

# U.S. Country Commercial Guides



## European Union

## 2017

# Table of Contents

<i>Table of Contents</i>	<b>1</b>
<i>Doing Business in the European Union</i>	<b>4</b>
Market Overview	<b>4</b>
Market Challenges	<b>5</b>
Market Opportunities	<b>7</b>
Market Entry Strategy	<b>7</b>
<i>Political Environment</i>	<b>8</b>
Political Environment	<b>8</b>
<i>Selling U.S. Products &amp; Services</i>	<b>11</b>
Using an Agent to Sell U.S. Products and Services	<b>11</b>
Establishing an Office	<b>12</b>
Franchising	<b>16</b>
Direct Marketing	<b>16</b>
Joint Ventures/Licensing	<b>18</b>
Selling to the Government	<b>18</b>
Distribution & Sales Channels	<b>20</b>
Express Delivery	<b>21</b>
Selling Factors & Techniques	<b>21</b>
eCommerce	<b>21</b>
Trade Promotion & Advertising	<b>24</b>
Pricing	<b>28</b>
Sales Service/Customer Support	<b>28</b>
Protecting Intellectual Property	<b>30</b>
Due Diligence	<b>33</b>
Local Professional Services	<b>33</b>
Principle Business Associations	<b>33</b>
Limitation on Selling U.S. Products and Services	<b>33</b>
Web Resources	<b>33</b>

<b><i>Leading Sectors for U.S. Exports &amp; Investments</i></b>	<b>35</b>
<b>Best Prospect Overview</b>	<b>35</b>
Commercial Sector	35
Agricultural Sector	38
<b><i>Trade Regulations, Customs, &amp; Standards</i></b>	<b>40</b>
<b>Trade Barriers</b>	<b>40</b>
<b>Import Tariff</b>	<b>40</b>
<b>Trade Barriers</b>	<b>41</b>
<b>Import Requirements &amp; Documentation</b>	<b>41</b>
<b>Labeling/Marking Requirements</b>	<b>48</b>
<b>U.S. Export Controls</b>	<b>68</b>
<b>Temporary Entry</b>	<b>69</b>
<b>Prohibited &amp; Restricted Imports</b>	<b>70</b>
<b>Customs Regulations</b>	<b>70</b>
<b>Standards for Trade</b>	<b>72</b>
Overview	72
Testing, Inspection and Certification	75
Contact Information	78
<b>Trade Agreements</b>	<b>79</b>
<b>Licensing Requirements for Professional Services</b>	<b>79</b>
<b>Web Resources</b>	<b>80</b>
<b><i>Investment Climate Statement</i></b>	<b>82</b>
<b>Executive Summary</b>	<b>82</b>
<b>Openness to, &amp; Restrictions upon Foreign Investment</b>	<b>82</b>
<b>Bilateral Investment Agreements &amp; Taxation Treaties</b>	<b>82</b>
<b>Legal Regime</b>	<b>83</b>
<b>Industrial Policies</b>	<b>85</b>
<b>Protection of Property Rights</b>	<b>86</b>
<b>Financial Sector</b>	<b>86</b>
<b>State-Owned Enterprises</b>	<b>86</b>
<b>Responsible Business Conduct</b>	<b>86</b>

<b>Corruption</b>	<b>87</b>
<b>Political &amp; Security Environment</b>	<b>94</b>
<b>Labor</b>	<b>94</b>
<b>OPIC and Other Investment Insurance Programs</b>	<b>95</b>
<b>Foreign Direct Investment and Foreign Portfolio Investment Statistics</b>	<b>95</b>
<b>Contact for More Information on the Investment Climate Statement</b>	<b>95</b>
<b><i>Trade &amp; Project Financing</i></b>	<b><i>97</i></b>
<b>Methods of Payment</b>	<b>97</b>
<b>Banking Systems</b>	<b>97</b>
<b>Foreign Exchange Controls</b>	<b>97</b>
<b>US Banks &amp; Local Correspondent Banks</b>	<b>97</b>
<b>Project Financing</b>	<b>98</b>
Multilateral Development Banks	103
<b>Web Resources</b>	<b>104</b>
<b><i>Business Travel</i></b>	<b><i>106</i></b>
<b>Business Customs</b>	<b>106</b>
<b>Travel Advisory</b>	<b>106</b>
<b>Visa Requirements</b>	<b>106</b>
<b>Currency</b>	<b>107</b>
<b>Telecommunications/Electric</b>	<b>107</b>
<b>Transportation</b>	<b>107</b>
<b>Language</b>	<b>107</b>
<b>Health</b>	<b>108</b>
<b>Local Time, Business Hours and Holidays</b>	<b>108</b>
<b>Temporary Entry of Materials or Personal Belongings</b>	<b>109</b>
<b>Web Resources</b>	<b>109</b>

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# Doing Business in the European Union

## Market Overview

The United States and the European Union (EU), with its 28 Member States, enjoy a mature economic relationship that is characterized by \$4.5 trillion in two-way investment as of 2015.<sup>1</sup> U.S. exports of goods and services to the EU-28 in 2016 reached approximately \$503 billion and imports from the EU, \$596 billion.<sup>2</sup> It is estimated that transatlantic commerce generates more than 15 million jobs. U.S. and European foreign affiliates directly employed 8.7 million workers in 2015 which is a four percent increase over 2014.<sup>3</sup>

The EU spring forecast released on February 13, 2017 projects that the recovery in the Euro Area will remain slow despite a relatively low Euro exchange rate, highly accommodative monetary policy, and supportive fiscal policy. Euro Area GDP growth is projected to be 1.8% in 2017 and 1.7% in 2018, reflecting a slight upward revision from the Autumn Forecast (1.6% and 1.8%, respectively) mainly due to the better than expected performance in the second half of 2016 and a robust start into 2017. The EU-28 is projected to grow at 1.8% in 2017 and 2018.<sup>3</sup>

Domestic demand is expected to remain the main driver of growth for the next several years. Euro Area inflation is projected at 1.7% in 2017 and 1.4% in 2018. Debt levels are beginning to decline, primarily due to low interest rates, reaching 90.4% in the Euro Area in 2017 from 91.1% in 2016. 9.6% unemployment is forecast for 2017 in the Euro Area and 8.1% in the entire EU.

Downside risks include a slowdown in emerging markets, particularly China, continued high geopolitical tensions, and uncertainty of oil price movements or financial market turmoil. Domestic risks include the uncertainty surrounding the UK's impending exit from the EU, the migration crisis, and a possible reemergence of an economic crisis in Greece.

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<sup>1</sup> USTR Trade Report 2016

<sup>2</sup> US Bureau of Economic Analysis (BEA)

<sup>3</sup> The Transatlantic Economy 2017, Annual Survey of Jobs, Trade and Investment between the U.S. and Europe; Daniel Hamilton and Joseph Quinlan and EuroData February 13, 2017

U.S. business may benefit from the EU's border-free Schengen area which covers 22 of the 28 EU Member States<sup>4</sup> and eases the movement of goods and people across air, land, and sea borders. Ireland and the U.K. have opted out of the Schengen and it is not certain when Bulgaria, Croatia, Cyprus, and Romania will join.

The transatlantic digital economy is an important pillar in the overall U.S.-EU economic and commercial relationship with nearly 15 terabits of cross-border data flowing per second. Both entities are the largest net exporters of digitally deliverable services in the world to each other's economies comprising 70 percent of bilateral services exports from the United States to Europe and 54 percent of bilateral services imports to the United States. The United States exported a total of \$184.2 billion in digitally deliverable services to Europe in 2015, highlighting the importance of maintaining an open digital ecosystem for both economies.

## **Market Challenges**

Issues exist as would be expected given the breadth and depth of the commercial relationship between the United States and the EU. These issues generally come in the form of compliance requirements established by EU legislation. While the United Kingdom's plan to depart the European Union provides uncertainty, the remaining 27 EU countries continue to be a strong market for the United States with goods and services exports to the EU 27 in 2015 of \$369.3 billion.

EU legislation generally takes two forms. "Regulations" have mandatory language and are directly applicable in Member States when implemented. "Directives" provide a general framework and must be "transposed" into national legislation at the member state level. Differences in how directives are transposed in Member States are common, which complicates compliance for U.S. companies doing business in the

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<sup>4</sup> Twenty-two EU Member States and four European Free Trade Association (EFTA) Member States participate in the Schengen Area. Of the six EU members which do not form part of the Schengen Area three – Bulgaria, Croatia, Cyprus and Romania – are legally obliged to join the area, while the other two – Ireland and the United Kingdom – maintain opt-outs. Four non-EU members – Iceland, Liechtenstein, Norway, and Switzerland – participate in the Schengen Area.

EU. Industry has raised concerns over perceived onerous regulations and high compliance costs.

The EU has legislative harmonization competence that it can choose to exercise in such areas as the free circulation of goods, services, and capital within the internal market as well as agriculture, fisheries, transport, and energy. Human health, tourism, and civil protection are examples of areas where the EU can only legislate in support of Member States' initiatives.

While the EU continues to move in the direction of a Single Market, the reality today is that U.S. exporters continue to face barriers to entry and challenges with regulations, testing, and standards. In several industries such as pharmaceuticals, chemicals, telecommunications, legal services, and government procurement, some of these barriers are more pronounced.

Because the EU and the United States have different legal approaches to protecting the data privacy of its citizens, the EU wants to be assured that its citizens' data is protected in a manner consistent with EU law, when transferred for commercial purposes to the United States. This has been the focus of much discussion between the EU and the United States and resulted in the adoption of the EU-U.S. Data Privacy Shield agreement, which provides a mechanism for companies that participate in the voluntary program to legally transfer data from the EU to the United States. The Privacy Shield helps foster a secure operating environment for both citizens and industry, while promoting a productive and innovative transatlantic digital economy and helping facilitate data transfers, while protecting the fundamental rights of EU citizens whose data is transferred to the United States as part of a commercial transaction.

Discussions on a range of existing and proposed trade irritants are ongoing, including transparency in developing regulatory procedures and standards. To ensure that U.S. companies get the full benefits of the trade agreements the United States has negotiated, the U.S. Government has developed a trade compliance initiative that includes the establishment of the [Interagency Trade Enforcement Center](#). U.S. trade agencies work closely and diligently with the business community to ensure that the EU and its Member States comply with their bilateral and multilateral trade obligations, and to minimize market access problems affecting U.S. firms.

### **Market Opportunities**

For specific member state market opportunities, please consult the Commerce Department's Country Commercial Guides of the 28 individual EU Member States found at the following website: [EU Member States' Country Commercial Guides](#)

### **Market Entry Strategy**

Although the European Commission continues to pursue the implementation of a single European market, by and large, the European Union market is differentiated with each Member State having its own supply and demand needs and characteristics. While a pan-European business strategy is critical, individual market entry plans must be developed on a country-by-country basis. Working together with U.S. Commercial Service teams across Europe, U.S. firms can capitalize on opportunities in multiple countries across the region that share common rules, regulations and standards. [Region-wide and Country-Specific Information](#).

For details of these tactics, please consult the Commerce Department's Country Commercial Guides of the 28 individual EU Member States found at the following website: [EU Member States' Country Commercial Guides](#)

To conduct a more thorough search for reports on specific industries and sectors within EU Member States please consult the [Commerce Department's Market Research Library](#).

## **Political Environment**

### **Political Environment**

For background information on the political and economic environment of individual Member States, please click on the link below to the [U.S. Department of State Background Notes](#).

### **How the E.U. Emerged**

In 1950, after World War II, six European countries, Belgium, France, West Germany, Italy, Netherlands, and Luxembourg created the European Coal and Steel Community to help unify and rebuild Europe after the war. The Community was designed to prevent any future wars between France and Germany by promoting peaceful economic cooperation, political stability, secure economic growth, and increasing economic ties among countries, all for the purpose of moving towards a single market.

Under the threat of a more divided Europe during the Cold War, the six Western European states adopted the Treaty of Rome in 1957 to establish a common European market known as the European Economic Community (EEC).

By 1991, the Cold War was nearly over and the EEC with its twelve members (Germany, France, Italy, the Netherlands, Belgium, Luxembourg, Denmark, Ireland, United Kingdom, Greece, Spain, and Portugal) signed The Maastricht Treaty which radically changed the functioning of the organization. It officially created the European Union, expanded the scope of the EU's competencies, and set budgetary and mandatory monetary criteria for Member States that led to the creation of the Euro Area.

After the Cold War, Central and Eastern European nations were no longer bound to the Soviet Union. The political and economic benefits of the EU's democratic integration became appealing to the new Eastern European countries. As of 1993, in addition to budgetary commitments, new Member States had to adhere to the Copenhagen Criteria requiring nations to have stable institutions that guarantee democracy, a working market economy to handle the EU's competitive market, and the ability to commit to the obligations of EU membership (i.e. observing the goals of a political, economic, and monetary union). Additional members of the European Union are Austria,

Sweden, Finland, Malta, Cyprus, Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Slovenia, Hungary, Bulgaria, Romania and Croatia.

In June 2016, the UK voted in a referendum to leave the EU. On March 29, 2017, the UK formally triggered Article 50 of the EU's Lisbon Treaty, the formal start of an expected two-year process by which Britain will leave the European Union.

