

Response to call for evidence “Single Market Strategy 2025”

We value the initiative to present a new Single Market Strategy aiming to achieve ‘*a new momentum to complete the single market*’ as said in the Political Guidelines. The start of the new Commission mandate provides ample opportunity to make the Single Market a top priority again. At the same time, we want to underline that in the past decades many reports have been published and strategies developed that claimed to be achieving the same objective. This seems to suggest that **commitment of EU institutions** is lacking to really follow through but also that the Single Market is an ongoing project that will never be completed.¹

It is important to emphasise that our sector accounts for 10% of the EU’s GDP, 1 out of 5 businesses is in retail and wholesale and 99% of them are SMEs. The EU can only achieve its objectives if our sector can invest, grow and innovate.²

In this paper, we set out a number of ideas and in the annex is a list of concrete proposals we recommend to include in the envisaged Single Market Strategy 2025.

1. **All EU institutions need to commit to the Single Market.** EU institutions should stop codifying fragmentation in EU legislation. Member States should stop fragmenting via national rules.
2. **All Commission DGs should take ownership** of the envisaged Single Market Strategy 2025. Single Market integration is essential across policy domains and for strengthening the EU’s competitiveness.
3. We encourage the Commission to have a **clear roadmap and timelines** for the legislative and non-legislative initiatives in the foreseen Action Plan.
4. In the **annex** we provide a short overview of **ideas and positions** often linked to more detailed position papers.

¹ For more information also see [the joint EU business statement for Fresh Political Engagement to Renew Economic Integration in the Single Market](#)

² For more information also see our position paper [Beyond Manufacturing: A New Competitiveness Agenda for the EU in partnership with retail and wholesale](#)

Creating a Single Market of Opportunities

The Single Market has delivered substantial economic and social benefits to EU citizens and businesses. It has created opportunities, driven economic growth, and enhanced integration. The **four freedoms**—movement of people, goods, services, and capital—are the bedrock of the EU's achievements and should remain central to both current and future policy discussions. The Single Market also ensures rights and legal certainty for citizens and businesses, including product safety, data protection, and avenues for redress.

Retail and wholesale companies have reaped significant benefits from the Single Market. The free movement of services and the **Services Directive** have facilitated easier establishment across the EU, enabling these companies to reach a broader customer base. The free movement of goods has allowed them to offer a wider selection of products at more competitive prices.

The **digital transformation** has introduced a new dimension to our sector. It has enabled companies to sell more efficiently across the EU. Retail and wholesale companies are evolving into omnichannel businesses, seamlessly integrating online and offline environments to deliver the best customer experience. This transformation not only fuels innovation within the sector but also across the entire value chain.³

Simultaneously, the sector is **transitioning towards sustainable business models**, focusing on net-zero operations, sustainable offerings, waste management, and a circular economy.⁴ This shift empowers customers to make more sustainable choices and creates markets for suppliers and service providers by driving demand for sustainable solutions. Consequently, the sector is a catalyst for a more sustainable economy.

However, a supportive policy framework is essential to enable these investments. A study by EuroCommerce and McKinsey indicates that our sector faces a **€600 billion investment** gap to meet the green, digital, and skills ambitions required by 2030.⁵

The urgency of **prioritizing the Single Market** in EU policy was underscored in our joint industry statements.⁶ It is imperative that EU institutions follow through on their calls for a renewed commitment to the Single Market. This is further emphasized in the reports by Letta, Draghi and Commission communications, that identifies the retail sector as one of the main areas where Single Market barriers persist. Improvements are only possible with a renewed political commitment from all EU institutions to refrain from creating new barriers, remove existing ones, and enforce Single Market rules robustly.

Compliance is a crucial pillar of a well-functioning Single Market. We observe that many of our members are struggling to keep pace. During the past mandate, numerous new laws were enacted, and many laws from the previous mandate became or will become applicable. Increasingly, key pieces of EU legislation are being amended again before the previous changes have even taken effect. This situation is becoming very costly and challenging for businesses to comply with, compounded by the

³ [Beyond Manufacturing: A New Competitiveness Agenda for the EU in partnership with retail and wholesale, EuroCommerce, 2024](#)

⁴ [NET ZERO GAME CHANGER – Tackling the hidden carbon footprint in European retail and wholesale value chains, 2024, EuroCommerce & OliverWyman](#)

⁵ [Transforming the EU Retail & Wholesale Sector, EuroCommerce & McKinsey, 2022](#)

⁶ See the [joint statement of EuroCommerce, BusinessEurope, Digital Europe, Eurchambres and ERT for Fresh Political Engagement to Renew Economic Integration in the Single Market](#) (27 June 2022) and the [joint statement of EuroCommerce, BusinessEurope, Digital Europe, Eurochambres, ERT and SMEUnited for a comprehensive long-term Single Market integration agenda](#) (29 Feb 2024)

new reporting burdens that have been introduced. This situation is cumbersome for all businesses, particularly for SMEs.

Support needed against unfair competition from non-EU based players undermining EU retail and consumer safety

European retailers and wholesalers launched a **campaign #Compliance4All** for effective and efficient enforcement of EU product safety and consumer protection rules against unfair competition of some non-EU-based traders and marketplaces.⁷

We call upon the European Commission, the Member States and national authorities to **systematically and seriously step up enforcement** of EU rules through stronger and coordinated action.

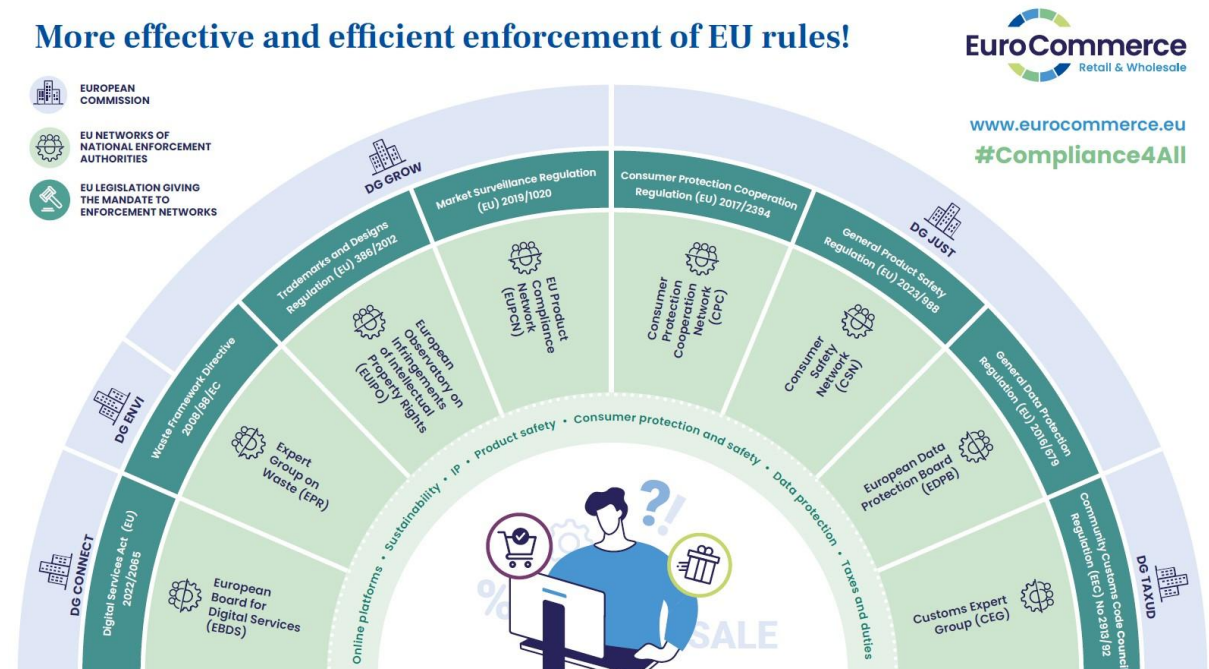
Currently, enforcement at national and EU level is scattered and not effective.

Our legal analysis shows enforcement at EU and national level is highly complex with authorities often working in silos. Resources vary significantly. Different national authorities, EU enforcement networks, and Commission services are responsible for the various relevant EU laws that are important to ensure a level playing in retail and wholesale.

Across Europe, our members have consistently reported unfair competition from non-EU-based players. This situation endangers consumer safety at risk, and exposes them to greenwashing, aggressive and misleading practices that are prohibited in the EU.

Product testing by our members and authorities shows that the majority of tested products of non-EU-based players, such as toys, cosmetics, textiles, footwear, and electronics, do not comply with EU law.

Our examples highlight widespread breaches of product safety, consumer protection, data protection, taxation, sustainability, and social compliance rules by non-EU-based players.



⁷ www.eurocommerce.eu/compliance4all

We urge enforcement authorities to start (cross-border) investigations into non-EU-based players now. Using examples available as a starting point and all relevant legal instruments as a basis.

