

### Level playing field in online and offline retail with non-EU traders

#### Summary of policy recommendations to EU policy makers:

#### **Strengthen EU Customs legislation**

- Abolish the €150 threshold in EU customs duties and impose a handling fee for direct imports to EU consumers in distance sales.
- Implement the measures listed in the communication "A comprehensive EU toolbox for safe and sustainable e-commerce".

#### Close the gaps in the product safety acquis:

- Require non-EU sellers to appoint a <u>genuine</u> EU-based representative who has the capacity to assume full legal and financial responsibility, based on a common standard.
- Establish an EU-wide database to register all EU-based authorised representatives.
- Oblige online platforms to verify that the details of authorised representatives listed on their platforms match the information in the EU database
- Introduce a residual/last resort liability under the Product Liability Directive when they intermediate sales from non-EU traders in case there are, in practice, no other economic operators based in the EU who can be held liable.

#### Close the gaps in sustainability legislation related to products:

- Extend article 5(b) of the WEEE Directive to cover third-party delivery services/fulfilment service providers mandated by the distributors to deliver new products.
- Require platforms which facilitate the sale of goods by non-EU traders to ensure that consumers are provided with an accessible and free means to return their WEEE in compliance with EU regulations.
- Tighten checks on compliance of imported textiles and footwear, electronic products (specially toys), furniture, etc., with REACH.
- Conclude agreements with third countries on product controls and recalls for imports into the EU.
- Increase the use of artificial intelligence and automated systems to continuously check product safety and compliance, sustainability, and labelling requirements online.
- Require online marketplaces to verify non-EU sellers' registration in EPR schemes; and allow marketplaces to access EPR scheme databases for automated checks on non-EU seller registration.
- Create a central EU-wide EPR registry to streamline declarations.
- Simplify EPR compliance by using customs codes for product verification, reducing administrative burden for sellers and platforms.

## <u>Control and enforce the role of Very Large Online Platforms (VLOPs) in curbing online advertisement of non-compliant products:</u>

- Ensure that VLOPs selling advertisement (Google/Meta) do not offer more lenient Terms & Conditions to non-EU marketplaces renowned for their contribution to the influx of non-compliant products compared to EU economic operators.
- Enforce strictly Articles 34 and 35 of the DSA on VLOPs selling advertisement (Google/Meta) to large non-EU marketplaces renowned for their contribution to the influx of non-compliant products.

#### Develop a new mandatory label to identify non-EU sellers on e-commerce platforms:

• This label should act as a simple trust mark based on the declared place of establishment of the trader selling on the platform

Develop an EU enforcement coordination framework with cross-DGs teams in the Commission.



#### 1. Introduction

The concept of a level playing field revolves around the idea that all competitors should be subject to the same set of rules, wherein each operator has its own responsibilities in function of its role in the supply chain. This would avoid that some operators can gain an unfair advantage due to divergent levels of regulatory obligations and enforcement. At its core, a level playing field in online and offline retail is a fair environment where businesses can compete under equitable conditions.

The EU needs to urgently install a level playing field as EU economic operators face unfair competition from non-EU traders who use new distribution possibilities offered by the platform economy to massively ship - often non-compliant - products to Europe. Retailers in particular are heavily affected by non-compliant products sold by rogue traders outside Europe to EU consumers.

We therefore fully support the Commission's proposals to:

- Abolish the €150 threshold in EU customs duties.
- Impose a handling fee for direct imports from outside Europe to European Consumers in distance sales.
- Take other measures listed in the recent Commission communication "A comprehensive EU toolbox for safe and sustainable e-commerce".

These measures go in the right direction to step up the fight against the influx of non-compliant products sold online.

However, unfortunately, they fail to comprehensively solve the issues at stake, as they do not fully address all the legal gaps in EU legislation to create a more level playing field. Meanwhile, online marketplaces continue to thrive from these loopholes.

This paper therefore explores how existing gaps in the EU regulatory framework can be addressed to promote a fairer and competitive environment for both online and offline businesses.

