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Executive order on fees and subsidies for the recovery of tyres

Under section 44(1), section 53(1), (3), (4) and (5), section 53a(3) and (4), section 67, section 79 b(1)(vi), section 80, section 88 (1) and (2), section 92 and section 110(3) in the Danish Environmental Protection Act, see Consolidation Act no. 1189 of 27 September 2016, and according to negotiations with the Minister for Taxation, the following is stipulated:

Part 1

Fees on tyres

Subject to fees

1. A party that commercially manufactures or reconditions tyres or a party which commercially receives tyres or reconditioned tyres from abroad of the size 5.00-8 or larger, or massive rubber tyres, pays a fee to the Environmental Protection Agency, but see subsections 2 and 3.

(2) Exempt from fees:

- 1) Tyres, including spare tyres mounted on vehicles received from abroad.
- 2) Tyres, including spare tyres used for mounting when new vehicles are produced.
- 3) Worn-out tyres imported by a converter approved by the Environmental Protection Agency for direct conversion, see section 20.
- 4) Reconditioned tyres where it can be documented that the worn-out tyres have been collected in Denmark, see section 16(3).
- 5) Tyres where the owner reuses the tyre by reconditioning, whether or not the reconditioning takes place in Denmark or abroad.

(3) Reconditioning businesses in Denmark must keep special financial statements of the number of carcasses imported and exported. If there is a net surplus of carcasses from importation, a fee must be paid corresponding to the number of reconditioned tyres produced from this surplus, see section 4.

Definitions

2. For the purpose of this executive order, the following terms have the following meanings:

- 1) Load index: Also called Load Index (LI) states a value of how much weight the tyre is designed to carry.
- 2) Billable tyres: Billable tyres, see section 1, see section 3.

- 3) Reuse: As defined in the executive order on waste.
- 4) Granulation: Processing method in which worn-out tyres are shredded to granules or powder whereby the tyres are separated into rubber, steel and textile.
- 5) Carcass: The load-carrying structure of a tyre on which a tread depth is applied. A carcass is a semi-finished product for the production of restored tyres.
- 6) Moped: As defined in the Road Traffic Act.
- 7) Motorbike: As defined in the Road Traffic Act.
- 8) Engine-powered vehicle: As defined in the Road Traffic Act.
- 9) Recovery: As defined in the executive order on waste.
- 10) Conversion: A process during which the tyre materials are recovered by whole or partial reuse.
- 11) Converter: Business which entirely or partially reuses worn-out tyres and massive rubber tyres or collectors that pre-process worn-out tyres and massive rubber tyres for the purpose of reuse.
- 12) Passenger car: A car as defined in the Road Traffic Act designed for transportation of no more than 9 persons, including the driver.
- 13) Pyrolysis: A thermo-chemical treatment method in oxygen-free circumstances whereby the tyres are converted into oil, carbon black and steel.
- 14) Trailer: As defined in the Road Traffic Act.
- 15) Reconditioning: Where the carcass of a worn-out tyre is reused by application of a new tread depth.
- 16) Van: As defined in the Road Safety and Transport Agency's detailed regulations for vehicles, section 1.024; Vehicle which is designed to transport goods and with a permitted total weight not exceeding 3,500 kg.

Fee rates

3. The fee mentioned in section 1 amounts to:

- 1) DKK 10 per item for tyres with a load index smaller than or equal to 123 for use on mopeds, motorbikes, passenger cars, vans and trailers, and tyres with a wheel rim diameter smaller than or equal to 10 inches for use on other engine-powered vehicles.
- 2) DKK 10 per item for reconditioned tyres with dimensions and a load index as specified in no. 1.
- 3) DKK 25 per item for tyre with a load index of more than 123 for use on passenger cars, vans and trailers,

and tyres with a wheel rim diameter larger than 10 and smaller than 19.5 inches for use on engine-powered vehicles not covered by section 3(1)(i).

- 4) DKK 25 per item for reconditioned tyres with dimensions and a load index as specified in no. 3.
- 5) DKK 75 per item for tyres for use on engine-powered vehicles not covered by section 3(1)(i) and with a wheel rim diameter larger than or equal to 19.5 and smaller than 24 inches.
- 6) DKK 75 per item for reconditioned tyres with dimensions as specified in no. 5.
- 7) DKK 225 per item for tyres for use on engine-powered vehicles not covered by section 3(1)(i) and with a wheel rim diameter larger than or equal to 24 inches.
- 8) DKK 25 per item for reconditioned tyres with dimensions and as specified in no. 7.