No one can solve this alone. We need more and better cooperation and coordination at EU and national levels, within peer networks and across policy domains.

Enforceability: introduce to Impact Assessments an enforcement capacity check

Another issue that is closely linked to creating a level playing field for all businesses targeting consumers in the EU is **ensuring that the rules are enforceable**. It is often overlooked in existing and new rules how rules will be enforced over all players.

For instance, in the new rules on promoting repair and reuse of products new obligations are introduced for sellers and manufacturers, but many non-food products are produced outside the EU. So, who will ensure that in the future consumers that directly import products⁸ can have these repaired when there is no EU producer or representative in the EU and there are no spare parts, repair manuals or responsible operators? We believe that all consumers deserve effective enforcement, not only the ones shopping on local websites. This lack of achievable enforcement makes again compliant products again a bit more expensive than non-compliant products, and may increase the purchase of non-reparable products by consumers because they will be cheaper.

It is important to take enforceability into account, and in particular also cross-border collaboration and coordination of enforcement.

Therefore, we suggest introducing a reality check in the Commission's Impact Assessment or a 'dynamic impact assessment' as proposed by Letta in his report i.e. **can the proposed rules be effectively and efficiently enforced at the national and/or EU level over all relevant operators?**

Global dynamics: ensure Single Market policy is realistic

The position of the EU in the global economy is diminishing. Other economies are attracting more investments and are speeding ahead with developing and implementing new technologies. The strong competition from non-EU-based traders and marketplaces is just one sign of that. EU policymakers often still assume that EU and non-EU-based businesses will just adapt to new EU laws because of the size of the single market. However, we signal that this is no longer automatically the case. **EU law can even undermine our competitiveness and opportunities to grow and expand**. Therefore, we urge EU policymakers to be realistic. Rules are an essential part of a well-functioning market and economy, but just adding more rules and complexity is not. Therefore, we suggest integrating in Impact Assessments an additional check (e.g. as part of the competitiveness check) i.e. **how will new rules influence EU bases businesses competitiveness in a global context?**

Stop national protectionism across the EU

Across the EU we see an **increase of protectionist measures**. The aim of those measures is to give local businesses and locally produced products and advantage vis-a-vis foreign businesses, which are often businesses from elsewhere in the EU. Especially food retail has been subject to this but not exclusively. Protectionism is done **via product laws, restricting establishment, restricting B2B relationships, retail-**

⁸ Purchased directly online from a third-country trader

specific taxes, enforcement, political pressure to change behaviour, etc.⁹ The past crises have made protectionist behaviour by Member States worse.¹⁰

Member States should refrain from protectionist measures. They cannot commit every time in Council Conclusions to protecting and deepening the Single Market but do the opposite at home.¹¹ Our sector does a lot to support local suppliers and local communities. Especially food retail is a local business. Stores need to be close to consumers and provide local jobs and career opportunities, also in remote areas.¹² The diversity of business models (e.g. franchise, independent retailers, etc.) support resilience and encourage entrepreneurship. The sector uses **buying alliances** to reap the benefit of the scale of the Single Market to enable the pass through of savings to consumers. Action taken by Member States with national rules that de facto restrict the operation of alliances at EU level through requirements on the choice of law, are steps toward re-fragmentation of the Single Market to the detriment of consumers. An example is the **Descroizaille law in France**,¹³ which makes retailers and wholesalers negotiate contracts with their suppliers under French law for any products destined for France. This extra-territorial effect brings pan-European negotiations under the laws and jurisdiction of a member state not chosen by the parties, or forces them to negotiate separately to service the French market losing efficiencies, and depriving them of the freedom to choose applicable rules in breach of EU single market rules.¹⁴

Make it easier to operate cross-border

We appreciate the focus on services and recall that the Letta report mentioned that *‘particular attention should be focused on the retail sector’*.

In our view, it is concerning that **initiatives to reduce burdens, improve implementation, and ensure effective and efficient enforcement of services were very limited or unsuccessful**. While services account for about 70% of the EU economy, cross-border trade in services only accounted for 7.5% of the EU’s GDP in 2022, compared to 26.3% for goods.¹⁵

Even though you can find many retailers and wholesalers active in multiple Member States, their operations are largely country-based. However, the majority, even large ones, are only active in a limited number of Member States – pan-European players are rare. This is because **legal requirements for establishing or operating in Member States differ widely**,¹⁶ even within Member States. This is linked for example to lacking implementation and enforcement of the Services Directive and minimum harmonisation of consumer rights which continues to worsen in new EU legislation (e.g. 2019 amendments to the Price Indication Directive, 2024 Right to Repair).

In addition, **our sector continues to suffer from ‘crisis mitigating measures’** in response to the high inflation which peaked already several years ago e.g. Romania has margin caps for certain food product in place, in Hungary a special retail crisis tax is still in place and it recently lost an EU case regarding

⁹ [Single Market Barriers Overview](#), 28 January 2025, EuroCommerce

¹⁰ [Price control mechanisms at food retail level](#), 2022, EuroCommerce

¹¹ [European Council conclusion, February 2023](#)

¹² <https://www.eurocommerce.eu/farm-to-fork/>

¹³ [Loi n° 2023-221 du 30 mars 2023](#); <https://www.eurocommerce.eu/2023/03/french-law-jeopardises-the-single-market-and-affordable-consumer-prices/>.

¹⁴ Also see our [position paper Cross-border enforcement of Unfair Trading Practices in the agri-food supply chain](#)

¹⁵ SWD(2024) 78 final

¹⁶ See the [2022 Retail Restrictiveness Indicator](#) by DG GROW

food price caps.¹⁷ In this case, the Commission had not acted at all while the Court of Justice of the European Union was very clear that this was a breach of EU law.

Recommitment needed to free movement of goods

In the area of **goods**, we see that Member States introduce **more and more national rules or enforcement practices that undermine the integrity of the single market**¹⁸ and are not always applying the principle of mutual recognition.¹⁹ New EU legislation continues allowing national deviations, introducing differing rules and obligations for economic operators, diverging definitions, obliging new information and labelling requirements, imposing new regulatory and administrative burdens and enforcement of the rules over all players is often not properly worked out or considered.²⁰

National rules on labelling also lead to sometimes contradictory rules obliging retailers to relabel or repackage products for other markets (e.g. ban on Nutri-score in Romania, Triman logo in France, Italian and Spanish sorting instructions). This fragments the Single Market and leads to higher costs.

This undermines the ability of EU companies to scale up and compete globally. Next to regulatory burdens, we also see c practices like **territorial supply constraints**²¹ undermining a true Single Market.²²

In addition, we call for strong alignment with the planned Clean Industrial Deal and the announced Circular Economy Act. For example the Commission should assess barriers to transport focussing on uniform rules, usage of secondary raw materials, and ensuring that labelling requirements and reporting/measurement obligations are harmonised and act against disproportionate national rules that fragment the Single Market.

Single Market Governance: prevent or act

Regarding single market governance we believe **prevention or corrective action should take priority**. About many (draft) national rules that are reported by our members it is immediately clear that the intentions behind the new (proposed) rules are against the spirit of the single market, and that relevant elements are infringing EU rules. Member States often have to notify these rules to the European Commission and ensuring that new rules are in line with EU law should have priority. In the cases, where Member States blatantly ignore the Commission's views immediate corrective action can follow.

¹⁷ CJEU, Case C-557/23 , 12 September 2024

¹⁸ [EuroCommerce Single Market Barriers Overview](#)

¹⁹ [EuroCommerce contribution to the Commission's evaluation of the mutual recognition of goods](#)

²⁰ For more information also see www.eurocommerce.eu/compliance4all

²¹ These are barriers imposed by large multinational manufacturers that deliberately make it impossible in practice for retailers or wholesalers to buy products in one Member State and resell them in other Member States and can include direct restrictions (e.g. refusal to supply, destination obligations or quantitative limitations) and indirect restrictions (e.g. differentiation of products in terms of content/composition or packaging) in order to impede cross-border trade. According to [a study carried out for the European Commission](#), such barriers lead to a wide range of higher sourcing prices charged across the EU by manufacturers to retailers for the purchase of specific branded products. As a result, in such circumstances, consumers in those Member States may be paying higher prices than they would if retailers could source relevant supplies from the manufacturer at the cheapest price offered by the manufacturer in the EU.

²² For more information also see <https://www.eurocommerce.eu/singlemarket4all/>

These procedures should be shorter and the burden should fall on Member States if they do not comply with deadlines or provide incomplete, incorrect or misleading information.

