

## **THE DISTRIBUTOR TAKE BACK SCHEME PHASE 2 - FACT SHEET**

### **Existing distributors that are joining the DTS for the first time in phase 2**

#### **WEEE Regulations**

The Waste Electrical and Electronic Equipment (WEEE) Regulations came into force on the 2nd January 2007; the Regulations are aimed at increasing collection and recycling rates of WEEE. From the 1st July 2007 any distributor supplying Electrical and Electronic Equipment (EEE) is required to play an active role in meeting the aims of the WEEE Regulations, by providing collection mechanisms for the public to return household WEEE for recycling and advertising these facilities to customers.

#### **WEEE and the Distributor Take Back Scheme (DTS)**

On 6<sup>th</sup> November 2009, the Department for Business, Innovation and Skills (BIS), which is responsible for implementation of the Directive in the UK, published updated regulations designed to improve the effectiveness of the UK's system for collection and treatment of WEEE. They are effective from 1 January 2010. As a part of this update, BIS announced the re-appointment of leading Producer Responsibility Scheme, Valpak, as operator of the DTS for a further three compliance periods (to be known as 'phase 2' of the DTS) until December 2012. The DTS will meet the obligation to contribute toward the collection of WEEE from households in the UK for all of its members.

In many cases, the DTS will provide a cost effective hassle free solution for Distributors to discharge their obligations under the WEEE regulations.

#### **Options available to distributors:**

Distributors have two options to comply with the WEEE regulations;

##### *If distributors DO decide to join the DTS*

- Instead of offering free in store take back to customers, distributors will make a financial contribution to the DTS which will be used to assist in the development of WEEE collection facilities throughout the UK.
- Financial contributions will be passed to Local Authority and Council collection site operators to develop their WEEE collection infrastructure.
- By making this contribution, distributors will NOT be required to offer in store take back until at least 2013.

*In addition, any large equipment that distributors may wish to collect as a customer service, for example on delivery of a new product, can still be fed into the WEEE system and will be recycled at the cost of producer schemes.*

##### *If distributors decide to NOT join the DTS*

- The enforcement agency, the VCA ([www.vca.gov.uk](http://www.vca.gov.uk)), will assume that distributors are offering free in store take back of household WEEE from their customers when purchasing like for like products.
- Free in store take back will have to be available for all types of EEE that is sold; not just large or white goods, therefore requiring the provision of floor space for storage.
- WEEE will need to be stored and transported to an appropriate treatment facility at the cost of the distributor, which may require comprehensive waste licensing with no guarantees regarding future cost or licensing requirements.
- Distributors will be subject to enforcement agency monitoring to ensure the take back requirements of the WEEE regulations are met.
- The introduction of a Government sponsored WEEE awareness scheme it is likely that any demand for in store take back is likely to increase significantly in the future.
- Material will have to be passed to producer schemes, who will be responsible for onward treatment and recycling of collected equipment, under WEEE regulation 32.
  - No distributor, DTS member or otherwise, is allowed to deposit collected WEEE at the local council operated waste collection site.

BIS advise that any distributor without sound commercial reasons for offering in store take back should seriously consider joining the DTS.

## Joining and retention fees

Any distributor that is joining the DTS for the first time is required to pay a joining fee. Any distributor that is rejoining the DTS for a second phase is required to pay a significantly lower retention and operating fee. This fee structure takes into account the higher fees paid by members of the DTS in phase 1 (2007-2009), that were required in order to achieve the objective of assisting in the establishment of the UK's WEEE collection network. It would be unfair on existing DTS members for new applicants to gain low cost access to the scheme on the back of the investment made in establishing the collection network.

All fees paid into the scheme (with the exception of Valpak operating fees or a proportion of joining fees to offset operational costs as agreed with BIS and the British Retail Consortium) will be passed to Local Authorities for either the registration of new DCFs, maintenance of existing sites or special projects agreed by BIS to specifically increase the collection rate of WEEE in the UK.

## Costs for existing distributors that join the DTS in phase 2 for the first time

If more than three months has elapsed since you started selling EEE, you will be considered to be an existing distributor. The fees that you pay will be based on the total value of all EEE that you sold in a defined twelve month period before your application to join the DTS. Fees are a one off payment that will ensure your compliance until the end of December 2012. The fees are described below:

Distributor type (DTS classification)	Value of EEE sold during data collection period	Cost of joining the DTS (Joining fee)
Existing band A	Greater than £1.5m	Per unit fee <sup>‡</sup>
Existing band B	Between £100k to £1.5m	£825
Existing band C	Less than £100k	£225

<sup>‡</sup> The unit fees for existing band A distributors joining the DTS for the first time in phase 2 are detailed below. These fees, which have been agreed by BIS, are based on those paid by 'band A' members that joined before the initial registration deadline for phase 1 of the DTS (March 2007) plus a 10% premium.

	WEEE Category	Cost per unit sold (£)
Skip 1 (Refrigeration)	1b	0.8350
Skip 2 (White non-fridge)	1a	0.3423
Skip 3 (CRT)	4b, 3b	0.3028
Skip 4 (Mixed)	2, 3a, 4a, 6, 7, 8, 9,10	0.0112
Skip 5 (Lighting)	5	0.0049

There are three additional rules in relation to existing distributors that new to the DTS in phase 2;

1. If a distributor is 'new to DTS' (but not new to market) but is less than 12 months old (therefore between 3 months and 12 months), then they are subject to the band B joining fee of £825 if they have more than one sales outlet or are an EEE specialist. This rule holds unless the value of EEE products sold during this period is greater than £1.5m – in which case they will be classified as a 'band A' distributor.
2. Any band A distributor for whom the calculation of the invoice is less than the band B fee is re-categorised as a 'band B' distributor and therefore required to pay the joining fee of £825.
3. Where an existing distributor is new to DTS (but not new to market), has been selling EEE for less than 12 months (between 3 months and 12 months) and has a turnover greater than £20,000,000 and more than 10 outlets, then Valpak are required by the terms of our appointment to discuss the application with you and BIS. BIS then have discretion to increase these costs in the event that they would be deemed to be unfair on existing members. If this applies to you, please register as normal and follow the onscreen instructions.

## The Benefits of joining the DTS

The benefits of joining the DTS include:

- Full exemption from offering in store take back and prosecution until 31 December 2012.
- Assistance in meeting obligations to provide information regarding the WEEE regulations to consumers through Valpak's existing recycling brand, recycle-more.co.uk.
  - Valpak will produce a range of virtual marketing material and factsheets. This will include certification, web based information and other materials such as window stickers and posters.
- Scheme members will have access to email and internet help and guidance.

## How to register

To register as a member of the DTS please go to [www.valpak.co.uk/dts](http://www.valpak.co.uk/dts).