(2) The party which must pay fees according to section 1 must, at SKAT's request, supply adequate documentation of which fee group a tyre falls within, see subsection 1, and for the number of billable tyres. If SKAT assesses that the documentation is not adequate, SKAT may determine it discretionally, see section 13, based on a weight-based rate corresponding to the maximum subsidy rate set out in section 22.

Registration of businesses subject to paying fees

4. Businesses covered by the duty to pay fees in section 1(1), must be registered with the Danish Business Authority through virk.dk.

(2) After receipt of the registration, see subsection 1, the Danish Business Authority must transfer the registered information to SKAT. SKAT confirms the registration to the business and grants the registered business a certificate for the registration.

(3) The business must give notification of changes to the registered information, see subsection 1, to the Danish Business Authority, no later than eight days after the changes have been ascertained by the business. After receipt of the change, the Danish Business Authority must transfer the registered changes to SKAT.

5. Registered businesses are entitled to receive billable tyres from abroad or from another registered business, without the fee having been settled.

Statement of billable tyres

6. A fee period is a calendar quarter, but see section 12.

(2) For a fee period, registered businesses must state the number of billable tyres divided into each fee group, see section 3(1), as the sum of the number of billable tyres, which have been handed out from the business, but see section 7.

(3) Registered businesses that take out billable tyres for mounting (replacement) on engine-powered vehicles and

trailers, must include the consumption for supply in the statement according to subsection 2. For the consumption, also tyres mounted on vehicles used in the registered business, must be included.

7. In the billable number of tyres, determined according to section 6, the following is deducted:

- 1) The number of tyres handed over to another registered business.
- 2) The number of new tyres supplied abroad.
- 3) The number of tyres which in the registered business have been taken out for mounting in case of production of new vehicles, see section 1(2)(ii).

Repayment of fees

8. Businesses not covered by the duty of registration, see section 4, may have their fees reimbursed by SKAT for new fee-settled tyres supplied abroad.

(2) Businesses not covered by the duty of registration, see section 5, may have their fees reimbursed by SKAT for tyres used in the production of new vehicles.

Financial statements

9. Registered businesses must keep accounts of receipt, manufacture and distribution of billable tyres, see section 1, which can form the basis of a statement of the fee charged in each fee period, see section 6(1), and for the control of the correct payment of the fee.

(2) SKAT lays down detailed rules for the keeping of accounts of the registered businesses.

(3) Registered businesses must retain accounting records for five years after the expiry of the financial year.

Reporting and payment of fees

10. After the expiry of each fee period and no later than at the end of the following month, registered businesses must inform SKAT of the number of tyres on which the business must pay fees, see sections 6 and 7. The reporting can be made digitally at skat.dk.

11. The fee for a fee period, see section 6(1), must be paid to SKAT no later than the reporting, see section 10.

(2) SKAT may impose, on a business that does not pay the fee in time, a shorter payment term than the one specified in subsection 1 and demand that full security is provided for the payment of the fee.

12. SKAT may impose on a business that does not pay the fee in time, an obligation to provide the information mentioned in section 9, for a shorter period than a quarter.

13. Collection is made by SKAT under section 2(1), (3), (4) and (8), sections 3-8 and 16-16 d in the Danish Act on Collection of Taxes and Fees etc.

14. The company, fund, association etc. or the party which as an owner, tenant or similarly operates the business on its own account, is liable for payment of fees under this executive order.

Access to inspection

15. For the purpose of an inspection of whether the business complies with the rules in this executive order, SKAT is entitled at any time against proper ID and without a court order to access to inspect the registered business' activities, including access to check the business' ledgers and other accounting records and correspondence etc.

(2) The party liable for a business subject to registration and the persons employed in the business must provide SKAT with the required guidance and assistance when the said inspections of subsection 1 are made.

(3) At SKAT's request, the material specified in subsection must be handed out or submitted to SKAT.

Part 2

Subsidies for collection of tyres

Conditions for collection and application for subsidies

16. Collection of tyres must be made in an environmentally sound manner.

(2) Subsidies are granted for tyres collected in Denmark. The grant of subsidies is on the conditions that the provisions in section 22 have been complied with and:

- 1) that the tyres are covered by section 1,
- 2) that the collector is registered with the Environmental Protection Agency, see section 19.
- 3) that the collector has collected or received the tyres without charging separate remuneration for the handling thereof, and
- 4) that the collector has delivered the collected tyres to a business that converts tyres and which has been acknowledged by the Environmental Protection Agency according to section 20.