Single Market Barriers Prevention Act

Notifications of national rules are an important preventive tool for the Commission, Member States and stakeholders to keep track but also to ensure compliance with EU law. For example, EuroCommerce regularly contributes to TRIS notification. Based on our experience the following issues should be addressed regarding notifications in general:

- Member States (intentionally) do not always notify national rules and the number of rules notified varies a lot;²³
- Member States even less so notify final draft rules;
- Justifications of new rules in notifications are often vague or missing;
- Proportionality and necessity assessments are usually missing;
- After the standstill period (TRIS) expires it is not always clear what will happen and this leads to legal uncertainty.

Introduce Single Market suspension injunction powers

Every year EuroCommerce lodges several complaints against Member States. This is a measure of last resort. The focus is always on **preventing infringements from occurring** at all, because infringement procedures can take years and the outcome is uncertain. For businesses and citizens, this means that they need to adapt to reality and comply with infringing rules. Even if the infringement is removed the damage has been done, and businesses and citizens still have to separately to court in case they have suffered damages. It may help if the Commission has the power of issuing a **suspension injunction when there is a clear violation of EU law**. It would ensure that in those cases businesses and citizens do not suffer damages, and deter Member States to introduce opportunistic and protectionist measures. Such a suspension injunction should be followed by an investigation like under EU Competition Law.

Improve quality of legislation

Retailers and wholesalers are subject to many different EU rules: legislation on food and non-food products, consumer protection, digital, sustainability, taxation, supply chains, payments, etc. This leads to a high cumulative burden .

The quality of legislation is lacking and better regulation principles are not respected. The role and responsibilities (i.e. what we can do) of retailers and wholesalers are often misunderstood and rules are very prescriptive. Instead of harmonising rules at EU level, minimum harmonisation is codified, reviews of legislation lead to new layers and more complexity, an endless list of new and sometimes overlapping information and reporting requirements without coherence is introduced, new impactful

²³ See [Notifications in the field of technical regulations \(TRIS\) and services \(IMI\) | Single Market Scoreboard](#). In 2023 15 Member States did not notify any services notification via IMI. For goods/TRIS in 2023, 16 countries provided less than 15 notifications each, while the remaining 17 countries provided on average 41 notifications each.

requirements are added by the Council or EP without any assessment, proposals that are clearly linked are not coordinated and concluded at the same time.²⁴

EuroCommerce has been spending more and more of its resources in the past years to support members with the implementation of new rules, instead of working on new upcoming policy issues.

It is becoming almost impossible for SMEs and even compliance teams from large retailers and wholesalers to keep up with the change, and to understand what a priority is and what is not. The Commission, the Council and the European Parliament must make it manageable for all retailers and wholesalers to implement the new rules.

The Draghi report and Budapest declaration highlight the European Commission's pledge to cut reporting requirements by 25% overall, with a 35% reduction for small businesses. Rationalising reporting requirements to reduce administrative burdens, will allow businesses to invest more in growth, sustainability, digitalisation, and skills transformation. This needs better assessment of practicability, duplications and indirect effect in impact assessments, the introduction of a once-only principle where possible, examination of reporting requirements and in the evaluation process, include an analysis of reporting requirements to keep only those that are necessary, being used, not duplicated and adapt requirements where they could be streamlined.

Burden reduction & simplification

We support the objectives of the Commission's initiative but we want to emphasise that this strategy should be carried by all relevant Commission services. In particular by, but not limited to, DG JUST, DG ENVI, DG AGRI, DG SANTE, DG TAXUD and DG CNECT. There are strong single market dimensions in the work of Commission services outside DG GROW, and we regularly see that the level of understanding of the functioning of the single market and core single market principles varies.²⁵

We provide a number of suggestions in **Annex II** of this paper.

We kindly also refer to our [position paper on the 30th anniversary of the Single Market](#).

We look forward to continuing to contribute to your work and we are at your disposal for further information.

²⁴ Price Indication Directive, Promoting repair and reuse, Ecodesign for Sustainable Products Legislation, DSA, Empowering Consumer for the Green Transition & Green claims, Modernisation of Consumer Law Directive, withdrawal button in Financial Services Directive, Waste Framework Directive and Waste criteria for textiles, etc.

²⁵ For more information also see our position paper [Consumer trust is essential to enable the green & digital transformation in retail](#) (page 4 "Ensure clear and balanced roles and responsibilities of every supply chain actor")

Annex I – various recommendations

Find more details about our recommendations 1 to 46 in our [paper on the 30th anniversary of the Single Market](#).

1. Bring the Single Market back to the top political priorities for all EU institutions and make the Single Market an attractive place to invest. A renewed commitment from all EU institutions and Member States to achieve this goal is necessary.
2. Stop the regulatory avalanche. A rapidly changing regulatory landscape with increasing obligations for businesses makes compliance more difficult, for all businesses but especially for SMEs.
3. The Commission should consistently enforce EU law, looking at national measures regularly. The Commission should carry out regular screenings of national measures and assess their compliance with the Single Market principles.
4. Member States should refrain from adoption infringing measures and take into account indirect damages due to draft laws that businesses anticipate that they need to comply with.
5. The Commission and Member States should ensure that all relevant draft measures are notified and are in line with EU law.
6. Member States should submit a proportionality assessment when they notify a draft measure, this could be part of the Commission's idea for a single notification entry point.
7. Implement a fast-track notification procedure for temporary crisis-related measures restricting the four freedoms.
8. We ask the EU Commission and member states to take decisive action to make Territorial Supply Constraints history, by:
 - a. Making better use of competition enforcement measures (through investigations under EU competition rules like the ones in [AB InBev](#) and [Mondelez](#));
 - b. prohibiting territorial supply constraints which discriminate a retailer or wholesaler on the basis of its place of establishment through existing or new common EU rules.
 - c. Monitoring the progress in stopping territorial supply constraints through an annual review process.
9. Member States should seek for EU harmonisation where appropriate and possible, especially for labelling.
10. Any EU labelling legislation should work toward ensuring the smooth functioning of the internal market and not impose trade restraints.
11. The Commission should adopt a coordinated approach to allow for digital means to provide product information.
12. The EU needs to extend the existing VAT One Stop Shop system to all goods transactions where the seller is not located in the EU country of taxation:
 - a. Extension to cross-border movement of own inventory across the EU;
 - b. Extension to domestic sales from distribution hubs by a seller that is not established in that EU country.
13. EuroCommerce calls upon the Commission to resolve the issue and clarify and amplify VTA relief solutions for charitable donations to align VAT rules with EU environmental and circular economy objectives.²⁶
14. The European Commission should ensure that the Services Directive is well-implemented and enforced across the EU.
15. The Commission and Member States should reduce fragmentation by removing disproportionate and unnecessary national and regional measures. The Commission could provide further guidance on proportionality to Member States following its study on

²⁶ <https://www.eurocommerce.eu/app/uploads/2023/09/20230906-eurocommerce-position-paper-vat-relief-for-donations.pdf>

proportionality.²⁷

16. Improve the existing notification procedure under the Services Directive.
17. We encourage the Commission to regularly update the RRI and improve it where necessary, also in dialogue with retail and wholesale stakeholders.
18. The Commission should discuss the outcome with the Member States bilaterally, in the Single Market Enforcement Taskforce (SMET), and also in the Services Directive Working Group. The aim should be to exchange on good regulatory practice that will help Member States to achieve their public policy objectives in the most effective and efficient way, in line with the Services Directive.
19. Set clear and harmonised rules at EU level, addressing product sustainability (incl. Performance and information requirements) and a Single Market for Waste (e.g. Extended producer responsibility, waste definitions).
20. Make sure that there are common definitions in place across the EU for circular economy.
21. Create a Single Market for waste and avoid fragmentation to achieve a circular economy. The Commission should ensure that national packaging labelling legislation do not fragment the Single Market and react promptly to rules that act as barrier to trade.
22. Have a legal framework that enables experimenting and allows new digital and sustainable business models to grow (VBER, HBER, AI Act, Data Act, DSA, DMA, etc), and refrain from over-prescriptive legislation.
23. Adopt a channel neutral approach, which ensures a level playing field, including in relation to taxation and other rules that operates equitably across industries and between different forms of business activities and business models and avoids national standalone measures that can fragment the Single Market further.
24. Ensure effective enforcement in Member States, cross-border and also of third-country players that target EU-based consumers.
25. Facilitate access to funding and empower retail and wholesale associations so they have the resources, knowledge and skills to enable companies to use the funding programmes (e.g., grants, loans, fiscal incentives, etc.) to support skills development and transformation and find quality training providers.
26. Continue engagement, support services and project finance for the Pact for Skills/Skills Partnership to enable collaboration (e.g. among social partners, private companies, public authorities and education and training providers) to design and implement education and training programmes to address skills shortages, basic skills needs (e.g. digital skills) and anticipate new skills needs.
27. Analyse and assess common industry skills needs to build up the pool of talent needed for the digital and green transformation (e.g. data scientists, engineers and technicians) and work with Member States to enable this (e.g. through dedicated chapters in the European Semester country reports).
28. Enable international and national learning mobility through, for instance, eliminating barriers for vocational educational and training VET learners and apprentices to participate in exchange programmes across EU in the retail and wholesale sector. This will enable opportunities for career development in EU industry, particularly for the retail and wholesale sector.
29. Raise the profile and provide further resources for the Large Skills Partnership for Retail, to encourage greater participation from interested stakeholders that could support and contribute to best practice exchange or other initiatives that may be developed to reach the objectives of the partnership.
30. Each economic actor in the Single Market should carry out responsibilities that correspond and are proportionate to its activity and level in the chain.
31. The Commission and Member States should via the Consumer Protection Cooperation Network test whether EU consumer protection law is fit for purpose regarding emerging issues online;
32. New policy proposals should be evidence-based, accompanied by a proper impact assessment and stakeholder consultation. Including a careful assessment of which type of traders are causing the problem (i.e. is there a problem with EU based traders or third country traders?).
33. Reflect how Single Market freedoms can be better understood within the Commission and incorporated into transposition meetings to reduce or curtail goldplating, especially where this affects the level playing field or fragments the Single Market.

