be weighted with a factor of 1000 (one thousand).
 6. Substances covered by Annex III Exemption as listed in the Association's inventories available on our website, at the time of admission of the concerned Member A or otherwise updated by the Trustee will be weighted with a factor of 1 (one).

For any avoidance of doubt, 'Intermediate' shall have the meaning of the REACH Regulation, as the latter may be modified or revised from time to time. The intermediates under not-strictly controlled conditions are considered for the registration purpose and in this cost-sharing formula as "substance".

The mathematical description of the cost-sharing formula of the Association as regards the REACH Related Platform costs is the following:

$$B_i = \frac{M}{2} \cdot \left(\frac{x_i}{\sum_{i=1}^n x_i} \right) + \frac{M}{2} \cdot \left(\frac{y_i}{\sum_{i=1}^n y_i} \right)$$

$$y_i = 1x_{i(1)} + 5x_{i(5)} + 20x_{i(20)} + 100x_{i(100)} + 1000x_{i(1000)}$$

Where the symbols have the following meaning:

B_i is the share of the costs borne by the concerned Member A "i"

M is the total applicable costs of the Association

x_i is: the total number of Substances in any tonnage band for Member A "i" in the REACH Related Platform to which the Metal-specific costs "M" refer

y_i is the tonnage factor for Member A "i"

$x_{i(1)}$ is the number (i) of Isolated Intermediates handled under strictly controlled conditions in any tonnage band for Member A "i" and/or (ii) of Substances covered by Annex III Exemption as listed



in the Association's inventories available on our website , at the time of admission of Member A "i" or otherwise updated by the Trustee

$x_{i(5)}$ is the number of Substances in tonnage band 1 for Member A "i"

$x_{i(20)}$ is the number of Substances in tonnage band 2 for Member A "i"

$x_{i(100)}$ is the number of Substances in tonnage band 3 for Member A "i"

$x_{i(1000)}$ is the number of Substances in tonnage band 4 for Member A "i".

2.2.5. As regards REACH Related Platforms covering only one (1) Substance:

The costs of each REACH Related Platform shall be shared by the concerned Members A following 1 (one) weighted approach only: the weighted approach based on the REACH requirements as described above under Section 2.2.4.b) of this Appendix 8.

2.2.7. The Board of Directors may decide to implement a fair and transparent reimbursement mechanism applicable to all co-registrants (Members A and LoA purchasers) to allow the potential adjustment of the share of costs when other registrants subsequently join the Association [or acquire Letters of Access]. This reimbursement mechanism shall include a method of proportional redistribution to each Member A of their share of costs paid. The reimbursement mechanism shall also take account of the following factors: the possibility of future additional registration requirements for that substance, other than those resulting from a potential substance evaluation decision; and the economic viability of certain reimbursements where the costs of reimbursement are higher than the amount to be reimbursed.

2.2.8. Each concerned Member A will pay its share of the REACH Related Platforms costs based on above cost-sharing conditions under Sections 2.2.1 to 2.2.7 of this Appendix 8 and considering the following principles:

2.2.8.1 *Should one same material be registered both as a Substance and as an Isolated Intermediate handled under strictly controlled conditions by the concerned Member A, the material will only be counted once in the calculation of the share of applicable costs due by the concerned Member A. The tonnage band to be considered for the purpose of calculating this share is the tonnage band applicable to the Substance declared by the concerned Member A in its Substance and tonnage band declaration at the time of admission to the Association, or otherwise updated to the Trustee.*

2.2.8.2. *The number of Substances and Isolated Intermediates to be registered under the REACH Regulation by itself and by all its Affiliates, each Substance and Isolated Intermediate being accounted once, no matter whether registered by one or more Affiliates;*

2.2.8.3. *The highest tonnage band in which each Substance or Isolated Intermediate handled under strictly controlled conditions is manufactured and/or imported by the Member or by one or more of its concerned Affiliates.*

2.2.8.4. *Only the applicable costs for the REACH Related Platform(s) in which it declared to be joining the Association in its Substance and tonnage band declaration. For example, a concerned Member A having declared Substances or Isolated Intermediates handled under strictly controlled conditions in the Silver REACH Related Platform only, shall not be charged for the applicable costs related to the other REACH Related Platforms.*



- 2.2.9 *Any change in the Substances, Isolated Intermediates handled under SCC and tonnage bands declared by a concerned Member A to the Trustee at the moment of the admission to the Association shall be promptly announced to the Trustee, in accordance with the procedure given in the Important Notice of the Substance and tonnage band declaration presented in Appendix 2.*
- 2.2.10. *Upon formal request from the Board of Directors, the concerned Member A will have to accept to submit auditable attestations on the Substances, Isolated Intermediates and the tonnage bands declared and registered at the Agency, to the Trustee.*