(3) The conditions mentioned in subsection 2(i-iii) must be complied with in the case of collection of tyres for reconditioning which are exempted from fees, see section 1(2)(iv).

17. An application for payment of subsidies must be made to Dækbranchens Miljøfond (Danish Tyre-Trade Environmental Foundation).

(2) An application for payment of subsidies for collection of tyres must be made under section 18. In the application, the following information must be provided:

- 1) The name and address of the collector and of the business acknowledged under section 20, and the CVR and P numbers of the collector.
- 2) A statement of tyres covered by section 1, in kilos, including documentation as specified in subsection 4, of the quantity of tyres and massive rubber tyres supplied to a converter that has been approved by the Environmental Protection Agency under section 20.
- 3) Information about the origin of the collected tyres with mention of the waste producer and any business that has delivered the collected tyres and the number of collected tyres for each supplier with mention of the suppliers' and the waste producer's P numbers.

(3) The documentation specified in subsection 2(ii) must include a statement from a converter of the quantities (in kilo) of the tyres received from a collector and the time of the delivery thereof to the business. The documentation must be signed by the management responsible for the converter and have an endorsement by a state-authorised or registered auditor on the correctness of the information provided.

(4) The statement mentioned in subsection 2(ii) can be omitted if the collected tyres have been delivered to an acknowledged converter that sends a monthly statement to Dækbranchens Miljøfond of the quantities and types of tyres received from the collector, see section 3(1), and the origin thereof as well as the time of the delivery thereof to the converter. The statement must be signed by the responsible management of the converter and be endorsed by a state-authorised or registered auditor to confirm the correctness of the information given.

(5) An application of payment of subsidies must be reached by Dækbranchens Miljøfond no later than four weeks after the expiry of the month in which supply to a business acknowledged under section 20 has taken place.

(6) Applications are rejected if they do not contain the information or documentation specified in this provision, see subsections 2-5, or which are received later than the deadline mentioned in subsection 6.

18. Applications for subsidies for collection of tyres, see section 17, must be made digitally to Dækbranchens Miljøfond by using the digital solution made available by Dækbranchens Miljøfond.

(2) Applications are rejected if they are not submitted by means of the digital solution, see subsection 1.

(3) Dækbranchens Miljøfond may abstain from rejecting an application for subsidies under subsection 2 if there are exceptional circumstances that entail that the applicant cannot be expected to use the digital solution, see subsection 1.

Registration of collectors

19. Businesses that collect scrapped tyres must be registered with the Environmental Protection Agency.

(2) The request for registration must include the following information:

- 1) Name, address and CVR number of the business.
- 2) A statement of the business' inventory of scrapped tyres, determined on the date of the submission of the request, and information of how they are intended to be recovered.
- 3) A list of the regions in which the business plans to collect scrapped tyres.

The Environmental Protection Agency's acknowledgement of businesses that convert tyres or massive rubber tyres

20. Businesses that convert worn-out tyres or massive rubber tyres, to which subsidies are granted for collection under sections 17-19, must be acknowledged by the Environmental Protection Agency.

(2) On request, the Environmental Protection Agency acknowledges businesses, see subsection 1. On request, the following must be documented:

- 1) The business is in operation and converts worn-out tyres by granulation or pyrolysis.
- 2) The business converts all received tyres and massive rubber tyres to which subsidies are granted, under section 16.
- 3) The total reuse degree is 50% as a minimum, see the calculation method in appendix 1.
- 4) The products from the business process comply with the requirements in appendix 2.
- 5) The business reuses the products from their recycling process or sells the products to businesses for the purpose of reuse.

(3) The request, see subsection 2, must also be accompanied by documentation that the business holds an environmental approval to convert tyres.

(4) The Environmental Protection Agency determines if the documentation is adequate for the business to be acknowledged as a converter.

(5) The acknowledgement is valid for five years after the date of the acknowledgement. Acknowledged businesses must at least every five years submit documentation of the reuse degree to the Environmental Protection Agency and give an account of the purposes for which the products from the recycling process are used or sold.

(6) On request, the acknowledged businesses must submit new documentation for the recycling degree and sale of products.

(7) If a business is being established and cannot present documentation for compliance with subsection 2, the Environmental Protection Agency can grant a time-limited acknowledgement of the business at special request and documentation. The Environmental Protection Agency can demand documentation for compliance with subsection 2 when the business has been operating for a period.

Withdrawal of the Environmental Protection Agency's acknowledgement

21. If a business does not comply with the conditions in section 20, the Environmental Protection Agency can withdraw the business acknowledgement given under that section.

