

22 November 2018, Brussels

Compliance & Enforcement Regulation: Industry Calls for Impact Assessment

We support all efforts to prevent unsafe and non-compliant products from being placed upon the European market, but we remain concerned with the ongoing discussions on the proposal for a Regulation on Enforcement and Compliance in the Single Market for Goods (Goods Package)¹. In particular, Article 4, remains problematic both from a European and global perspective. We believe more work is needed to ensure this article will achieve what it sets out to do.

The impacts of these provisions on the growing eCommerce sector, in particular on SMEs, have never been properly assessed. In addition, the text currently being reviewed by member states is significantly changed from the original Commission text, with increased responsibilities for a number of actors without fully assessing unintended consequences.

Impacts on trade with third countries could ultimately lead to less choice and less competitive prices for EU consumers who will be geo-blocked from international offering. Additionally, third countries could view this provision as a protectionist measure. If they follow the example of the EU and require merchants to establish a similar concept, a whole new world of protectionist trade barriers could be created. Consequently, this legislation could trigger a domino effect, by which EU exporters could face the same additional costs and burdens when exporting to third countries in the longer term.

Legislation should always be based on scientific evidence and on the principles of good law-making. In addition, we must ensure that the legislation we adopt meets the needs of European consumers, businesses and market surveillance authorities alike. **We therefore call on Member States to ask for a separate assessment of the provision obliging merchants to appoint an economic operator established in the EU (Article 4).**

¹ Commission Proposal 2017/0353 (COD) (19 December 2018).