²⁷ [Study on the proportionality assessment by the Member States when adopting the retail establishment related requirements pursuant to Directive 2006/123/EC, European Commission, 2022](#)

34. The EU institutions should avoid regularly changing EU Consumer Law as has now happened over the past two Commission mandates. This will ease the compliance burden on retail and make it easier to understand how to be compliant
35. The Commission should have the power to issue a suspension injunction in case a national measure clearly breaches Single Market rules. This should be followed by an in-depth investigation where Member States have the right of appeal.
36. The Commission should review its internal infringement procedure processes and make them more automatic, transparent and faster. If in a procedure certain conditions are met then the next step should be automatic and not subject to other considerations. The Commission should be transparent about why a case is not progressing as it should.
37. The Commission should apply a zero-tolerance policy against protectionist measures. These directly undermine trust among Member States and the integrity of the Single Market.
38. Member States should renew their commitment to the Single Market and refrain from adopting protectionist measures.
39. The Commission should recognise and ensure the benefits that European alliances and the Single Market for sourcing, remain so retailers and wholesalers can offer consumers better prices and more choice.
40. The Single Market Enforcement Taskforce could play a role to prevent or resolve protectionist measures, especially where there is a risk other Member States will implement similar initiatives; but should not replace swift and decisive enforcement by the Commission.
41. We encourage the Commission to continue its work on Rule of Law, and in particular further develop the impact on businesses in the Annual Rule of Law Report.
42. The European Commission should make an assessment of where the costs of fragmentation in the Single Market is highest and develop together with the Member States a concrete action plan to reduce the burden of fragmentation significantly for businesses and consumers.
43. Member States should refrain from adopting national diverging rules; ensure proper impact assessments assessing whether national rules are properly justified, proportionate and non-discriminatory; notify all relevant national (draft) measures.
44. The EU institutions should strive for maximum harmonisation and add single market clauses to EU legislation.
45. The Commission could provide guidance to Member States where necessary. the Commission should consider what further support it can provide to Member States to raise the overall level of understanding and assessment of proportionality (e.g., workshops, a roadshow, best practice exchange, and other capacity building).
46. Ensure that at EU level all legislative proposals and substantive amendments are accompanied by an impact assessment and proper stakeholder consultation (e.g. Price Indication Directive, dual quality in the UCPD, withdrawal function in the Financial Services Directive, etc.).

Find more details about our recommendations 47 to 57 in our paper [“Consumer trust is essential to enable the green & digital transformation in retail”](#)

47. For the next mandate, we would recommend that the EU institutions map all existing consumer information requirements in all EU legislation, and based on that mapping discuss with stakeholders how to ensure consumer information remains meaningful, understandable and manageable.
48. EuroCommerce encourages the Commission to develop a coordinated and uniform EU-level approach to providing consumer information, including via digital tools, with all relevant stakeholders.
49. We recommend that the EU institutions explore together with stakeholders how Digital Product Passports can complement consumers’ access to information.
50. We recommend being mindful of the differences between EU Product Law and Consumer Law, and to ensure legal consistency and simplicity to increase legal certainty and keep the

compliance burden for businesses as limited as possible. Clear and consistent legislation is also in the interest of consumers.

51. We recommend that Member States refrain from introducing unnecessary, diverging and disproportionate national consumer information requirements, notify any draft rules according to the procedure set out in the Single Market Transparency Directive, and that as appropriate the Commission acts decisively in its role as 'Guardian of the Treaties'. We encourage EU level harmonisation where appropriate and possible, and allow for a flexible approach elsewhere.
52. We recommend that the European Commission and Member States, with the support of other stakeholders, develop continuous awareness campaigns and tools for consumers and businesses regarding their rights, obligations and achieving relevant EU policy objectives.
53. We urge the Commission and Member States to improve enforcement of existing rules and to test whether existing rules are fit for purpose against new unfair practices.
54. We urge the Commission and Member States to consider in future assessments which traders are breaching EU consumer protection rules, to prevent unnecessary new rules on traders that are or strive to be compliant.
55. We urge EU legislators to ensure that when reviewing or creating new rules they make sure that these are enforceable over all players targeting consumers in the EU to ensure a level playing field.
56. We recommend setting up a structured dialogue between CPC authorities, traders and other stakeholders:
 - to identify areas of systemic infringements where overall stronger enforcement is needed;
 - to develop an EU enforcement and compliance priority agenda, where CPC members commit to focusing on a different priority area every six months, accompanied by compliance awareness campaigns for traders by CPC authorities and trade associations.
 - We recommend Member States to focus more on helping traders to be compliant and take a risk-based approach focussing on catching rogue traders.
57. We urge the EU institutions to make quality of legislation a priority, by taking into account (better):
 - Every EU initiative should be accompanied by an impact assessment and competitiveness check;²⁸
 - Preparation of an impact assessment of every amendment with a high impact;
 - Coherence and coordination between different policy fields and align legislative agendas;
 - The overall (new) regulatory burden in certain sectors and make the implementation and anticipation of new rules manageable;

²⁸ Long-term competitiveness of the EU: looking beyond 2030, COM(2023) 168 final

- Maximum harmonisation where appropriate and possible by default.

Find more details about our recommendations 58 to 60 in our paper [“Beyond Manufacturing: A New Competitiveness Agenda for the EU in partnership with retail and wholesale”](#)

58. Retailers and wholesalers need a competitiveness agenda shaped by an EU that:

- Acts bold and bravely on the Single Market**, valuing **free and fair competition**. Ensuring that the horizontal Single Market Strategy is developed in a way that puts enforcement at the forefront, ensures the removal of barriers and improves the business environment with concrete actions to improve and simplify legislation and address fragmentation.
- Equips itself with the tools to support diversification**, such as ambitious trade agreements that support market access, safeguard investments, secures mutual reliance, and supports and protects global trade routes.
- Values the variety and diversity of business models, which support resilience** and prioritises the conditions that **foster the growth of new entrants and business models** (e.g. supporting start-ups by reducing administrative burden and increasing access to capital).
- Invests in infrastructure** and reduces costs (e.g. energy, recycling, waste).

59. Retailers and wholesalers need continued momentum on the Retail Transition Pathway:²⁹

- The adoption of a true **ecosystem approach** that ensures all relevant actors play their part and their roles, responsibilities and relationships are understood.
- To use the Transition Pathways** to check if legislation promotes competitiveness and aligns with the vision and actions they contain.
- An **Industrial Forum that maintains its leadership role** in the implementation of the strategy, ensuring it is a place for solution-oriented discussions, not just reporting. Becoming a real forum to evaluate progress, key trends, challenges and opportunities facing businesses.
- Creating the **link to the Retail Transition Pathway to ensure greater coordination** of policies through the European Semester.

60. The EU needs to **strike a better balance between regulation and innovation** to give more legal certainty and predictability for EU retailers and wholesalers to innovate, globally, nationally and locally in a business environment that enables decisions balanced with business risk. This means:

- Focus more on implementation** and give **more room for non-regulatory approaches**.
- Focus on stability** and give room for businesses to make decisions that fit with businesses that work with strategic plans over a longer term, not short-term vision.