(2) If a business fails to comply with a request from the Environmental Protection Agency, see section 53 b of the Danish Environmental Protection Act, to send documentation that the conditions in section 20 are still complied with, the Environmental Protection Agency can withdraw the business' acknowledgement granted under section 20.

Subsidy rates

22. Subsidies are only granted for collection of worn-out tyres that are delivered for conversion at a business acknowledged under section 19.

(2) The maximum subsidy is DKK 1.55 per kg of collected tyres covered by section 3(1)(i-vi), and DKK 2.10 per kg of collected tyres covered by section 3(1)(vii-viii). The subsidy rate is graded in proportion to the recycling rate which can be documented by the individual converter under section 20. The recycling rate is calculated according to appendix 3.

(3) If the recycling rate is changed, and if the subsidy rate is required to be determined again, the acknowledged business must submit new documentation.

23. Subsidies are granted on a monthly basis from Dækbranchens Miljøfond.

(2) No subsidies are granted for commercial collection of tyres received from abroad, unless it can be proved that they are fee-settled, see section 1.

Repayment of subsidies

24. Subsidies granted without the conditions in sections 16-20 having been complied with, must be repaid, but see section 26. The amount must be repaid no later than 14 days after the Environmental Protection Agency's written request to that effect.

(2) If the amount is not repaid in time, see subsection 1, interest thereon must be paid. The interest is calculated from the time when the amount should have been repaid. The amount carries interest at 1.3% per month for each commenced month from the first day of the month in which the amount should have been paid to the Environmental Protection Agency, but at least DKK 50.

(3) The company, fund, association etc. or the party which owns, leases or in a similar way operates the business on its own account, is liable for payment of fees under subsections 1 and 2.

25. The Environmental Protection Agency may determine that section 24 does not apply when the matter that triggers the duty of repayment is of minor importance.

Part 3

Administrative provisions

26. The administration under part 1, including collection of fees, and supervision of the compliance with this part, is exercised by SKAT.

(2) Decisions made by SKAT can be brought before the National Tax Tribunal under section 11 of the Danish Tax Administration Act.

27. Administration and supervision under part 2 are exercised by the Environmental Protection Agency and Dækbranchens Miljøfond.

(2) All cases in which Dækbranchens Miljøfond does not find that the conditions for registration or payment of subsidies under part 2 have been complied with, or where a matter of dispute arises, are brought before the Environmental Protection Agency for decision as soon as possible.

(3) The decisions of the Environmental Protection Agency cannot be brought before any other administrative authority.

28. Dækbranchens Miljøfond must, to the extent needed, provide guidance and assistance concerning issues within the part of application of the executive order that concerns the responsibilities of Dækbranchens Miljøfond.

Part 4

Penalty provisions

29. Unless a higher penalty is applicable under the other legislation, a party is punished by a fine if the party:

- 1) fails to make a notification under section 4(1) and (3) or fails to keep accounts under section 9(1),

- 2) contravenes rules determined under section 9(2),
- 3) fails to comply with an order given under section 13,
- 4) provides misrepresentation or fails to provide information for the purpose of checking the fee, or
- 5) provides misrepresentation in connection with an application for subsidies under this executive order.

(2) The punishment can increase to imprisonment for up to two years if the violation was committed intentionally or through gross negligence, and if in connection with the violation

- 1) damage has been caused to the environment or a danger thereof has threatened, or
- 2) a financial advantage has been obtained or aimed at for the said party or others, including by savings.

(3) Criminal liability can be imposed on companies etc. (legal persons) according to the rules in part 5 of the Danish Penal Code.

(4) The provisions in section 110 a of the Danish Environmental Protection Act apply to cases about the violations specified in subsection 1(i-v) that are not deemed to entail any punishment higher than a fine.

Part 5

Commencement and transitional provisions

30. The executive order commences on 1 January 2017.

(2) Executive order no. 1485 of 25 November 2015 on fees and subsidies for the recovery of tyres is repealed.

(3) Pending cases under executive order no. 1485 of 25 November 2015 on fees and subsidies for the recovery of tyres are completed according to the rules thereof.

(4) Acknowledgements under section 20 in executive order no. 1485 of 25 November 2014 are valid up to and including 1 July 2017.

The Ministry of Food and Environment of Denmark, 21 November 2016

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/ Claus Torp

Requirements for reprocessing

As documentation of a recycling process, an energy and materials balance for the process is made, and the intended use of the products is determined. On this basis, the products from the process are assigned to reuse and recovery, respectively, including materials recovery and recovery for energy purposes, see the executive order on waste.

