

Brussels, 17 January 2025
(OR. en)

5386/25

LIMITE

COMPET 25
MI 28
DIGIT 12

NOTE

From: Presidency
To: Delegations
Subject: State of play of market surveillance in the Internal Market

Delegations will find attached a Presidency discussion paper on “State of play of market surveillance in the Internal Market”, with a view to the discussion by the Working Party on Competitiveness and Growth (Internal Market) at its meeting on 22 January 2025.

EU MARKET SURVEILLANCE

EU policy for market surveillance and product compliance enhances the **functioning of the Single Market**. For consumers, products must meet certain safety and performance requirements. For businesses, the policy contributes to a level playing field with common rules. Market surveillance therefore plays a central role due to its direct influence on the well-being of EU consumers as well as on the competitiveness of EU companies.

Subject to the requirements of Union law, and in particular Article 10 of the Market Surveillance Regulation, as well as sectoral legislation, it is for **each Member State** to set up and organize its market surveillance work. The EU **Market Surveillance Regulation**, in application since 2021, establishes a harmonized framework for market surveillance across the EU for products covered by EU legislation. Those products represent about two thirds of intra-EU trade in goods. The Regulation sets out how investigations and other market surveillance tasks for products covered by EU harmonisation legislation shall be organised, what procedures to follow when problems are found, which obligations economic operators have vis-à-vis enforcement authorities, as well as how co-operation between market surveillance and customs authorities should be organised.

Some important instruments for market surveillance are provided at EU level. These include the EU **Product Compliance Network** (EUPCN) for exchange of good practice and information between Member States' authorities. There are also IT systems for information exchange: **ICSMS** (market surveillance information on product investigations and enforcement actions), Safety Gate/Rapex (dangerous products), customs systems. Furthermore, EU **Testing Facilities**, which are at the disposal of all market surveillance authorities, enhance EU product testing capacity and make it more consistent through the designation of Union testing facilities in selected sectors such as toys, radio equipment and eco-design/energy labelling. The Single Market Programme provides increased budget for market surveillance (EISMEA Annual budget (current MFF): EUR 8.4 million (EUR 5 million for Joint Actions, EUR 3 million for testing facilities).

Questions for discussion:

1. *In line with Union law, Member States decide on their budgets, strategies and priorities for market surveillance. Do you see a connection between market surveillance and a functioning Single Market? How do you make sure that there are sufficient resources for market surveillance in your Member State?*
 2. *Since market surveillance is done by the Member States, it is essential that the Commission provides a good framework for them to invest resources and keep up the know-how in this area. Is there a need for more co-ordinated action at EU level? If so, how could the EU role be enhanced?*
-