²⁹ [SWD\(2023\) 283 final, COMMISSION STAFF WORKING DOCUMENT, Co-creation of a transition pathway for a more resilient, digital and green retail ecosystem](#)

- c) **Continue the momentum on the Transition Pathways** and use them as part of the 'competitiveness check'.
- d) **Develop legislation trackers** on the supporting online portals for the Transition Pathways. This will help businesses prepare for implementation and help policymakers monitor the cumulative burden.
- e) **Consult with stakeholders throughout the full development of initiatives**, increase the number of milestones where input is systematically collected, **and fully test all options before implementation** to spot unintended consequences in advance.
- f) **Ensure consistency and prioritisation of goals**, to stop legislation pulling in different directions with no common thread.
- g) **Add a new focus on relevance** (e.g. sunset clauses) and removal of forced stagnation (e.g. lack of legal certainty, slow guidance, etc.).
- h) **Learn from experience** (incl. previous mandates) and **use our better regulation checklist**.³⁰
- i) **Use AI tools (e.g. adapting what has been developed by Deloitte³¹) to check the degree of variation between a proposal and the final text agreed by co-legislators, and to test the quality of impact assessments.** Testing the assumption that the higher degree of variation comes from too little time spent preparing a legislative proposal, the origin of a proposal or the basis for agreement (e.g. qualified majority vote, unanimity), will help improve legislative quality by understanding why the co-legislative procedure leads to major variations (indicating issues with the original proposal and/or the procedure).
- j) **Develop initiatives that help all businesses particularly SMEs manage the regulatory obligations more efficiently**, by streamlining compliance processes, providing financial support, offering expert guidance, implementing training programmes and developing digital tools to automate compliance tasks, to significantly reduce administrative burden.

Other suggestions

61. The Commission needs to harmonize guidelines across legislation to eliminate redundant reporting, such as the current overlap between EU Taxonomy and CSRD requirements. Finally, consistent implementation of sustainability reporting standards must be ensured across Member States and stakeholders.

62. Mario Draghi rightly identifies the urgent need to strengthen EU productivity, particularly through using digital technologies. Digital transformation is a key driver of economic growth and employment. While effective data mobility is crucial for digitalization, balancing data protection with free data flow remains challenging. Current inter-EU data transfer restrictions

³⁰ See Annex II

³¹ [Eindrapport Strengere richtlijnimplementatie en impact ondernemingsklimaat 2019-2023 | Rapport | Rijksoverheid.nl](https://www.rijksoverheid.nl/onderwerpen/eindrapport-strengere-richtlijnimplementatie-en-impact-ondernemingsklimaat-2019-2023)

undermine both the Free-Flow of Non-personal Data Regulation and Digital Single Market goals. Existing data localization requirements create disproportionate costs for businesses, especially SMEs, while creating barriers for innovative data-driven companies. This has led to the paradoxical situation where expansion outside the EU is often easier than within it. To address these challenges, a comprehensive "28th regime" as suggested by Enrico Letta should establish unified regulations that eliminate Digital Single Market barriers affecting cross-border digital services. The new framework needs to provide clear, unified regulations for businesses of all sizes, from startups to established companies. By streamlining regulatory oversight and compliance mechanisms, this approach would enable companies to reduce compliance costs and enhance their competitiveness both within Europe and globally.

63. In addition, the EU faces significant challenges in creating a unified digital Single Market due to inconsistent privacy regulation implementation across Member States. Despite the GDPR's aim to harmonize data protection, the current regulatory landscape creates obstacles for businesses operating across borders. Multiple overlapping regulations, including the GDPR, DSA, DMA, and AI Act, have created a complex and sometimes contradictory regulatory environment. National Data Protection Authorities often interpret and enforce these regulations differently, leading to legal uncertainty and increased compliance costs for businesses. To address these challenges, several solutions have been proposed. These include creating unified guidance for digital regulations, establishing EU-level regulatory sandboxes, and developing standardized compliance tools. Additionally, improving coordination between regulatory authorities and implementing binding EU-wide interpretations would help reduce fragmentation while maintaining strong data protection standards. These measures would ultimately support business growth across the Single Market while ensuring consistent privacy protection for EU citizens.
64. Digital tools can also and in particular support SMEs to reduce costs, simplify procedures and create conditions for growth in the Single Market. There are several proposals how digital tools can simplify and standardize regulatory requirements, reduce burdens and remove trade barriers within the Single Market:
- a. **Recognition of digital labels and the Digital Product passport as a full replacement for physical labelling:** The Letta report highlights how divergent labelling requirements across EU Member States create significant barriers to the single market. With the EU's language diversity, physical labelling in multiple languages poses a particular challenge. Small and medium-sized enterprises (SMEs) often struggle to enter new markets due to the costs of producing multilingual labels, while products lacking local language instructions risk removal from sale. Digital labelling solutions and the Digital Product Passport (DPP), offer a compelling alternative to these challenges. These digital tools enable real-time updates of compliance information and facilitate seamless cross-border trade. The transition to digital labelling would enhance product availability and competitive pricing across all Member States while providing broader market access for SMEs. This technological shift also supports EU sustainability targets by significantly reducing resource consumption associated with physical labels.
 - b. The complex landscape of **Extended Producer Responsibility (EPR)** regulations across EU Member States poses significant financial and bureaucratic challenges, particularly for small and medium-sized enterprises. With over 100 distinct EPR regulations throughout the EU, companies face complex compliance requirements. This stems

from multiple factors: (1) varying product categories requiring registration in different member states, (2) diverse data submission requirements, and (2) inconsistent registration procedures not only between countries but also within individual nations. For instance, in Germany, the registration process for single-use plastics differs from that of packaging or Waste Electrical and Electronic Equipment (WEEE). To address these challenges, we propose a digital umbrella platform that would serve as a unified interface for all EPR-related activities. This one-stop solution would streamline operations by consolidating all current and future EPR product groups across member states into a single online portal, integrating registration, reporting, and payment functions.

- c. **Single VAT Registration:** We welcome the EU Finance Ministers' recent political agreement on the "VAT in the Digital Age" (ViDA) legislative package, that marks a significant step forward, particularly regarding Single VAT Registration reforms. The initiative expands the current VAT One Stop Shop (OSS) system to encompass own stock movements and domestic B2C sales. This expansion will prove especially valuable for SMEs, enabling them to operate across the EU with just one VAT registration and utilize a unified pan-EU reporting platform. To ensure the initiative's success, ongoing collaboration with key stakeholders, including business associations and industry representatives, will be crucial for achieving smooth implementation by July 2028. This cooperation will help address various challenges - whether technical, legal, or operational - to facilitate widespread adoption of the enhanced OSS system. Currently, businesses conducting cross-border trade within the EU face substantial burdens: approximately €8,000 in VAT compliance costs per country annually, with VAT registration requiring an average of 13 documents and a 100-day waiting period for obtaining a national VAT number. These costly and time-consuming requirements create significant obstacles to intra-EU commerce and economic development, particularly affecting the millions of SMEs that form the foundation of the EU economy. The current EU VAT framework presents a significant Single Market barrier by creating financial and regulatory obstacles to charitable donations of excess inventory. While product destruction is VAT-free, donations incur VAT charges (averaging 20% on cost), making donations economically unfeasible for businesses, particularly SMEs. Although some Member States offer limited VAT exemptions for donations, mainly related to food donations, the fragmented regulatory landscape across the EU creates substantial administrative burdens and inconsistencies that hinder the implementation of cross-border donation programs. This misalignment between tax policy and circular economy objectives results in millions of usable products being destroyed annually instead of being donated to benefit communities in need, directly contradicting the EU's sustainability goals and creating unnecessary barriers to the free movement of goods for charitable purposes within the Single Market. To address this barrier, we propose that the Commission either amend the EU VAT Directive to explicitly allow Member States to introduce a broad VAT zero-rate for donations of non-food products, or issue guidelines supporting a broader interpretation of current EU VAT rules with simplified documentary requirements. This solution would not result in VAT revenue loss, as these products are currently being destroyed rather than donated, and would align tax policies with the EU's circular economy agenda while supporting businesses' existing sustainability initiatives.

65. In an increasingly interconnected global economy, businesses of all sizes play a vital role in driving innovation, fostering economic growth, and creating employment opportunities.

However, particularly SMEs often face significant challenges in participating fully in cross-border trade, due to inefficiencies in the **EU digital payment ecosystems**. To unlock the full potential for SMEs and strengthen the EU single market, it is imperative to establish an efficient and seamless digital payments infrastructure and an EU policy and regulatory framework supporting this. Whilst the EU payments legislative framework, and particularly the revised Payment Services Directive (PSD2) and the Interchange Fee Regulation (IFR), have positively contributed to a more competitive European Payment ecosystem and driving trust by protecting customers from abuse, more work remains to be done to achieve more competition and choice, lower the cost of payments and achieve greater convenience and speed. For example, financial literacy of consumers and businesses can be improved through enhancing transparency of payment costs and through allowing surcharging for payments as a tool for businesses to inform consumer of the consequences of their chosen payment method. As another example, Strong Customer Authentication (SCA) is a critical tool for combatting fraud and enhancing the security of online payments. However it is essential to strike the right balance between stringent security measures and the smooth flow of legitimate transactions. To achieve this, SCA must be made more effective by targeting high-risk transactions, thereby minimizing friction for legitimate transactions. This should be done through a risk-based and outcome-focused approach that emphasizes payment success and ensures harmonized use of exceptions.

