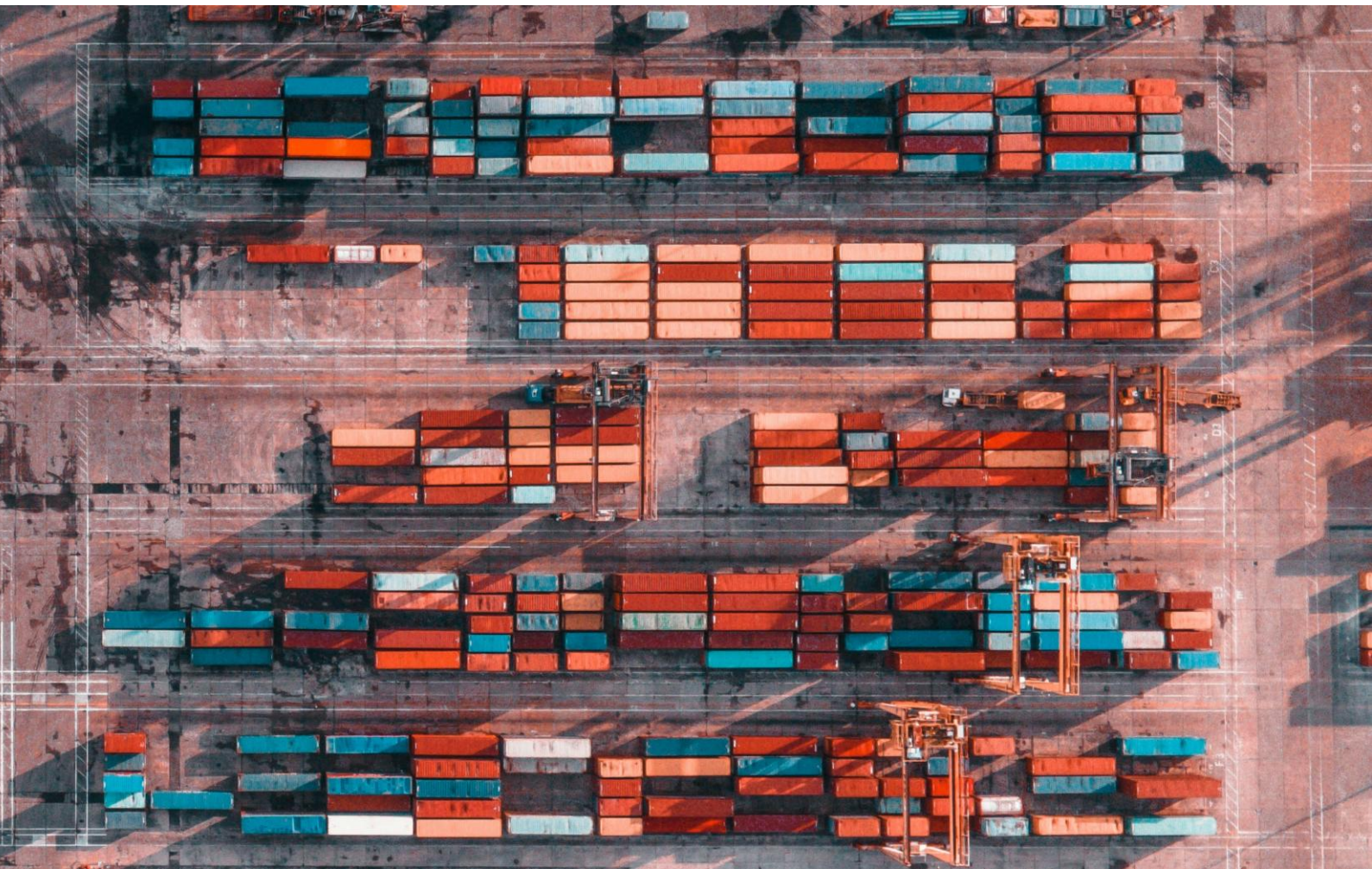


Position Paper on the revision of the Market Surveillance Regulation

# Strengthening market surveillance – for fair competition and a high protection level



## Strengthening market surveillance – for fair competition and a high protection level

**The TÜV Association welcomes the evaluation of the Market Surveillance Regulation (EU) 2019/1020 initiated by the European Commission. An effective market surveillance system is central to a functioning EU Single Market and a competitive EU. It must not only protect consumers, but also ensure fair competition by preventing non-compliant and often dangerous products from gaining market share at the expense of legally compliant companies. The aim of the reform must be to achieve a market surveillance system that is more effective, more coordinated and more digital across the EU.**

