#### The new General Product Safety Regulation

A refresh of the EU's product safety framework

On 13 December 2024, the new General Product Safety Regulation (**GPSR**) will take effect. It applies to products placed on the European market from that date which are reasonably expected to be used by consumers and which are not subject to specific EU legislation. This key regulation modernises the EU's product safety rules, addressing challenges posed by digital and technological advancements and online commerce. The GPSR is a cornerstone of the EU product compliance framework, focusing on the safety of products being placed on the market by establishing clear obligations for economic operators and online marketplaces.

This briefing highlights the key changes in the general product compliance law, their implications for economic operators as well as providers of online marketplaces and the interplay between the new compliance requirements, market surveillance regulations, and liability provisions.

# 1. Extension of compliance rules to online marketplaces

The GPSR places specific obligations on economic operators, e.g. the manufacturer, importer or distributor, and, for the first time, providers of online marketplaces. This is consistent with the list of potential defendants in European product liability litigation under the new PLD (see below).

Providers of online marketplaces are defined as intermediaries facilitating the sale of products through online platforms, enabling consumers to enter into distance contracts with traders. The GPSR requires these providers to contribute to product safety, given their significant role in modern trade, but also recognises that they do not have the same

level of involvement in the supply chain that e.g. product producers do, and cannot be expected proactively to monitor the content of large numbers of individual listings on their sites.

# 2. Specific requirements for providers of online marketplaces

Among the most significant updates in the GPSR are the specific obligations imposed on providers of online marketplaces. These include the following:

- Providers must establish internal processes to ensure product safety, including mechanisms for traders to submit accurate product information.
- They must appoint a single point of contact for direct communication with market surveillance authorities.
- Providers are required to register and use the EU Safety Gate Portal to report and track product safety issues.

When authorities identify unsafe products listed on an online marketplace, providers must implement regulatory orders without delay. This may involve removing offers for dangerous products, disabling access to related content, or issuing warnings to consumers, when notified of the need to do so by the authorities. These actions must be completed within two working days of receiving the order.

If notified of product safety concerns under the Digital Services Act's (DSA) "notice and takedown" mechanism, providers must act within three working days. Repeated non-compliance by individual traders may result in temporary suspension of their listings or other activities on the platform.

# 3. Information requirements for distance selling

The GPSR imposes specific rules on economic operators involved in online or distance selling. When offering products for sale, operators must clearly display essential information, including product identifiers (e.g., type and serial numbers), warnings, and safety details. This information must be presented in a way that is easily accessible and understandable to consumers.

#### 4. Redefined obligations for manufacturers

The responsibilities of manufacturers to ensure product safety before and after products are placed on the market are clarified in more detail under the GPSR.

#### **Internal Risk Analysis and Documentation**

Manufacturers must ensure that their products are designed and manufactured in compliance with the general safety requirement, i.e. to ensure that they present no or only minimal risks to consumers consistent with their expected use. Before placing a product on the market, they are required to carry out a thorough internal risk analysis and compile technical documentation. This documentation must include a description of the product, its essential characteristics related to safety, and an analysis of risks associated with its use.

The GPSR specifies criteria to be considered during risk assessments, including interconnection with other products, cybersecurity features to protect against external safety threats, and evolving, learning, or predictive functionalities. Documentation must be kept up to date and made available to market surveillance authorities for ten years.

#### Labelling and Product Information Requirements

Products must be accompanied by a set of enhanced labelling and information standards, including:

- an identifying element, such as a type, batch, or serial number, that is clear and easily visible;
- the manufacturer`s name, registered trade name or trademark, postal address, and electronic contact information;
- instructions and safety information in the language of the Member State where the product is sold.

If the nature or size of the product does not allow such labelling, information may be provided on the packaging or accompanying documents.

In addition, the GPSR expressly mentions QR codes or data matrix code as suitable means of informing consumers in Art. 21 GPSR.

#### Corrective Measures in case of Product Safety Risks

If manufacturers become aware of safety risks associated with their products, they must act promptly to mitigate harm. Corrective measures may include product withdrawal or recall, and the relevant market surveillance authorities must be informed through the Safety Business Gateway.

