

EU F-Gas Regulation Guidance

Information Sheet 19: Customer Screening

Target audience for this Information Sheet

This information sheet is aimed at companies selling bulk supplies of F-Gases. It provides details of the new customer screening requirements.

1. Background

This guidance is for organisations affected by the 2014 EU F-Gas Regulation (517/2014). The F-Gas Regulation creates controls on the use and emissions of fluorinated greenhouse gases (F-Gases) including HFCs, PFCs and SF₆. The 2014 EU F-Gas Regulation replaces the 2006 Regulation, strengthening all of the 2006 requirements and introducing a number of important new measures.

An important new requirement of the 2014 F-Gas Regulation is that companies selling F-Gases in bulk (e.g. in cylinders or drums) need to check that their customers have suitable certification. These new rules apply to all companies that supply F-Gases to contractors or to end users.

This Information Sheet provides details of the customer screening requirements. A screening methodology based on a “**Letter of Assurance**” from the buyer to the seller is presented and has been approved by the European Commission. It is not mandatory to follow this methodology, but if you choose to follow a different one it must meet the requirements of the Regulation in Article 6.3 and Article 11.4.

Other Information Sheets that may be relevant include:

- Information Sheet 17 for F-Gas producers, importers and exporters
- Information Sheet 18 for F-Gas wholesalers.

A wide range of further guidance is available for other aspects of the EU F-Gas Regulation – see Information Sheet 30 for a full list and a glossary of terms.

2. Rules for the sales of bulk HFCs

NEW: Customer Screening

Companies selling bulk F-Gases to contractors and to end users need to set up systems to ensure that they comply with new rules about checking customer certification and record keeping. Article 11.4 of the 2014 F-Gas Regulation requires that:

For the purposes of carrying out the installation, servicing, maintenance or repair of equipment that contain F-Gases, bulk supplies of F-Gases shall only be sold to and purchased by undertakings that hold the relevant certificates or attestations.

It is important that F-Gas suppliers understand the implications of this requirement and put appropriate procedures in place to comply with them. Key points to note are:

- a) The phrase “*sold to and purchased by*” puts legal responsibility on both the buyer and the seller. In the 2006 Regulation the legal responsibility was only with the buyer, hence there were no previous customer screening requirements.
- b) The “*relevant certificates or attestations*” refers to both Company Certificates and personnel F-Gas handling certificates and attestations. The precise requirements depend on what the buyer is using the F-Gases for (e.g. there are different certification requirements for stationary refrigeration and for air-conditioning in cars). The reference to “attestations” means that purchasers for car air-conditioning (MACs) are included in the screening requirements (as attestations are only applicable to this sector).
- c) A Company Certificate must be held by all contractors working for 3rd parties to carry out installation and maintenance work on (i) stationary refrigeration, air-conditioning and heat pumps and (ii) stationary fire protection systems. This includes sole traders as well as limited companies.
- d) A Company Certificate is not required for other F-Gas handling activities e.g. for working on mobile refrigeration and air-conditioning systems or on high voltage switchgear. However, personnel certification is required for these activities.

To establish a customer screening compliance process, suppliers should consider the categories of customers to whom they sell bulk F-Gases. These fall into the groups shown in Table 1. As shown in the table, each category has different certification requirements.

An appropriate screening process should take these customer categories into account and should also accommodate the new record keeping requirements described in Section 3.

3. Record Keeping Requirements

NEW: Record Keeping

Linked to the responsibility to check that purchasers are properly certificated is a new requirement to keep records about F-Gas sales. Article 6.3 of the 2014 F-Gas Regulation specifies that a seller must establish records of:

- a) The numbers of certificates of the purchasers
- b) The respective quantities of F-Gases purchased

Suppliers need to make such records available, on request, to the competent authority of the Member State concerned or to the Commission. Suppliers shall maintain those records for at least five years.

It is important to note that the Regulation refers to “*certificate numbers*” in plural. For those companies that hold a Company Certificate, one certificate number satisfies this requirement. For those without a Company Certificate, that are required to provide details of personnel certification, this means that a certificate number for each employee carrying out relevant F-Gas handling activities must be provided. Whilst this sounds onerous, it should be stressed to customers that they cannot manage compliance with Article 10 of the Regulation (training and certification) unless they keep their own up-to-date records about their employees’ certification status.

