

## Closing the loopholes: A call for stronger EU rules for safer and fairer eCommerce

We, 68 environmental and consumer protection NGOs, industry, retail and wholesale organisations, are calling on EU policymakers to urgently address persistent regulatory loopholes in relation to online trade via online marketplaces.

With the rapid growth of e-commerce, these platforms have become critical enablers of e-commerce from third countries, particularly by linking EU consumers with third-party sellers from outside the European Union. In many cases, this results in sellers bypassing the internal market system that requires an operator in the EU who ensures that all products and packaging placed on the EU market are safe and compliant with EU legislation. As Europe moves into the Christmas and holiday shopping period, alongside major sales events such as Black Friday, the risk of a massive influx of non-compliant products flooding the EU market becomes even greater.

We should also acknowledge the growing intrusion of advertisements in search engine results. Due to recent changes in U.S. tariff policies, many marketing efforts have been redirected towards the European Union, leading to a significant increase in advertising spending across the region and again raising the risk of a surge in non-compliant products flooding the EU market.

The volume of consumers' direct imports from third countries continues to rise with 4.6 billion small parcels (meaning under the threshold of €150) entering the EU market, as stated by the European Commission in the February "E-commerce communication: A comprehensive EU toolbox for safe and sustainable e-commerce"<sup>1</sup>. With this number rising, so will the number of non-compliant products that enter the EU market through online marketplaces. These products frequently breach EU regulations on product safety, environmental sustainability,

<sup>1</sup> [E-commerce communication: A comprehensive EU toolbox for safe and sustainable e-commerce | Shaping Europe's digital future](#)

intellectual property rights, and extended producer responsibility (EPR) schemes, among other policy areas.

A key issue, identified by Market Surveillance Authorities, industry stakeholders and civil society<sup>2</sup>, is that online marketplaces are not currently recognised as economic operators under EU law. This exempts them from proactive legal due diligence responsibility to verify the compliance of products sold through their platforms. They only need to act if they are informed of a potential non-compliance.

Neither the Digital Services Act (DSA), the General Product Safety Regulation (GPSR), nor the Green Deal framework have effectively addressed this gap in the legislation. As a result, online marketplaces can facilitate the sale of non-compliant goods from non-EU sellers to EU consumers, with minimal accountability for the safety, legality, or environmental impact of those products. More recently, although the European Parliament acknowledged the issue in its own-initiative report on EU imports, it stopped short of making a clear call to address the existing legal gaps<sup>3</sup>.

To preserve the integrity of the EU internal market and ensure the effectiveness of EU legislation, it is essential that online marketplaces are assigned clearer and stronger obligations. By addressing this legal loophole, the EU can create a more coherent, enforceable, and future-proof regulatory framework that ensures that all actors giving products access to the internal market - regardless of their physical location or business model - adhere to the same high standards of safety, sustainability, and fairness.

Key recommendations for strengthening online marketplace accountability and product compliance in the EU:

- **A mandatory economic operator in the EU for product compliance:** there should be a legal requirement ensuring that every product sold into the EU has an identifiable economic operator established in the EU who is responsible for its compliance (including its packaging) with EU legislation.
- **The recognition of online marketplaces as economic operators:** online marketplaces should be defined as the actor placing products on the market when the seller is located outside the EU or cannot be reached. This recognition can be achieved either through horizontal harmonisation across legislation (an omnibus regulation) **or** by revising Section 4 of the DSA to align marketplaces' obligations with those of importers as expressed in legislation such as the GPSR, Ecodesign (ESPR) and New Legislative Framework (NLF). The upcoming revision of the Market Surveillance Regulation (MSR) should also formally recognise this role in Article 4.
- **Enhanced obligations for online marketplaces. They must:**
  - Verify through check of documentation and sample test that products sold through their platforms either comply with EU rules or are linked to a registered economic operator in the EU/EEA.
  - Strictly implement seller traceability requirements.
  - Identify and prevent repeated illegal practices by fraudulent economic operators.
  - Specific verification duties should be included in legislation, such as:
    - Checking for required energy labels under the Ecodesign framework.
    - Confirming Extended Producer Responsibility (EPR) registration.

