

## **British Toy & Hobby Association (BTHA) – Written evidence (FFT0015)**

### **1. The main technical barriers to trade, such as regulations, standards and conformity assessment procedures, and how their impact can be mitigated**

- a. **UK Transition Periods** - A number of UK specific requirements have been accompanied by statements about transition periods before enforcement will commence. For example, a period of 18 months has been mentioned in various documents, when it comes to the need to use a UKCA conformity mark in place of the EU's CE mark. These would be very useful for industry, but we would ask for 24-month periods to be used to help our members even further.
- b. **UK Regulations** - On day one of Brexit we are expecting the UK Regulations to be technically identical to the EU. Ideally regulations would remain closely aligned with the EU for the foreseeable future. We would request that either the UK stay in close regulatory alignment with the EU and/or that intended divergence is clearly signposted and consulted on with industry.
- c. **Conformity marking** - The UKCA mark is not supported by the BTHA because it adds a local difference with additional packaging and labelling costs. The continued acceptance of the CE mark would be by far preferable. The CE mark is essentially a "free movement of goods" mark so it is not clear what the UKCA mark's purpose is as it does not replicate the CE mark objective. Adding the UKCA mark to actual products which is required in some cases will not be possible where product moulds are not owned by the company importing the toy. The BTHA would like to retain recognition of the CE mark.
- d. **Address markings** - The lack of mutual recognition of EU economic operators and UK economic operators in the opposing market has already added significant cost for many BTHA members. Some of the bigger companies have already moved head offices away from the UK and have made UK workers redundant. Others are entering into arrangements with EU companies or appointing Authorised Representatives at their own cost. Mutual recognition of UK and EU addresses would be preferable.
- e. **Standards for Conformity assessment** – We are aware that EU harmonised referenced standards will become designated standards in the UK. Divergence between the two territories will add complication and cost. It would be preferable to ensure that these standards remain identical and that transition periods and the application of enforcement match that of the corresponding legislation. BSI currently remains a full member of CEN and CENELEC. This membership is under review with its own transition

period, currently extended until the end of 2021. Continued BSI membership of European development bodies is critical to ensure UK presence in standards developments.

- f. **Declaration of Conformity** – a specific UK DoC will have to be added to Technical Documentation which does not add to the safety of products. A light touch by UK enforcement would be preferable regarding the presence of this additional document.
- g. **Certified Laboratories and UKAS** - Most testing of products is conducted in the Far East by our members or their supplying factories. Occasional testing occurs in the UK or EU. The BTHA asks the UK government to consider recognition of 3<sup>rd</sup> country laboratories and for EU certified laboratories via UKAS mutual recognition. This would mean UKAS remaining a member of the various EU bodies. We would hope that UK certified laboratory reports would, at the same time, continue to be accepted in the EU.
- h. **REACH** - The EU REACH regulation was one of the most comprehensive and complex pieces of regulation ever developed. The requirement to register chemicals was one of the most burdensome ever to be placed on the chemicals and manufacturing industries. The introduction of REACH into UK legislation is necessary because of necessary restrictions. However, a duplicated UK version of the registration requirement is complicated and unnecessary. It will add costs to many members and not add to the safety of products.

We urge the UK government to find an agreement with the EU that allows existing registrations to be used in the UK and existing UK registrants to be recognised by the EU as well as the continued use of the European Chemicals Agency registration platform.

- i. **Cosmetics** – Additional Responsible Persons will need to be used for UK and EU territories with extra address details on packaging. In addition, specific UK Cosmetic requirements will apply. This is a duplication of the EU requirements and requires extra work, appointment of new Responsible Persons and changes to labelling. The duplication of systems and procedures will add complexity to this product category.

## **2. The form of regulatory cooperation that may be needed**

- a. **Transition periods** – as we have asked for suitable UK transition periods above the equivalent EU periods to give industry time to prepare for Brexit changes in both directions.
- b. **Regulations** – ongoing cooperation between the UK and the EU must continue to enable decisions about updates, changes in legislation and changes due to reviews. Even if the UK does not

adopt some aspects of the regulation, the cooperation between territories will be key.

