



**NATIONAL ASSEMBLY  
OF THE REPUBLIC OF BULGARIA**

**REASONED OPINION**

**OF THE NATIONAL ASSEMBLY OF THE REPUBLIC OF BULGARIA  
ON THE PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT  
AND OF THE COUNCIL ON FLUORINATED GREENHOUSE GASES,  
AMENDING DIRECTIVE (EU) 2019/1937 AND REPEALING REGULATION (EU)  
№ 517/2014**

At its regular meeting held on June 23, 2022 the Committee on European Union Affairs at the National Assembly of the Republic of Bulgaria reviewed a Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on Fluorinated Greenhouse Gases, amending Directive (EU) 2019/1937 and repealing Regulation (EU) No 517/2014, COM/2022/0150; COD/2022/099.

Following a discussion on the above-mentioned Proposal for a Regulation, the Committee on European Union Affairs delivers the following REASONED OPINION to be submitted to the European institutions:

1. The Committee on European Union Affairs welcomes the European Commission's ambition to set higher targets on climate, and by 2050 to make Europe the first climate-neutral continent by strengthening all instruments related to the decarbonisation of the EU economy. As a key instrument in terms of emissions of fluorinated greenhouse gases, the Proposal for a Regulation on fluorinated greenhouse gases complements the EU legislation in place at EU level since 2006. In this context, the implementation of such an initiative could be effective and efficient at European Union level because of its apparent cross-border nature.
2. The Committee on European Union Affairs endorses the Commission's impact assessment in three policy options in terms of their effectiveness in achieving the objectives set in full compliance with the Montreal Protocol. At the same time, the Committee is convinced that the measures provided for in option 2 introduce very restrictive measures and additional administrative burden, which would lead to an increase in unregulated activities. The possibility to carry out the revision of Regulation (EU) No 517/2014 in accordance with option 1 should be clarified: "Protocol Compliance – Low Cost Measures" of the Proposal for a Regulation, which includes the adoption of favourable measures under all objectives, which are expected to lead to very low costs and efforts, if any.
3. The Committee on European Union Affairs considers that the **principle of subsidiarity, set out in Article 5(3) of the Treaty on European Union (TEU), is not respected**, because:
  - 3.1. It does not meet the requirement of Art. 290 TFEU by delegated acts to supplement or amend only non-essential elements of the act, but not the essential elements, as the ones set out in:
    - Article 16(3) on the exclusion from the quota requirement in paragraph 1;

- Article 17(6) on the amendment of the mechanism for allocating the remaining quotas set out in Annex VIII;
- Article 24, in conjunction with Article 23, Article 4(5) and Article 11(2) and (4), on additional measures to those defined in the Regulation to monitor fluorinated greenhouse gases and products and equipment containing such gases or whose operation depends on such gases being placed in temporary storage or under a customs procedure, including customs warehousing or a free zone regime, or in transit through the customs territory of the Union.
- Article 25 on supplementing it with rules on the release for free circulation within the Union and on the export of products and equipment imported from and exported to any state or regional economic integration organisation which has not agreed to be bound by the provisions of the Protocol applicable to those gases.

### 3.2. Competition and the internal market being distorted:

- **by creating a favourable position for producers of hydrofluorocarbons and products and equipment**, which contain, or the functioning of which depends on hydrofluorocarbons, **by and for any state, or regional economic integration organisation, which has not agreed to be bound by the provisions of the Protocol applicable to those gases, which will be freely imported and exported by 1 January, 2028.** For the Member States, more stringent requirements of the Proposal for a Regulation will apply until 1 January, 2028, also including the restrictions on marketing and selling in Article 11 of the Proposal for a Regulation.

- **by the measure in Article 25(3) the condition of competition is violated since from 1 January 2028, trade activities may be permitted between producers of “any state or regional economic integration organisation, which has not agreed to be bound by the provisions of the Protocol applicable to those gases”, where they meet the requirements of the Kigali Amendment to the Montreal Protocol, which are more favourable than those of the Proposal for a Regulation.** In addition, **the provisions of Article 25 empower the Commission, by means of implementing acts, to determine conditions for trading products and equipment imported from and exported to any state or regional economic integration organisation which has not agreed to be bound by the provisions of the Protocol applicable to those gases.** According to Article 291 TFEU, power is conferred to the Commission where uniform conditions are necessary for the implementation of legally binding Union acts.

**3.3. Not sufficient quantitative and qualitative indicators are provided** to fully assess the impact of all the consequences of the proposed measures, in particular:

- By linking the allocation of quotas to the payment of the amount equal to 3 EUR for each tonne of CO<sub>2</sub> equivalent of the allocation quota;
  - on the prohibitions and restrictions provided by the Article 11 and Annex IV of the Proposal for a Regulation;
  - from the envisaged deadline for adapting to the requirements of the Regulation, which is too short and will lead to excessive difficulties, especially for small and medium-sized enterprises.
4. The Committee on European Union Affairs considers that the **Proposal for a Regulation does not comply with the principle of proportionality, as set out in Article 5(4) TEU, since the requirements of the Proposal for a Regulation:**
- on the destruction and use of only recycled or regenerated reclaimed fluorinated greenhouse gases for filling or refilling of existing equipment meeting the

requirements of Regulation (EU) No. 517/2014 **will further increase the cost of the products;**

**- lead to a large administrative and significant financial burden for the Republic of Bulgaria** and especially for small and medium-sized enterprises, unequally developed regions and a population with lower average income;

**thus going beyond what is necessary to achieve the objectives of the Proposal.**

5. Last but not least, **the Committee on European Union Affairs expresses its expectations regarding the legal clarity, maximum accuracy and coherence of the provisions within the frame of the negotiations on the Proposal for a Regulation**, including on training and certification programmes, **as well as the harmonizing of the level of ambition with the set of objectives within a realistic deadline for implementation.**