

LT in Focus

Law on waste recycling amended

Draft Law "On Introducing Amendments to Federal Law No. 89-FZ "On Production and Consumer Waste" and related regulations (the "Draft") has been developed¹.

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Key terms and definitions

The Draft introduces a number of important updates into Article 1 of Federal Law No. 89-FZ "On Production and Consumer Waste" (the "Law") and certain packaging regulations.

In particular, the following terms are refined:

- Waste processing
- Regional operator of municipal solid waste processing
- Product waste
- Product waste ratios

Thus, production and consumer waste covers goods **and** packaging that have lost their consumer value and are subject to processing, recycling, decontamination or dumping.

Furthermore, Article 1 introduces **new** terms:

- Waste processing item
- Separate waste collection
- Container site
- Return of consumer waste

Waste accumulation

Separate collection of waste means separate storage of waste generated by individuals, legal entities, and individual entrepreneurs in qualifying locations for the purpose of further recycling.

Producers and importers will now be able to comply with the statutory recycling targets by **arranging for the sorting of consumer waste** in the buildings and other facilities where they operate and **further hand over** that waste to waste-processing and recycling operators on the basis of respective agreements.

According to the Law, legal entities and individual entrepreneurs will not be required **to obtain licences** for processing and recycling of production and consumer waste.

The Draft also introduces a concept of **return of consumer waste**, which means the handover of product waste by individuals, legal entities or individual entrepreneurs, for a consideration or free-of-charge, to consumer waste recycling operators.

¹ Draft No. 02/04/08-17/00072605

Packaging

The Draft introduces changes into the definitions of key **packaging** terms, **singling out** packaging as a **separate concept**. The existing wording that reads “finished goods, **including packaging**” is replaced with “**goods and packaging**” and “**packaged goods**”.

Article 24.5 of the Law contains the following important provisions:

- The environmental duty for packaging shall be paid by the producers or importers of goods the packaging is attributable to

- The producers and importers of goods and packaged goods sold for further production of other goods shall comply with the recycling targets with respect to packaging only
- The environmental duty for returnable shipping package shall be paid by the producer/importer of such package

Article 5 of the Law envisages that recycling of both the goods and the package shall be regulated by subordinate legislation (The List², Declaration Procedures³, and Duty Rates⁴).

Importers of goods

The Draft defines the importers of goods as **the first buyers of goods and packaging** imported into Russia from **member states** of the Eurasian Economic Union and included in the list of goods and packaging.

Associations

An important development introduced by the Draft is the refinement of the list of persons accountable under the extended responsibility of the importer and manufacturer.

A company that chooses to comply with its waste ratios using its own resources may establish associations (unions) of producers and importers of goods and packaged goods (the “Association”) for this purpose.

Producers and importers may commission persons associated with the producer/importer of goods and packaged goods with the filing of recycling compliance reports and authorise them to ensure the fulfillment of waste ratios by including a respective provision in the contracts with individual entrepreneurs or legal entities engaged in collection, processing, and recycling of

consumer waste on a contractual basis.

Please note that this can be done only **subject to compliance with the waste ratios**.

Compliance with the waste ratios is **verified by comparing the data** in the reports filed by producers/importers of goods and packaged goods with the reports of waste recycling operators contracted by such producers/importers.

It is noteworthy that even if the producers/importers of goods/packaged goods assign their recycling and report filing obligations to the third parties, they remain liable for discharging these obligations.

Amendments concerning regional waste operators and local authorities’ functions

Article 8 of the Law requires further refinement of the local authorities’ waste management functions. Such functions will include:

- Determining locations for container sites
- Arranging container sites in accordance with the land improvement regulations

The local authorities allocate **land plots for the accommodation of product waste collection points** to producers and importers of goods/packaged goods and

their agents.

Article 24.7 of the Law releases entities generating municipal solid waste from signing agreements with the regional operators on the basis of a letter of commitment. The prerequisites of such release are to be established by the Russian Government.

Draft Article 68 of Federal Law No. 7-FZ “On Environmental Protection” provides for the creation of a **governmental information system of public environmental control**.

Other legislative initiatives

- A draft resolution on changes in environmental duty **rates** has been developed. It introduces the environmental duty rates for new categories of goods and packaging, subject to recycling after losing their consumer value. The rates are set for metals and metal, polymer, paper, cardboard, glass, wooden, cork, and textile packaging.
- The regulations **expanding the list** of finished goods

and packaging subject to recycling after losing their consumer value and raising the product **waste ratios** to ensure its complete processing are to be adopted by 31 December.

- Changes are under way for the Regulation on the declaration of recyclable finished goods and packaging sold in Russia over the past calendar year, as well as for the Consumer waste recycling targets.

¹ Russian Government Resolution No. 1886 of 24 September 2015

² Russian Government Resolution No. 1417 of 24 December 2015

³ Russian Government Resolution No. 284 of 9 April 2016

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Best regards,
Deloitte CIS

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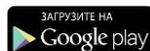


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