- c. **REACH and Cosmetics legislation** – cooperation in the sharing of data and future changes will be key in supporting any UK centric approach to these regulations.
- d. **Product Recalls** – to ensure ongoing consumer safety, close cooperation between the UK and EU safety recalls systems will be critical.
- e. **Digital Trade** - We welcome the efforts of both the EU and UK to align on a framework for the future of cross border digital trade. We were pleased to see alignment in the areas of authorisation requirements and the ability to share data.  
We welcome the joint acknowledgement of the importance of consumer safety; however, we remain very concerned that there is little agreement on how to tackle the risks posed by online marketplaces. Large online marketplaces give consumers direct access to products sold by third-party vendors overseas. The mechanism allows unscrupulous traders to sell unsafe or counterfeit goods and avoid legislation on tax, consumer rights and most importantly, product safety. We urge the UK to work closely with EU neighbours to legislate to bring transparency and accountability into online marketplaces.
- f. **Intellectual Property** - The BTHA is concerned that there will be a lack of co-ordination between Enforcement Authorities after Brexit. As a result, counterfeit and copycat products will be harder to control and harder to remove from sale.

The BTHA welcomes the respective UK and EU positions that the parties shall establish a system to enable copyright enforcement.

### **3. Lessons that can be learnt from other trade agreements and agreements on mutual recognition**

No comments

### **4. The arrangements on rules of origin and options for maximising the take-up of trade preference**

Toys are predominantly manufactured in the Far East, mainly China, to be able to keep prices down for UK consumers. However, many UK companies design the toys in the UK, and therefore often own the Intellectual Property and design rights associated with those toys. The BTHA would like to see these contributions to the preferential rates being given greater influence in the calculation of rules of origin to be able to maximise UK skill and design and the take up of trade preferences.

## **5. Customs and trade facilitation measures that could support the flow of goods across borders**

a. **Customs** - The BTHA advocated for toys tariffs to be simplified to 0% for all toys to reflect the importance they have for child development in the UK as part of the Global Tariff consultation. We would be supportive of 0% tariffs being agreed on toys as part of a free trade agreement with the EU.

- Simple rules of origin with toys not requiring more complex rules
- The origin rules to include cumulation of UK and EU goods plus goods with other countries with whom both the EU and UK have trade agreements
- A trader system of self-verification of origin.
- UK to introduce simplified measures for declaration, such as self-reporting
- We would ask for mutual recognition of Authorised Economic Operator traders and some positive benefits that such an accreditation would bring – e.g. reduced requirements for declarations
- Use the current channels of customs co-operation to build on safety and security measures and enhance trade facilitation so that documentary requirements are kept to a minimum

**Supporting Services** - The BTHA is an association of manufacturers, most of which are small businesses. These businesses rely on the network of supporting services that have built up in the EU marketplaces. Like any other business, it is critical that BTHA members have the ability to use joint services for transport, by road, rail, sea and air, for finance and professional services. We welcome the steps taken so far but we urge the UK government to conclude a trade deal that includes all the support services necessary for modern business. Without adequate support services for business any trade deal will remain burdensome for UK industry and potentially curtail the intended trade incentives.

We urge the UK government to conclude a deal that: Includes an allowance for reciprocal agreements for logistical services including road, rail, sea and air transport, allows for cross border operation of financial services, allows for mutual recognition of professional qualifications and professional services

## **6. The impact on UK businesses if there is no UK–EU trade agreement at the end of the transition period**

The lack of any deal leaves UK companies with the worse case scenario. It would be assumed that many of the muted requirements that companies are waiting to act on will become immediately needed by EU countries with minimal preparation time. In the short term this will seriously disadvantage UK companies and will lead to rejected stock and reworking of labelling in the UK.

It is likely that EU tariffs will make UK companies products uncompetitive in the EU.