### **Lisbon Treaty**

In 2009, the Lisbon Treaty created various amendments to the existing Treaty of Rome and the Maastricht Treaty, revising the constitutional basis of the European Union. The major changes of the Lisbon Treaty were the creation of a long-term President of the European Council, recognizing the European Council as an official EU institution, and the creation of a new role of High Representative on Foreign and Security Policy. Under the Lisbon Treaty, Council decisions in most policy areas are now made under double majority, requiring the support of a minimum of 55 percent of Council of the European Union members and representing at least 65 percent of EU citizens. At the same time, for legislation to pass, the Parliament must have a simple majority (majority of parliamentarians present) or 50 percent of the votes in favor. The need for consent by both the Parliament and the Council of the European Union is called co-decision.

The Lisbon Treaty significantly increased the influence of the European Parliament including in the nomination of Commissioners and equally dividing budgetary authority between the Parliament and the Council of the European Union.

### **Main EU Institutions**

**European Commission:** As the executive branch of the EU, the European Commission holds the right to initiate and propose legislation and the budget to the Council of the European Union and to the Parliament. It is also charged with implementing decisions and acts as guardian of the EU's treaties. Each of the 28 Commissioners holds a different member state nationality but is obligated to remain neutral and above national politics.

**European Parliament:** The Parliament's role is several-fold and includes: 1) debating and passing European laws along with the Council once they have been proposed by the European Commission; 2) scrutinizing the work of the European Commission and other EU institutions; 3) debating and adopting the EU's budget along with the Council; and 4) vetting new Commissioner nominees.

Elections are every five years, the last taking place in May 2014 with citizens voting in national elections for their Members of European Parliament (MEPs). The total number of MEPs elected is 751.

**Council of the European Union (Council of Ministers):** The Council of the European Union represents the governments of the 28 Member States in the EU. The Presidency of the Council rotates every six months between the 28 Member States. In addition to the European Parliament, the Council of Ministers shares the main legislative role of the EU. In January 2017 Malta assumed the Council Presidency; in July 2017, Estonia will take the reins through the end of the year, followed by Bulgaria. The concept of the Council Presidency is not to be confused with the European Council which gathers heads of states to steer the EU's political direction.

**European Court of Justice (ECJ):** The purpose of the ECJ is to interpret EU law to make sure it is applied evenly across all EU Member States. Additionally, it may also engage in settling legal disputes between EU governments and EU institutions. Individuals, companies and organizations have the ability to bring cases before the ECJ if they feel their rights have been violated by an EU institution.

# **Selling U.S. Products & Services**

## **Using an Agent to Sell U.S. Products and Services**

Companies wishing to use distribution, franchising and agency arrangements need to ensure that the agreements they put into place are in accordance with EU laws and member state national laws. Council Directive 86/653/EEC establishes certain minimum standards of protection for self-employed commercial agents who sell or purchase goods on behalf of their principals. The Directive establishes the rights and obligations of the principal and its agents, the agent's remuneration, and the conclusion and termination of an agency contract. It also establishes the notice to be given and indemnity or compensation to be paid to the agent. U.S. companies should be particularly aware that according to the Directive, parties may not derogate from certain requirements. Accordingly, the inclusion of a clause specifying an alternate body of law to be applied in the event of a dispute will likely be ruled invalid by European courts.

**Key Link:** [Self Employed Commercial Agents](#)

The European Commission's Directorate General for Competition enforces legislation concerned with the effects on competition in the internal market of "vertical agreements." U.S. small- and medium-sized companies (SMEs) are often exempt from these regulations because their agreements likely would qualify as "agreements of minor importance," meaning they are considered incapable of impacting competition at the EU level but useful for cooperation between SMEs. Generally speaking, companies with fewer than 250 employees and an annual turnover of less than €50 million are considered small- and medium-sized. The EU has additionally indicated that agreements that affect less than 10 percent of a particular market are generally exempted (Commission Notice 2014/C 291/01).

**Key Link:** [European Law](#)

The EU also looks to combat payment delays. Directive 2011/7/EU covers all commercial transactions within the EU, whether in the public or private sector, primarily dealing with the consequences of late payment. Transactions with consumers, however, do not fall within the scope of this Directive. Directive 2011/7/EU entitles a seller who does not receive payment for goods and/or services within 30 days of the payment deadline to collect interest (at a rate of eight percent above the European Central Bank rate) as well as 40 Euro as compensation for recovery of costs. For business-to-business transactions a 60-day period may be negotiated subject to conditions. The seller may also retain the title to goods until payment is completed and may claim full compensation for all recovery costs.

**Key Link:** [Late Payments](#)

Companies' agents and distributors can take advantage of the European Ombudsman when victim of inefficient management by an EU institution or body. Complaints can be made to the European Ombudsman only by businesses and other bodies with registered offices in the EU. The Ombudsman can act upon these complaints by investigating cases in which EU institutions fail to act in accordance with the law, fail to respect the principles of good administration, or violate fundamental rights. In addition, SOLVIT, a network of national centers, offers online assistance to citizens and businesses who encounter problems with transactions within the borders of the single market.

**Key Links:**

[European Ombudsman](#)  
[EU Solvit](#)

### **Establishing an Office**

Establishing an office in Europe, whether a subsidiary or a new business, requires knowledge of the relevant national legislations in the country of interest.

While there are a number of EU level policies in effect, many key areas such as taxation are still largely a member state prerogative.

The European Commission manages the [Your Europe](#) website where investors can find useful information on various topics ranging from taxation and customs to employment contracts.

For further information on this topic please consult the Commerce Department's Country Commercial Guides on EU Member States: [EU Member States' Country Commercial Guides](#)

Alternatively, search the [Commerce Department's Market Research Library](#)

### **Data Privacy and Protection**

#### ***Current Situation: the New General Data Privacy Regulation***

The EU data privacy framework is currently going through a legislative transition.

The currently applicable legislation is the Data Protection Directive (95/46/EC) adopted in 1995. It spells out strict rules concerning the processing of personal data. Businesses must tell consumers that they are collecting data, what they intend to use it for, and to whom it will be disclosed. Data subjects must be given the opportunity to object to the processing of their personal details and to opt-out of having them used for direct marketing purposes. This opt-out should be available at the time of collection and at any point thereafter.

On May 4, 2016, the EU adopted a new piece of legislation called the General Data Protection Regulation (GDPR). The GDPR will replace the 1995 Data Privacy Directive. However, there will be two-year transition period to allow companies and organizations (including those U.S. entities that receive data from European customers) to comply with the numerous new requirements introduced. The transition period will end on May 25, 2018.

The GDPR is broad in scope and applies to all companies who collect, process, and/or store the personal data of European citizens regardless of whether or not a company

has a physical presence in Europe or directly provides goods or services to European customers.

Among the many requirements are: erasure for data subjects, an obligation for organizations to obtain “affirmative and unambiguous” consent for processing personal data, an obligation to report personal data breaches, the requirement under certain circumstances to conduct a privacy impact assessment before processing personal data, and for organizations that fill certain criteria, the mandatory appointment of a Data Protection Officer.

Companies are strongly encouraged to do due diligence and seek legal advice from an attorney specializing in European data privacy law to ensure they comply with this legislation. Fines in case of non-compliance could reach four percent of the annual global revenue of the company.

**For more information:**

[Full GDPR text](#)

[Official Press Release](#)

**Transferring Customer Data to Countries outside the EU**

The EU's current Data Protection Directive, which will be fully replaced by the General Data Protection Regulation (GDPR) as of May 25, 2018, provides for the free flow of personal data within the EU but also for its protection when it leaves the region's borders.

The GDPR (Chapter 5 - Article 44 onwards) sets out obligations on data controllers (those in charge of deciding what personal data is collected and how/why it is processed), on data processors (those who act on behalf of the controller) and gives rights to data subjects (the individuals to whom the data relates). These rules were designed to provide a high level of privacy protection for personal data, and were complemented by **measures to ensure the protection is maintained when data leaves the region**, whether it is transferred to controllers, processors or to third parties (e.g. subcontractors). EU legislators put restrictions on transfers of personal data outside

of the EU, specifying that such data could only be exported if “adequate protection” is provided.

The European Commission (EC) is responsible for assessing whether a country outside the EU has a legal framework that provides sufficient protection for it to issue an “adequacy finding” to that country. The U.S. has never sought to be found adequate by the EC. This means that U.S. companies can only receive personal data from the EU if they:

- Join the EU-U.S. Privacy Shield program, or
- Provide appropriate safeguards (e.g. contractual clauses, binding corporate rules), or,
- Refer to one of the GDPR’s derogations,

European Commission’s webpage on transfers outside the EU and all mechanisms outlined below:

### [Data Transfers Outside of EU](#)

#### **Important note:**

The legal environment for data transfers to the United States continues to evolve. Companies that transfer EU citizen data to the United States as part of a commercial transaction should consult with an attorney, who specializes in EU data privacy law, to determine what options may be available for a particular transaction.

#### **About the EU-U.S. Privacy Shield**

The EU-U.S. Privacy Shield Framework was designed by the U.S. Department of Commerce and the European Commission to provide companies on both sides of the Atlantic with a mechanism to comply with data protection requirements when transferring personal data from the European Union to the United States in support of transatlantic commerce.

For more information on the [EU-U.S. Privacy Shield](#)

For more information about other mechanisms of transfer, please refer to:

## [Transferring Personal Data from EU to U.S.](#)

### **Franchising**

U.S. businesses looking to franchise within the European Union will likely find that the market is quite robust and friendly to franchise systems in general. There are a number of laws that govern the operation of franchises within the EU, but these laws are fairly broad and generally do not constrain the competitive position of U.S. businesses. The potential franchiser should take care to look not only at the EU regulations, but also at the local laws concerning franchising. More information on specific legislation can be found on the website of the [European Franchise Federation](#).

### **Direct Marketing**

The EU has yet to adopt legislation harmonizing the direct-selling of consumer products. However, there is a wide-range of EU legislation that impacts the direct marketing sector. Compliance requirements are stiffest for marketing and sales to private consumers. Companies need to focus, in particular, on the clarity and completeness of the information they provide to consumers prior to purchase and on their approaches to collecting and using customer data. The following gives a brief overview of the most important provisions flowing from EU-wide rules on distance-selling and on-line commerce. In addition, it is important for exporters relying on a direct-selling business model to ensure they comply with member state requirements.

#### Processing Customer Data

The EU has strict laws governing the protection of personal data, including the use of such data in the context of direct marketing activities. For more information on these rules, please see the Data Privacy section above.

#### Distance Selling Rules

In 2011, the EU overhauled its consumer protection legislation and merged several existing rules into a single rulebook - “the Consumer Rights Directive”. The provisions of this Directive have been in force since June 13, 2014. The Directive

contains provisions on core information to be provided by traders prior to the conclusion of consumer contracts. It also regulates the right of withdrawal, includes rules on the costs for the use of means of payment and bans pre-ticked boxes.

### Alternative Dispute Resolution

In 2013, the EU adopted rules on Alternative Dispute Resolution which provide consumers the right to turn to quality alternative dispute resolution entities for all types of contractual disputes including purchases made online or offline, domestically or across borders. A specific Online Dispute Resolution Regulation, operational in January 2016, sets up an EU-wide online platform to handle consumer disputes that arise from online transactions.

### New Legislation

In December 2015 the European Commission released a package of two draft Directives, respectively on “contracts for the supply of digital content” and another on “contracts for the online and other distance sales of goods.” This package addresses the legal fragmentation and lack of clear contractual rights for faulty digital content and distance selling across the EU. The package only addresses B2C contracts, although its scope uses a very broad definition of both digital content (including music, movies, apps, games, films, social media, cloud storage services, broadcasts of sport events, visual modelling files for 3D printing) and distance selling goods so as to cover Internet of Things (such as connected households appliances and toys). It also applies to transactions whether in the context of a monetary transaction or in exchange of (personal) consumer data. Healthcare, gambling and financial services are excluded. The package is currently under scrutiny at both the European Parliament and Council. Its adoption is expected the first half of 2017.

### **Key Links:**

[Consumer Affairs Homepage](#)  
[Consumer Rights](#)

### **Distance Selling of Financial Services**

Financial services are the subject of a separate directive that came into force in June 2002 (2002/65/EC). This piece of legislation amended three prior existing Directives

and is designed to ensure that consumers are appropriately protected with respect to financial transactions taking place where the consumer and the provider are not face-to-face. In addition to prohibiting certain abusive marketing practices, the Directive establishes criteria for the presentation of contract information. Given the special nature of financial markets, specifics are also laid out for contractual withdrawal.

**Key Link:** [Distance Marketing](#)

### **Direct Marketing over the Internet**

The e-commerce Directive (2000/31/EC) imposes certain specific requirements connected to the direct marketing business. Promotional offers must not mislead customers and the terms that must be met to qualify for them have to be clear and easily accessible. The Directive stipulates that marketing e-mails must be identified as such to the recipient and requires that companies targeting customers on-line must regularly consult national opt-out registers where they exist. When an order is placed, the service provider must acknowledge receipt quickly and by electronic means, although the Directive does not attribute any legal effect to the placing of an order or its acknowledgment: this is a matter for national law. Vendors of electronically supplied services (such as software, which the EU considers a service and not a good) must also collect value added tax (see Electronic Commerce section below). The European Commission has performed a stakeholder's consultation and is currently assessing the opportunity to propose a revision of the e-commerce Directive.

