

## **Instruction Note**

## **Determining the ARF's by way of a percentage figure of sales**

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### **1. Background**

In certain cases the ARF can be determined and imposed by way of a percentage of sales of equipment for which ARFs are payable. The Environmental Commission specifies the conditions. Environmental Commission Operation reviews applications of existing or new Convention signatories and specifies the procedure with them.

### **2. Procedure / conditions**

- Participants with a justified entitlement to have the ARF determined by way of the percentage rule (European company organisation, above-average product range, EDP related restrictions and the like) may use this calculation method.
- A change to the percentage calculation for the ARF may be implemented following a review by the Environmental Commission Operation as part of the Environmental Commission resolution in each case on 1 January or upon signing up to the Convention.
- The percentage rate is initially calculated on the basis of existing settlements, whereby the ARFs are determined in relation to the sale of marketable goods.
- The Environmental Commission and the trust company must be able to comprehend the calculation of the percentage rate.
- The signatory annually reviews the product mix used to determine the percentage rate.
- An application is to be filed to Environmental Commission Operation for amendments to the approved percentage rates. If such changes extend beyond the specified regulations, they are to be submitted to the Environmental Commission.
- A change in the ARF results in an adjustment of the percentage rate.
- The calculation of the ARF by way of a percentage rate may not result in the signatory having a competitive advantage over its rivals.
- In the case of a percentage rate being used for the ARF calculation, customers must be able to clearly recognise that the advance fees are enclosed in the invoice amount in accordance with the SWICO tariff.