#### 2. Closing the gaps in the product safety acquis

The rise of e-commerce and digital platforms and the proliferation of non-compliant products sold by non-EU traders via online marketplaces raise major consumer safety concerns. Despite the recent revision of various EU product legislation, there are remaining gaps that need to be addressed to ensure a level playing field in this regard.

#### a) General Product Safety Regulation (GPSR)

The General Product Safety Regulation (GPSR) aims to ensure that only safe products are placed on the EU market. The Regulation imposes obligations on producers, importers, and distributors to ensure products meet safety standards before reaching consumers. If a safety issue arises, these economic operators must take appropriate action, which includes reporting dangerous products, ensuring traceability, and removing unsafe products from the market.

Under the GPSR, **online platforms** are treated as "intermediaries", meaning that they must remove products from their platform or inform consumers after a product has been flagged as unsafe.



However, despite the fact that these platforms serve as the primary channel through which non-compliant products reach EU consumers, their obligations are far more limited compared to those of other EU economic operators!

Article 16(1) of the GPSR requires non-EU manufacturers to appoint a responsible person within the EU to ensure compliance with technical documentation requirements and relevant safety standards, as set out in Articles 9(2), 9(5), (6), and (7). This obligation is particularly relevant for non-EU manufacturers (and non-EU traders selling products from non-EU manufacturers) who wish to sell their products to EU consumers via online platforms.

Despite these legal obligations, there are thousands of products that do not comply with EU product safety rules that are being sold to EU consumers every day through these platforms<sup>1</sup>, showing clearly that these rules are ineffective. This is partially caused by the fact that, as opposed to other economic operators, platforms do not have an obligation to check that the products are accompanied by the mandatory documents showing compliance.

Moreover, while non-EU manufacturers are legally required to appoint a responsible EU-based representative, in practice, many of these representatives are only "letterbox"/"empty shell" entities or, in some cases, do not exist at all (and are therefore a scam). This lack of accountability (and enforceability) creates a substantial risk for consumers, as there is no clear legal entity to ensure product safety or compliance with EU regulations. In contrast to other economic operators, online marketplaces which sell or intermediate the sales of these non-compliant products on the market have far less obligations regarding these products.

Based on the above, to effectively address the growing challenges surrounding product safety and compliance in the EU market, we strongly urge policymakers to implement four key measures:

- a requirement on third country sellers to appoint a <u>genuine</u> EU-based representative who has
  the capacity to assume full legal and financial responsibility for the compliance of products
  sold within the EU. A common standard for the capacity to assume legal and financial
  responsibility could be set;
- establishment of an EU-wide <u>registry of all authorised representatives</u> accessible to all EU Member State authorities;
- an obligation for online platforms to verify that the details of authorised representatives listed on their platforms match the information in the EU database;
- the introduction of a "last-resort" responsibility for online platforms. This will help to ensure they proactively prevent the sale of non-compliant products, particularly in cases where platforms fail to verify whether their non-EU seller indicated a genuine EU-based authorised representative listed in the registry mentioned above.

The introduction of these measures would serve to level the playing field between EU-based and non-EU-based sellers, ensuring that all parties are subject to the same legal obligations.

The mandatory appointment of a <u>genuine</u> EU-based representative with full legal and financial liability and an obligation to have sufficient resources to exert these liabilities/responsibilities would create a more transparent and enforceable system for ensuring compliance with EU product safety standards. This representative would be accountable for ensuring that products meet the required safety and regulatory standards before they are made available on the EU market. It should be required that the

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<sup>&</sup>lt;sup>1</sup> Safety Gate: the EU rapid alert system for dangerous non-food products



representative have the resources to be fully held accountable and assume full legal and financial responsibility on behalf of the seller for any breach of EU product laws.

A centralised EU database for registering authorised representatives will improve the traceability of products sold within the EU, and will also ensure that those representatives can be held accountable. This registry will lead to greater transparency and better enforcement of EU safety and compliance standards. It will allow market surveillance authorities to control these responsible entities and ensure that non-EU traders cannot circumvent rules by constantly changing names or use shadow companies.