Market actors and consumers must be able to rely on products – regardless of their origin and distribution channel – meeting the harmonised requirements of the European Union and ensuring a high level of safety, health and environmental protection. The need for stronger EU-wide governance highlighted in the EU Single Market Strategy 2025 and the growing challenges of e-commerce underline the pressure to act.

With this position paper, the TÜV Association is contributing to the ongoing evaluation and further development of the Market Surveillance Regulation and outlining possible paths for reform.

### Executive Summary

TÜV Association is, amongst others, calling for:

- > a noticeable and sustained dynamic ramp-up of controls, capacities and expertise in view of the sharp surge in the flow of goods
- > stronger EU-wide control and coordination of market surveillance, as well as closer integration with custom authorities
- > significantly more effective, digitally supported market surveillance, especially in e-commerce, to ensure fair competition
- > strengthening independent third-party assessment to identify unsafe products before they are placed on the market

## Market surveillance as a key element for a strong EU Single Market

An effective market surveillance system is a key element for a strong EU Single Market: it serves to protect consumers and employees, strengthen trust in the Single Market and ensure fair competition by consistently addressing non-compliance and preventing distortions of competition to the detriment of legally compliant companies. Particularly in the case of cross-border supply chains and digitalised distribution structures, a uniform and robust enforcement is key to the credibility of European product legislation.

In view of the current debate on competitiveness, both the Letta report on the internal market and the Draghi report on European competitiveness emphasise that open markets only work if rules are effectively enforced and distortions of competition are limited. Letta points to the considerable economic damage caused by dangerous products (including around €19.3 billion in lost sales per year and approximately €11.5 billion in costs per year due to injuries and deaths) and notes that around 75% of the dangerous products identified originate from outside the EU<sup>1</sup>. He concludes that there is a clear need for action: More joint enforcements and the expansion of digital compliance tools (e.g. AI-supported tools such as web crawlers) – especially in view of the rapid growth of online trade.

Market surveillance is essentially a downstream, reactive instrument: Market surveillance measures only take effect once products are already circulating in the EU Single Market – often triggered by risks that become apparent in the market.

## Global supply chains and e-commerce are pushing the system to its limits

However, market surveillance in Europe has been showing considerable weaknesses in practice for years. On the one hand, this is because it is unable to carry out its control mandate adequately due to severe financial and personnel shortages. On the other hand, the authorities in the individual Member States carry out this mandate with varying levels of resources and intensity.

In addition, the steady rise in product imports over recent years – particularly due to the rapid growth of e-commerce – is placing an additional burden on market surveillance. The sharp increase in direct individual deliveries from manufacturers in third countries to EU consumers is exacerbating the objective need for controls. Current figures illustrate the scale of the problem: according to the European Commission, in 2024, almost 4.6 billion parcels worth less than 150 Euros were imported into the EU (around 12 million parcels per day)<sup>2</sup>; however, only 82 products per one million were checked by the authorities<sup>3</sup>. At the same time, reports of non-compliant and dangerous products are increasing noticeably, usually from third countries. This undermines consumer protection, weakens confidence in the Single Market and distorts competition to the

<sup>1</sup> Enrico Letta, *Much more than a market – Speed, Security, Solidarity*, p. 117, 2024, <https://www.consilium.europa.eu/media/ny3j24sm/much-more-than-a-market-report-by-enrico-letta.pdf>

<sup>2</sup> European Commission, COM(2025) 37, *A comprehensive EU toolbox for safe and sustainable e-commerce*, p.2, 2025, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=COM%3A2025%3A37%3AFIN>

<sup>3</sup> European Commission: Directorate-General for Taxation and Customs Union, *Report on controls on products entering the EU market with regard to product compliance in 2024*, p. 8, Publications Office of the European Union, 2025, <https://data.europa.eu/doi/10.2778/4250149>

detriment of legally compliant companies.

