



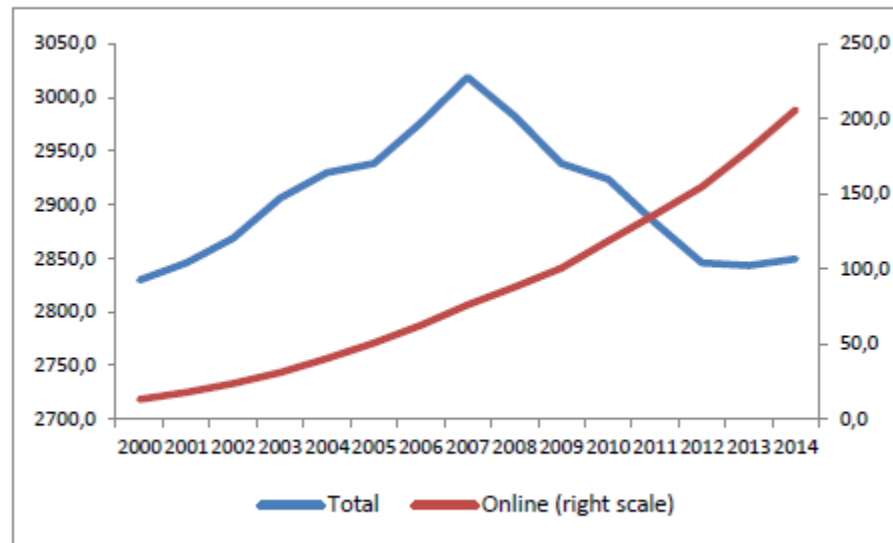
E-COMMERCE AND PRODUCT SAFETY- *KEY CHALLENGES*

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E-COMMERCE IN THE EU

E-commerce is growing rapidly at an average annual rate of 22%

Evolution of total and online retail sales in goods in the EU, 2000-2014 (EUR billion)



Source: Duch-Brown, N. and Martens, B., 2015 (a)



E-COMMERCE AND PRODUCT SAFETY- KEY CHALLENGES

E-commerce is a driver of growth in the EU.

It currently amounts to 7% of total retailing and it is far from achieving its full potential



E-COMMERCE AND PRODUCT SAFETY- KEY CHALLENGES

E-commerce is fundamentally changing the way consumers shop and businesses market products and challenges classic enforcement and product safety legislation



EU New and Global Approach Evolution

July 2008: New Legislative Framework

(OJEU, L218, 13.08.08)

- **Regulation 765/2008:** common accreditation and market surveillance framework
- **Decision 768/2008:** consolidates, completes and modernises basic New Approach concepts – *Model for future legislation* harmonising product-related Requirements (with specific exceptions/adaptations, e.g. where comprehensive regulation in place)

New Approach - Scope

- ⇒ Electrical / electronic products
- ⇒ Pressure equipment / Gas appliances
- ⇒ Toys
- ⇒ Personal protective equipment
- ⇒ Machinery
- ⇒ Medical devices
- ⇒ Radio and telecom equipment
- ⇒ Lifts
- ⇒ ATEX equipment
- ⇒ Recreational craft
- ⇒ etc. ...



New Approach – Key Features

Ease **free movement of goods while** ensuring a **high level of protection** (health & safety, environment, etc.)

Essential requirements expressed in terms of performance indicators or objectives for products establishing common levels of protection (**compulsory**)

➤ Manufacturers shall ensure, when placing their products on the market, that they have been designed and manufactured in accordance with the **requirements** set out in the legislation

➤ **Essential requirements** should be worded precisely enough in order to create legally binding obligations. They should be formulated so as to enable the assessment of conformity with those requirements even in the absence of harmonised standards or in case in which the manufacturer chooses not to apply the latter. The degree of detail of the wording will depend on the characteristics of each sector.

New Approach – Key Features

Harmonised standards detailing technical solutions to meet the essential requirements (**voluntary**, manufacturers can use other methods)


- Task sharing (successful example of co-regulation)
- Legislation : safeguard public interest
- Standards : harmonise technical specifications

New Approach – Key Features

Harmonised standards confer presumption of conformity with:

- The essential requirements for products (health & safety, environment, etc.) covered by the harmonised standards -
References of relevant harmonised standards are published in OJEU
- Requirements for accreditation bodies and notification bodies (see list of relevant harmonised standards published in OJEU C 348, 28.11.2013, p. 1)

New Approach – Key Features

- **Common set of conformity assessment procedures (the so-called "Modules")**
- **Uniform rules for the designation and supervision of Notified Bodies**
- **Requirements for  Marking**

New Approach – Key Features

- **Manufacturers must:**
 - have a technical file, perform a safety assessment
 - follow the applicable conformity assessment procedure
 - draw up the declaration of conformity
 - affix CE marking to the product

- **Post - Market surveillance: the government's role is to police the market**

What We Do/How We Help Member States

⇒ Multi-annual programme for market surveillance (but not only!)

