

Report on Supply Chain Compliance Volume 3, Number 5. March 05, 2020 A look at the EU Conflict Minerals Regulation

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On April 3, 2017, the European Commission adopted a new regulation on mineral imports from conflict-affected areas, the <u>EU Conflict Minerals Regulation</u>. The regulation will go into effect in January 2021. It is very similar to the conflict minerals regulation found within Section 1502 of the <u>Dodd-Frank Wall Street Reform and Consumer Protection Act</u>, but certain important aspects are different.

Both regulations target minerals known as 3TG (tantalum, tin, tungsten and gold), and both regulations require companies to undertake due diligence to ensure their supply chains are not contributing to conflict, as well as to disclose those efforts publicly. The regulation also states that due diligence efforts must be in line with the Organisation for Economic Co-Operation and Development (OECD)'s <u>Due Diligence Guidance for Responsible</u> <u>Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.</u> [3]

The biggest difference is in scope. Section 1502 applies strictly to minerals mined and refined in the Democratic Republic of the Congo, whereas the EU Conflict Minerals Regulation expands that scope to cover minerals mined from conflict-affected and high-risk areas, which could include any country that produces minerals, as long as the political and social structure of the country is compromised in some way.

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