All this has led to the situation where the current market surveillance system, together with customs, has definitely exceeded its functional and capacity limits. Calls for a massive increase in financial and human resources for customs and market surveillance controls have been made for years. The current review must now lead to significant progress. Despite tight budgets, there is therefore a need for a broad increase in controls and corresponding resources. In order to ensure that market surveillance can continue to perform its control function in the future, a mechanism should be considered that continuously adjusts the intensity of controls to future trends in the flow of goods.

## Strengthening European oversight

Market surveillance organised solely at national level by the authorities of the 27 EU Member States reaches its limits when it comes to cross-border supply chains, the platform economy and large online platforms. It must be complemented by a better coordination and harmonisation between national authorities at European level to ensure a more robust and uniform enforcement. Against this background, the TÜV Association welcomes the announced establishment of an EU Market Surveillance Agency. A European agency should be effective in coordinating and, where necessary, providing operational support, particularly in large cross-border cases, in cases of non-enforcement and in e-commerce.

An EU Market Surveillance Agency could have the following objectives:

- > systematic coordination and control, including common priorities and risk-based focus areas
- > better interlinking of market surveillance and customs authorities, especially at the EU's external borders and for imports via online platforms
- > provision and pooling of specialised testing infrastructure with the relevant technical expertise for complex products
- > strategic development of interoperable IT tools and communication channels to speed up controls and facilitate cooperation between national authorities

## Enabling the digitisation of compliance information

In order for market surveillance to become more efficient, the comprehensive digitisation of compliance information is necessary. Digital, reliable and machine-readable evidence – bundled and accessible via a Digital Product Passport – can speed up controls, free up resources and improve risk-based sampling. For this to happen, market surveillance authorities need to be able to rely on the validity of the data stored in the Digital Product Passport.

## Considering prevention and enforcement together

However, sampling-based market surveillance alone will not be able to solve the structural challenge posed by the flood of non-compliant products. Therefore, prevention and enforcement should be considered even more closely together in the context of the revision of the NLF and the Market Surveillance Regulation. Independent assessments of products before they are placed on the EU market are an effective preventive tool, as they stop non-compliant and unsafe products from entering the market in the first place. Third-party assessments are also financed by the economic operators responsible – reducing the burden on the state and enabling market surveillance authorities to focus their limited capacities more closely on problematic products, economic operators, import flows and distribution channels. Ex-ante product assessments by independent third parties (mandatory or voluntary) and downstream market surveillance by authorities are therefore complementary instruments for ensuring that products in the EU Single Market are safe and compliant.

## Strengthening the cost-causation principle in enforcement

In parallel, consideration should also be given to whether particularly cost-intensive enforcement tasks can be financed in a moderate and EU-wide coherent manner by financial contributions from those who place the products on the market. This, however, must be done in such a way that law-abiding companies are not burdened twice and that the incentives clearly encourage prevention and compliance.

## Our policy recommendations

- > Make market surveillance more effective and consistent across the EU: Risk-based, digitally supported and focused on imports and e-commerce. Automatically adjust the level of official controls to trends in the flow of goods.
- > Strengthen European governance and pool competencies: Support the establishment of an EU Market Surveillance Agency, provided that it effectively complements national competences and can intervene effectively in major cross-border cases.
- > Expand the Digital Product Passport so that authorities have quick access to reliable compliance information.
- > Strengthen preventive independent third-party assessments as a tool that reduces the burden on the state, reduces non-compliance in the market and eases the burden on market surveillance authorities.
- > Consistently apply the cost-causation principle in enforcement: Proportionately review the cost sharing of market surveillance by those actors placing products on the market.

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As TÜV Association, we represent the policy interests of the TÜV assessment organisations and foster the professional exchange between our members. We are committed to the technical safety, digital security and sustainability of products, systems and services. Universally applicable standards, independent assessments and qualified training form the basis. Our goal is to maintain the high level of technical safety, to build trust in our digital world and to preserve our livelihoods. To this end, we are in regular exchanges with policymakers, authorities, the media, companies and consumers.