

May 20, 2015

European Parliament Votes in Favor of Mandatory Conflict Minerals Compliance Requirements for Downstream Companies

The European Parliament on May 20, 2015 voted to overturn the European Commission's proposal, as well as the proposal of the Parliament's Committee on International Trade, requesting mandatory compliance for "all Union importers" sourcing in conflict areas.¹

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In a significant broadening of the proposed regulation that would have compliance consequences for a large number of "downstream" companies that use tin, tungsten, tantalum and gold ("3TG") in manufacturing consumer products, they would be obliged to provide information on the steps they take to identify and address risks in their supply chains of 3TG.

The EU regulation is broader in geographic scope than its U.S. counterpart. In contrast to the U.S. Conflict Minerals Rule, the EU regulation would apply to all conflict-affected and high-risk areas worldwide, not just to the DRC region.

As noted in the [press release](#),² the Parliament decided not to close the first reading position and to enter into informal talks with the EU member states to seek agreement on the final version of the regulation. Accordingly, the contours of the final regulation and the timing of its adoption remain uncertain.

Perhaps the one certainty is that the lobbying both for and against the mandatory application of the regulation to downstream companies will continue unabated.

In light of today's vote, the potential for mandatory EU conflict minerals compliance should be added to most downstream companies' "watch lists" (if not already there) and considered as part of the design of their existing conflict minerals compliance and traceability programs.

For Further Information

If you would like to learn more about the issues in this Alert, please contact your usual Ropes & Gray attorney.

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¹A provisional copy of the legislation is available at Ropes & Gray's [Supply Chain Compliance and Corporate Social Responsibility Resource Center](#).

²A copy of the press release can be found on the European Parliament's [website](#).

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