

## EU-Exit: Implications on chemical regulation?

### Background

The rules for supplying chemicals in the EU are set by Registration, Evaluation, Authorisation and Restriction of chemicals (REACH) and Classification, Labelling and Packaging (CLP) Regulations. These horizontal pieces of legislation are complemented by other sector specific legislation, such as the Biocidal Products Regulation (BPR). REACH, CLP and the BPR are aimed at ensuring there is a high level of protection of human health and the environment by making industry responsible for demonstrating that chemicals placed on the EU market can be used safely throughout the supply chain. REACH, CLP and the BPR directly apply in the Member States of the European Union.

REACH is the key regulation that the chemical sector must comply with in order to manufacture, import and trade chemicals within the European Union. This is one of the largest and most complex regulations ever produced by the European Union and companies have been continuing to work hard and invest in its implementation since it entered into force in 2007. Considering the close integration of UK supply chains with the EU, there are significant implications for the regulatory framework in which the UK chemical sector operates should the UK exit from the EU.

### Current status

Through the EU (Withdrawal) Act, the UK Government intends to convert REACH and other chemicals regulations into UK law on UK Exit day. This approach means that similar regulatory requirements to manufacture, import and supply chemicals in the UK will apply on the UK from Exit day. Whilst the REACH Statutory Instrument and subsequent amendments address the inoperabilities that have

been identified in transposing the EU regulation into UK law, concerns remain regarding the implementation of the future UK legislation. Having to respond to two separate regimes in future may turn into a complex and expensive process that may weaken the competitiveness of the chemical industry. This could potentially result in a reduction of important and essential chemical substances, since in absence of an agreement with the EU the same product will need to be registered or approved with the EU as well as with the UK Agency.

### Our opinions and actions

TCIA has been vocal on critical issues businesses could be facing in the area of chemicals regulations, advocating that many of these required detailed consideration before exit to help minimise regulatory trade barriers and uncertainty. This resulted in transition measures being proposed by the UK Government to mitigate the impact of the UK's exit from the EU on chemical supply chains in the short-term.

CIA believes the best EU Exit outcome would be for the UK to fully remain within EU chemical regulations and to continue to use the services of the European Chemical Agency (ECHA) rather than expanding separate institutions in the UK, which will be costly for both the UK taxpayer and the chemical industry itself. The UK authority's voice within EU committees is also important to the European chemical industry and CIA member companies have directly seen the UK support the need for sound science and risk-based decision-making. The UK has a balanced, pragmatic and proportionate approach and the prospect of losing the UK presence in EU committees is a matter of concern amongst CIA members. Similar considerations in the area of biocides

would help ensure businesses operating in this sector are not disrupted by the UK's decision to leave the EU.

In this context, CIA believes that full regulatory alignment (harmonisation) through one shared legislative framework would make the most sense irrespective of the broader discussions on the UK's position with regards to the single market. Remaining within EU REACH would also help to maintain high standards of human health and environment protection, promote consistent risk assessment and ensure continuity and consistency for both UK and EU companies.

In the scenario where the UK is out of EU chemicals legislation, post-Brexit we believe a degree of divergence between the EU and the future UK framework will be inevitable. Irrespective of any EU Exit outcome, it is imperative that decisions on future regulatory measures for chemicals continue to be based on sound science, are taken in full transparency and take into consideration the view of stakeholders including the chemical industry. To minimise the impact of potential future divergence, it is our view that EU decisions should continue to form the basis of future decision making in the UK.

### Key messages

In light of the UK's decision to leave the EU, the UK chemical industry does not seek lower regulatory standards in the area of chemicals regulations but wants regulatory consistency and continuity. Whilst we welcomed recent efforts from both the EU and the UK government to step up preparations for the UK's withdrawal, CIA firmly believes the best outcome of the EU Exit process would be represented by a negotiated agreement with the EU that provides for continued participation of both UK businesses and UK authorities in the implementation of

EU regulations and importantly access to related information. An efficient and proportionate outcome for both businesses and regulators needs strong consideration over a separate UK registrations scheme that requires businesses to duplicate their efforts and resources

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