The obligation for online platforms to verify that the details of authorised representatives listed on their platforms match the information in the EU database are a due diligence check that ensures that non-EU traders do not circumvent EU rules.

Overall, the primary concern for safety and compliance arises when online platforms intermediate sales from non-EU traders, and there is no clear legal entity within the EU to bear the responsibility for ensuring that the products meet EU standards. In such scenarios, introducing a last-resort liability for platforms is not only a fair and proportionate response, but it also addresses the significant regulatory gap that currently exists. The residual responsibility for platforms would ensure that the platform is ultimately accountable when it is directly involved in facilitating sales from non-EU entities without a local EU-based representative, thereby enhancing consumer protection and compliance with EU law.

#### **Key recommendations:**

- Require non-EU sellers to appoint a <u>genuine</u> EU-based representative who has the capacity
  to assume full legal and financial responsibility for the compliance of products sold within
  the EU. A common standard should be established to ensure this legal and financial
  capacity.
- Establish an EU-wide database to register all EU-based authorised representatives.
- Oblige online platforms to verify that the details of authorised representatives listed on their platforms match the information in the EU database.
- Introduce a "last-resort" responsibility for online platforms to help ensure they proactively prevent the sale of non-compliant products, particularly in cases where they fail to verify whether an authorised representative is genuinely based in the EU and matches the information in the database mentioned above.
- Extension of market surveillance authorities' controls to responsible persons to ensure that non-EU traders do not circumvent controls by changing company names, using shadow companies, or letter-box companies.

#### b) Product Liability Directive (PLD)

The Product Liability Directive (PLD) aims to ensure that consumers can claim compensation for harm caused by defective products (Article 1). It establishes a framework (Article 8) under which manufacturers, importers, authorised representatives of the manufacturer, or fulfilment service providers can be held liable for product defects.



However, despite its broad application across both online and offline markets, the PLD does not fully ensure a level playing field between online and offline businesses as there is a legal gap that can be easily exploited by non-EU traders.

Online marketplaces often host third-party sellers, but under the current PLD rules, these platforms are not held accountable for defective products sold by third-party sellers unless they fall into specific categories (e.g., if they act as the seller or distributor of the product).

The PLD rules are designed to establish a cascade of liability meant to ensure there is always an EU-based liable entity. However, there is a gap in the rules: if a non-EU trader sells to an EU consumer through a platform a defective product for which there is no EU-based importer/manufacturer, and ships it to the consumer through postal services (typically the case for low value items), there is in practice no EU-based liable entity (as postal services are not considered fulfilment service providers).

This situation exposes consumers unawares to unnecessary risks, undermines trust in cross-border ecommerce, and provides an unfair advantage to non-EU traders vis—à—vis EU traders for which there is inevitably an EU-liable entity (e.g., an EU based brick & mortar shop selling imported products inevitably use an EU importer or is the importer itself). The absence of a responsible party within the EU leaves consumers with limited or no options for legal redress, ultimately eroding consumer confidence in products purchased online from non-EU traders.

To rectify this, it is necessary to explore the possibility of introducing a residual or last-resort liability under the PLD for online platforms that facilitate sales from non-EU traders, in the absence of an EU-based responsible operator.

Platforms are economic actors that play an integral role in connecting consumers with non-EU sellers, and as such, they should bear responsibility when they facilitate sales for which there is no adequate safety or compliance structure in the EU.

In practical terms, this last-resort liability would help guarantee that when a product sold by a non-EU trader through an online platform is defective and causes harm, consumers can still seek compensation. This would also incentivize platforms to vet sellers more rigorously, ensuring that they meet the necessary legal and safety standards before offering products to EU consumers.

This residual liability should be without prejudice the right of the platform held liable to seek redress from the non-EU seller at the origin of the sale of the defective product – as per the precedent established un the Package Travel Directive (which makes package travel organisers – including platforms – liable for improper performance of the package travel, but allowing them to claim damage from the individual service provider at fault).

