



Lead REACH Consortium Fees

The Lead REACH Consortium fee structure includes the following components:

Fixed Fee (minimum fee)

Levy Fee (tonnage based fee payable in addition to the fixed fee)

VRAL Fee (payable by companies that that did not fund the voluntary risk assessment on lead)

Late Entry Fee (payable by companies joining the Consortium after 1 July 2008)

Substance-Specific Fees (fees related to work on individual substances of relevance to a company)

Full details can be found in Article 9 and Schedule 8 of the Consortium agreement, and it is not the intention of this note to duplicate this information. However when calculating fees it is particularly important to take into account the following factors:

- Consortium Members are defined as individual legal entities. This means that each entity within a group of companies must become a Consortium Member in its own right and pay fees accordingly.
- Fees are payable for the period 2008-2010
- The Consortium has a budget of €3 million for work over the period 2008-2010. The Levy fee has been set annually by the General Assembly in order to match anticipated income and expenditure. The approved Levy Fees for 2008 is €0.18/metric tonne of lead or contained lead. For 2009 and 2010 the fee is €0.05/tonne.
- Substance-Specific Fees cover “non-core” costs including the generation of IUCLID files and substance-specific research. These fees are set out in detail in the substance-specific funding forms for “pure” substances and “complex intermediates”
- A Late Entry Fee applies in the form of interest on the admission fee from such time as those expenses and liabilities were incurred by the Consortium until payment is received in full of the admission fee at a rate of 3% above the London Interbank Offered Rate (LIBOR).
- For the avoidance of doubt, a minimum VRAL Entry Fee of €12,000 applies to manufacturers and importers of lead metal. This is a total cost over three years.

Example Calculations

Below are some examples of how indicative fees may be calculated in certain situations. Please note that for simplicity these examples assume a constant production tonnage over the period 2004-2009.

Example 1

A 23,693 tonne/year lead metal producer that has not funded the VRAL and does not wish to register any complex intermediate substances. The company joins on 1 February 2010.

2008 Fees

Fixed Fee = €10,000
Levy Fee = $(23,693 \times €0.18) = €4,264.74$
VRAL Fee = $(23,693 \times €0.40) = €9,477.20$
Late Entry Fee (365 days interest at 7.22% on €23,741.94) = €1,714.16

2009 Fees

Fixed Fee = €10,000
Levy Fee = $(23,693 \times €0.05) = €1,184.65$
VRAL Fee = $(23,693 \times €0.40) = €9,477.20$
Late Entry Fee (365 days interest at 5.00% on €20,661.85) = €1,033.09

2010 Fees

Fixed Fee = €10,000
Levy Fee = $(23,693 \times €0.05) = €1,184.65$
VRAL Fee = $(23,693 \times €0.40) = €9,477.20$
Substance-Specific Fee (lead metal) = €3,265 + €580 = €3,845
Late Entry Fee (31 days interest at 3.98% on €24,506.85) = €82.83

TOTAL FEES 2008-2010 = €71,740.72

Example 2

A company manufacturing lead monoxide with 3,000 tonne/year of contained lead. The company joins on 1 January 2010.

2008 Fees

Fixed Fee = €7,500
Levy Fee = $(3,000 \times €0.18) = €540$
VRAL Fee = €1,666.66 (minimum fee)
Late Entry Fee (365 days interest at 7.22% on €9,706.66) = €700.82

2009 Fees

Fixed Fee = €7,500
Levy Fee = $(3,000 \times €0.05) = €150$
VRAL Fee = €1,666.66 (minimum)
Late Entry Fee (365 days interest at 5.00% on €9,316.66) = €672.66

2010 Fees

Fixed Fee = €7,500
Levy Fee = $(3,000 \times €0.05) = €150$
VRAL Fee = €1,666.66 (minimum)
Substance-Specific Fee (lead metal) = €3,265 + €116 = €3,381
Late Entry Fee (31 days interest at 3.98% on €12,634.66) = €42.70

TOTAL FEES 2008-2010 = €33,074.16

The statements and content supplied in this electronic transmission are for information purposes only and do not constitute advice regarding legal or regulatory compliance. You are solely responsible for obtaining legal or regulatory advice necessary in making your own evaluation of any legal or regulatory requirements applicable to you or your company. The International Lead Association - Europe, International Lead Association and the Pb REACH Consortium do not make any representations or warranties in relation to the statements or content appearing in this document, including as regards their accuracy, completeness or timeliness. Neither the International Lead Association - Europe, International Lead Association, nor the Pb REACH Consortium will be responsible for any loss or damage caused by or arising from reliance on the statements made or information contained in this document.