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<sup>2</sup> European Commission: Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, Evaluation study on the implementation of Article 4 of Regulation (EU) 2019/1020 on market surveillance and compliance of products, Publications Office of the European Union, 2025, <https://data.europa.eu/doi/10.2873/6477268>

<sup>3</sup> European Parliament report: "Product safety and regulatory compliance in e-commerce and non-EU imports"

- Have the responsibility to check the EPR compliance of their partners (such as in Germany, France and Spain) and be allowed to assume EPR responsibilities (registration, reporting, payment) on behalf of their partners if those partners opt-in. Until such an obligation is established, proactive measures by online platforms should be facilitated.
- Be held liable – including financially – for fulfilling all EPR-related obligations, including the payment of EPR fees and imposed fines where no other responsible operator is present or reachable in the EU.
- Be able to count on accelerated collaboration by regulatory and registration authorities, particularly when assessing producer responsibility organisations (PROs) and online marketplaces proposals for collective compliance solutions.
- **Improved product and seller traceability:**
  - Product traceability must be strengthened by integrating existing EU databases (e.g., SCIP, EPREL, ICSMS) with the *Digital Product Passport*.
  - Interoperability should be prioritised over creating new databases to reinforce market surveillance and compliance infrastructure.
  - Seller traceability requirements, such as stipulated in the Digital Services Act Article 30, should be strictly implemented and enforced.
- **Strengthened customs for small parcel imports:**
  - The ‘deemed importer’ concept in the *Union Customs Code* reform should be swiftly adopted and ensured practically effective.
    - The abolishment of the *De Minimis* rule is a crucial step to fight against unfair competition from third countries and needs to be implemented as soon as possible. If necessary, it should be separated from the general reform of the *Union Customs Code*.
  - The deemed importer would ensure compliance of both the product and packaging with EU rules, improving oversight of small package imports and being subject to sanctions in case of non-compliance.
  - We welcome the intention behind the introduction of a handling fee for low-value parcels. However, we believe that such a minimal fee will not halt the flow of non-compliant products and risks becoming a tax to allow such products in the EU.
- **Strengthened enforcement of existing EU rules:** given the substantial volume of products entering the market through online marketplaces, it is essential to allocate significantly more resources to market surveillance and customs authorities and encourage further cooperation between these entities. Exploring the establishment of a dedicated EU-level enforcement body<sup>4</sup> is welcome. A strong focus should be put on the enforcement of non-EU sellers and online marketplaces who sell directly to EU consumers, with the potential to block parcels and/or the interface of online marketplaces and vendors' sites that demonstrate non-compliance.

## Annex – Examples and data:

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<sup>4</sup> Commission Communication: [The Single Market: our European home market in an uncertain world](#)

- Courts at the Member State level<sup>5</sup> have ruled against online IPL (Intense Pulsed Light) sellers for non-compliance and misuse of the name of an authorised representative. Under EU rules, an authorised representative must be established within the EU to market a medical device.
- The 2024 results of [LightingEurope's mystery shopper exercise](#): of the 275 products surveyed (G4 lamps on mains, LED strips and Children's Night lamps) 100% of those inspected online were found to be non-compliant. In addition, 20 products, only including children's night lights and LED strips, were selected and tested against the relevant safety standards in an accredited laboratory and all were found to be non-compliant.
- The new German checking obligations led to a significant increase in compliance: The main driver behind the skyrocketing number of 80,000 new WEEE registrations in 2023 (compared to 34,000 in 2022 and 25,000 in 2021) was the new obligation for online platforms to verify WEEE registration before listing products in Germany. The total number of registrations has doubled since it became clear that the new obligation was compulsory.
- [Tackling Free-Riding of EPR Systems in Online Sales - Eunomia](#) study: "The sellers of products that avoid Extended Producer Responsibility (EPR) fees, known as 'free-riders', make sales that are estimated to account for 5% to 10% of the online market for EEE. Between 460,000 and 920,000 tons of goods place on the market each year are not covered".
- [TIE 2024 Online Mystery Shopper Exercise](#) demonstrates that 80% of toys bought from third-party traders on online marketplaces fail EU safety standards and could be a danger to children.

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<sup>5</sup> Hamburg District court: Case 327 O 202/25, 28 May 2025; Regional Frankfurt am Main court: Case 2-06 O 263/24, 6 August 2024; Hamburg District court: Case 327 O 203/25, 28 May 2025