66. **Performance Requirements:** Member States coming up with their national indexes (e.g. French and Belgian reparability index)

67. **Standardisation Regulation:**

- a. Workable and industry-aligned standards that prevent fragmentation across Member States and can support sustainable and competitive business models are needed.
- b. Avoid the increased compliance costs for businesses operating in multiple jurisdictions => *a single market barrier when businesses need to operate on different standards per MS.*

68. **Circular Economy Act**

- a. We need a more harmonised approach to ensure that the CE takes off – and we need one European Circular Economy and not 27 different ones leading to additional operating/compliance costs.
- b. Digital one-stop-shop: Our sector has since long called for more simplification of Extended Producer Responsibility obligations and reporting via a one-stop-shop approach.
- c. Coherence and harmonized implementation across Member States regarding end-of-waste criteria.
- d. Support the development of a single market for waste, enabling the free movement and trade of secondary materials while providing businesses with the certainty and predictability needed to invest in circular business models.

69. **Product Legislation, New Legislative Framework & Level Playing Field**

- a. Clear and consistent interpretation and definitions of economic operators and their responsibilities across all product legislation (including GPSR) and across the EU are essential.
- b. Embrace the digitalisation of product information, including the implementation of the Digital Product Passport. *Harmonization of digital solutions across Member States* (and simplification of dissemination of supply chain information (e.g. via the Digital Product Passport).
- c. Coordinate and align the enforcement mechanisms of existing legislation (Market Surveillance, GPSR, UCPD, DSA, ECHA enforcement forum)

70. **Implementation CS3D/EUDR:** as an essential sector we need to be consulted for the accompanying measures like guidelines, support actions **and guidance to ensure maximum harmonisation of application across the EU.**

71. New **CMO wine labelling rules** / [Commission Delegated Regulation \(EU\) 2023/1606](#).

- a) The amended CMO Regulation allows the nutrition declaration and ingredient list to be provided electronically via a link or QR code on the package or label.
- b) The European Commission (EC) is working towards a harmonised approach to digital labels and QR code headings.
- c) Among 15 Member State replies on feedback of implementation:
 - i. The majority (11) agree that headings must explicitly reference ingredients, nutritional information, or both if provided electronically.
 - ii. Two Member States opposed this, supporting an "Ingredients-only" heading.
 - iii. The EC supports the majority view, emphasising "Nutrition" must be explicitly mentioned to avoid sectoral impact and promote harmonisation.
 - iv. The issue remains unresolved, a harmonised approach is desired, the EC's capacity to enforce full alignment is limited. Further actions needed following the recommendations of the [High-Level Working Group](#) (HLWG).

72. **Origin labelling**

- a) Indicating the country of origin is already mandatory for certain food products, including fresh fruit and vegetables, fishery products, honey, olive oil, eggs, unprocessed meat (swine, sheep, goat, and poultry), and the primary ingredient of a food when it differs from the origin stated for the whole product.
- b) In the absence of EU-wide rules, some Member States have enacted national legislation requiring mandatory origin labelling for additional food categories.
- c) New rules from **1 January 2025** extend mandatory country-of-origin labelling to certain processed fruit and vegetable products, nuts, dried fruits, and ready-to-eat produce (e.g., salad packs).
- d) Concerns of broadening:
 - Potential administrative burden on food companies, limiting flexibility in ingredient sourcing.
 - For example in the case of fruit in juice, jams and marmalades, and the sugar in jams there has been no impact assessment conducted on these issues (pushed by the EP-hence Commission needs to prepare a report on this by Q2 2027).
 - cases like fruit in juice, jams, marmalades, or sugar in jams. These issues have not been fully assessed, as there was no impact study conducted.
 - Meanwhile, there is a broader pressure on the Commission to extend mandatory country-of-origin labelling to more food categories, including milk in dairy products and meat used in processed foods. The European Court of Auditors has also called for action, and the Commission has committed to addressing these issues by 2027.

Chemicals:

- Member States announcing national bans while there are ongoing EU restrictions (e.g. PFAS: Denmark/Belgium/France, or e.g. the French banned TiO₂/E171 alone and then the EU followed)

Annex II – Better Regulation Checklist

Delivering high impact, high quality, low-cost legislation.

- 1. Practicability:** Map the practical consequences of legislation in advance examining what processes and practical steps that businesses need to take to comply with. Involve the public authorities as well as the cities and other regional and local actors, who will need to be involved in implementation from the start.

Lessons to learn:

- Several guidelines will need to be adopted under the **Artificial Intelligence Act**³². Some of them are also expected to provide clarity on provisions that will likely start being applicable in the upcoming six months (i.e. the one on the definition and the one on prohibited practice). Essential work will also need to be done on the guidelines providing concrete examples on high-risk AI systems. Providers and deployers of AI may be discouraged to invest in AI and other technologies if they do not know in advance what are the obligations they will have to comply with. This really risks hampering innovation and competition in the single market. Despite this and ahead of the guidelines, the Commission has announced in the mission letter³³ to Commissioner Designate Roxana Mînzatu **an initiative on algorithmic management in the workplace**. This implies there is a legal gap that is not covered by the AI Act or the GDPR before concrete examples are developed.
- The logical and proportionate division of responsibilities among economic operators has been ignored in **the Deforestation Regulation, Construction Products and Cyber Resilience Act**.³⁴ Making the distribution sector responsible when it is not in control of production, design or standards of products that it distributes, and does not first place it on the market, gives responsibilities that is outside the sphere of influence of the sector can take on. Responsibilities should be assigned in line with commonly applied and generally accepted division between producers, manufacturers and importers in EU product law as set down in General Product Safety rules. This similarly applies when responsibility is given to police the supply chain to distributors, when this should be the role of enforcement authorities.
- The **Corporate Sustainability Due Diligence Directive**³⁵ requires companies to set up a system to identify social and environmental impacts along their supply chain. As SMEs indirectly fall within its scope, they will need to check whether the supplier of a supplier is in breach of the requirements of the Directive, including compliance with 23 international human rights and environmental conventions. This needs to be done at the request of the larger business partner/distributor who is within scope of the Directive, with civil liability attached to non-compliance.
- Not receiving important tools from the Commission in time, such as the information system and the application interface application, as well as lacking essential guidance and clarifications necessary for businesses to comply with the **Deforestation Regulation (EUDR (EU Deforestation**

³² Excellence and trust in artificial intelligence - European Commission (europa.eu)

³³ See: *mission letter*

³⁴ A joint letter was sent from EuroCommerce to Commissioner Breton together with other associations on responsibilities in November 2022.

³⁵ Directive - EU - 2024/1760 - EN - EUR-Lex (europa.eu)

Regulation))³⁶ made it very difficult to meet the application date at the end of 2024 and resulted in an a proposed amendment for an extension of the transition period by one year.

- Pursuant to the new **Ecodesign for Sustainable Products Regulation (ESPR)**³⁷ a number of delegated acts will be adopted, establishing mandatory ecodesign requirements for products to be able to enter the EU market. The development of these delegated acts will be key – consultations to the **new Ecodesign** Forum and collaboration with the stakeholders therein will be crucial to develop scalable, feasible, impactful and efficient ecodesign requirements.
- The **Energy Performance of Buildings Directive**³⁸ introduces requirements for charging stations, pre-cabling and solar on buildings that also need to match with local conditions, including planning, mobility plans and structural and technical feasibility when introduced to existing buildings (e.g. underground car parks depending on load bearing capacity).
- The Commission adopted **restrictions on microplastics**³⁹ on 25 September 2023, which include an implicit ban on loose glitter. The measure entered into force 20 days later (i.e. 17 October 2023). However, the definition of glitter and what is banned or not is unclear. Despite the promise made by the Commission to provide guidance (initially expected by the end of 2023), the document was still awaited in October 2024.
- Pictograms and markings required for **the Single Use Plastics Directive**⁴⁰ were provided after the deadline in the legislation. This made adjustments in the supply chain harder and more complicated as economic operators waited for the correct specifications.
- The lack of impact assessment on **Article 6a of the Price Indication Directive**⁴¹ meant the large variety of marketing practices across the EU were not considered, creating legal uncertainty among businesses.
- Several delegated acts and guidance will need to complement the **Packaging and Packaging Waste Regulation**. Some of them will be technical requirements that require close collaboration with the businesses.

2. Workability: Involve the companies and public authorities that will be affected by measures/controls/certification/monitoring to find out how, when and where the requirements need to be managed and enable them to plan the resources they need. Engage companies and public authorities in understanding how reporting will work in practice, developing single reporting tools as needed, working with them if new obligations arise in the legislative negotiations and ensuring public authorities have the infrastructure in place.

