Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Recast of the Restriction of Hazardous Substances Directive	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	European	
IA Number	BIS 0381	
Date submitted to RPC	30/10/2012	
RPC Opinion date and reference	2/11/2012	RPC12-BIS-0912(2)
Overall Assessment	GREEN	

Overall comments on the robustness of the OIOO assessment

As this proposal is a recast of an EU Directive that increases the costs to business, and there is no evidence of gold-plating or of not taking up available derogations which would reduce costs to business and civil society organisations, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 24).

Overall quality of the analysis and evidence presented in the IA

Options and Article 2.2. This final stage IA now presents the transposition of the Restriction of Hazardous Substances (RoHS) Directive without Article 2.2 as though it is a separate and viable option (Option 1). However, the IA says that "the UK will copy out the Directive with the Article in place, in order to meet our obligation to transpose the Directive by 2 January 2013" (paragraph 149), and not transposing Article 2.2 does not appear to be an option.

In accordance with the IA Toolkit (pages 14-15), only the option to transpose the Directive with Article 2.2 - against doing nothing - should be presented in the IA. Any issues relating specifically to Article 2.2 should be presented elsewhere in the IA.

Costs to business. The IA estimates the additional costs from the re-cast in terms of a percentage of turnover; it assumes that transition costs will be 1 per cent of turnover. However, in estimating these costs, the IA refers to several publications: the European Commission estimates the impact to be between 1-4 per cent; other estimates are 1.9 per cent and 1.1 per cent. It is not apparent why it is considered inappropriate to use the mid-point of these estimates – of almost 2 per cent - as a best estimate with a range around this. The IA would be improved by providing greater justification of the alternative estimates it uses (1 per cent best estimate, with a range of 0.5 - 2 per cent), particularly by showing what the consultation responses identified. A similar argument applies to estimates of the recurring costs.

Signed Michael Gibbons, Chairman