**Key Link:** [Direct Marketing over the Internet](#)

### **Joint Ventures/Licensing**

For information on this topic please consult the Commerce Department's Country Commercial Guides on EU Member States: [EU Member States' Country Commercial Guides](#).

### **Selling to the Government**

Government procurement in Europe is governed by both international obligations under the WTO Government Procurement Agreement (GPA) and EU-wide legislation

under the EU Public Procurement Directives. U.S.-based companies are allowed to bid on public tenders covered by the GPA, while European subsidiaries of U.S. companies may bid on all public procurement contracts covered by the EU Directives in the European Union.

The EU directives on public procurement have recently been revised and new legislation on concession has also been adopted. Member States were required to transpose the provisions of the new directives by April 16, 2016. The four relevant legislations are:

- [Directive 2014/24/EU](#) (replacing Directive 2004/18/EC) on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts applies to the general sector;
- [Directive 2014/25/EU](#) (replacing Directive 2004/17/EC) coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors;
- [Directive 2009/81/EC](#) on defense and sensitive security procurement. This Directive sets Community rules for the procurement of arms, munitions and war material (plus related works and services) for defense purposes, but also for the procurement of sensitive supplies, works and services for non-military security purposes;
- [Directive 2014/23/EU](#) on the award of concession contracts. A concession contract (either for the delivery of works or services) is conducted between a public authority and a private enterprise that gives the right to the company to build infrastructure and operate businesses that would normally fall within the jurisdiction of the public authority (e.g. highways).

The EU has three remedy directives imposing common standards for all member states to abide by in case bidders identify discriminatory public procurement practices.

Electronic versions of the procurement documentation must be available through an internet URL immediately on publication of the Official Journal of the European Union (OJEU) contract notice. Full electronic communication (with some exceptions) will become mandatory for all public contracts from October 2018. Central purchasing bodies are required to publish their contracts and requests for tenders since April 2017.

Electronic invoicing (e-invoicing) will be introduced beginning the 3<sup>rd</sup> quarter of 2018, based on the requirement set forth in [Directive 2014/55/EU](#). The Directive makes the receipt and processing of electronic invoices in public procurement obligatory. Standards for e-invoicing are being developed by the European Committee for Standardization (CEN).

There are restrictions for U.S. suppliers in the EU utilities sector, both in the EU Utilities Directive and in EU coverage of the GPA. Article 85 of Directive 2014/25 allows EU contracting authorities to either reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50 percent or give preference to the EU bid if prices are equivalent (meaning within a three percent margin). Moreover, the Directive allows EU contracting authorities to retain the right to suspend or restrict the award of service contract to undertaking in third countries where no reciprocal access is granted.

There are also restrictions in the EU coverage of the GPA that apply specifically to U.S.-based companies. U.S. companies are not allowed to bid on works and services contracts procured by sub-central public contracting authorities in the following sectors:

- Water sector
- Airport services
- Urban transport sector as described above, and railways in general
- Dredging services and procurement related to shipbuilding

### **Distribution & Sales Channels**

For information on this topic please consult the Commerce Department's Country Commercial Guides on EU Member States: [EU Member States' Country Commercial Guides](#).

Alternatively, search the Commerce Department's Market Research Library, available from: [Market Intelligence](#) under Country and Industry Market Reports.

## **Express Delivery**

For information on this topic please consult the Commerce Department's Country Commercial Guides on EU Member States: [EU Member States' Country Commercial Guides](#)

Alternatively, search the Commerce Department's Market Research Library, available from: [Market Intelligence](#)

## **Selling Factors & Techniques**

For information on this topic please consult the Commerce Department's Country Commercial Guides on EU Member States: [EU Member States' Country Commercial Guides](#)

Alternatively, search the Commerce Department's Market Research Library, available from: [Market Intelligence](#) under Country and Industry Market Reports.

## **eCommerce**

### **The European Union's Digital Single Market Initiative**

Creating a Digital Single Market (DSM) is one of the ten priorities of the European Commission (EC). The overall objective is to bring down barriers, regulatory or otherwise, and to unlock online opportunities in Europe, from e-commerce to e-government. By doing so, the EU hopes to do away with the current 28 fragmented markets and create one borderless market with harmonized legislation and rules for the benefit of businesses and consumers alike throughout Europe.

The EC set out its vision in its May 6, 2015 DSM Strategy which has been followed by a number of concrete legislative proposals and policy actions. They are broad reaching and include reforming e-commerce sector, VAT, copyright, audio-visual media services, consumer protection, and telecommunications laws. Most of these proposals are currently going through the legislative process. DSM-related legislation will have a broad impact on U.S. companies doing business in Europe.

The three main pillars of the strategy are:

**Pillar I: Better access for consumers and businesses to digital goods and services across Europe**

- Better access for consumers and businesses to online goods and services across Europe
- Remove key differences between the online and offline worlds to break down barriers to cross-border online activity.

**Pillar II: Shaping the right environment for digital networks and services to flourish**

- Achieve high-speed, secure and trustworthy infrastructures and content services
- Set the right regulatory conditions for innovation, investment, fair competition and a level playing field.

**Pillar III: Creating a European Digital Economy and society with growth potential**

- Invest in technologies such as cloud computing and Big Data, and in research and innovation to boost industrial competitiveness and skills
- Increase interoperability and standardization

For more information: [Digital Single Market DSM Strategy](#)

The Electronic Commerce Directive (2000/31/EC) provides rules for online services in the EU. It requires providers to abide by rules in the country where they are established (country of origin). Online providers must respect consumer protection rules such as indicating contact details on their website, clearly identifying advertising and protecting against spam. The Directive also grants exemptions to liability for intermediaries that transmit illegal content by third parties and for unknowingly hosting content.

*Comprehensive Market Research on e-commerce in the EU is available upon request.*

**Key Link:** [eCommerce](#)

For information on this topic please consult the Commerce Department's Country Commercial Guides on EU Member States: [EU Member States' Country Commercial Guides](#)

Alternatively, search the Commerce Department's Market Research Library, available from: [Market Intelligence](#)

### **Value Added Tax (VAT)**

The EU's VAT system is semi-harmonized. While the guidelines are set out at the EU level, the implementation of VAT policy is the prerogative of Member States. The EU VAT Directive allows Member States to apply a minimum 15 percent VAT rate. However, they may apply reduced rates for specific goods and services or temporary derogations. Therefore, the examination of VAT rates by Member State is strongly recommended. These and other rules are laid out in the [VAT Directive](#).

The EU applies Value Added Tax (VAT) to sales by non-EU based companies of Electronically Supplied Services (ESS) to EU-based non-business customers. U.S. companies that are covered by the rule must collect and submit VAT to EU tax authorities. From 1 January 2015, all supplies of telecommunications, broadcasting and electronic services are taxable at the place where the customer resides. In the case of businesses this means either the country where it is registered or the country where it has fixed premises receiving the service. In the case of consumers, it is where they are registered, have their permanent address, or usually live.

As part of the legislative changes of 2015, the Commission launched the Mini One Stop Shop (MOSS) scheme, the use of which is optional. It is meant to facilitate the sales of ESS from taxable to non-taxable persons (B2C) located in Member States in which the sellers do not have an establishment to account for the VAT.

This plan allows taxable persons (sellers) to avoid registering in each Member State of consumption. A taxable person who is registered for the Mini One Stop Shop in a Member State (the Member State of Identification) can electronically submit quarterly

Mini One Stop Shop VAT returns detailing supplies of ESS to non-taxable persons in other Member States (the Member State(s) of consumption), along with the VAT due. The Commission has received numerous complaints in relation to the new rules on ESS and is in the process of revising them.

The most important pieces of legislation on VAT are the [EU VAT Directive 2006/112/EC](#) and its [Implementing Regulation 282/2011](#).

**Further information relating to VAT on ESS:**

[http://ec.europa.eu/taxation\\_customs/taxation/vat/how\\_vat\\_works/telecom/index\\_en.htm#onestopshop](http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/telecom/index_en.htm#onestopshop)

## **Trade Promotion & Advertising**

### **General Legislation**

Laws against misleading advertisements differ widely from member state to member state within the EU. To respond to this issue in the internal market, the Commission adopted a directive, in force since October 1986, to establish minimum and objective criteria regarding truth in advertising. The Directive was amended in October 1997 to include comparative advertising. Under the Directive, misleading advertising is defined as any "advertising which in any way, including its presentation, deceives or is likely to deceive the persons to whom it is addressed or whom it reaches and which, by reason of its deceptive nature, is likely to affect their economic behavior or which for those reasons, injures or is likely to injure a competitor." Member States can authorize even more extensive protection under their national laws.

Comparative advertising, subject to certain conditions, is defined as "advertising which explicitly or by implication identifies a competitor or goods or services of a competitor." Member States can, and in some cases have, restricted misleading or comparative advertising.

The EU's Audiovisual Media Services Directive (AMSD) lays down legislation on broadcasting activities allowed within the EU. Since 2009, the rules allowing for U.S.-

style product placement on television and the three-hour/day maximum of advertising has been lifted. However, a 12-minute/hour maximum remains. The AMSD is currently under revision. The European Commission is aiming to extend the scope of the Directive to video-sharing platforms which tag and organize the content. The Commission is also aiming to provide more flexibility about the 12-minute/hour maximum restriction. Children's programming is subject to a code of conduct that includes a limit on junk food advertising to children. Following the adoption of the 1999 Council Directive on the Sale of Consumer Goods and Associated Guarantees, product specifications, as laid down in advertising, are considered as legally binding on the seller.

The EU adopted Directive 2005/29/EC concerning fair business practices in a further attempt to tighten consumer protection rules. These rules outlaw several aggressive or deceptive marketing practices such as pyramid schemes, "liquidation sales" when a shop is not closing down, and artificially high prices as the basis for discounts in addition to other potentially misleading advertising practices. Certain rules on advertising to children are also set out.

**Key Links:**

[Misleading Advertising](#)  
[Unfair Commercial Practices Directive](#)  
[Audio video Media Services](#)

**Medicines**

The advertising of medicinal products for human use is regulated by Council Directive 2001/83/EC, as amended by Directive 2004/27/EC. Generally speaking, the advertising of medicinal products is forbidden if market authorization has not yet been granted or if the product in question is a prescription drug. Mentioning therapeutic indications where self-medication is not suitable is not permitted, nor is the distribution of free samples to the general public. The text of the advertisement should be compatible with the characteristics listed on the product label, and should encourage rational use of the product. The advertising of medicinal products destined for professionals should contain essential characteristics of the product as well as its

classification. Inducements to prescribe or supply a particular medicinal product are prohibited and the supply of free samples is restricted.

**Key Link:** [Health and Medicine](#)

### **Nutrition & Health Claims**

On July 1, 2007, a regulation on nutrition and health claims entered into force. Regulation 1924/2006 sets EU-wide conditions for the use of nutrition claims such as “low fat” or “high in vitamin C” and health claims such as “helps lower cholesterol.” The regulation applies to any food or drink product produced for human consumption that is marketed in the EU. Only foods that fit a certain nutrient profile (below certain salt, sugar and/or fat levels) are allowed to carry claims. Nutrition and health claims are only allowed on food labels if they are included in one of the EU’s positive lists. Food products carrying claims must comply with the provisions of nutritional labeling Directive 90/496/EC and its amended version Directive 1169/2011. In December 2012 a list of approved functional health claims went into effect. The list includes generic claims for substances other than botanicals which will be evaluated at a later date. Disease risk reduction claims and claims referring to the health and development of children require an authorization on a case-by-case basis, following the submission of a scientific dossier to the European Food Safety Authority (EFSA). Health claims based on new scientific data will have to be submitted to EFSA for evaluation but a more simplified authorization procedure has been established.

The development of nutrient profiles, originally scheduled for January 2009, has been delayed. The original proposal has been withdrawn. In October 2015 the European Commission released a new roadmap on the potential development of nutrient profiles and botanicals. To obtain stakeholders’ inputs, two consultations and an external study will be launched by mid-2017. Following this, the European Commission will assess the opportunity to proceed with a proposal and then potentially draft it. Nutrition claims, in place since 2006, can fail one criterion, i.e. if only one nutrient (salt, sugar or fat) exceeds the limit of the profile, a claim can still be made provided the high level of that particular nutrient is clearly marked on the

label. For example, a yogurt can make a low-fat claim even if it has high sugar content but only if the label clearly states “high sugar content.” A European Union Register of nutrition claims has been established and is updated regularly. Health claims cannot fail any criteria.

Detailed information on the EU’s Nutrition and Health Claims policy can be found on the USEU/FAS website at [USEU/FAS website](#) and in the [USDA Food and Agricultural Import Regulations and Standards EU 28 2014](#)

**Key Link:** [EU Register of Nutrition and Health Claims](#)

### **Food Information to Consumers**

In 2011, the EU adopted a regulation on the provision of food information to consumers ([1169/2011](#)). The new EU labeling requirements apply from December 13, 2014 except for the mandatory nutrition declarations which apply from December 13, 2016.