#### **Key recommendations:**

- Amend Article 8 of the Product Liability Directive to introduce a residual/last resort liability
  for online platforms facilitating sales from non-EU traders. This residual/last resort liability
  shall make platforms ultimately responsible under the PLD in case there is not any other
  economic operators based in the EU who can be held liable.
- This last resort/residual liability should be without prejudice to the right of the platform held liable to seek redress from the non-EU seller at the origin of the sale of the defective product.



#### 3) Closing the gaps in sustainability legislation related to products

#### a) Waste Electrical and Electronic Equipment (WEEE)

The Waste Electrical and Electronic Equipment (WEEE) Directive is a critical piece of EU legislation that aims to minimise the environmental impact of electrical and electronic waste (e-waste). While the WEEE Directive has played a significant role in ensuring that e-waste is managed responsibly, it does not ensure a level playing field between online and offline businesses. There are gaps that can be exploited by online traders to gain an unfair advantage, notably because offline businesses have greater responsibilities and obligations (and therefore costs) than online businesses.

The WEEE Directive clearly outlines the responsibilities of distributors when it comes to the collection and proper disposal of electronic waste with two sets of obligations:

- Article 5(c) stipulates that physical stores with a sales area greater than 400 m<sup>2</sup> must provide a designated collection point for WEEE.
- Article 5(b) states that online and offline distributors must take back from consumers their WEEE free of charge on a one-to-one basis when purchasing a new product.

In practice, a significant loophole exists in the current system, as:

- Online distributors with a large portfolio of products (equivalent to offline distributors with a large sales area) do not have any obligation to fund a designated collection point for consumers to dispose their WEEE – contrary to physical stores.
- Both, non-EU traders selling through online platforms and pure online (EU-based) distributors, often fail to comply with their take-back obligation under Article 5(b), leaving consumers with limited or no means of recycling or disposing of their electronic waste. This is notably due to the fact that non-EU traders (and many pure online retailers) do not deliver themselves the goods to consumers (as opposed to brick & mortar retailers) and systematically use (third-party) fulfilment service providers which are not bound by the take-back obligation contrary to physical stores who deliver products themselves and therefore must take back WEEE at the moment of delivery.

This gap/lack of compliance creates an uneven playing field, where businesses that do follow the WEEE Directive's obligations (mostly brick & mortar shops with no logistical support) face higher operational costs and administrative burdens, while those who ignore the rules benefit from unfair competitive advantages.

To address this, it is essential that online marketplaces facilitating sales from non-EU traders are also required to comply with the WEEE collection and disposal obligations. If a platform facilitates the sale of electronic goods from outside Europe, it should bear the responsibility of ensuring that consumers are provided with an accessible and free means to return their WEEE in compliance with EU regulations. Moreover, third-party delivery services/fulfilment service providers should be mandated to comply with the take-back obligation on behalf of the online distributor hiring their services.

By making online platforms (facilitating sales from outside Europe) and retailers accountable for WEEE collection and disposal, we can ensure that they contribute fairly to the environmental impact of their products, creating a more sustainable and responsible e-commerce landscape.

Enforcing WEEE collection on non-EU traders selling through online platforms would also serve to reinforce the EU's broader environmental goals. It would help ensure that e-waste is disposed of in a



manner that aligns with the EU's high standards for waste management, recycling, and resource recovery, ultimately contributing to the circular economy. Moreover, it would prevent non-EU businesses from undercutting EU-based businesses that are already complying with these environmental obligations, thereby fostering a more balanced and competitive market.

#### **Key recommendations:**

- Require online marketplaces that are facilitating sales from non-EU traders to comply with the WEEE collection and disposal obligations.
- The obligation on distributors to take back for free WEEE from consumers (article 5(b) of the WEEE Directive) should be extended to cover third-party delivery services/fulfilment service providers mandated by the distributors to deliver new products.
- Platforms which facilitate the sale of goods by non-EU traders shall be responsible to ensure
  that consumers are provided with an accessible and free means to return their WEEE in
  compliance with EU regulations.