Table 1: Bulk F-Gas Customer Characteristics

| Customer type | Sector of operation | Certification Requirements for purchasing F-Gases |
|---|--|---|
| <p>Contractor or service company for carrying out installation or servicing for 3rd parties</p> | Stationary refrigeration, air-conditioning and heat pumps (RACHP) | Company Certificate for RACHP |
| | Stationary fire protection systems (FPS) | Company Certificate for FPS |
| | Refrigerated trucks and trailers | RACHP personnel certificate ¹ |
| | Mobile air-conditioning (MAC) in cars and light vans ² | MAC personnel attestation ³ |
| | Other transport refrigeration and mobile air-conditioning ⁴ | No certification required |
| | High voltage (HV) electrical switchgear | HV switchgear personnel certificate ⁵ |
| <p>End User for carrying out installation or servicing of their own equipment (also a Facility Management company working for an end user)</p> | Refrigeration, air-conditioning and heat pumps Fire protection systems High voltage electrical switchgear | If used by in-house staff, they must hold the relevant F-Gas handling personnel certificate. If F-Gas is to be issued to a 3 rd party contractor, the contractor must have the relevant F-Gas Company Certificate or relevant personnel certification. If to be used on “Other transport refrigeration and mobile air-conditioning”, no certification required |
| <p>Equipment manufacturer / specialist user⁶ for filling products in a factory or for specialised uses</p> | RACHP, aerosols, insulation foam, FPS, HV switchgear, solvent cleaning Also use for specialist processes e.g. magnesium smelting, semiconductor manufacture, laboratories | No certification required |
| <p>F-Gas reseller companies buying F-Gas to sell on in bulk</p> | All | No certification required |

¹ Contractors only working on refrigerated trucks and trailers do not need a Company Certificate. The training requirements for this sector have not been fully clarified in the new Regulation. In the interim, the personnel certificates for stationary RACHP, based on Commission Regulation 303/2008, are appropriate.

² Vehicles affected by MAC Directive 2006/40/EC

³ Service companies in the MAC sector do not need a Company Certificate. The personnel attestations for MACs, based on Commission Regulation 307/2008, are appropriate.

⁴ Other transport refrigeration includes small vans, iso-containers, trains, ships. Other mobile air-conditioning includes buses, trains, ships.

⁵ Service companies in the HV switchgear sector do not need a Company Certificate. The personnel certificates for HV switchgear, based on Commission Regulation 305/2008, are appropriate.

⁶ Certification is required when purchasing F-Gases for installation and maintenance activities. Manufacture of equipment and specialist use falls outside this definition.

4. Compliance with Screening and Record Keeping Rules

To comply with these requirements it will be necessary to have a customer database. For each customer this must include (a) appropriate certification details and (b) an on-going record of the quantities of F-Gas sold. In most cases such a database will be computerised, although that is not mandatory.

It is important to note that ad hoc cash sales to an unknown customer could not be considered as being compliant. If a customer is not in your customer database they should not be able to purchase F-Gases until you have proof of certification.

F-Gas suppliers will need to approach each customer and obtain appropriate information to keep in a customer database. The data required for a customer screening database is dependent on the customer categories described in Table 1. Six different screening processes may be required, as follows:

- 1) **Contractors holding a Company Certificate** for work on stationary refrigeration, air-conditioning and heat pumps (RACHP) and fire protection systems (FPS) should provide you with details of their Company Certification. This is the simplest way of screening a customer. For many wholesalers this category covers the majority of their customers.

You should record 3 pieces of information:

- a) the name of the body that issued the certificate
- b) the certificate number
- c) the expiry date (UK F-Gas Company Certificates need to be renewed every 3 years).

Your customer should provide a “Letter of Assurance” providing certificate details (an example letter is given in an Appendix to this Information Sheet). Certification must be checked when you enter a new customer into your database and when the Company Certificate expiry date is reached (to check that the customer has renewed their certificate). The Commission has confirmed that it is not necessary to see a copy of each certificate if an appropriate Letter of Assurance is used.

As discussed above, all contractors carrying out installation and servicing activities on stationary RACHP and FPS must hold a Company Certificate. If they cannot show they have a Company Certificate you should not be selling them F-Gases. You should alert the Environment Agency if you are concerned that a contractor is operating without a Company Certificate.

- 2) **Contractors or service companies that only require personnel with a training certificate or training attestation.** As shown in Table 1, contractors working on refrigerated trucks and trailers, MACs in cars / vans and HV switchgear do not require a Company Certificate but they must prove they have staff with relevant personnel certification. This makes the customer screening process more complicated.

You should create a customer database entry based on a “Letter of Assurance” from the customer that confirms that their operations only relate to work on refrigerated trucks and trailers or on MACs in cars / vans or HV switchgear. The confirmation should specify how many staff hold a relevant personnel certificate or attestation details. You should request the certificate number for each trained employee (e.g. if the company employ 50 staff, a list of 50 certificates should be provided). It is the view of the European Commission that any contractor or service company that is operating in compliance with the F-Gas Regulation should have such a list readily available – otherwise they cannot be certain that all their employees hold a suitable personnel certificate or attestation.