Detailed information on the EU’s new food labeling rules can be found on the USEU/FAS website at [EU Labelling Requirements](#) and in the [USDA Food and Agricultural Import Regulations and Standards EU 28 2014](#)

**Key link:** [Provision on Food Information](#)

### **Food Supplements**

[Directive 2002/46/EC](#) harmonizes the rules on labeling of food supplements and introduces specific rules on vitamins and minerals in food supplements. Ingredients other than vitamins and minerals are still regulated by Member States.

Regulation 1925/2006, applicable as of July 1, 2007, harmonizes rules on the addition of vitamins and minerals to foods. The regulation lists the vitamins and minerals that may be added to foods. This list was most recently revised in 2014. A positive list of substances other than vitamins and minerals has not been established yet, although

it is being developed. Until then, member state laws will govern the use of these substances.

**Key Link:** [Labelling Nutrition Supplements](#)

### **Tobacco**

The EU Tobacco Advertising Directive bans tobacco advertising in printed media, radio, and internet as well as the sponsorship of cross-border events or activities. Advertising in cinemas and on billboards or merchandising is allowed, though these are banned in many Member States. Tobacco advertising on television has been banned in the EU since the early 1990s and is governed by the Audiovisual Media Services Directive. A 2016 revision to the legislation includes the requirement for bigger, double-sided health pictorial warnings on cigarette packages and possibility for plain packaging along with health warnings, tracking systems.

**Key link:** [Tobacco Products](#)

### **Pricing**

For information on this topic please consult the Commerce Department's [Country Commercial Guides on EU Member States](#) . Alternatively, search the Commerce Department's Market Research Library, available from: [Market Intelligence](#) under Country and Industry Market Reports.

### **Sales Service/Customer Support**

Conscious of the discrepancies among Member States in product labeling, language use, legal guarantee and liability, the redress of which inevitably frustrates consumers in cross-border shopping, the EU institutions have launched a number of initiatives aimed at harmonizing national legislation. Suppliers within and outside the EU should be aware of existing and upcoming legislation affecting sales, service and customer support.

### Product Liability

Under the 1985 Directive on Liability of Defective Products, amended in 1999, the producer is liable for damage caused by a defect in his product. The victim must prove the existence of the defect and a causal link between defect and injury (bodily as well as material). A reduction of liability of the manufacturer is granted in cases of negligence on the part of the victim. The first step in the review process of this law was launched at the end of 2016.

**Key link:** [Liability of Defective Products](#)

### Product Safety

The 1992 General Product Safety Directive introduced a general safety requirement at the EU level to ensure that manufacturers only place safe products on the market. It was revised in 2001 to include an obligation on the producer and distributor to notify the Commission in case of a problem with a given product, provisions for its recall, the creation of a European Product Safety Network, and a ban on exports of products to third countries that are not deemed safe in the EU. The legislation is still undergoing review.

**Key link:** [Product Safety Legislation](#)

### Legal Warranties and After-sales Service

Under the 1999 Directive on the Sale of Consumer Goods and Associated Guarantees, professional sellers are required to provide a minimum two-year warranty on all consumer goods sold to consumers (natural persons acting for purposes outside their trade, businesses or professions), as defined by the Directive. The remedies available to consumers in case of non-compliance are:

- Repair of the good(s);
- Replacement of the good(s);
- A price reduction; or
- Rescission of the sales contract.

Other issues pertaining to consumers' rights and protection, such as the New Approach Directives, CE marking, quality control and data protection are dealt with in the Trade Regulations section of this report.

Key link: [Sales and Guarantees](#)

## **Protecting Intellectual Property**

### **Protecting Your Intellectual Property in the EU:**

Several general principles are important for effective management of intellectual property ("IP") rights in the EU. First, it is important to have an overall strategy to protect your IP. Second, IP may be protected differently in the EU than in the United States. Third, rights must be registered and enforced in the EU under local laws. For example, your U.S. trademark and patent registrations will not protect you in the EU. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works in accordance with international agreements.

Granting patents registrations generally is based on a first-to-file (or first-to-invent, depending on the country) basis. Similarly, registering trademarks is based on a first-to-file (or first-to-use, depending on the country), so you should consider how to obtain patent and trademark protection before introducing your products or services to the EU market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government cannot enforce rights for private individuals in the EU. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in EU law. The U.S. Commercial Service can provide a list of local lawyers upon request.

While the U.S. government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the U.S. government can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. government advice be seen as a substitute for the responsibility of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in the EU require constant attention. Work with legal counsel familiar with the EU laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small- and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both EU or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

## **IP Resources**

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the United States and other countries -- call the STOP! Hotline: **1-866-999-HALT** or visit [STOP Fakes](#)
- For more information about registering trademarks and patents (both in the United States as well as in foreign countries), contact the [U.S. Patent and Trademark Office](#) (USPTO) at: **1-800-786-9199**
- For more information about registering for copyright protection in the United States, contact the [U.S. Copyright Office](#) at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, please visit the “Resources” section of the [STOPfakes website](#).
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: [STOPfakes Business tools](#). The toolkits contain detailed information on protecting and enforcing IP in specific markets and also contain contact information for local IPR offices abroad and U.S. government officials available to assist SMEs.

The U.S. Department of Commerce has positioned IP attachés in key markets around the world. Contact information for European based IP attachés in below:

### **Geneva, Switzerland**

Deborah Lashley-Johnson

[deborah\\_e\\_lashley-johnson@ustr.eop.gov](mailto:deborah_e_lashley-johnson@ustr.eop.gov)

### **European Union**

Susan Wilson

[Susan.Wilson@trade.gov](mailto:Susan.Wilson@trade.gov)

### **Kyiv, Ukraine**

Vacant – contact Dominic Keating

[Dominic.Keating@uspto.gov](mailto:Dominic.Keating@uspto.gov)

For additional information on Member States' protection of property rights, please consult the Commerce Department's Country Commercial Guides of the 28 EU

Member States found at the following website: [EU Member States' Country Commercial Guides](#)

## **Due Diligence**

Product safety testing and certification is mandatory for the EU market. U.S. manufacturers and sellers of goods have to perform due diligence in accordance with mandatory EU legislation prior to exporting.

## **Local Professional Services**

Local service providers focusing on EU law, consulting, and business development can be viewed on the website maintained by the Commercial Service at the [U.S. Mission to the European Union](#).

For information on professional services located within each of the EU Member States, please see EU member state Country Commercial Guides which can be found at the following website [EU Member States' Country Commercial Guides](#)

## **Principle Business Associations**

Organizations in Brussels focused on representing U.S. business interests and engaging with EU institutions including the European Commission, European Parliament and the Council include:

[AmChamEU](#)  
[Transatlantic Business Council](#)

## **Limitation on Selling U.S. Products and Services**

N/A

## **Web Resources**

### **EU websites:**

[Coordination of the laws of the Member States relating to self-employed commercial agents \(Council Directive 86/653/EEC\)](#)

[Agreements of Minor importance which do not appreciably restrict Competition under Article 101\(1\) of the Treaty establishing the European Community](#)

[Directive on Late Payment](#)

[European Ombudsman](#)

[EU's Data Protection Directive \(95/46/EC\)](#)

[EU's General Data Protection Regulation \(GDPR\)\(2016/676/EC\)](#)

[Information on contracts for transferring data outside the EU](#)

[EU-U.S. Privacy Shield](#)

[EU Data Protection Home page](#)

[Consumer Rights Directive](#)

[Distance Selling of Financial Services](#)

[E-commerce Directive \(2000/31/EC\)](#)

[EU VAT Directive 2006/112/EC and its Implementing Regulation 282/2011](#)

[The Unfair Commercial Practices Directive /](#)

[Nutrition and Health claims made on foods- Regulation 1924/2006](#)

[Regulation on Food Information to Consumers](#)

[EU-28 FAIRS EU Country Report on Food and Labeling requirements](#)

[Health & Nutrition Claims](#)

[Tobacco Policy](#)

[Product Liability](#)

[Product Safety](#)

[Legal Warranties and After-Sales Service](#)

[Copyright](#)

[European Patent Office \(EPO\)](#)

[EU Intellectual Property Office \(EUIPO\)](#)

[World Intellectual Property Organization \(WIPO\) Madrid](#)

**U.S. websites:**

[IPR Toolkit](#)

[EU Public Procurement](#)

[Local Professional Services](#)

# Leading Sectors for U.S. Exports & Investments

## Best Prospect Overview

### Commercial Sector

U.S. Government engagement in such sectors as automotive (e-vehicles), chemicals, energy and environment (smart grids, renewables), health and medical technologies, manufacturing (advanced manufacturing, additive manufacturing, advanced materials), digital, and information and communications technology will continue to contribute towards U.S. businesses growth and job creation.

The Department of Commerce and the Commercial Service European Union office (CSEU) continue to be a major force, focusing its work on supporting and protecting U.S. commercial interests by: counseling U.S. firms on EU market entry requirements, standards, and legislation; monitoring legislative developments that may impact U.S. commercial interests; and advocating on behalf of U.S. companies to ensure that the EU remains open to U.S. commercial activity.

The CSEU works to resolve market access barriers that impede U.S. commercial activities in Europe assists companies/industries experiencing with specific issues, identifies and works to reduce technical barriers to trade such as technical and standards regulations, product standards and testing, and certification procedures that hamper U.S. exports.

### Overview

<i>Unit: USD millions</i>	<b>2015</b>	<b>2016</b>	<b>2017 (estimate)</b>
<b>GDP (nominal)</b>	16,220 ^^	16,477 ^^	17,094 ^^

<b>Total EU Exports to the world</b>	1,983.9 **	1,930.9 **	1,987.0 * <sup>Λ</sup>
<b>Total EU Imports from the world</b>	1,918.9 **	1,889.8 **	1,960.2 * <sup>Λ</sup>
<b>Import of goods from the U.S.</b>	273,916 ***	271,663 ***	282,627 *
<b>Export of goods to the U.S.</b>	430,865 ***	419,453 ***	435,192 *
<b>Exchange Rate (Euro Zone): 1 Euro <sup>Λ</sup></b>	\$1.1095 <sup>Λ</sup>	\$1.1069 <sup>Λ</sup>	\$1.0628 <sup>Λ</sup>

Unit: USD millions

**Data Sources:**

\* U.S. Census Bureau only 2 months of data available; Figures are a straight avg. over 12-months.

\*\* Global Trade Atlas, U.S. Department of Commerce Bureau of Economic Analysis

\*\*\* [U.S. Bureau of Economic Analysis- International Data](#)

\*<sup>Λ</sup> Eurostat only 1 month of data available; Figures are a straight avg. over 12-months; converted from euros to USD using [2017 exchange rate estimate](#)

<sup>Λ</sup> [Eurostat- Exchange Rates](#)

<sup>ΛΛ</sup> International Monetary Fund, World Economic Outlook Database, 2016

<sup>ΛΛΛ</sup> March 2017 ECB staff macroeconomic projections for the euro area. European Central Bank; Eurosystem

**Principal U.S. Exports to European Union in 2016:**

- Machinery (19.84%)
- Aircraft, Spacecraft & Parts (11.60%)
- Pharmaceutical Products (11.49%)
- Optical, Medical Instruments (9.17%)
- Electrical Machinery (7.49%)
- Vehicles (1.08%)

**Principal U.S. Imports from European Union in 2016:**

- Machinery (17.19%)
- Vehicles (13.51%)

- Pharmaceutical Products (12.92%)
- Electrical Machinery (7.58%)
- Optical, Medical Instruments (7.30%)
- Organic Chemicals (5.71%)

Source: Global Trade Atlas, U.S. Department of Commerce Bureau of Economic Analysis

### **Web Resources**

[European Commission, Directorate-General for Trade, EU-U.S. trade factsheet](#)

## **Agricultural Sector**

Bilateral agricultural trade between the United States and the EU totaled \$37 billion in 2016, making the EU the fourth largest export market for U.S. agricultural products after China, Canada, and Mexico. For the fifteenth year in a row, the U.S. has run a trade deficit in agriculture with the EU with a gap of \$7.7 billion in 2016. The main U.S. products exported to the EU by value are tree nuts (\$2.6 billion), soybeans (\$1.9 billion), forest products (\$1.3 billion), fish and fish products (\$1 billion), distilled spirits (\$655 million), wine and beer (\$755 million), and prepared foods (\$580 million).

Global branding and further integration of European markets is continuing to produce a more homogeneous food and drink market in Europe although significant national differences in consumption remain. Nevertheless, certain common trends are evident throughout the EU: demand for greater convenience, more openness to non-traditional foods, and a growing interest in health foods, organics and niche markets. For a thorough analysis of what commodities and products offer the best opportunities, access [FAS/USEU](#) and consult Brussels' and the individual [Member States' Food and Agricultural Import Regulation and Standards \(FAIRS\) Reports](#).

### [FAIRS Certification Report](#)

#### ***Agricultural Documentation***

**Phytosanitary Certificates:** Phytosanitary certificates are required for most fresh fruits, vegetables, and other plant materials.