³⁶ [Regulation on Deforestation-free products - European Commission \(europa.eu\)](#)

³⁷ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32024R1781&qid=1719580391746>

³⁸ [Directive - EU - 2024/1275 - EN - EUR-Lex \(europa.eu\)](#)

³⁹ [Commission Regulation \(EU\) 2023/... of 25 September 2023 amending Annex XVII to Regulation \(EC\) No 1907/2006 of the European Parliament and of the Council concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals \(REACH\) as regards synthetic polymer microparticles \(europa.eu\)](#)

⁴⁰ [Single-use plastics - European Commission \(europa.eu\)](#)

⁴¹ [Price indication directive - European Commission \(europa.eu\)](#)

Lessons to learn:

- The transitional phase of the EU **Carbon Border Adjustment Mechanism (CBAM)**⁴², which started on 1 October 2023, requires companies importing iron and steel, aluminium, cement, fertilisers and energy from most countries to extensive reporting obligations and data gathering. Traders, and as such the voice of importers, are excluded from being part of the EU CBAM Expert Group which has been exclusively created for EU producers irrespective that importers need to comply with CBAM. The possibility of using default values to calculate CO₂-emissions has been widely abolished since 1 July 2024 also exacerbates the situation.
- An upcoming set of amendments to the **Common Market Organisation Regulation** was announced by the European Commission following weeks of protests by farmers in a 'non-paper' (i.e. a non-public letter) to the European Council. The proposals have so far been subject to no open public consultations among stakeholders.
- The **CESOP legislation tackling VAT fraud in ecommerce**⁴³ requires payment service providers to store 7 years of data for cross-border e-commerce transactions if done more than 25 times a month with the same counterparty. This reporting/data storage requirement will have a high cost for payment service providers to comply with, which they will eventually charge to their customers, the merchants such as retailers and wholesalers.
- The **Ecodesign for Sustainable Products Regulation (ESPR)**⁴⁴ introduces a **ban on the destruction of unsold goods, specifically apparel and footwear**, as well as an obligation on economic operators to disclose information on discarded unsold consumer goods. The first disclosure is expected to cover unsold goods during the first full financial year after the ESPR comes into effect (year 2025). However, secondary legislation on the reporting obligations will not come until 12 months after the entry into force of the ESPR. Companies need clear reporting rules that lay down adequate timelines and clarify reporting format and a standardised methodology.
- The ongoing revision of the **Waste Framework Directive** introduces an **extended producer responsibility (EPR)** scheme. Being a Directive, companies will face the rules being phased in through 27 different EPR schemes with different reporting obligations, requirements, scope. To be able to develop the needed European secondary raw materials market and to avoid distorting the Single Market, more harmonisation and interoperability are urgently needed.
- The **Market Transparency Regulation** has been amended to reduce the frequency retail data is provided from weekly to monthly for some products because the collection of retail buying prices was found to be too difficult.⁴⁵ While this reduction in reporting requirements is welcomed, there are other problems with the data collection. In particular, there is an underuse of the data by some Member States leading to the Commission searching for ways to encourage use of the data that companies are mandated to report.
- In the Netherlands, **rules for organic products**⁴⁶ require providers to maintain detailed records such as packaging slips, certificates and separate bookkeeping. They must also take extensive measures to stop organic products being mixed with other products that ironically encourage the use of more

⁴² https://taxation-customs.ec.europa.eu/document/download/c4b208a6-3945-4dcd-84d3-5f9551578851_en

⁴³ [Tackling VAT fraud in e-commerce - CESOP - European Commission \(europa.eu\)](https://taxation-customs.ec.europa.eu/document/download/c4b208a6-3945-4dcd-84d3-5f9551578851_en)

⁴⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32024R1781&qid=1719580391746>

⁴⁵ https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14082-Agricultural-markets-obligation-to-notify-information-on-prices-and-other-data-adjustments-_en.

⁴⁶ [Door Skal ingerichte Certificeringsplicht biologische producten onwerkbaar en kostbaar | Vakcentrum](https://www.vakcentrum.nl/door-skal-ingerichte-certificeringsplicht-biologische-producten-onwerkbaar-en-kostbaar)

plastic packaging. This is a deterrent and comes at an annual cost of €5,000 to €15,000 per company, on top of the one-off costs for the first certification (c. €4,000).

- 3. Capability:** Involve the companies that will be affected by targets to find out how feasible they are to reach, how long they will take and what are the consequences - not leaving this to a political decision.

Lessons to learn:

- *It is assumed that existing acceptance infrastructure will be used to roll out the **Digital Euro**⁴⁷ and **European digital identity wallet (EUIDW)**⁴⁸. However, merchants including retailers and wholesalers need to be consulted to ensure that this will work in practice. The current payment terminal landscape is centred around card-based payments using the EMV standard from Mastercard and Visa. Only very modern terminals (Android based) could have a separate digital identity or digital euro applications in addition to normal card based payments. The same applies when you consider how transactions will flow from stores to the back-end of Payments Service Providers.*
- ***Food waste legislation**⁴⁹ imposed a reduction target for retail and wholesale that is combined with consumers. This is irrespective of the fact that retail and wholesale contribute less than 7% and has no control over consumers' behaviour. At best it can only encourage consumers. This misses what would be more effective, such as removing VAT on donations that could create the right incentives and achieve results.*
- *The **Packaging and Packaging Waste Regulation** introduces obligations related to reuse of packaging and restrictions for certain packaging formats. On reuse a provision on refill stations was added during the legislative process without an impact assessment. The regulation should support our members in their efforts and refrain from forcing businesses to use a specific reuse format such as refill at the store level, while other initiatives and innovations might be more appropriate to reach the stated objectives of more sustainable packaging. For the bans, further input from retailers and wholesalers is needed, as the restrictions come with conditions and exemptions that need to be clear and implementable to ensure that unintended effects like increased food waste and spoilage is prevented.*
- *The consequences of hard stops can lead to unnecessary stock destructions or market disruptions, which except in high-risk cases (e.g. acute risk to health), could be better dealt with permission to allow products already on the market to be sold until stock is depleted.*

- 4. Indirect effect:** Map consequences for those the rules are intended to affect, but also go a step further to examine how their practical application will indirectly affect other companies and their operations (e.g. considering what information is necessary, the interaction with the supply chain, etc.).

⁴⁷ [Digital euro - European Commission \(europa.eu\)](https://european-council.europa.eu/media/en/press-articles/2023/04/12/1)

⁴⁸ [EU Digital Identity Wallet Home - EU Digital Identity Wallet - \(europa.eu\)](https://digital-identity-wallet.eu/)

⁴⁹ [EU actions against food waste - European Commission \(europa.eu\)](https://european-council.europa.eu/media/en/press-articles/2023/04/12/1)

Lessons to learn:

- The inclusion of low value gift cards in the **Anti-Money Laundering Directive**⁵⁰ deterred those that wished to offer these as an enticement to consumers – with no bearing on the overall goal of the legislation.
- Initiatives announced in speeches e.g. the **Forced Labour proposal**⁵¹, sets an unrealistic timetable for proper assessment of the indirect consequences before a proposal, especially where no impact assessment accompanies the measure.
- The strict payment terms imposed by the **proposal for a Regulation to combat late payments** missed the financial cost (estimated to be €2 trillion for the whole economy) and the consequences of that financial gap. This blind spot undermined the viability of SME retailers, the value proposition of wholesalers who were willingly offering supply chain credit and created market entry barriers. It also strengthened the position of large suppliers and online intermediation (particularly those of non-EU origin).⁵²
- A **complete or partial surcharging ban for payments**⁵³ has the indirect effect that it reduces competition and increase consumer prices and, in the end, makes the most expensive payment methods stronger.

5. **Competitiveness check:** Map consequences for those the rules will affect vis-à-vis relative competitiveness within the Single Market, and with third countries. This requires a big-on-big, small-on-small approach and better coordination between Commission services.

Lessons to learn

- The **EU Strategy for Sustainable and Circular Textiles**⁵⁴ contained 24 measures aiming to create a greener, more competitive sector is spread across multiple initiatives. The sustainability-related and social aspects of the textile sector are addressed in complex horizontal regulatory proposals including the Corporate Sustainability Due Diligence Directive (CSDDD) and the Ecodesign for Sustainable Products Regulation (ESPR), which introduces the Digital Product Passport to digitalise product information. The Empowering Consumers Directive and the Directive on Green Claims will soon regulate the communication of voluntary sustainability claims, while the revised Waste Framework Directive will address the basic concepts related to end-of-life management.
- The **Farm to Fork Strategy**⁵⁵ contained 27 measures. Some legislation did not even make it through the mandate such as sustainable foods framework law, food information and animal welfare. If the strategy is over-ambitious for the law makers to develop, it will be over-ambitious for the companies to implement. On the other hand, it also encourages Member States to take action themselves. This fragments the Single Market and can in fact undermine it, like the Romanian ban on Nutri-Score.

