



SERI COP Advisory 17

Advisory No. 17 – Broker Allowance

Reference Document: R2 Code of Practices(COP), Section VII. A. and Formal Interpretation 5a

https://sustainableelectronics.org/sites/default/files/Formal%20Interpretation%20-%20R2%20Provision%205.a_1.pdf

Date of Release: March 11 2019

Effective Date: Immediate

Purpose of Advisory

To clarify the Broker Allowance based on the knowledge that a Broker may not take legal possession of the materials or equipment. For a Broker to be eligible for R2 Certification it shall have control over the materials and equipment as defined in Provision 5(a) to ensure proper management of focus materials and focus material containing equipment and components. The *New Broker Requirements* as documented in this Advisory replace the current language in the COP as of the release date noted above.

Current Broker Requirements – Now Obsolete

A broker shall be any company that does not physically handle equipment or materials, has no physical storage or processing at their location, but takes legal possession of materials or equipment covered within the scope of R2 standard. Any processing performed while the broker owns the material is considered outsourcing and therefore becomes the responsibility of the broker. Any outsourced activity within the scope of the R2 standard is also subject to a CB audit. The following allowances may be made: Provision 4 for onsite processing will not apply; and Section 11(b) for proper closure of the facility will not apply (11(a) does apply). An allowance for Provision 9 may be granted and must be determined by the auditor. Section 5e and Provision 6 shall apply to all Broker transactions. All other provisions apply.



New Broker Requirements – Replaces Existing Language

A broker shall be any company that does not physically handle equipment or materials and has no physical storage or processing at their location. A Broker shall have control, as defined in Provision 5 (a) of materials or equipment covered within the scope of R2 standard. A Broker may or may not take legal possession of the materials or equipment, ***but contractually manages the materials or equipment.*** Any processing performed while the broker owns or contractually manages the material or equipment is considered outsourcing and therefore becomes the responsibility of the broker. Any outsourced activity within the scope of the R2 standard is also subject to a CB audit. The following allowances may be made: Provision 4 will not apply; Section 11(b) for proper closure of the facility will not apply; Provision 11(a) for insurance does apply. An allowance for Provision 9 may be granted and must be determined by the auditor. Section 5e and Provision 6 shall apply to all Broker transactions. All other provisions apply.

Revision No.	Change	Date of Release/Revision
1.0	Addition of concept of contractually managed.	March 11 2019