**Sanitary Certificates:** For commodities composed of animal products or by-products, EU countries require that shipments be accompanied by a certificate issued by the competent authority of the exporting country. This applies regardless of whether the product is for human consumption, for pharmaceutical use, or strictly for non-human use (e.g., veterinary biologicals, animal feeds, fertilizers, research). The vast majority of these certificates are uniform throughout the EU but the harmonization process is

still ongoing. Most recently, certificates for a series of highly processed products including chondroitin sulphate, hyaluronic acid, hydrolyzed cartilage products, chitosan, glucosamine, rennet, isinglass and amino acids have been harmonized. In addition to the legally required EU health certificates, a number of other certificates are used in international trade. These certificates, which may also be harmonized in EU legislation, certify origin for customs purposes and certain quality attributes. Up-to-date information on harmonized import documentation can be found at the following website: [FAIRS Export Certificate Report](#).

### ***Agricultural Standards***

The establishment of harmonized EU rules and standards in the food sector has been ongoing for several decades, but it took until January 2002 for the publication of a general food law establishing the general principles of EU food law. This Regulation introduced mandatory traceability throughout the feed and food chain as of Jan 1, 2005. For specific information on agricultural standards, please refer to the [Foreign Agricultural Service's website](#).

There are also export guides to import regulations and standards available on the [Foreign Agricultural Service's website](#).

# Trade Regulations, Customs, & Standards

## Trade Barriers

For information on existing trade barriers, please see the [National Trade Estimate Report on Foreign Trade Barriers](#) published by USTR.

Information on agricultural trade barriers can be found at the following website: [Foreign Agricultural Service](#)

To report existing or new trade barriers and get assistance in removing them, contact either the [Trade Compliance Center](#) or the [U.S. Mission to the European Union](#)

## Import Tariff

When products enter the EU, they need to be declared to customs according to their classification in the Combined Nomenclature (CN). The CN document is updated and published every year, and the latest version can be found on the [European Commission's website](#).

U.S. exports to the European Union enjoy an average tariff of just three percent. All the same, U.S. exporters should consult “The Integrated Tariff of the Community”, referred to as TARIC (Tarif Intégré de la Communauté), to identify the various rules which apply to specific products being imported into the customs territory of the EU. To determine if a license is required for a particular product, check the TARIC.

The TARIC can be searched by country of origin, Harmonized System (HS) Code, and product description on the interactive website of the Directorate-General for Taxation and the Customs Union. The online TARIC is updated daily.

**Key Link:** [TARIC](#)

## **Trade Barriers**

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## **Import Requirements & Documentation**

The TARIC (Tarif Intégré de la Communauté), described above, is available to help determine if a license is required for a particular product. Moreover, the European Commission maintains an export helpdesk with information on import restrictions of various products. [Import Restrictions on Agricultural Products](#)

Many EU Member States maintain their own list of goods subject to import licensing. For example, Germany's "Import List" (Einfuhrliste) includes goods for which licenses are required, their code numbers, any applicable restrictions, and the agency that will issue the relevant license. The Import List also indicates whether the license is required under German or EU law.

For information relevant to member state import licenses, please consult the relevant member state Country Commercial Guide: EU Member States' Country Commercial Guides [EU Member States' Country Commercial Guides](#) or conduct a search on the Commerce Department's Market Research Library, available from: [Market Intelligence](#)

## **Import Documentation**

The Single Administrative Document

The official model for written declarations to customs is the Single Administrative Document (SAD). The SAD describes goods and their movement around the world and is essential for trade outside the EU, or of non-EU goods. Goods brought into the EU customs territory are, from the time of their entry, subject to customs supervision until customs formalities are completed. Goods are covered by a Summary Declaration which is filed once the items have been presented to customs officials. The customs authorities may, however, allow a period for filing the Declaration which cannot be extended beyond the first working day following the day on which the goods are presented to customs.

The Summary Declaration is filed by:

- the person who brought the goods into the customs territory of the Community or by any person who assumes responsibility for carriage of the goods following such entry; or
- the person in whose name the person referred to above acted.

The Summary Declaration can be made on a form provided by the customs authorities. However, customs authorities may also allow the use of any commercial or official document that contains the specific information required to identify the goods. The SAD serves as the EU importer's declaration. It encompasses both customs duties and VAT and is valid in all EU Member States. The declaration is made by whoever is clearing the goods, normally the importer of record or his/her agent.

European Free Trade Association (EFTA) countries including Norway, Iceland, Switzerland, and Liechtenstein also use the SAD. Information on import/export forms is contained in Council Regulation (EEC) No. 2454/93, which lays down provisions for the implementation of the Community Customs Code (Articles 205 through 221). Articles 222 through 224 provide for computerized customs declarations and Articles 225 through 229 provide for oral declarations.

More information on the SAD can be found at:

[Single Administration Document](#)

The Union Customs Code (UCC) was adopted in 2013 and its substantive provisions went into effect on 1 May 2016. It has replaced the Community Customs Code (CCC). In addition to the UCC, the European Commission published delegated and implementing regulations on the actual procedural changes.

### [EU Customs Code](#)

#### **Economic Operator Registration and Identification (EORI)**

Since July 1, 2009, all companies established outside of the EU are required to have an EORI number if they wish to lodge a customs declaration or an Entry/Exit Summary declaration. All U.S. companies should use this number for their customs clearances. An EORI number must be formally requested from the customs of the specific member state to which the company first exports. Member state customs authorities may request additional documents to be submitted alongside a formal request for an EORI number. Once a company has received an EORI number, it can use it for exports to any of the 28 EU Member States. There is no single format for the EORI number. Once an operator holds an EORI number s/he can request the Authorized Economic Operator (AEO: see below under “MRA”) status, which can give quicker access to certain simplified customs procedures.

More information about the EORI number can be found at [Economic Operator Identification and Registration](#)

#### U.S. – EU Mutual Recognition Arrangement (MRA)

Since 1997, the U.S. and the EU have had a Customs Mutual Assistance Agreement (CMAA) on customs matters. For additional information, please see [Agreements with the United States](#)

In 2012 the United States and the EU signed a Mutual Recognition Arrangement (MRA) aimed at providing facilitation of benefits to each other’s Authorized Economic Operator (AEO) companies identified through their respective domestic AEO programs. The MCC introduced the Authorized Economic Operator ([AEO](#)) program (known as the “security amendment”). This is similar to the United States’ voluntary

Customs–Trade Partnership Against Terrorism ([C-TPAT](#)) program in which participants receive certification as a “trusted” trader. The World Customs Organization (WCO) SAFE Framework of Standards provides the global standard for AEO. AEO certification is issued by a national customs authority and is recognized by all Member States’ customs agencies. As of April 17, 2017 an AEO can consist of two different types of authorization: “customs simplification” or “security and safety.” The former allows for an AEO to benefit from simplification related to customs legislation, while the latter allows for facilitation through security and safety procedures. Shipping to a trader with AEO status could facilitate an exporter’s trade as its benefits include expedited processing of shipments, reduced theft/losses, reduced data requirements, lower inspection costs, and enhanced loyalty and recognition. Under the revised Union Customs Code, in order for an operator to make use of certain customs simplifications, the authorization of AEO becomes mandatory.

The United States and the EU recognize each other’s security certified operators and will take the respective membership status of certified trusted traders favorably into account to the extent possible. The favorable treatment provided by mutual recognition will result in lower costs, simplified procedures and greater predictability for transatlantic business activities. The newly signed arrangement officially recognizes the compatibility of AEO and C-TPAT programs, thereby facilitating faster and more secure trade between U.S. and EU operators. The MRA was originally signed in May 2012 and was implemented in two phases. The first commenced in July 2012 with U.S. Customs and Border Protection (CBP) placing shipments coming from EU AEO members into a lower risk category. The second phase took place in early 2013, with the EU re-classifying shipments coming from C-TPAT members into a lower risk category. CBP identification numbers for foreign manufacturers (MID) are therefore recognized by customs authorities in the EU, as per Implementing Regulation 58/2013 (which amends EU Regulation 2454/93 cited above).

[Additional Information on the MRA](#)  
[Revised AEO Guidelines \(Published March 2016\)](#)

Batteries

The [EU Battery Directive](#) adopted in 2006 applies to all batteries and accumulators placed on the EU market. This includes automotive, industrial and portable batteries. The Directive seeks to protect the environment by restricting the sale of batteries and accumulators that contain mercury or cadmium (with an exemption for emergency and alarm systems, medical equipment and cordless power tools) and by promoting a high level of collection and recycling. It places the responsibility on producers to finance the costs associated with the collection, treatment, and recycling of used batteries and accumulators. The Directive also includes provisions on the labeling of batteries and their removability from equipment. The European Commission publishes a FAQ document to assist interested parties in interpreting its provisions. For more information, see our [market research report](#).

Registration, Evaluation and Authorization and Restriction of Chemicals (REACH)  
REACH applies to all chemicals manufactured or imported into the EU in quantities exceeding one metric ton. The regulation entered into force in 2007 (Regulation 1907/2006) and touches virtually every industrial sector, from automobiles to textiles. REACH imposes a registration obligation on all entities affected by the one metric ton criteria by May 31, 2018. The European Chemicals Agency (ECHA) is the agency responsible for receiving and ensuring the completeness of such registrations. U.S. companies without a presence in Europe need to rely on an EU-based partner, typically either an importer or a specialized ‘Only Representative’.

In addition to the registration requirement, U.S. exporters should carefully review the REACH ‘Candidate List’ of Substances of Very High Concern (SVHCs) and the ‘Authorization List’. Under certain conditions, substances on the Candidate List are subject to communication requirements prior to their export to the EU. Companies seeking to export chemicals on the ‘Authorization List’ will require an authorization.

[Candidate List](#).

[The Authorization List](#)

[Waste Electrical and Electronic Equipment \(WEEE\) Directive](#)

EU rules on WEEE, while not requiring specific customs or import paperwork, may entail a financial obligation for U.S. exporters. The Directive requires U.S. exporters

to register relevant products with a national WEEE authority or arrange for this to be done by a local partner. It also requires manufacturers to inform the consumer that their product should be recycled by including the “crossed out wheelie-bin” symbol on the product or with the packaging. (See the section entitled “Mandatory Marks and Labels” for more information.) The WEEE Directive was revised on July 4, 2012 and the scope of products covered was expanded to include all electrical and electronic equipment. U.S. exporters seeking more information on the WEEE Directive should visit:

### [Restriction on Hazardous Substances RoHS](#)

The ROHS Directive imposes restrictions on the use of certain chemicals in electrical and electronic equipment. It does not require specific customs or import paperwork however, manufacturers must self-certify that their products are compliant and affix a “CE” mark. (See the section entitled “Mandatory Marks and Labels” for more information.) The 2011 revisions to the ROHS Directive significantly expanded the scope of covered products. Generally, U.S. exporters have until July 22, 2019 to bring products into compliance that were once outside the scope. U.S. exporters seeking more information on the RoHS Directive should visit:

### [Cosmetics Regulations](#)

The EU legislation harmonizing the regulation of cosmetic products has applied since July 11, 2013. The most controversial element of the regulation was the introduction of an EU-wide system for the notification of cosmetic products to the European Commission prior to their placement on the EU market. Only an EU-established entity may submit such a notification. Therefore U.S. exporters must either retain a “Responsible Person” to act on their behalf, rely on the entity responsible for the import of their product into the EU, or establish a presence in an EU Member State.

### **Agricultural Documentation**

**Phytosanitary Certificates:** Phytosanitary certificates are required for most fresh fruits, vegetables, and other plant materials.

**Sanitary Certificates:** For commodities composed of animal products or by-products, EU countries require that shipments be accompanied by a certificate issued by the competent authority of the exporting country. This applies regardless of whether the product is for human consumption, for pharmaceutical use, or strictly for non-human use (e.g., veterinary biologicals, animal feeds, fertilizers, research). The vast majority of these certificates are uniform throughout the EU but the harmonization process is still ongoing. Most recently, certificates for a series of highly processed products including chondroitin sulphate, hyaluronic acid, hydrolyzed cartilage products, chitosan, glucosamine, rennet, isinglass and amino acids are being harmonized. Until harmonization is finalized, certain member state import requirements continue to apply. In addition to the legally required EU health certificates, a number of other certificates are used in international trade. These certificates, which may also be harmonized in EU legislation, certify origin for customs purposes and certain quality attributes. Up-to-date information on [Harmonized Import Requirements](#).

### **Sanitary Certificates (Fisheries)**

In April 2006, the European Union declared the U.S. seafood inspection system to be equivalent to the European one. Consequently, a specific public health certificate must accompany U.S. seafood shipments. The U.S. fishery product sanitary certificate is a combination of Commission Decision 2006/199/EC for the public health attestation and of Regulation 1012/2012 for the general template and animal health attestation. Unlike for fishery products, the U.S. shellfish sanitation system is not equivalent to that of the EU's. The EU and the United States are currently negotiating a veterinary equivalency agreement on shellfish. In the meantime, the EU still has a ban in place (since July 1, 2010), that prohibits the import of U.S. bivalve mollusks, in whatever form, into EU territory. This ban does not apply to wild roe-off scallops. Since June 2009, the only U.S. competent authority for issuing sanitary certificates for fishery and aquaculture products is the U.S. Department of Commerce, National Marine Fisheries Service (NOAA-NMFS).

