

Practical Guideline

on Recycling Electrical and Electronic Equipment

This Practical Guideline is an integral part of the SWICO Convention on Recycling Electrical and Electronic Equipment.

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1. Signing up to the Convention

- 1.1 Companies that are not members of the SWICO Association may also sign up to the Convention.
- 1.2 Members of other associations may also sign up provided that the associations have reached an agreement in this respect.

2. Development

- 2.1 The Convention came into force on 1 April 1994. The signatories at that time, and members, who signed up following this period, undertook to carry out the following in relation to their products:
 - incorporate the ARF in offers,
 - to invoice the ARF in the case of deliveries in accordance with the valid price disclosure regulation (PDR),
 - take back and dispose of used equipment free of charge.
- 2.2 The same obligations apply to future signatories to the Convention as from the date on which they sign up to the Convention.

3. Equipment catalogue

- 3.1 The Convention currently applies to machines, equipment and accessories in the following areas:
 - Office / IT / Photography
 - Consumer electronics / Dental equipment
 - Mobile telephones / Medical / measuring equipment
 - The Graphics industry / security technology
 - Telecommunication / Musical instruments
- 3.2 Members may sign up for additional area

4. Invoicing the ARF

- 4.1 The current ARF tariff table can be viewed on the Internet
- 4.2 The individual price of equipment or individual components is the basis on which the ARF is charged (also applies in the case of subsequent alterations/extensions). Expendable items and options and accessories without electrical/electronic parts are not subject to the ARF.
The advance disposal fees (ADFs) for built-in batteries are included in the ARF for the equipment. Components are integral parts, options and accessories that contain electrical/electronic parts. Carrier bags, containers and the like are not subject to the ARF.
- 4.3 In special cases and following consultation with the SWICO Environmental Commission, the ARF may be charged by way of a percentage of sales. The result of this method must be identical to the result achieved by applying the tariff. The signatory checks on an annual basis the criteria and parameters used to determine the approach. The details must be co-ordinated with the SWICO Recycling Guarantee management.
- 4.4 In the case of rental or leasing over a period of 24 months, the customer shall be charged in full via the first invoice. The calculated average depreciation period is 36 months (3 years).
If exchanged prior to the expiry of this period, the customer may apply for a partial reimbursement of the ARF.

In the case of outline agreements, the incorporation of the ARF may be carried out on an instalment basis if the following notice is included in offers and the first invoice, "The ARF of CHF ... (related to the list price) is included in the instalments."
The importer/manufacture shall, in any case, upon delivery credit the ARF in full to the "disposal" account".
- 4.5 The ARF is calculated as a fixed amount on the list price or sales price of the individual product (equipment, extensions, and components) excluding VAT at the end user level. No discounts are granted on the ARF. Gross sales prices are deemed applicable if list prices are not available.
- 4.6 The ARF shall be charged on the placement (sale, leasing, and rent, all-in) of all new machines and equipment that are included in the product ranges of the companies concerned.
- 4.7 No ARF shall be charged on domestic second-hand equipment or on spare parts and non-repairable items recovered from used equipment. This excludes telephone equipment.

- 4.8 The advance disposal fee (ADF) for batteries and accumulators that are part of equipment is included in the ARF for the respective equipment.
- 4.9 The list prices or gross sales prices in the case of the delivery of preinstalled or built in components (accessories, options, extensions or additions) are aimed at determining the ARF for one piece of equipment, i.e. they are for one complete piece of equipment or unit. Depending on the type of construction of a piece of equipment or the way in which a manufacturer's product range is structured, the ARF may also be charged for the individual components that are subject to the ARF. Components delivered at a later date are subject to the ARF. Software is not subject to the ARF.

Samples

- Monitors, servers/CPUs, keyboards, SW
- Servers incl. built-in components, cables, adapters, memories, disks, tapes
- Subsequent extensions to servers and subsystems
- Components, i.e. other parts containing electronic devices (switches, routers, cables with electronic parts), internal / external drives, spare parts (e.g. disks)
- TVs, video recorders, DVD players
- Audio/DVD systems incl. speakers

ARF

- Monitors and servers/CPUs are two units
- Total of the supplied server counts as one unit
- Total of extensions per server or subsystem amount to one unit
- If delivered individually, each component is one unit. If delivered as a package, the total package is one unit.
- Each piece of equipment is one unit
- Complete system is one unit

- 4.10 The ARF must not have a detrimental effect on competitiveness. It shall be separately stated or mentioned in price lists, offers and invoices etc. The provisions of the price disclosure regulation (PDR) are to be observed in dealings with end users.
- 4.11 The ARF is to be charged on all equipment sold in Switzerland and Liechtenstein. If such equipment is exported, the recommendations stated in the leaflet "ARF in the case of exporting equipment" are deemed applicable.
- 4.12 The Convention signatories shall settle the ARF amongst themselves insofar as the parties have not agreed to transfer the fees to the buyer's ARF account.
- 4.13 The supplier normally states the ARF explicitly. The following options are available:
- a. The ARF is stated as a separate item for each product.
 - b. The ARF is included in the product price. For the buyer the paid fee is evident on the basis of the following sentence: "The price contains an advance recycling fee of CHF XX.XX".