- National programmes
- Reviews of functioning of market surveillance
- Rapid Alert system RAPEX, risk assessment methodology
- Support to Administrative Cooperation groups
- Policy discussions and practical guidance for authorities (online sales, cross border cooperation, etc.)
- Joint actions in 2013, 2014 and (almost!) 2015



E-COMMERCE AND PRODUCT SAFETY- KEY CHALLENGES

Example (1):

A EU consumer buys directly from a web shop located outside the EU and receives the (non-compliant) product directly home.

The product should in principle comply with Union harmonisation legislation on products, which applies when the product is placed on the market, meaning when it is supplied for the first time for distribution, consumption or use on the Union market.

*As the supply includes any offer for distribution, consumption or use on the Union market, **products offered for sale online to EU consumers are considered as being placed on the Union market, regardless of where the web shop is located.***

E-COMMERCE AND PRODUCT SAFETY- KEY CHALLENGES

Potential problem?

The transfer occurs directly between the web shop and the consumer, without any known responsible economic operator within the EU to be held accountable

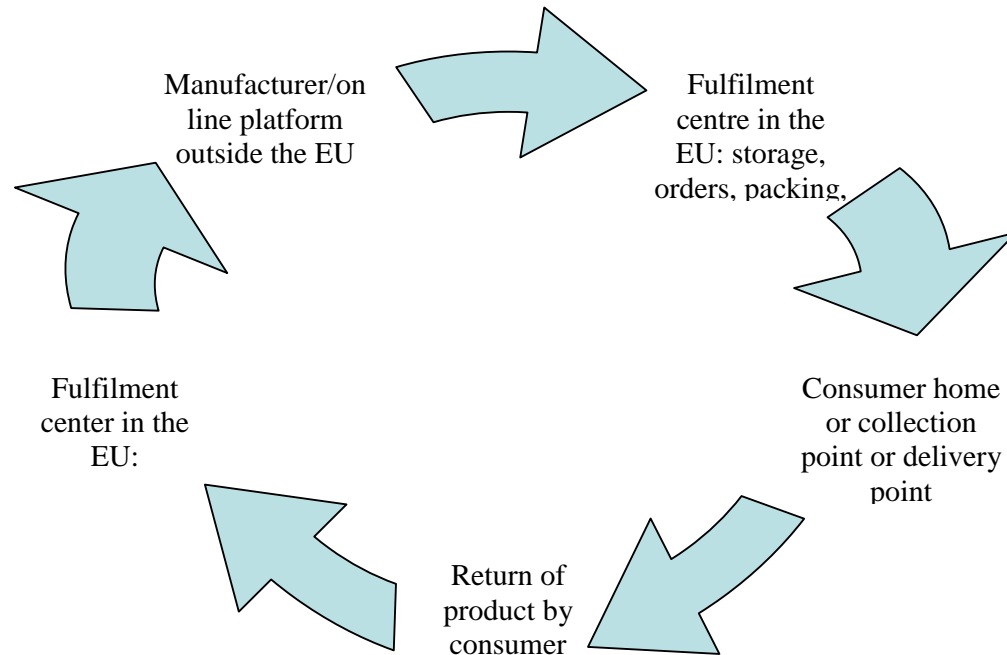
E-COMMERCE AND PRODUCT SAFETY- KEY CHALLENGES

Example (2)

A EU consumer buys directly from a web shop located outside the EU and receives the (non-compliant) product directly home.

*This time, the web shop uses **a fulfilment house** for distribution purposes (i.e. services provided by a company who will store goods, receive orders, package goods and ship them to customers).*

E-COMMERCE AND PRODUCT SAFETY- KEY CHALLENGES



E-COMMERCE AND PRODUCT SAFETY- KEY CHALLENGES

Potential problem?

*The role and responsibilities of fulfilment services providers under Union harmonisation legislation are still **unclear**.*

Why? → The wide range of services provided and variety of business models make their qualification difficult and needs a case by case assessment.



E-COMMERCE AND PRODUCT SAFETY- KEY CHALLENGES

How to address these challenges?

The Multi-annual action plan for the surveillance of products in the EU (part of the Product safety and market surveillance package) foresees :

- to study the ways in which e-shops selling consumer products operate;*
- to produce guidance on the enforcement of the rules for products sold online;*
- to collect information on online enforcement activities;*
- to inform consumers.*

<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52013DC0076>



E-COMMERCE AND PRODUCT SAFETY- KEY CHALLENGES

A report on online market surveillance best practices is available at:

http://ec.europa.eu/growth/single-market/goods/building-blocks/market-surveillance/organisation/index_en.htm

"Online" working group has been established

Guidelines are under development

E-COMMERCE AND PRODUCT SAFETY- KEY CHALLENGES

Objectives of the guidelines for online market surveillance:

- to assist national market surveillance authorities when performing online surveillance by explaining roles and responsibilities of economic operators, clarifying procedures, etc.*
- to be a practical and easy to use tool intended for "on the field" inspectors only*



E-COMMERCE AND PRODUCT SAFETY- KEY CHALLENGES

Joint enforcement actions

The 2015 call for proposals will target in particular online sales in order to generate expertise and experience sharing, common working methodologies and best practices in this area



THANK YOU FOR YOUR ATTENTION!