#### b) REACH and the presence of forbidden chemicals in imported products

Regulation (EU) No 2017/1001 on the Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH) primarily focuses on ensuring that chemicals used in products, including textiles and footwear, are safe for human health and the environment.

Non-EU sellers are less likely to face the same level of scrutiny as EU-based companies. As a result, products sold online from third countries may not be subject to the same chemical safety checks required for products sold offline. This creates a situation where online retailers from outside the EU can offer lower-cost products by bypassing safety regulations to which offline retailers must adhere.

#### Key recommendations:

- Tighten checks on compliance of imported textiles and footwear, electronic products (specially toys), furniture, etc. with REACH.
- Use of existing tools (SCIP database, ECHA, etc.) to demonstrate compliance with REACH.
- Conclude agreements with third countries on product controls and recalls for imports into the FU.
- Strengthen the framework of penalties and fines as a deterrent.
- Increase use of artificial intelligence and automated systems to continuously check product safety and compliance, sustainability, and labelling requirements online.
- c) Extended Producer Responsibility (EPR) schemes Waste Framework Directive, Waste Electronic and Electrical Equipment (WEEE), and Packaging and Packaging Waste Regulation (PPWR)

The Extended Producer Responsibility (EPR) schemes are important policies that hold producers accountable for the entire lifecycle of their products. EPR schemes are foreseen in multiple EU legislation, including the Packaging and Packaging Waste Regulation, the Waste Framework Directive, and the Directive on Waste Electronic and Electrical Equipment (WEEE). Under these rules<sup>2</sup>, any

<sup>&</sup>lt;sup>2</sup> Article 44 et seq. PPWR, Art. 7 and 12 WEEE, Art. 8 et seq. Waste Framework Directive



producer selling goods on the EU single market must be registered in the EPR registry of each Member State where their products are made available.

To maintain a level playing field, robust enforcement measures are necessary. This includes targeting free riders – producers who fail to register, contribute to, or participate in the EPR schemes – as well as ensuring that online platforms do not sell products from producers that are not registered in the EPR registries.

For effective implementation, it is crucial that all producers, whether EU-based or non-EU-based, contribute fairly. Failure to enforce these rules uniformly creates a competitive disadvantage for compliant producers and undermines the environmental goals of the legislation.

To address this, we propose that **online marketplaces be required to request exclusively from their non-EU sellers evidence of registration in the EPR scheme of the Member State(s) where they want to sell their products,** including the name/country of the EPR scheme and their Unique Identifier in that EPR scheme. In the absence of such information, they should refrain from making a seller's offer available on the marketplace.

Moreover, online platforms should be required to cross-check the Unique Identifier with EPR databases. Thus, consideration should be given to allow marketplaces to connect to the database of EPR schemes to verify that the unique identifier communicated by their non-EU seller matches an entity registered in the EPR scheme.

For instance, France is a good example, there online marketplaces are required to systematically collect the Unique Identifier from each seller (whether producer or importer), which confirms that the seller is registered in the national EPR database. The online marketplace is also responsible for cross-checking this Unique Identifier with the SYDEREP database (système déclaratif des filières de responsabilité élargie du producteur). If a platform cannot prove that a seller is in compliance with the EPR system through this verification process, the platform itself assumes producer responsibility for the products in question.

To ease the platform's role in verifying compliance, it is essential that the verification process be efficient and straightforward. Therefore, an automated system should be implemented to ensure that the Unique Identifier applies to all products from a seller. A seller may have a valid Unique Identifier for certain product categories (e.g., packaging or electrical equipment) but may lack the appropriate Unique Identifier for others (e.g., toys). This inconsistency complicates the verification process for platforms.