In addition to sanitary certificates, all third countries wishing to export fishery products to the EU are requested to provide a catch certificate. This catch certificate certifies that the products in question have been caught legally.

For detailed information on import documentation for seafood, please contact the NOAA Fisheries office at the U.S. Mission to the EU

([stephane.vrignaud@trade.gov](mailto:stephane.vrignaud@trade.gov)) or visit the following [NOAA dedicated website](#)

## **Labeling/Marking Requirements**

### **Summary**

There is a broad array of EU legislation pertaining to the marking, labeling and packaging of products, with neither an “umbrella” law covering all goods nor any central directory containing information on marking, labeling and packaging requirements. This overview is meant to provide the reader with a general introduction to the multitude of marking, labeling and packaging requirements or marketing tools to be found in the EU.

### **Introduction**

The first step in investigating the marking, labeling and packaging legislation that might apply to a product entering the EU is to draw a distinction between what is mandatory and what is voluntary. Decisions related to mandatory marking, labeling and/or packaging requirements may sometimes be left to individual Member States. Furthermore, voluntary marks and/or labels are used as marketing tools in some EU Member States. This report is focused primarily on the mandatory marks and labels seen most often on consumer products and packaging, which are typically related to public safety, health and/or environmental concerns. It also includes a brief overview of a few mandatory packaging requirements, as well as more common voluntary marks and/or labels used in EU markets.

It is also important to distinguish between marks and labels. A mark is a symbol and/or pictogram that appears on a product or its respective packaging. These range in scope from signs of danger to indications of methods of proper recycling and

disposal. The intention of such marks is to provide market surveillance authorities, importers, distributors and end-users with information concerning safety, health, energy efficiency and/or environmental issues relating to a product. Labels, on the other hand, appear in the form of written text or numerical statements, which may be required but are not necessarily universally recognizable. Labels typically indicate more specific information about a product, such as measurements, or an indication of materials that may be found in the product (such as in textiles or batteries).

## **OVERVIEW**

### **Mandatory Marks & Labels**

- Textiles
- Cosmetics
- Dangerous Substances
- Explosive Atmosphere
- Electrical & Electronic Equipment
- Household Appliances
- Pricing
- Footwear
- Units of Measurement
- Automotive
- Tire labeling
- Maritime
- Materials in Contact with Food
- Noise Emissions
- Wood packaging
- Energy Efficiency

- Recycling – Separate Collection

### **Voluntary Marks and Labels**

- Cup/Fork Symbol (material in contact with food)
- Eco-Label
- Green Dot
- Energy Star
- ‘e’ Mark

### **Recycling Marks**

Voluntary and mandatory marks and labels apply to all Member States of the EU, countries in the European Economic Area, European Free Trade Association, as well as candidate countries seeking membership to the EU.

### **MANDATORY MARKS AND LABELS**

#### **CE MARKING**

This is probably the most widely used and recognized marking required by the EU. Found in all “New Approach” legislation with a few exceptions, the CE marking demonstrates that a product meets all essential requirements (typically related to safety, health, energy efficiency and/or environmental concerns). CE marking is required for the following products/product families:



- Cableway installations
- Civil explosives
- Construction products
- Electrical/electronic products
- Electromagnetic compatibility
- Low voltage
- Restriction of Hazardous Substances
- Energy efficiency
- Equipment and protective systems in potentially explosive atmospheres (ATEX)
- Gas appliances
- Hot water boilers
- Lifts
- Machinery
- Medical devices (3)
- Non-automatic weighing instruments
- Personal protective equipment
- Pressure equipment
- Radio equipment
- Recreational crafts
- Refrigeration appliances
- Simple pressure vessels
- Toys

For each “New Approach” law there is a separate list of references to harmonized European standards, the use of which provides the manufacturer with the ‘presumption of conformity’ with essential requirements. While other non-EU standards may be used to demonstrate a product’s compliance with the applicable directive(s), the manufacturer will have to provide detailed information regarding the compliance process. An array of standardized safety warning symbols/pictograms may also be applicable to each of the above product categories.

In 2008, the EU adopted a package of measures known as the New Legislative Framework (NLF) which provides a regulatory 'toolbox' for new and revised EU product safety legislation. The framework is designed to improve market surveillance, more clearly define the responsibilities of manufacturers, importers and distributors, and clarify the meaning of CE marking across a wide-range of product groups. In February 2014, to align product harmonization legislation with the provisions of the NLF (most notably Decision 768/2008), the European Union adopted an "Alignment Package" consisting of eight revised CE marking directives. These newly aligned directives are in force since 2016.

Note: The EU is currently finalizing new legislation that will impact CE marking for medical devices. Upon finalization of the new legislation in mid-2017, there will be a transition period with the new measures coming into force in 2020 for medical devices and 2022 for in-vitro medical devices.

**For more information:**

[CE Marketing](#)  
[Harmonized Standards](#)  
[New Legislative Framework](#)  
[CE Marking Laws Applicable](#)

**THE WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT DIRECTIVE (WEEE)**



This directive is designed to tackle the rapidly increasing waste stream of electrical and electronic equipment, and complements European Union measures on landfills and waste incineration. Increased recycling of electrical and electronic equipment, in accordance with the directive requirements, limits the total quantity of waste going to final disposal. This directive affects the following product categories:

- Large and small household appliances

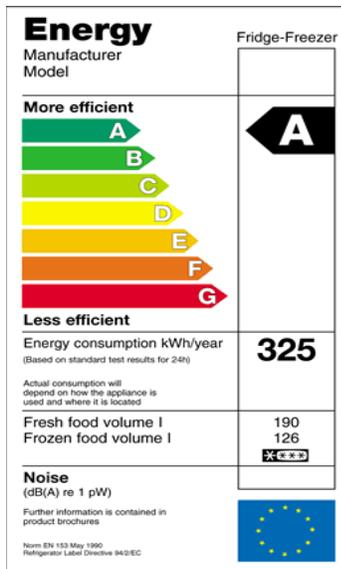
- Consumer equipment
- Lighting equipment
- IT and Telecommunications equipment
- Electrical and Electronic Tools
- Toys and Sports equipment
- Medical Devices
- Monitoring and control equipment
- Automatic dispensers

The symbol shown above must be displayed on all products that fall under this directive, and indicates that the product is not to be discarded with normal household waste. It is a required mark on batteries. In instances where this symbol cannot be displayed on the equipment itself, it should be included on the packaging.

### For more information

[Directive 2012/19/EU](#)

### ENERGY LABELING



Directive 2010/30/EU “on the indication by labeling and standard product information of the consumption of energy and other resources by energy-related products” sets a framework for the adoption of product-specific directives on the proper energy efficiency labeling for each concerned product. This 2010 directive broadens

substantially the energy labeling scope. This law is undergoing review; the proposed legislation, simplifying labeling categories and extending the scope will likely be adopted in 2017.

Suppliers are to supply free of charge labels or product fiches containing information about consumption of electric or other energy sources to their dealers. Dealers display labels in a visible and legible way, and make the fiche available in product brochures or other literature.

**For more information**

[Clearer Energy Labelling Energy Consumption](#)

**DEVICES FOR USE IN POTENTIALLY EXPLOSIVE ATMOSPHERE (ATEX)**



In addition to applying a CE marking for products falling under the ATEX Directive (2014/34/EC), it is necessary to display the Ex mark, which is a specific marking of explosion protection. Located next to the 'Ex' mark will be a symbol designating the product group or category as specified in the directive.

The revised ATEX Directive (2014/34/EC) was adopted in February 2014 as part of the New Legislative Framework alignment package. It replaced the existing directive and became applicable on April 20, 2016.

**For more information**

[Mechanical Engineering Directive 2014/34/EU](#)

**NOISE EMISSION OF OUTDOOR EQUIPMENT**



Machines used outdoors are subject to CE marking requirements. Noise emission levels are covered separately. The sample mandatory label shown above specifies noise emission levels.

**For more information**  
[Noise Emissions](#)

## **MARITIME**



The “steering wheel” mark shown above is the equivalent of CE marking for marine equipment. It applies to equipment for use on board any new EU ship, wherever the ship is situated at the time of construction, and to equipment placed on board existing EU ships, whether for the first time or to replace equipment already carried on board. It does not apply to equipment already on board on the date on which the directive entered into force in 1997. The directive applies to the following equipment categories:

- Life-saving appliances
- Marine pollution prevention
- Fire protection
- Navigation equipment
- Radio-communication equipment

A revised Marine Equipment Directive (2014/90/EC) was adopted in July 2014 and is applicable since September 18, 2016.

**For more information**  
[Directive 2014/90/EC](#)

## **TEXTILES**

Textile products must be labeled or marked whenever they are put onto the market for production or commercial purposes (sale). The names, descriptions and details of a textile's fiber content must be indicated on products available to consumers. With the exception of trademarks or the name of the undertaking, information other than that required by the directive must be listed separately. Member States may require that their national language be used on the labeling and marking required by the directive.

**For more information**  
[Textiles Legislation](#)

**FOOTWEAR**



lining & sock

Labels must convey information relating to the upper, the lining and insole sock, and the outer-sole of the footwear article. The information must be conveyed by means of approved pictograms or textual information, as defined by the directive.

The label must be legible, firmly secured and accessible, and the manufacturer or the authorized agent established in the Community is responsible for supplying the label and for the accuracy of the information contained therein. Only the information provided for in the directive need be supplied. There are no restrictions preventing additional information being included on the label.

**For more information**  
[Footwear](#)

**COSMETICS**

Containers and/or packaging (in certain cases) must bear, in indelible, easily legible and visible characters, the following:

- The name, trade name and address, or registered office, of the manufacturer or person responsible for marketing the cosmetic product within the Community

- The nominal contents at the time of packaging (by weight or volume)
- The date of minimum durability indicated by "Best before end", for products with a minimum durability of less than 30 months. In this case the following must figure on the packaging:



- The period after opening during which the product can be used without harm to the consumer, for products with a minimum durability of less than 30 months (indicated by a symbol representing an open cream jar, as shown below):



- Particular precautions for use
- The batch number or product reference, for identification
- The product's function

If it is impossible for practical reasons to print on the packaging all the conditions of use and particular warnings, an enclosed leaflet, label or tape has to be provided and the following symbol has to be on the packaging:



The Member States are to draw up procedures for providing the information set out above in the case of cosmetic products that have not been pre-packaged. The product function and list of ingredients also have to appear on the container or packaging. Member States may stipulate that the information on the label is provided in their national or official language(s).

### **About the labeling of nanomaterials present in cosmetics:**

The Cosmetics regulation indicates that from July 2013 “all ingredients present in the form of nanomaterials shall be clearly indicated in the list of ingredient” and that “the names of such ingredients shall be followed by the word ‘nano’ in brackets”.

### **For more information**

[Regulation 1223/2009](#)

[Market Research Report on "EU Cosmetics Legislation"](#)

### **DANGEROUS SUBSTANCES**

Regulation on the Classification, Labeling and Packaging of Chemicals



The labeling of dangerous substances must indicate the following:

- The name of the substance
- The origin of the substance (the name and address of the manufacturer or distributor)
- The danger symbol and an indication of danger involved in the use of the substance
- A reference to the special risks arising from such dangers.

The dimensions of the label must not be less than a standard A8 sheet (52 x 74mm), and each symbol must cover at least one-tenth of the label’s surface area. Member States may require their national language(s) to be used in the labeling of dangerous substances. Where the packaging is too small, the labeling may be affixed in some other manner. The packaging of products considered dangerous which are neither explosive nor toxic may go unlabeled if the product contains such small quantities of dangerous substances that there is no danger to users.

Symbols must be employed if the substance can be defined as any one of the following (as shown above): explosive, oxidizer, flammable, harmful, toxic irritant, corrosive,

or harmful to environment. Containers of hazardous substances should include, in addition to the appropriate symbols, a raised triangle to alert the vision-impaired to their contents. Note that this directive has undergone numerous amendments relating, amongst other things, to the marking and labeling of additional substances. Accordingly, it is advisable to consult all literature.

Regulation 1272/2008 implements the classification, labeling and packaging requirements for chemicals based on the Worldwide United Nation's Globally Harmonized System (UN GHS).

**For more information**

[Regulation 1272/2008/EC](#) on the classification, labeling and packaging

**Legal Metrology and Metric Units of Measurement**

This legislation specifies permissible ranges of nominal quantities, container capacities and the weights or volumes of prepackaged products. Manufacturers are advised to take note that all labels require metric units, although dual labeling is also acceptable.

**For more information**

[Legal Metrology](#)

**PRICE DISPLAY**

The directive requires an indication of the selling price, and price per unit of measurement, on all products offered to consumers. The aim is to improve the information available to the consumer and to facilitate price comparison. This information must be unambiguous, clearly legible and easily identifiable. If advertising mentions the item's selling price, it must also indicate its unit price. For products sold in bulk, the unit price is the only item whose indication on the label is mandatory. National authorities may provide alternatives for products sold by small retail business operations.