- 3) **Contractors or service companies that do not require any form of certification.** As shown in Table 1, companies working on “other transport refrigeration or other mobile air-conditioning⁷” do not require proof of certification.

You should create a database entry based on a “Letter of Assurance” from the customer that confirms that their operations only relate to work “on other transport refrigeration or other mobile air-conditioning”. You can then sell them F-Gases and it is not mandatory to keep records of the volumes sold. Note, if a company does some work in this category, but also does work on stationary RACHP, then proof of Company Certification is required and records of quantities sold should be kept.

- 4) **End users** buying F-Gases for use in equipment such as refrigeration and air-conditioning are complex from a screening perspective. End users may be purchasing F-Gases for:

- Use by their own staff that hold an F-Gas handling certificate (it should be noted that end users that employ certificated staff do not need to hold an F-Gas Company Certificate).
- To issue the F-Gas to 3rd party contractors that hold appropriate F-Gas certification.
- For use on “other transport refrigeration and air-conditioning” which does not require certification.

You should create a database entry based on a “Letter of Assurance” from the customer that confirms how they intend to use the gas purchased. If they are using the F-Gases with in-house staff the buyer will need to provide a list of certificate numbers for their staff. If they are issuing the F-Gases to contractors they should provide Company Certificate details for their contractors, to prove that the end user is checking the certification details of their contractors. You need to keep records of quantities sold to end users for use in installation or servicing activities.

- 5) **Equipment manufacturers and specialist users** that require F-Gases to fill new equipment in their factory do not need certification to be able to purchase bulk F-Gases.

- Examples of equipment manufacturers are OEMs producing aerosols, RAC equipment, insulating foam etc.
- Examples of specialist uses are SF₆ and HFCs in magnesium smelting and use of various F-Gases in semi-conductor manufacturing, solvent applications and laboratory applications.

You should create a database entry based on a “Letter of Assurance” from the customer that confirms that they are either:

- a) an equipment manufacturer using the F-Gas to fill pre-charged equipment and products
- b) a specialist end user.

You can then sell them F-Gases and it is not mandatory to keep records of the volumes sold.

- 6) **F-Gas Reseller** that purchase F-Gases to sell to other customers in bulk. You should create a database entry based on a “Letter of Assurance” from the customer that confirms that they are an F-Gas reseller and that they will ensure that their customers are screened in accordance with the customer categories and certification requirements described in Table 1.

The customer database needs to be accessible by all staff selling F-Gas products. When someone from a particular customer collects some F-Gas, either in a cash sale or on account, your sales staff should

⁷ This means mobile refrigeration outside of refrigerated trucks and trailers (e.g. containers, trains, ships) and mobile air-conditioning outside the scope of the MAC Directive (e.g. air-conditioning for buses, trains, ships).

check that they are authorised to collect gas on behalf of that company and that they have a suitable certification status in the customer database. The type and amount of F-Gas sold should be recorded in the database.

For customers that provided a Letter of Assurance based on personnel certification it is good practice to ask the company to renew their Letter of Assurance on a periodic basis, and so ensure that their operations have not changed in nature. Letters should be renewed every 1 to 3 years (the renewal period for UK Company Certificates is every 3 years).

5. Letters of Assurance

The Letters of Assurance referred to above should be standardised. The Commission has approved the approach described in this document, based on the example Letter of Assurance in the Appendix to this Information Sheet.

Each letter should:

- a) Identify the customer
- b) Give a general assurance that the customer is aware of the relevant rules in the F-Gas Regulation
- c) Give an assurance that the certification details provided are accurate
- d) Provide specific details about which customer category (or categories) is relevant.
- e) Provide related certification details if required
- f) Be signed by an authorised signatory.

An example Letter of Assurance is attached. This has been designed to cater for all types of customer.

The example Letter of Assurance can be used in the attached format, or modified to suit specific circumstances providing the key content is not altered. The most likely modification will be to create several letters that each address just one market category.

A copy of the Letter of Assurance from a customer should be kept for at least 5 years, as it forms part of the record keeping requirement specified in Article 6.3.

Gluckman Consulting
specialists in refrigeration and climate change

This Information Sheet has been prepared by Gluckman Consulting

in collaboration with the Defra (UK Department for Environment, Food and Rural Affairs) and Jacobs

This document can be used and distributed for no charge. It contains the best information available to date and will be updated as more or different information is made available. It does not seek to provide a definitive view on the legal requirements; only the courts can provide such a view. If there are uncertainties you should always refer to the text of the Regulation and seek qualified legal advice.

