

Brussels, 19<sup>th</sup> February 2004

## Free movement of goods: Commission consults on how to improve mutual recognition

*The European Commission has launched an Internet consultation on how to improve the practical application of the principle of mutual recognition, which underpins the EU Internal Market. Mutual recognition should allow products legally sold in one Member State to be sold in all the others without having to comply with different rules in each Member State, thus avoiding a costly technical and bureaucratic burden for businesses. It applies to goods for which there is no EU Directive or Regulation establishing a single set of harmonised EU rules applicable in all Member States covering for example technical specifications and packaging requirements. However, many national administrations and economic operators seem to be unfamiliar with the mutual recognition principle or find it difficult to apply. Those interested are invited to respond by 30 April 2004 to a quick and user-friendly questionnaire, using the Commission's Interactive Policy Making system and available through the Commission's dedicated consultation site "Your Voice in Europe" at: <http://europa.eu.int/yourvoice/consultations>.*

Internal Market Commissioner Frits Bolkestein said: "Mutual recognition reduces red tape for businesses and gives customers more choice, boosting competition and helping keep prices down. So Europe needs it to work. Yet too often at the moment Member States are refusing to allow safe, high quality products from elsewhere in the EU in to their national markets. And companies do not always know about or assert their right to mutual recognition. We need to strengthen the system. The results of this consultation will be central in deciding how to proceed."

The objective of the consultation is to get the opinion of Member States, businesses and consumer organisations on possible options for improving mutual recognition for products. The Commission is making it as easy and quick as it possibly can for stakeholders to respond, by using for this exercise the Commission's Interactive Policy Making consultation tool (see [IP/01/519](http://europa.eu.int/yourvoice/consultations)), which aims to improve governance by using the Internet for collecting and analysing reactions.

The consultation is open until **30 April 2004** via the Commission's "Your Voice in Europe" Internet site, which is a recently relaunched one-stop shop giving access to Commission consultations and their results across all policy areas.

Those interested will find a presentation and links to the questionnaire at:

<http://europa.eu.int/yourvoice/consultations>

The statistical reports on responses will be available via the same address by May 2004. More detailed qualitative analyses of the results will be available in July 2004.

## **What is mutual recognition? What are the problems?**

Mutual recognition is a corner stone of the Internal Market. It means that the Member State of destination should allow the sale of all products legally marketed or manufactured in another Member State unless national and more restrictive rules are necessary to protect the consumer, the environment, etc.

The principle is that there are no specific procedural rules and no extra paperwork. That is its strength, but at the same time its weakness. When problems occur, there is little or no transparency, there is no commonly agreed approach to evaluating whether levels of protection are equivalent and there is no clear procedure for a company to challenge decisions refusing to allow their goods in to national markets. As a result, many companies decide to abandon certain markets or are forced to modify their products to comply with local requirements, which in the end puts prices up. Such responses risk becoming more widespread after enlargement.

The Commission is therefore examining how it can make mutual recognition work better for products. One option could be a proposal for EU legislation to reinforce legally the way mutual recognition works in practice.

## **What has been and could be done to make mutual recognition work better?**

As a first step, the Commission published in October 2003 a Communication clarifying the "mutual recognition" principle and aiming to help businesses and national administrations make it work better ([IP/03/1470](#)).

Meanwhile, the Internal Market Strategy 2003-2006 (see [IP/03/645](#) and [MEMO/03/100](#)) foresees the possibility of EU legislation establishing key principles for making mutual recognition work correctly.

A proposal by the Commission in this respect could, for example, include:

- specific rules to give mutual recognition more structure, thus enhancing transparency and encouraging national authorities to act in a more 'European' spirit
- mandatory notification to the Commission in cases where mutual recognition is refused
- setting up appeal mechanisms for companies whose goods have been refused.

For background documents and further information on mutual recognition, see:

[http://europa.eu.int/comm/internal\\_market/en/goods/mutrec.htm](http://europa.eu.int/comm/internal_market/en/goods/mutrec.htm)