**For more information**

[Directive 98/6/EC](#) on the indication of the prices of products offered to consumers.

**AUTOMOTIVE**



Nearly every vehicle component must be certified for safety as specified under the various directives relating to automobiles. The number shown in the rectangle on the label indicates the particular Member State in which the approval process was conducted. A “base approval number” must also be provided adjacent to this certification. This four-digit number will correspond to the directive and type of device in question. The country-number correlation is as follows (this is not an exhaustive list):

1	Germany	6	Belgium	18	Denmark
2	France	9	Spain	21	Portugal
3	Italy	11	UK	23	Greece
4	Netherlands	13	Luxembourg	24	Ireland

**For more information:**

All existing directives on motor vehicles, in chronological order, available online at:

[Existing Motor Vehicles Directives](#)

**Photometry**

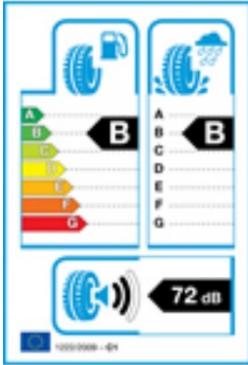


A similar marking is an ‘E’ surrounded by a circle, which applies to the testing of headlight lamps, brake light lamps and turning signal lamps of all vehicles seeking EU market entry. These include consumer vehicles, low-volume production trucks, light and heavy goods vehicles, trailers, motorcycles, cranes, agriculture and forestry tractors, and special-purpose and off-road vehicles.

**For more information:**

[Automotive Legislation](#)

### **TIRE LABELING**



Tire label legislation requires that tire manufacturers declare fuel efficiency, wet grip and external rolling noise performance of C1, C2 and C3 tires (i.e. tires mainly fitted on passenger cars, light and heavy duty vehicles).

The objective of the regulation is better information for the consumer and a contribution to a more energy efficient transport policy.

**For more information:**

[Energy Topics](#)

[Directive 1222/2009/EC](#)

[Directive 288/2011/EC](#)

### **PACKAGING MATERIAL**

The EU Packaging and Packaging Waste Directive harmonized member state legislation regarding packaging material composition and the management of packaging waste. Composition of packaging material is addressed in a series of EU-wide standards. For the management of packaging waste through recycling targets and collection and recycling systems, Member States have adopted voluntary marking mentioned in the following pages.

**For more information**

[Directive 94/62/EC](#)

## Wood Packaging

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XX - 000  
YY

XX represents the ISO country code.  
000 represents the unique number assigned by the national plant protection organization.  
YY represents either HT for heat treatment or MB for methyl bromide fumigation.

Like the United States, the EU has adopted legislation to ensure pest control in wood packaging. The marking used for regulated materials is based on the International Plant Protection Convention compliance symbol shown above.

**For more information**

[Requirements for wood packaging and dunnage](#)

### **VOLUNTARY MARKS AND LABELS**

#### **MATERIALS IN CONTACT WITH FOOD**



Manufacturers of containers, plates, cups, and other material that is intended to come into contact with food are required to check the compliance of their product with EU chemical safety requirements. Using the symbol shown above shows compliance with these requirements. It is mandatory to comply with the legislation, but the use of the symbol is voluntary.

**For more information**

[Legislation on Food Contact Materials](#)

### **THE e-MARK**



The e-mark, shown above, acts as a metrological "passport" to facilitate the free movement of prepackaged goods. It guarantees that certain liquids and other substances have been packed by weight or volume in accordance with the directives. While compliance is not mandatory, free movement throughout the EU is guaranteed for prepackaged products that do comply with the provisions of the directive.

Containers with an e-mark also bear an indication of the weight or volume of the product, known as its “nominal” weight or volume. The packer (or importer, if the container is produced outside the EU) is responsible for ensuring that the containers meet the directive’s requirements.

#### **For more information**

[Prepackaging](#)

#### **THE ECO-LABEL**



The European Eco-label enables European consumers, including public and private purchasers, to easily identify officially approved green products across the European Union, Norway, Liechtenstein and Iceland. Introduced in 1992, the label communicates to the customer that the marked products meet specific eco-friendly criteria that have been developed to apply to everyday consumer goods and services.

The symbol may apply to the following 27 product and services groups:

All-purpose cleaners and cleaners for sanitary facilities	Household cleaning products	Textile products
Bed mattresses	Laundry detergents	Tissue paper
Campsite Services	Light bulbs	Tourist accommodation service
Copying and graphic paper	Lubricants	Vacuum cleaners
Detergents for dishwashers	Paints and varnishes	Washing machines
Dishwashers	Personal computers	Wooden coverings
Footwear	Printed paper products	Wooden furniture
Furniture	Refrigerators	
Growing media and Soil improvers	Soaps, shampoos and hair conditioners	
Hand dishwashing detergents	Soil improvers	
Hard floor coverings	Televisions	
Heat pumps	Textile coverings	

Manufacturers should be aware that similar eco-friendly markings are often used nationally, such as the Nordic Swan or the German Blue Angel, shown below.



The Eco-label program has recently been expanded to cover fish and fishery products. This means that eco-labeled products have been produced in accordance with specific environmental standards.

Private Eco labels have been developed by the seafood industry to “influence the purchasing decision of consumers and the procurement policies of retailers selling seafood products, in order to reward producers involved in responsible fishing and aquaculture practices leading towards sustainable use of natural resources.”

There are multiple eco-label schemes, and logos, developed by a variety of operators and according to different characteristics. This confusing situation has led to a need for harmonization and coherence. In response, the UN [Food and Agriculture Organization](#) (FAO) has developed a “Guideline for the Eco-Labeling of Fish and Fishery Products from Marine Capture Fisheries.”

The U.S. government has decided not to engage in the development of such marketing tool. Instead, NOAA Fisheries has developed a comprehensive website where stakeholders, including consumers, can find facts about a specific species of fish and related fisheries. Consumers can then make their own purchasing choice: Fish

The European Commission is currently preparing, at the request of the European Parliament and the Council, a feasibility report on options for a Union-wide eco-label scheme for fishery and aquaculture products. Some EU Member States have already created their own National eco label.

#### **For more information**

[European Eco-Label website](#)

[Eco-labels for Fisheries and aqua products](#)

#### **RECYCLING**



The “mobius loop” (sometimes known as the “chasing arrows”), based on an international standard, may be found on products throughout Europe and is meant to

help consumers identify and participate in recycling schemes for product packaging and materials. As well as being used on printed packaging, the chasing arrows symbol is sometimes featured in the molds of glass, metal, paper, or plastic products. Various kinds of loops indicate whether the product is recyclable, recycled or contains recycled material.

**For more information**

[http://ec.europa.eu/environment/waste/target\\_review.htm](http://ec.europa.eu/environment/waste/target_review.htm)

**Plastics**



The symbol above is an example of how a plastic’s type may be indicated on a product. As part of the EU voluntary identification system for plastics, the following marks are used for the most common types of plastics (Decision 97/129/EC):

EU Number	Abbreviated Description	Full Plastic Description
1	PET	Polyethylene Terephthalate
2	HDPE	High Density Polyethylene
3	PVC	Poly Vinyl Chloride
4	LDPE	Low Density Polyethylene
5	PP	Polypropylene
6	PS	Polystyrene

**Glass**



There are no EU-wide symbols used to designate the recyclable nature of glass. However, it is certainly encouraged on the national level with an array of symbols. The one shown above is just one small sample of the total existing to show recyclability.

## **THE ENERGY STAR**



The Energy Star, shown above, is a voluntary labeling program to help consumers identify the most energy-efficient office equipment on the market, i.e. computers, monitors, printers, copiers, scanners and multifunction devices. The Energy Star may be placed on products that meet or exceed energy-efficiency guidelines. Initiated by the United States, agreement with the EU was signed in December 2000 and then renewed in 2006 with the goal of coordinating the labeling program in the two markets. The agreement lays out a common set of energy-efficiency specifications, with a common logo that doubles as a marketing tool.

## **For more information**

[Energy Star](#)

## **GREEN DOT**



The Green Dot system is a scheme in which participating bodies coordinate the collection, sorting and recovery of used packaging. This system is actually administered according to national packaging laws (adhered to by packaging manufacturers, fillers, retailers and importers), and it should be noted that all participating national systems operate independently. The umbrella organization, PRO-Europe, is responsible for managing the Green Dot labeling system in Europe. More than 460 billion pieces of packaging marked with the Green Dot, shown above,

are distributed worldwide. Interested applicants should contact one of the national administering authorities.

[Pro Europe](#)

## **U.S. Export Controls**

The U.S. Department of Commerce's Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Export Administration Regulations (EAR), which regulate the export and re-export of some commercial items, including "production" and "development" technology.

The items that BIS regulates are often referred to as "dual use" since they have both commercial and military applications. Further information on export controls is available at: [BIS Exporting Controls](#)

### [BIS Enforcement](#)

BIS has developed a list of "red flags," or warning signs, intended to discover possible violations of the EAR. The list can be found in the ["Know Your Customer"](#) guidance document.

If there is reason to believe a violation is taking place or has occurred, report it to the Department of Commerce by calling the 24-hour hotline at +1(800) 424-2980, or via the confidential lead page at: [BIS Reporting Violations](#)

The EAR does not control all goods, services, and technologies. Other U.S. government agencies regulate more specialized exports. For example, the U.S. Department of State has authority over defense articles and services. A list of other agencies involved in export control can be found on the [BIS website](#).

It is important to note that in August 2009 a broad-based interagency review of the U.S. export control system was initiated, with the goal of strengthening national security and the competitiveness of key U.S. manufacturing and

technology sectors by focusing on current threats, as well as adapting to the changing economic and technological landscape. As a result, the Administration launched the Export Control Reform Initiative (ECR Initiative) which is designed to enhance U.S. national security and strengthen the United States' ability to counter threats such as the proliferation of weapons of mass destruction.

The reform is being implemented in three phases. Phases I and II reconcile various definitions, regulations, and policies for export controls, all the while building toward Phase III, which will create a single control list, single licensing agency, unified information technology system, and enforcement coordination center.

#### **For additional information on [ECR](#)**

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two day seminars and focus on the basics of exporting as well as more advanced topics. [A list of upcoming seminar](#)

For further details about the Bureau of Industry and Security and its programs, please visit the [BIS website](#).

#### **Temporary Entry**

Specific information on the [ATA Carnet Customs](#) procedure used for temporary importation, transit and temporary admission of goods designed for specific purposes, duty-free and tax-free (such as professional equipment for presentations or trade fairs, for example).

For information on this topic please consult the Commerce Department's Country Commercial Guides on EU Member States: [EU Member States' Country Commercial Guides](#)

Alternatively, search the Commerce Department's Market Research Library, available from: [Market Intelligence](#) under Country and Industry Market Reports.

## **Prohibited & Restricted Imports**

The Tarif Intégré de la Communauté (TARIC) is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a product is prohibited or subject to restriction, check the TARIC for the following codes:

*CITES Convention on International Trade of Endangered Species*

*PROHI Import Suspension*

*RSTR Import Restriction*

For information on how to access the TARIC, see the Import Requirements and Documentation Section.

**Key Link:** [Taxation Customs and Tariffs](#)

## **Customs Regulations**

The following provides information on the major regulatory efforts of the EC Taxation and Customs Union Directorate:

The Union Customs Code (UCC) was adopted in 2013 and its substantive provisions apply from 1 May 2016. It replaces the Community Customs Code (CCC). In addition to the UCC, the European Commission has published delegated and implementing regulations on the actual procedural changes. These are included in Delegated Regulation (EU) 2015/2446, Delegated Regulation (EU) 2016/341 and the Implementing Regulation (EU) 2015/2447.

There are a number of changes in the revised customs policy which also require an integrated IT system from the customs authorities. In April 2016 The European Commission published an implementing decision (number: 2016/578) on the work program relating to the development and deployment of the electronic systems of the UCC. The EC continues to evaluate the timeline by which the EU-wide integration of the customs IT system can be implemented. The current deadline of December 2020 may be extended.

**Key Link:** [Homepage of Customs and Taxation Union Directorate \(TAXUD\) Website](#)

*Customs Valuation* – Most customs duties and value added tax (VAT) are expressed as a percentage of the value of goods being declared for importation. Thus, it is necessary to dispose of a standard set of rules for establishing the goods' value, which will then serve for calculating the customs duty.

Given the magnitude of EU imports every year, it is important that the value of such commerce is accurately measured for the purposes of:

- economic and commercial policy analysis;
- application of commercial policy measures;
- proper collection of import duties and taxes; and
- import and export statistics.

These objectives are met using a single instrument – the rules on customs value.

The EU applies an internationally accepted concept of '[customs value](#)'.

The value of imported goods is one of the three 'elements of taxation' that provides the basis for assessment of the customs debt, which is the technical term for the amount of duty that has to be paid, the other ones being the origin of the goods and the customs tariff.

**Key Link:** [Customs Procedures](#)

## **Standards for Trade**

### **Overview**

Products tested and certified in the United States to U.S. regulations and standards are likely to have to be retested and re-certified to EU requirements as a result of the EU's different approach to the protection of the health and safety of consumers and the environment. Where products are not regulated by specific EU technical legislation, they are always subject to the EU's General Product Safety Directive as well as to possible additional national requirements.

