

The Consumer Voice in Europe

BEUC'S RESPONSE TO THE ROADMAP ON REPORTING DUTIES



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The Commission intends to make proposals to rationalise and simplify reporting requirements that oblige public authorities or business to provide information to competent authorities either at EU or national level, with initial proposals targeting the green, digital and economic thematic areas.

BEUC welcomes the opportunity to comment on this initiative, particularly because **requirements to provide information from businesses to consumers are included**. We underline the importance of the Commission's clarification that certification, labelling, permitting, and similar processes are excluded. These types of information requirements must indeed not be subject to such a simplification initiative with a normative target of reduction.

Clarification needed:

We would ask the Commission to clarify whether it considers that the typical requirements for traders to inform consumers about products and services or conditions of purchase or use are included or not. An inclusion would in our opinion not be justified because these information requirements do not aim at better implementation, monitoring and evaluation of EU legislation but serve to protect consumers.

Likewise, information requirements which are at the request of consumers, such as for example the 'right to know' in the EU's chemical legislation REACH (Art. 33.2) which obliges business to provide upon consumer requests information on the presence of certain chemicals in their products (not a labelling requirement) should not be covered.

More broadly, EU climate, environmental and digitalization policy efforts cannot deliver without strong monitoring, reporting and verification requirements, applying both to public authorities and private companies. The simplification of reporting duties must not weaken these policies by depriving policymakers of the essential data needed to design, develop and enforce EU laws. Furthermore, we would like to know how this initiative relates to disclosure requirements for which a legal mandate exists, but which still need to be developed, in particular the sector-specific European Sustainability Reporting Standards the deadline for which looks likely to be postponed. These requirements are essential for achieving the objectives of the sustainable transition because they shed light on companies' efforts and activities to meet those objectives.

Methodology missing:

Secondly, no one is against removing redundant, duplicating, or obsolete requirements, or inadequate collection methods, but reporting duties are an essential element of the Better Regulation methodology as a tool to make sure legislation is effective and is complied with. In the Better Regulation toolbox of July 2023, the Commission states that "Reporting requirements are a prerequisite to ensure the timely monitoring of EU initiatives". Indeed, any oversight measure can only be undertaken with reporting duties and without them the burden falls on authorities or the European Commission who do not have enough resources already today.

Reporting obligations enable authorities at national and EU level to understand how markets function and whether legislative objectives are met. Company reporting also provides (retail) investors with vital information regarding the financial stability and prospects of firms. This is an essential functionality of our capital markets and a major pillar of financial stability in the EU. These requirements also inform consumers about sustainability impacts risks.

Further thought should be given to new technologies like artificial intelligence and their use by authorities. Unfortunately, they are not mentioned at all on the roadmap.

The Commission should provide a clear methodology on how to identify redundant reporting requirements to ensure a coherent and consistent roll-out of this initiative.

Some examples:

For example obligations requiring Member States to report on the application of EU legislation are important but are already being deleted in legislative proposal: such an obligation was already 'deleted' in the recent Commission proposal for a toy safety regulation (TSR): thus, in the newly proposed TSR, the currently required 5-year report by Member States about the application and effectiveness is deleted and "replaced" by an evaluation of the Commission. It is however obvious that the Commission will not be able to evaluate the situation with the same extent, efficiency and quality as today if the input from the Member States is missing. Further, the proposal to remove existing reporting obligations on toys is incoherent with other EU chemicals and product legislation such as on cosmetics which requires Member States to review the functioning of their surveillances activities and to communicate the results to the Commission at least every four years.

The current Market Surveillance Regulation also requires the submission of work programmes and this should neither be deleted nor the frequency prolonged in the future as it is important they collaborate at EU level on enforcement and therefore need to be informed. Also, summaries of these should normally be made available, which ensure accountability.

Another example of a problematic proposal for reducing reporting duties is the proposal for the alternative dispute resolution (ADR) directive. The Commission proposes to remove several reporting requirements originally falling on ADR entities and traders with the intent to alleviate their administrative burden (for instance some annual activity reports would become bi-annual etc.). Yet these reporting requirements are important to check the activities of ADR entities on the ground. Lessening them will make supervision of ADR entities activities by authorities harder in a sector where not enough oversight is already an issue.

Adapting the consultation strategy to include consumer organisations:

Finally, as this initiative will consider requirements to provide information from businesses to consumers, we encourage the Commission to adapt the consultation strategy to ensure that opportunities are created for consumers and/or their representative associations to contribute to this exercise. This should be ensured by inviting participation of consumer representatives in the foreseen follow-up workshops with industry stakeholders and Member State representatives.

END

