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Toy Safety Regulation: a too short transitional period for distributors will lead to harmful economic and environmental consequences

Independent Retail Europe and EuroCommerce welcome the Commission's proposal on the Toy Safety Regulation, which aims to modernise the current framework and ensure that toys that are dangerous shall not be sold in the EU.

However, we wish to warn Members of the European Parliament that the transition period foreseen for distributors under 54(1) is too short and will, therefore, create major negative economic and environmental consequences if not extended. The transition period for distributors should be at least 24 months after the end of the transition period for manufacturers.

Key reasons justifying a longer transitional period for distributors:

- 1. Retailers do not have enough time to exhaust stocks of products legally put on the market by manufacturers. According to the proposed Article 54(1), manufacturers will be allowed to put on the market toys complying with the current Directive for 30 months after the adoption of the new Regulation. These 30 months are sufficient to allow manufacturers to deplete their stocks and adapt their production processes. This is however followed by a much shorter 12-month period during which distributors can still sell these toys to try to exhaust their stocks of products that were legally put on the market. Such a short timeframe ignores that outside of the Christmas period, toys are slow-moving goods, meaning that stocks take much more than 12 months to be exhausted. Thus, a much longer (than 12 months) period is necessary between the end of the transition period for manufacturers, and the end of the transition period for distributors.
- 2. A short transition period for distributors inevitably leads to the mass destruction of unsold toys. The transition period foreseen by Article 54(1) for distributors is too short for retailers to exhaust their stocks. As a result, distributors/retailers will inevitably have to destroy unsold toys. This would directly contradict retailers' efforts to be more sustainable and would plainly contradict the European Parliament's own sustainability policy under the recently adopted Eco-design for Sustainable Products Regulation. To avoid the destruction of distributors' unsold stocks of toys legally put on the market, a much longer (than 12 months) period is necessary between the end of the transition period for manufacturers and the end of the transition period for distributors.
- 3. Article 54(1) maximum deadline for exhausting stocks is unprecedented in EU product legislation. No single EU product safety legislation prohibits selling products that were legally put on the market. Under the EU product acquis, distributors are always allowed to exhaust their stocks of products legally marketed. This novelty, if it prevents distributors from exhausting their stocks will have major negative economic consequences for them. They will suffer economic losses, while they are not responsible for the situation since they do not have any control over how toys are manufactured.





Hence, we invite the IMCO Committee to be coherent with other EU product safety legislation and with the European Parliament's policy on sustainability by proposing a transition period for distributors that allows them to exhaust their stocks, so as to limit the destruction of unsold products. Such transition period for distributors under Article 54(1) should at least last 24 months after the end of the transition period for manufacturers.

Key recommendations for compromise amendments:

- support amendment 66 (by the rapporteur), or 385.
- **discard amendments 386, 387, 388,** or at least modify them to provide for at least a 24-month period between the two deadlines foreseen in Article 54(1).

About Independent Retail Europe

Independent Retail Europe is the European association that acts as an umbrella organisation for groups of independent retailers in the food and non-food sectors. 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 23 groups and their 462.000 independent retailers, who manage more than 737.000 sales outlets, with a combined retail turnover of more than 1,385 billion euros and generating a combined wholesale turnover of 604 billion euros. This represents a total employment of more than 6,39 million persons. Find more information on our website, on X, and on LinkedIn.

About EuroCommerce

<u>EuroCommerce</u> is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 27 countries and 5 million companies, including leading global players and many small businesses. Over a billion times a day, retailers and wholesalers distribute goods and provide an essential service to millions of business and individual customers. The sector generates 1 in 7 jobs, offering a varied career to 26 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector. Find more information on our <u>website</u>, on <u>X</u>, and on <u>LinkedIn</u>.