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Appendix: Example Letter of Assurance

Letter of Assurance related to purchase of fluorinated greenhouse gases (F-Gases)

Customer details:

Company name

Address, Phone, email of contact

Name and role of authorised signatory

Branches / locations related to this letter are listed in Appendix 3

Customer account number

This Letter of Assurance is provided by [*Company Name*] to confirm that we are permitted to purchase bulk F-Gases under the rules specified in the EU F-Gas Regulation 517/2014.

[*Company Name*] is aware of the requirements of the EU F-Gas Regulation, which has the aim of minimising emissions of F-Gases in the EU. In particular we are aware that:

1. The intentional release of F-Gases into the atmosphere is prohibited where the release is not technically necessary for the intended use.
2. Operators of equipment that contains F-Gases shall take precautions to prevent the unintentional release ('leakage') of those gases and to take all measures which are technically and economically feasible to minimise leakage of fluorinated greenhouse gases.
3. Undertakings carrying out the installation, servicing, maintenance, repair or decommissioning of stationary refrigeration, air-conditioning, heat pumps and fire protection systems require F-Gas certification and shall take precautionary measures to prevent leakage of F-Gases.
4. F-Gases can only be sold to undertakings with the appropriate F-Gas certification.

The intended use of the F-Gases that [*Company Name*] wish to purchase is identified in Appendix 1.

Details of the relevant certification is given in Appendix 2. [*Company name*] gives an assurance that the certification identified in Appendix 2 is valid for the intended use of F-Gases and that certificates or attestations are held by all staff that require them to carry out installation, servicing, maintenance or repair of equipment that contains F-Gases.

Signed on behalf of [*Company Name*]

Name

Position

Date

Appendix 1: Customer Category and Certification Details

Please tick **all** categories that apply for the intended purchases of F-Gases by [*Company Name*]

| Category | Company Type | Market Sector | Required Certification | Tick ALL Applicable |
|----------|-----------------------------|--|--|---------------------|
| 1 | Contractor | Stationary refrigeration, air-conditioning, heat pumps (RACHP) | RACHP Company Certificate | |
| 2 | | Stationary fire protection systems (FPS) | FPS Company Certificate | |
| 3 | | Refrigerated trucks and trailers (RTT) | RACHP personnel certificate | |
| 4 | Service provider | Mobile air-conditioning (MAC) in cars and light vans | MAC personnel attestation | |
| 5 | | High Voltage (HV) Switchgear | HV switchgear personnel certificate | |
| 6 | | Other transport refrigeration and mobile air-conditioning ⁸ | No certification required | |
| 7 | End user | For use by own staff on RACHP, RTT, FPS or HV switchgear | Relevant personnel certificate | |
| 8 | Facility management company | For issue to contractor for RACHP, FPS or HV switchgear | Contractor must have Company Certificate | |
| 9 | | For use by own staff on other transport refrigeration and mobile air-conditioning ¹ | No certification required | |
| 10 | Equipment Manufacturer | OEM (e.g. pre-charged RACHP, aerosols, foam) | No certification required | |
| | | Please specify products being manufactured: | | |
| 11 | Specialist user | e.g. magnesium casting, semi-conductors, laboratory uses | No certification required | |
| | | Please describe specialist process: | | |
| 12 | Reseller | Buying bulk F-Gases to resell in bulk | No certification required | |

⁸ Other transport refrigeration includes small vans, iso-containers, trains, ships. Other mobile air-conditioning includes buses, trains, ships

Appendix 2: Certification Details

Please complete appropriate section, based on entries in Appendix 1.

| | |
|--|--|
| Categories 1 and 2 | |
| Contractor working on stationary RACHP or FPS requiring a Company Certificate | |
| Awarding Body | |
| Certificate Number | |
| Expiry Date | |

| Categories 3, 4, 5 and 7 | | | |
|--|--------------------------------------|-----------------------------------|-----------------------------|
| Contractor working on refrigerated trucks and trailers, mobile air-conditioning or HV switchgear | | | |
| End user with own staff working on stationary RACHP or FPS, refrigerated trucks and trailers, HV switchgear | | | |
| Number of employees with personnel certificate or attestation | | | |
| List certificate or attestation details for each employee below (or attach a list) | | | |
| Employee name (optional) | Awarding Body and Qualification Name | Certificate or Attestation Number | Expiry Date (if applicable) |
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| Category 8 | | | |
|--|---------------|--------------------|-------------|
| End user issuing F-Gas to 3rd party contractors working on stationary RACHP or FPS | | | |
| List Company Certificate Details for Contractors being issued with F-Gas (or attach a list) | | | |
| Contractor Name | Awarding Body | Certificate Number | Expiry Date |
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