The reuse degree is calculated based on the following formula:

$$G = N_{GA}/Dæk_{tot}$$

Where:

G = the reuse degree expressed in percent

N_{GA} = The mass of tyre materials reused in kg

$Dæk_{tot}$ = The mass of tyres converted in kg (total)

From the executive order on waste, appendix 5b, it appears that components from pyrolysis processes can be assigned to reuse if they are used as chemicals.

Appendix 2

Reuse requirements

Rubber and steel must be separated after the finished processing procedure. Contamination with free steel in solid materials from the process (rubber or Carbon Black) may be no more than 0.5% (w/w).

Reuse requirements specifically for granulation

Granulation processes must comply with the following requirements:

The PAH content in the granulate may not exceed 3 mg/kg (0.0003% according to weight) of each of the substances below:

- (a) Benzo[a]pyrene (BaP) CAS No 50-32-8
- (b) Benzo[e]pyrene (BeP) CAS No 192-97-2
- (c) Benzo[a]anthracene (BaA) CAS No 56-55-3
- (d) Chrysene (CHR) CAS No 218-01-9
- (e) Benzo[b]fluoranthene (BbFA) CAS No 205-99-2
- (f) Benzo[j]fluoranthene (BjFA) CAS No 205-82-3
- (g) Benzo[k]fluoranthene (BkFA) CAS No 207-08-9
- (h) Dibenzo[a,h]anthracene (DBAhA) CAS No 53-70-3

GC/MS analysis methods with extraction by toluene must be used for the determination of the PAH content. The producer or importer must at least once a year check that the limits are complied with.

Contents of phthalates in the granulate may not exceed 0.1% according to weight of each of the substances below:

- (a) Bis (2-ethylhexyl) phthalate (DEHP), CAS No 117-81-7
- (b) Dibutyl phthalate (DBP), CAS No 84-74-2
- (c) Benzyl butyl phthalate (BBP), CAS No 85-68-7

For a determination of the phthalate content, the standard DS-ISO 8124-6 or a similar standard is used. The producer or importer must at least once a year check that the limits are complied with.

Elution of Zn from granulate should not exceed 0.5 mg/l measured according to DIN 18035-7.

Reuse requirements specifically for pyrolysis

Pyrolytic processes must comply with the following requirements:

Carbon Black must be of such a quality that it can be sold as an alternative to virgin produced Carbon Black for the manufacture of tyres or similar high-value products.

The content of PAH in oils from the pyrolysis process that are reused as chemicals may contain as a maximum:

1 mg/kg benzo[a]pyrene

10 mg/kg of the total of the following PAHs:

- Benzo[a]pyrene (BaP); CAS no. 50-32-8
- Benzo[e]pyrene (BeP); CAS no. 192-97-2
- Benzo[a]anthracene (BaA); CAS no. 56-55-3
- Chrysene (CHR); CAS no. 218-01-9
- Benzo(b)fluoranthene (BbFA); CAS no. 205-99-2
- Benzo(j)fluoranthene (BjFA); CAS no. 205-82-3
- Benzo(k)fluoranthene (BkFA); CAS no. 207-08-9
- Dibenzo(a, h)anthracene (DBAhA); CAS no. 53-70-3

For a determination of PAH in oils, the standard method EN 16143:2013 or a similar standard is used.

The PAH content in Carbon Black from the pyrolysis process should not exceed 3 mg/kg (0.0003% according to weight) of each of the substances below:

- (a) Benzo[a]pyrene (BaP) CAS No 50-32-8
- (b) Benzo[e]pyrene (BeP) CAS No 192-97-2
- (c) Benzo[a]anthracene (BaA) CAS No 56-55-3
- (d) Chrysene (CHR) CAS No 218-01-9
- (e) Benzo[b]fluoranthene (BbFA) CAS No 205-99-2
- (f) Benzo[j]fluoranthene (BjFA) CAS No 205-82-3
- (g) Benzo[k]fluoranthene (BkFA) CAS No 207-08-9
- (h) Dibenzo[a,h]anthracene (DBAhA) CAS No 53-70-3

GC/MS analysis methods with extraction by toluene must be used for the determination of the PAH content.

The producer or importer must at least once a year check that the limits are complied with.

Subsidy rates

In case of recycling processes, part of the recovery that can be characterised as reuse (according to the waste definitions) is decisive for the amount of the subsidy to the collector. The amount of the subsidy can be determined as a continuum so that:

X% reuse = X% subsidies.