Manufacturers are required to notify consumers, stakeholders, and supply chain participants of any safety concerns and corrective actions taken. Affected consumers must have access to public communication channels, such as hotlines or dedicated website sections, to report safety issues or accidents. Complaints must be documented, investigated, and resolved systematically. Online marketplaces are, for the first time, expressly required to assist with corrective action in respect of products listed on their platforms.

## 5. Need for an EU established economic operator

Under the GPSR, every product placed on the EU market must have a designated responsible person established within the Union to act as a point of accountability with market surveillance authorities. This could be the manufacturer himself, an importer, an authorised representative, or a fulfilment service provider (see above). While the Market Surveillance Regulation already introduced this requirement for harmonised products in 2021, the GPSR now extends it to non-harmonised products, ensuring consistent oversight and compliance across the entire spectrum of goods on the EU market. This need for an EU established economic operator is directly linked to the liability of the same economic operators under the new PLD (below).

#### 6. Specific rules on product safety recalls and consumer remedies

Where corrective action needs to be taken to protect consumers, the GPSR establishes clear protocols for economic operators and online marketplaces. For example, consumers must be notified of products that are being recalled from them through effective communication channels, which may include the company's website, social media, newsletters, or mass media announcements.

Written recall notices must use a standard template provided by the European Commission. Affected consumers are entitled to remedies that include repair, replacement, or financial reimbursement. These remedies must be cost-free, timely, and convenient to the consumer.

# 7. How does the GPSR interact with other EU regulations?

The GPSR complements the Market Surveillance Regulation (MSR) and the recently published Product Liability Directive (PLD) in the Union. The PLD governs liability for defective products, establishing the conditions under which economic operators can be held accountable for damages caused by defective products. Notably, there is a close connection between product compliance under the GPSR and product liability as outlined in the updated PLD. The PLD defines defectiveness as a failure to provide the safety that people are entitled to expect or that is required under Union or national law. In determining whether a product is defective, relevant product safety requirements, such as those established under the GPSR, will be a key factor. This underscores the importance of robust compliance measures, as deficiencies under the GPSR could increase exposure to liability claims under the PLD.

Manufacturers must keep in mind the new disclosure obligations introduced by the PLD. In a liability dispute, courts may order to disclose necessary and proportionate evidence when claimants have presented a plausible case. A failure to comply with such an order will give rise to a rebuttable presumption as to defect. Businesses should carefully assess whether their document retention policies comply with regulatory standards and will sufficiently enable them to defend future product liability claims. Notably, those claims can be brought for up to 25 years after a product has been put into circulation in cases of latent harm.

#### 8. Outlook

The GPSR will take effect on 13 December 2024, with its rules becoming immediately applicable from that date. By adopting the GPSR as a regulation instead of a directive, the EU aimed to ensure that its provisions apply uniformly across all Member States without requiring national implementation legislation. This approach may reduce the risk of divergent transpositions, enhancing legal certainty and coherence. Businesses operating across the EU might eventually benefit from streamlined regulatory obligations and reduced compliance costs.

The GPSR will have a significant impact in the EU product safety law, introducing stricter requirements and clear accountability across the supply chain. By modernizing regulations to address the complexities of digitalisation, online marketplaces, and interconnected products, it significantly raises the bar for product safety compliance. In combination with the new PLD, which creates a claimant-friendly environment, manufacturers and other

economic operators face even greater pressure to ensure both the safety of products in the EU market and their ability to respond quickly and robustly when something goes wrong.

### Further analysis on the GPSR please see here:

<u>Factsheet by the Commission on the new General</u>
<u>Product Safety Regulation</u>

Green light for new product safety rules affecting online marketplaces, Andrew Austin, Hannah Walker Gore, Victor Garcia Lopez, Rachel Duffy

#### Further analysis on the PLD please see here:

the-new-product-liability-directive---an-update-onthe-eus-modernised-consumer-friendly-productliability-regime.pdf (freshfields.com)

The EU Product Liability Directive: Key Implications for Software and AI, Moritz Becker, Lutz Riede, Kristina Weiler, Anita Bell, Christina Moellnitz (freshfields.com)



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