To simplify the system, we propose two key recommendations:

- simplify and streamline the verification process: introduce a system where EPR compliance is verified through product codes. This would allow marketplaces to easily verify a product's compliance.
- create a centralised European registry for EPR-related data: establish a centralised EU-wide registry that consolidates EPR-related data, including seller's Unique Identifier. This system would not only reduce administrative burdens but also enhance cross-border enforcement of EPR obligations, preventing non-EU sellers from gaining an unfair advantage by avoiding registration.

By implementing these recommendations, online platforms can more efficiently fulfill their responsibility in supporting the EU's environmental goals and maintaining a level playing field for all producers.



#### **Key recommendations:**

- Require online marketplaces to ask from their non-EU sellers' evidence of registration in the EPR schemes of the Member State(s) where they intend to sell their products, as a condition to making their offer available on the marketplace.
- Require online marketplaces to cross-check the unique identifier provided by sellers with relevant EPR databases to verify compliance.
- Implement automated systems to verify that the Unique Identifier applies consistently to all of a seller's products.
- Develop a system where EPR compliance can be verified through product codes, such as customs codes. This would simplify the process and reduce the administrative burden for both sellers and platforms.
- Establish a centralised European EPR Registry: establish a single, EU-wide registry for EPR-related data, including seller Unique Identifier and product compliance. This would enable a unified declaration process, improve enforcement, and prevent non-EU sellers from avoiding their EPR obligations, ensuring a fairer marketplace for all producers.

## 4) The role of Very Large Online Platforms (VLOPs) in curbing online advertisement contributing to the sale of non-compliant products by non-EU platforms

Responsibility of large VLOPs for promoting unsafe products and non-compliant products, and illegal content.

A key aspect of the problem of the flow of non-compliant goods from third countries is linked to the success of non-EU platforms such as Temu or Shein. Their success is largely driven by their ability to run millions of online advertisement campaigns simultaneously through Google or Meta. Most EU retailers cannot do so.

To add to that dimension, some large non-European (mostly Chinese) marketplaces seem to be subject to a lighter level of scrutiny when advertising through VLOPs such as Google/Meta. Indeed, some of these marketplaces are able to show ads for products that they do not actually have listed on their marketplace (e.g. by advertising brands they do not sell or products that do not even exist yet, but are created through AI only) with the sole purpose to bait consumers and make them click on the advertising link and land on their platform.

Any EU-based retailers using such questionable practices through Meta/Google ads would immediately see their business account suspended for breach of Terms & Conditions. However, some large non-European marketplaces advertising through these VLOPs are able to escape this level of scrutiny. This undermines consumer trust and misleads shoppers who waste time searching for products that are not available.

Given the major role some large non-EU marketplaces have in the massive influx of non-compliant products in Europe, this different level of scrutiny by the VLOPs when selling advertisement raises major questions as to whether these VLOPs properly fulfil their obligations to assess and mitigate systemic risks arising from the use of their services when they sell advertisement to these riskier large online marketplaces, as per Articles 34 and 35 of the Digital Services Act (DSA).



#### **Key recommendations:**

- Strict enforcement of Articles 34 and 35 of the DSA on VLOPs selling advertisement (Google/Meta) to large non-EU marketplaces renowned for their contribution to the influx of non-compliant products.
- The risk assessment and mitigation measures should systematically ensure that advertisement services sold to these non-EU marketplaces do not contribute to promote access to non-compliant products nor to products not intermediated by these marketplaces.
- Ensure that VLOPs selling advertisement (Google/Meta) do not offer more lenient Terms
   & Conditions to non-EU marketplaces renowned for their contribution to the influx of non-compliant products, compared to EU economic operators.

# 5) Develop a new mandatory label for online marketplaces to identify non-EU sellers: To ensure that such a label minimise burdens for EU-based traders/retailers, we suggest the label to only apply to non-EU traders.

In light of the massive influx of non-compliant products sold by non-EU traders through online marketplaces, consumers should be offered more transparent information on the geographic origin of the trader they intend to contract with on platforms. Clear information on the EU or non-EU origin of the trader would support consumers in making an informed choice with regard to the risk they may encounter when purchasing from an unknown trader on a marketplace.