⁵⁰ [Anti-money laundering and countering the financing of terrorism at EU level - European Commission \(europa.eu\)](https://ec.europa.eu/anti-money-laundering/)

⁵¹ [Retail and Wholesale committed to making forced labour history, but needs consistent EU rules - EuroCommerce](https://european-council.europa.eu/media/e3000000/1/press-18-10-2021-01_en.pdf)

⁵² [Late Payments - EuroCommerce](https://european-council.europa.eu/media/e3000000/1/press-18-10-2021-01_en.pdf)

⁵³ [Surcharging will benefit consumers - EuroCommerce](https://european-council.europa.eu/media/e3000000/1/press-18-10-2021-01_en.pdf)

⁵⁴ https://environment.ec.europa.eu/publications/textiles-strategy_en

⁵⁵ [Farm to Fork Strategy - European Commission \(europa.eu\)](https://ec.europa.eu/farm-to-fork/)

- In the proposal on **promoting repair and reuse of products**⁵⁶ new obligations are introduced for sellers and manufacturers, but many products are produced outside the EU. Consumers can directly import products and the initiative leaves an open question on what happens when there is no EU producer and there are no spare parts, repair manuals or responsible operators. This lack of achievable enforcement is likely to make compliant products more expensive than non-compliant products and can encourage purchase of non-reparable products by consumers based on price. Enforceability of new rules on all businesses targeting consumers in the EU is critical to ensure a level playing field.
- The announcement of **new cross-border enforcement rules** prior to the completion of the evaluation of the **Unfair Trading Practices in the Food Supply Chain Directive**, risks undermining the rules on choice of law and court, and private international law, by creating special rules for cross-border enforcement for the food supply chain. Extra-territorial effect of laws that effectively prohibit international retail alliances and the renationalisation of sourcing (where a complaint is pending), undermines the competitiveness of retailers and wholesalers, reducing the benefits of scale and pressure that the EU itself has enjoyed through its joint purchasing of gas and vaccines vis -à-vis negotiations with international multi-national suppliers.⁵⁷

6. Retain flexibility where possible: Avoid too strict rules that are difficult to implement and disproportionately costly, by leaving space for flexibility on how and not being too prescriptive. Focus on final results rather than specific ways to achieve them and preserve a technologically neutral approach to regulation.

Lessons to learn

- The **mandatory acceptance of cash**⁵⁸ is not future proof nor offers flexibility for Member States to cater for local circumstances or preferences. It means that payments that are already digital or automatic will need to accept cash in the future. This also will come at a time when banks are reducing access to cash and the number of ATMs are in decline.
- The **Energy Efficiency of Buildings Directive**⁵⁹ require retailers to invest in charging stations for e-vehicles for a substantive share of their car parks. One country has extended the obligation to install solar panels on car parks. These investments remove the flexibility of retailers and ignores the fact that there can be a business case in investing in charging stations or solar panels, which before it became law could also be supported by public finances or incentives. Where Member States choose to accelerate compliance with earlier deadlines, this causes logistical, infrastructure and cost problems. In Spain for example, the transposition of the Directive⁶⁰ meant Spanish retail companies had to introduce 20,000 electric vehicle charging points in less than 8 months.
- The **Urban Waste Water Treatment Directive**⁶¹ introduces extended producer responsibility. The producers of pharmaceuticals and cosmetics are required to contribute to the cost of treatment, and extended producer responsibility applies to pharmaceutical distributors if they place products on the market of a Member State for the first time, even if the product had already been placed on the

⁵⁶ [Making repair the most attractive option for consumers and retailers \(eurocommerce.eu\)](https://eurocommerce.eu/making-repair-the-most-attractive-option-for-consumers-and-retailers)

⁵⁷ See - [Retail and wholesale in the agri-food supply chain - EuroCommerce](#) and [Unfair trading practices: focus on facts, not haste! - EuroCommerce](#)

⁵⁸ [For retailers 'cash' is not always 'king' - EuroCommerce](#)

⁵⁹ [Directive - EU - 2024/1275 - EN - EUR-Lex \(europa.eu\)](#)

⁶⁰ Spanish Royal Decree 29/2021 of 21 December 2021.

⁶¹ [Carriages preview | Legislative Train Schedule \(europa.eu\)](#)

market in another Member State. In smaller Member States (e.g. Estonia) the burden of producer responsibility falls onto a few actors in the market, creating an unreasonable financial burden, and gives no flexibility to Member States to consider national specificities that could share the burden with other downstream actors. Such discretion would meet the objectives of the polluter pays principle but without unintended consequences for the availability, affordability and accessibility of critical medicines.

- 7. Focus inspection at the right level:** If requirements are met by those at the beginning of the chain, they should be the focus of checks and inspections to relieve the pressure further down the chain. Responsibilities should be given to the person best placed or who is in control, with consistent legal definitions used.

Lessons to learn

- In the proposal for **Empowering Consumers for the Green Transition**⁶² and for dual quality products under the **Unfair Commercial Practices Directive**⁶³, the responsibilities on economic operators are not clear. Retailers are covered by the concept of trader, which is the economic operator that sells directly to a consumer. However, this could also be a producer (in the role of a retailer) or other service providers like booking, rental and gaming websites. In this sense, a pure retailer is dependent on the producer to ensure a product is compliant and all the relevant information is correct, and responsibilities should be distributed accordingly.
- The **proposal on promoting repair and reuse** borrows elements from the product law hierarchy⁶⁴ but places producer obligations on distributors, by copying the definition of producer of the **Ecodesign for Sustainable Products Regulation (product law)**. This is irrespective of the fact that the purpose of promoting repair and reuse is not for competent authorities to identify the responsible operator on the Union market, but for the consumer to know who should provide repair. These mismatches undermine, for example, the purpose of e.g. **the Market Surveillance and Compliance of Products Regulation**⁶⁵ that aimed to streamline obligations so economic operators did not have to check over 30 pieces of EU product law to understand what their obligations were.

- 8. Avoid duplication:** Map the practical implications of compliance and apply a once-only principle, so obligations only fall on one party to meet the objective and unnecessary duplication (e.g. more registrations) is avoided. Data that is already available to the EU should not be collected a second time. Work in harmony with what already exists, to avoid wide divergences in approach, and have at the forefront of mind simplification (e.g. through one-stop shops, the once only principle and development of tools to enable a single report (a single input/single reporting tool) to be used for all legally required purposes or that helps businesses find requirements and submit their responses⁶⁶).

⁶² [Directive - EU - 2024/825 - EN - EUR-Lex \(europa.eu\)](#)

⁶³ [Directive - 2019/2161 - EN - omnibus directive - EUR-Lex \(europa.eu\)](#)

⁶⁴ In EU product law, the hierarchy of economic operators includes the producer, the authorised representative, the importer, the fulfilment service provider and the distributor (i.e. retailer and wholesaler). In EU product law, the producer has the ultimate responsibility to ensure a product placed on the EU market is safe, the distributor is for instance obliged to make sure all the mandatory information is attached to the product but is not responsible for its veracity.

⁶⁵ [Regulation - 2019/1020 - EN - EUR-Lex \(europa.eu\)](#)

⁶⁶ Similar to tools provided for non-EU businesses wishing to import products into the EU (e.g. [Help for My Trade Assistant](#) | [Access2Markets](#)).

Lessons learned

- According to the **EU Deforestation Regulation**⁶⁷, non-SME traders need to submit due diligence statements which refer to the due diligence statements previously uploaded by the operator. This creates unnecessary duplication.
- An Implementing Act will define the harmonised labels and specifications relating to Article 11 of the **Packaging and Packaging Waste Regulation**. Where Member States act faster, for example in Spain where Spanish Royal Decree 1055/2022 will enter into force in January 2025 ahead of the EU mandatory requirements, could result in businesses duplicating or wasting efforts to comply if the requirements differ. The same result will occur as the Regulation permits Member States to go beyond the minimum harmonisation, leading to fragmentation of the Single Market made worse by goldplating that results in a maze of national requirements.
- The **Textile Labelling Regulation** (TLR)⁶⁸ is currently undergoing a review – this is a technical legislation to provide information on fibers composition. However, the Commission is considering introducing new labelling domains beyond the technical scope of the TLR and that are or will be addressed under other EU initiatives. **Regulatory coherence** is crucial to ensure a well-functioning policy framework, remove trade barriers and facilitate implementation by economic operators, especially avoiding duplication of obligations.

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EuroCommerce 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.

⁶⁷ [Regulation - 2023/1115 - EN - EUR-Lex \(europa.eu\)](#)

⁶⁸ [Regulation \(EU\) 1007/2011 - European Commission \(europa.eu\)](#)