- c. The ARF is included in the product price. Customers can work out the paid fees. For example: "The price contains the advance recycling fee in accordance with the valid SWICO table".

- 4.14 The trading level that sells to the end user (retail outlet) must abide by the provisions of the price disclosure regulation (PDR), i.e. as from 1 June 2005 advance recycling fees must be included in the stated price. However, the amount of the ARF is also to be stated.

5. Account management

- 5.1 The Control Sheet made available by SWICO on a six-monthly basis is aimed at providing notification the ARF income and the expenses stated in the Control Sheet that may be deducted to determine the balance. The items are largely self-explanatory
- 5.2 Income:
ARF charged to, and paid by, customers on the sale, rent, leasing and all-in for equipment and components as well as the ARF for equipment and components for own consumption. At least CHF 500.00 per year is settled for ARF revenues.
- 5.3 Deductions/expenses: Self-explanatory
- 5.4 The account balance is transferred to the SWICO joint account on a six-monthly basis.
- 5.5 Proof of income and expenses must be capable of being furnished, in individual cases and on request, to the trust company of the SWICO Environmental Commission.
- 5.6 Signatories whose ARF revenue is less than CHF each year shall be invoiced for the difference up to 500.00 to cover the administration costs.

6. Account management for A Signatories

- 6.1 Signing up to become an A-signatory is only required for companies operating in the Office / IT sectors and is worthwhile if they operate their own organisations in which equipment is taken back and recycled.
- 6.2 The manufacturers and importers administer the income from the ARF on a separate account to which the permissible expenses are to be booked.
- 6.3 The A signatories participate in the cost of the indirect channel for IT and Office Electronics by way of a percentage amount proportionate to their ARF income (less expenses for equipment taken back by them self).

- 6.4 The Control Sheet made available by SWICO on a six-monthly basis is aimed at providing notification of the ARF income and the expenses stated in the Control Sheet that may be deducted to determine the balance. The items are largely self-explanatory.
- 6.5 Income:
ARF charged to, and paid by, customers on the sale, rent, leasing and all-in for equipment and components as well as the ARF for equipment/components for own consumption.
- 6.6 Expenses:
- Operating expenses for own contributions via indirect channels: up to a maximum of 10% of the amount charged by SWICO (see cost of indirect channel, SWICO invoices).
 - PR cost of advertising material procured by SWICO via offsetting, including shipping costs; financing projects aimed at promoting the Recycling and Disposal Convention; trade campaigns that promote an understanding of the concept.
 - 3% levy of the previous period. This levy is aimed at covering the cost of controls, PR work and administration, and currently amounts to 3% of the collected ARF.
 - Delegation of a member to the EC, maximum of CHF 3,000.00 per six-month period. Applies only to signatories who are members of the EC.
- 6.7 Income and expenses must be capable of being furnished to the signatory's trust agency.
- 6.8 The account balance at the end of a period shall be brought forward to the next period. Surpluses or deficits shall not be subject to the receipt/payment of interest. The EC shall review the amount of the ARF if several participants post deficits over several accounting periods. The same applies in the case of high surpluses..
- 6.9 If an A signatory withdraws its participation in the Convention, the EC shall specify jointly with that signatory which other signatory shall, in the future, hold responsibility for taking back equipment in accordance with the VREG for the equipment available on the market, and how the account balance is to be used or financed. The latter also applies in the case of a change to become a B-signatory.

7. Taking back used equipment, parts and accessories

- 7.1 The SWICO Guarantee distinguishes several channels in which equipment is taken back:
- Returning used equipment to the manufacturers/importers or equipment taken back by these. This channel is used for large-scale equipment that can be re-used.

- Used equipment taken back by the trading partners (specialised traders/sales outlets).
- Used equipment directly returned by companies either via the suppliers or by way of a direct collection order via the Internet
- Equipment returned by private individuals to official SWICO collection points.
- The ORDEA stipulates the return of equipment free of charge if it originates from private individuals. The SWICO Recycling Guarantee extends the option of having equipment taken back free of charge to include equipment from companies and institutions.

7.2 The SWICO logistics partners carry out the collection orders.

8. Taking back packaging material used for new equipment

8.1 At the end user's request the supplier takes back the packaging material or arranges for it to be disposed of in the case of the sale of new equipment. If the equipment cannot be reused, the SWICO Environmental Commission recommends that the packaging material be disposed of or recycled via local waste material recycling companies.

- Convention signatories that operate in the Office/IT and Consumer Electronics sectors can the cost of disposing of import packaging (one-way pallets, cartons and the like) to their ARF account and deduct it in the Control Sheet.
- Dealers that sell to end users can invoice the SWICO Environmental Commission for compensation for the disposal of equipment packaging for certain Office/IT products and for certain consumer electronics products. See the form entitled "Settling Packaging Costs".

9. Obligation to report

9.1 The Convention signatories provide SWICO with notification of the results of the reporting period 30 days following the conclusion of a reporting period using the "Control Sheet" form.

The reporting periods are:

1 January to 30 June and 1 July to 31 December

Further information on the SWICO Recycling is available at:

www.swicorecycling.ch