

## **The EU's new Conflict Minerals Regulation**

A quick guide  
if you're involved in the trade in  
tin, tungsten, tantalum or gold

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## The EU's new Conflict Minerals Regulation

What it means for you

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On 1 January 2021 a new law will apply across the EU – the Conflict Minerals Regulation.

It aims to help stem the trade in four minerals – tin, tantalum, tungsten and gold – which sometimes finance armed conflict or are mined using forced labour.

The regulation will mean changes for you and your business, whether you:

- import minerals or metals
- smelt or refine them, or
- own a due diligence scheme.

And you can start preparing now. Here's what you need to know.



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For **everyone involved** in the trade in  
tin, tantalum and tungsten and gold

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The EU regulation focuses on conflict-affected or high-risk areas.

It defines these as:

- areas in a state of armed conflict, or
- fragile post-conflict areas, or
- areas with weak or non-existent governance and security, such as failed states; and
- in all cases, areas with widespread and systematic violations of international law, including human rights abuses.

The European Commission is preparing **guidelines** to help firms identify conflict-affected and high-risk areas. The guidelines should be ready by the end of 2017.

The Commission will also ask external experts to provide a **list of conflict-affected and high-risk areas**. It will be indicative, not exhaustive, and regularly updated.

This list will also include **useful information** for companies carrying out due diligence. It should be ready in 2019.

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If you **import** tin, tantalum,  
tungsten and gold into the EU

## Carrying out due diligence

From 1 January 2021, EU importers of tin, tantalum, tungsten and gold will have to carry out due diligence on their supply chain.

In other words, they will have to check where the minerals and metals they import have been mined and processed responsibly.

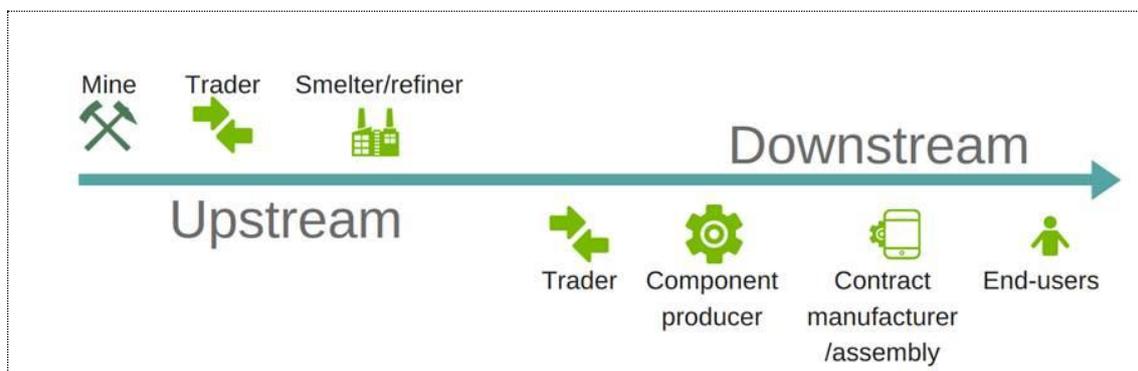
This is to make sure the minerals and metals they are buying or selling are not funding armed groups or security forces in areas of conflict.

The new EU Conflict Minerals Regulation includes a list of the minerals and metals covered.

This Regulation does not apply to:

- EU importers who import less than a certain amount
- recycled metals or stocks created before 1 February 2013.

The regulation covers both individuals and companies.



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### A five-step framework to follow

EU importers of tin, tantalum, tungsten and gold will have to carry out checks on their supply chain by following a five-step framework.

This is set out in a document called "Due Diligence Guidance for

Responsible Supply Chains from Conflict-Affected and High-Risk Areas". Experts at the Organisation for Economic Co-operation and Development (OECD), a group of 35 developed countries, drew up the guidance.

The **OECD Guidance** requires an importer to follow the five steps listed below.

	 Due Diligence Guidance 5-Step Framework	 Corresponding article number in the EU Conflict Minerals Regulation
<b>1</b>	Establish strong company <b>management systems</b>	4
<b>2</b>	Identify and assess <b>risk</b> in the supply chain	5
<b>3</b>	Design and implement a <b>strategy</b> to respond to identified risks	5
<b>4</b>	Carry out an independent <b>third-party audit</b> of supply chain due diligence	6
<b>5</b>	<b>Report</b> annually on supply chain due diligence	7

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EU importers must identify and address actual and potential risks linked to conflict-affected and high-risk-areas when they carry out due diligence of their supply chain.

The EU Regulation requires them to do so by adhering to the due diligence recommendations of the [OECD Guidance](#), including its Annex II.

This should help prevent or mitigate any negative impact their sourcing activities might have on people in areas affected by conflict.

EU Member States are responsible for checking that EU importers respect the requirements which the regulation sets out.

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### For **smelters and refiners** inside and outside the EU

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Indirectly, the **regulation affects smelters and refiners** of tin, tantalum, tungsten and gold, both inside and outside the EU.

This is because EU importers of minerals and metals will need to make sure they source from responsible smelters and refiners.

The Commission will produce a '**global list of responsible smelters and refiners**' that are deemed to fulfil the requirements of the regulation.

The list will include responsible smelters and refiners that apply supply chain due diligence schemes which the European Commission recognises.



### For supply chain **due diligence scheme owners**

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A **supply chain due diligence scheme** (also known as an 'industry scheme') is a set of voluntary procedures, tools and mechanisms, for carrying out supply chain due diligence.

Governments, industry associations or other organisations can own, develop and oversee such schemes.

Owners of these schemes can apply to the European Commission to **have their schemes recognised** as equivalent to the five-step requirements set out in the regulation.