Joint Industry Statement

5 February 2019

Subject – Business Calls for Negotiators to Take Time to Reflect & Adhere to Better Regulatory Principles to Ensure Consumer Protection

We, the undersigned, are writing to express our collective concern with the ongoing negotiations on the draft EU regulation on compliance and enforcement. Whilst we are supportive of attempts to combat unsafe products and strengthen the system of market surveillance across Europe, we have genuine concerns that various amendments introduced following the initial publication of the proposal will undermine consumer safety, overburden authorities, and strengthen the position of rogue traders.

The main issue with effective market surveillance in Europe is the limited resources dedicated to national authorities, coupled with a fragmented enforcement landscape stemming from the lack of coordination amongst Europe's more than 500 market surveillance authorities. Departing from an approach that focuses on preventing high-risk products entering the internal market to other product groups, weakens the detection rate of dangerous products, hampers the ability of the authorities to perform checks at an adequate scale, and – more importantly – risks consumer safety.

It is imperative that law is based on the best available evidence and science, accompanied by an impact assessment containing data that can be thoroughly interrogated. Thus, any law created should facilitate change that meets the needs and expectations of European consumers, businesses and those regulators tasked with enforcing the legislation.

Moreover, certain measures contained within the legislation have received strong criticism from European business organisations, a number of EU Member States, and third countries at the World Trade Organisation level in respect of the impact on trade. This includes the EU's largest trading partners (US, Japan, and Canada). Failure to take into account such concerns is also a sign of bad faith to those trading partners that the EU has recently sealed free trade agreements with, which could also provoke reciprocal measures affecting EU exporters.

<u>Given the real risks involved with further diluting the focus of market surveillance</u> <u>authorities and the likely consequences on international trade we urge legislators to</u> <u>take time to reflect and adhere to the inter-institutional agreement on better law</u> <u>making and principles of better regulation.</u>

We look forward to continuing dialogue with you on this issue and remain at your disposal for further questions.







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