We therefore recommend the European Commission to consider developing a harmonised label for e-commerce platforms, which would clearly identify the non-EU origin of traders making offers on online platforms, based on the country where the trader declared to be officially established. To ensure that such a label minimise burdens for EU-based traders/retailers, we suggest the label to only apply to non-EU traders.

This label should be a recognised symbol. It would be prominently displayed on webshops, offers of online marketplaces, and product offers. This would offer an instant visual cue that distinguishes non-EU traders from EU traders, and would therefore signal that for non-EU traders, there may not be anyone in the EU legally accountable for the sale or compliance of the product as opposed to EU traders.

Beyond the consumer perspective, the label would also benefit EU businesses. It would serve to enable consumers to indirectly identify credibility and trustworthiness, making it easier for EU-based companies to distinguish themselves on online marketplaces from non-European traders. Furthermore, this label could serve as a practical tool for authorities to track and monitor compliance more effectively, ensuring that only compliant products are allowed to be sold within the EU.

Ultimately, the introduction of an EU Label for non-EU traders would streamline enforcement, bolster consumer trust, and provide a clear competitive edge for EU businesses, while helping to address the risks posed by non-EU sellers who operate outside of EU regulatory frameworks.

#### **Key recommendations:**

 Create a new label for Ecommerce platforms to identify non-EU traders selling on online marketplaces



• This label should act as a simple trust mark based on the declared place of establishment of the trader.

#### 6) Quick rollout of the Digital Product Passport (DPP)

Rapid introduction of the DPP as a tool to quickly and easily make the legal compliance of products from third countries more transparent and verifiable.

#### 7) EU enforcement coordination framework

We urge the European Commission and co-legislators to create a comprehensive EU enforcement coordination framework to address the increasing influx of non-compliant products and online offers from outside the Union. This framework should enhance collaboration between national and EU authorities, align the mandates of existing enforcement bodies, and streamline cross-domain cooperation. Clear rules of engagement will help authorities to pool resources, launch joint actions, and tackle non-compliance more effectively. We also stress the need for consistent enforcement across the EU to avoid legal uncertainty, recommending regular updates and guidance to harmonise the interpretation of EU law. To improve coordination, we also propose a dedicated, cross-Commission Task Force with broad stakeholder involvement, including relevant Directorates-General like DG CONNECT, ENVI, JUST, GROW, and TAXUD, to address challenges posed by non-compliant products and offers from third-country markets.

Finally, once again, we encourage the Commission to fully implement the measures listed in the communication "A comprehensive EU toolbox for safe and sustainable e-commerce", namely targeted measures on increased coordinated controls for imported goods.

#### **Key recommendations:**

- Establish an EU enforcement coordination framework: Create a unified framework that strengthens collaboration between national and EU authorities. In practice, this would make sure that there is an "internal market for controls".
- Establish a cross-Commission Task Force with broad stakeholder involvement, including DG CONNECT, ENVI, JUST, GROW, and TAXUD, to address challenges posed by non-compliant products from third-country markets.
- Implement the measures listed in the communication: "A comprehensive EU toolbox for safe and sustainable e-commerce".



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Established in 1963, **Independent Retail Europe** (formerly UGAL – the Union of groups of independent retailers of Europe) is the European association that acts as an umbrella organisation for groups of independent retailers in the food and non-food sectors.

Independent Retail Europe represents retail groups characterised by the provision of a support network to independent SME retail entrepreneurs; joint purchasing of goods and services to attain efficiencies and economies of scale, as well as respect for the independent character of the individual retailer. Our members are groups of independent retailers, associations representing them as well as wider service organizations built to support independent retailers.

Independent Retail Europe represents 25 groups and their over 500.000 independent retailers, who manage more than 741.000 sales outlets, with a combined retail turnover of more than 1.493 billion euros and generating a combined wholesale turnover of 677 billion euros. This represents a total employment of more than 6.054.000 persons.

Find more information on <u>our website</u>, on <u>X</u>, and on <u>LinkedIn</u>.