European Union legislation and standards created under the New Approach are harmonized across the Member States and European Economic Area countries to allow for the free flow of goods. An example of the New Approach is CE marking.

The concept of New Approach legislation is slowly disappearing as the New Legislative Framework (NLF), which entered into force in January 2010, was put in place to serve as a blueprint for existing and future CE marking legislation. Existing legislation has been reviewed to bring them in line with the NLF concepts, which means that, as of 2016, *new requirements are being addressed and new reference numbers are to be used on declarations of conformity*. For more information about the [NLF](#).

While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations (mandatory) and technical standards (voluntary) might also function as barriers to trade if U.S. standards are different from those of the European Union.

### ***Agricultural Standards***

The establishment of harmonized EU rules and standards in the food sector has been ongoing for several decades, and in January 2002 the EU publicized a general food law

establishing the general principles of EU food law. This Regulation introduced mandatory traceability throughout the feed and food chain as of Jan 1, 2005. For specific information on agricultural standards, please refer to the [Foreign Agricultural Service's website/](#)

There are also export guides to import regulations and standards available on the Foreign Agricultural Service's website: [FAIRS Export Certificate Report](#)

## **Standards**

EU standards setting is a process based on consensus initiated by industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European or international level. There is strong encouragement for non-governmental organizations, such as environmental and consumer groups, to actively participate in European standardization.

Many standards in the EU are adopted from international standards bodies such as the International Standards Organization (ISO). The drafting of specific EU standards is handled by three European standards organizations:

1. [CEN, European Committee for Standardization](#)
2. [CENELEC, European Committee for Electrotechnical Standardization](#)
3. [ETSI, European Telecommunications Standards Institute](#)

Standards are created or modified by experts in Technical Committees or Working Groups. The members of CEN and CENELEC are the national standards bodies of the Member States, which have "mirror committees" that monitor and delegate experts to participate in ongoing European standardization. CEN and CENELEC standards are sold by the individual Member States standards bodies. ETSI is different in that it allows direct participation in its technical committees from non-EU companies that have interests in Europe and provides some of its individual standards at no charge on its website. In addition to the three standards developing organizations, the European Commission plays an important role in standardization through its funding

of the participation in the standardization process of small- and medium-sized companies and non-governmental organizations, such as environmental, labor and consumer groups. The Commission also provides money to the European standards bodies when it mandates standards development for harmonized standards that will be linked to EU legislation. [Mandates](#) – or requests for standards.

Given the EU's vigorous promotion of its regulatory and standards system as well as its generous funding for its development, the EU's standards regime is wide and deep - extending well beyond the EU's political borders to include affiliate members (countries which are hopeful of becoming full members in the future) such as Albania, Belarus, Egypt, Jordan, and Lebanon among others. Another category, called "companion standardization body" includes the standards organization of Morocco, Israel, Kazakhstan and Australia, among others which are not likely to become a CEN member or affiliate for political and geographical reasons.

To view what CEN and CENELEC have in the pipeline for future standardization, it is best to visit their websites. Other than their respective annual work plans, CEN's "what we do" page provides an overview of standards activities by subject. Both CEN and CENELEC offer the possibility to search their respective database. [ETSI's portal](#) links to ongoing activities.

The European Standardization system and strategy was reviewed in 2011 and 2012. The new standards regulation 1025, adopted in November 2012, clarifies the relationship between regulations and standards and confirms the role of the three European standards bodies in developing EN harmonized standards. The emphasis is also on referencing international standards where possible. For information, communication and technology (ICT) products, the importance of interoperability standards has been recognized. Through a relatively recent mechanism, a "Platform Committee" reporting to the European Commission will decide which deliverables from fora and consortia might be acceptable for public procurement specifications. The European standards bodies have been encouraged to improve efficiency in terms

of delivery and to look for ways to include more societal stakeholders in European standardization. The Joint Initiative on Standardization, launched in 2016 with a number of action items to improve European standardization, involves a large group of stakeholders who are committed to deliver results by 2019.

**Key Link:** [Standardization Policy](#)

## **Testing, Inspection and Certification**

### **Conformity Assessment**

Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages, from design to production, to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice regarding conformity assessment, depending on the level of risk involved in the use of their product. These range from self-certification, type examination and production quality control system, to full quality assurance system. Conformity assessment bodies in individual Member States are listed in the New Approach Notification and Designated Organizations (NANDO) information system.

**Key Link:** [NANDO](#)

To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. CEN's certification system is known as the Keymark. Neither CENELEC nor ETSI offer conformity assessment services.

### **Product Certification**

To sell products in the EU market of 28 Member States as well as in Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires

decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards. The CE marking process is very complex and this section attempts to provide some background and clarification.

Products manufactured to standards adopted by CEN, CENELEC or ETSI, and referenced in the Official Journal as harmonized standards, are presumed to conform to the requirements of EU legislation. The manufacturer then applies the CE marking and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the EU. A manufacturer can choose not to use the harmonized EU standards, but then must demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when design, rather than performance, standards are developed by the relevant European standardization organization, and when U.S. companies do not have access to the standardization process through a European presence.

The CE marking addresses itself primarily to the national control authorities of the Member States, and its use simplifies the task of market surveillance of regulated products. As market surveillance was found lacking, the EU adopted the New Legislative Framework, which went into force in 2010. As mentioned before, this framework is like a blueprint for all CE marking legislation, harmonizing definitions, responsibilities, European accreditation and market surveillance.

The CE marking is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to

trace the product back to the manufacturer or the local contact established in the EU. This detailed information should not appear next to the CE marking, but rather on the declaration of conformity (which the manufacturer or authorized agent must be able to provide at any time, together with the product's technical file), or the documents accompanying the product.

### **Accreditation**

Independent test and certification laboratories, known as notified bodies, have been officially accredited by competent national authorities to test and certify to EU requirements.

["European Accreditation"](#) is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible to appropriate EN and ISO/IEC standards.

### **Publication of technical regulations**

[Official Journal of the EU](#) is the official publication of the European Union. It is published daily on the internet and consists of two series covering adopted legislation as well as case law, studies by committees. It also lists the standards reference numbers linked to legislation ([Harmonized Standards](#)).

National technical regulations are published on the [Commission's website](#) to allow other countries and interested parties to comment.

**National Institute of Standards and Technology's (NIST) Notify U.S. Service**  
Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other

Member countries. The **Notify U.S. Service** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: [Notify U.S.](#)

### **Contact Information**

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#### **National Institute of Standard & Technology**

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Tel: (301) 975-4000

#### **CEN- European Committee for Standardization**

Avenue Marnix 17

B – 1000 Brussels, Belgium

Tel: 32.2.550.08.11

Fax: 32.2.550.08.19

#### **CENELES- European Committee for Electrotechnical Standardization**

Avenue Marnix 17

B – 1000 Brussels, Belgium

Tel: 32.2.519.68.71

Fax: 32.2.519.69.15

#### **ETSI- European Telecommunications Standards Institute**

Route des Lucioles 650

Sophia Antipolis

F-06560 Valbonne France

Tel: 33.4.92.94.42.00

Fax: 33.4.93.65.47.16

### **SBS- Small Business Standards**

4, Rue Jacques de Lalaing

B-1040 Brussels

Tel: 32.2.285.07.27 Fax : +32-2/230.78.61

### **ANEC- European Association for the Co-ordination of Consumer Representation in Standardization**

Avenue de Tervuren 32, Box 27

B – 1040 Brussels, Belgium

Tel: 32.2.743.24.70

Fax: 32.2.706.54.30

### **ECOS- European Environmental Citizens Organization for Standardization**

Rue d'Edimbourg 26

B – 1050 Brussels, Belgium

Tel: 32.2.894.46.68

Fax: 32.2.894.46.10

### **EOTA- European Organization for Technical Assessment**

Avenue des Arts 40

B – 1040 Brussels, Belgium

Tel: 32.2.502.69.00

Fax: 32.2.502.38.14

## **Trade Agreements**

For a list of trade agreements with the EU and its Member States, as well as concise explanations, please see

[EU Trade Agreements](#)

## **Licensing Requirements for Professional Services**

The recognition of skills and qualifications acquired by EU citizens in EU Member States, including the corresponding recognition procedures and charges are, in correspondence with article 165 of the TFEU, the responsibility of Member States. Similarly, recognition of skills and qualification earned in third countries is also a national responsibility.

However, the European Commission takes initiative to facilitate recognition procedures. For example:

- Recognition of professional qualifications obtained in one Member State for the purposes of access and pursuit of regulated professions in another Member State is subject to Directive 2005/36.
- Recognition of qualifications for academic purposes in the higher education sector, including school-leaving certificates is subject to the *Lisbon Recognition Convention*. The ENIC-NARIC network provides advice on (cross-border) recognition of these qualifications.

Recognition in other cases is assessed and granted (or denied) by the receiving educational provider or employer. For them to be able to recognise skills and qualifications an **understanding of the level, content and quality** is needed. The Commission currently explores the possibilities on how to better support these recognition decisions.

The “Your Europe” website maintains a webpage dedicated to help citizens identify what the regulated professions are and what document are needed for their recognition in each Member State. Please see: [Recognition of Professional Qualification](#).

## **Web Resources**

### **EU websites:**

[TARIC](#)

[The Modernized Community Customs Code](#)

[ECHA](#)

[Taxation and Customs Union](#)

[Security and Safety Amendment to the Customs Code](#)

[Electronic Customs Initiative](#)

[Modernized Community Customs Code Regulation](#)

[Legislation related to the Electronic Customs Initiative](#)

[Export Help Desk](#)

[What is Customs Valuation?](#)

[Establishing the Community Customs Code](#)

[Pre Arrival/Pre Departure Declarations](#)

[AEO: Authorized Economic Operator](#)

[Contact Information at National Customs Authorities](#)

[New Legislative Framework](#)

[Cenelec, European Committee for Electrotechnical Standardization](#)

[ETSI, European Telecommunications Standards Institute](#)

[CEN, European Committee for Standardization](#)

[Standardisation- Mandates](#)

[ETSI- Portal- E-Standardisation](#)

[CEN- Sector](#)

[CEN- Standard Search](#)

[NANDO \(New Approach Notified and Designated Organizations\) Information System](#)

[European Co-Operation for Accreditation](#)

[Eur-Lex- Access to European Union Law](#)

[Standards Reference Numbers](#)

[What's New?](#)

[National Technical Regulations](#)

[NIST- Notify U.S.](#)

[European Union Eco-label Homepage](#)

**U.S. websites:**

[National Trade Estimate Report on Foreign Trade Barriers](#)

[Agricultural Trade Barriers](#)

[Trade Compliance Center](#)

[U.S. Mission to the European Union](#)

[The New EU Battery Directive](#)

[The Latest on REACH](#)

[CE Marking](#)

[WEEE and RoHS in the EU](#)

[Overview of EU Certificates \(FAS\)](#)

[Center for Food Safety and Applied Nutrition](#)

[Trade Agreements](#)

# **Investment Climate Statement**

## **Executive Summary**

For specific information on Member States' executive summaries, please consult the Commerce Department's Country Commercial Guides of the 28 EU Member States found at the following website: [EU Member States' Country Commercial Guides](#)

## **Openness to, & Restrictions upon Foreign Investment**

For specific information on Member States' openness to foreign investment, please consult the Commerce Department's Country Commercial Guides of the 28 EU Member States found at the following website: [EU Member States' Country Commercial Guides](#)

## **Bilateral Investment Agreements & Taxation Treaties**

The EU as a whole does not yet have any traditional bilateral investment treaties (BITs), though it is currently negotiating BITs with China and Myanmar, and virtually all the Member States have extensive networks of such treaties with third countries. Other agreements with preferential trading partners have contained provisions directly addressing treatment of investment, generally providing national treatment after establishment and repatriation of capital and profits.

The adoption in December 2009 of the Lisbon Treaty has changed in major respects how the EU treats investment. Since Lisbon makes foreign direct investment an exclusive EU competence, a broad definition of FDI extends EU authority over much of the subject matter hitherto addressed under member state BITs. The Council has so far granted the Commission authority to negotiate investment chapters in free trade agreements. The Commission has indicated that it does not plan to develop a model investment treaty, preferring instead to establish general objectives and principles.

Other regional or multilateral agreements addressing the admission and treatment of investors to which the Community and/or its Member States have adhered include:

- a) The OECD codes of liberalization, which provide for non-discrimination and standstill for establishment and capital movements, including foreign direct investment;
- b) The Energy Charter Treaty (ECT), which contains a "best efforts" national treatment clause for the making of investments in the energy sector but full protections thereafter; and
- c) The GATS, which contains national treatment, market access, and MFN obligations on measures affecting the supply of services, including in relation to the mode of commercial presence.

## **Legal Regime**

The European Commission, which has the sole authority to propose EU-wide laws, publishes an Annual Work Program setting forth its intent to legislate on particular matters in the coming year. This report can be found at: [Annual Work Program](#)

Inclusion of planned regulation in this list is usually followed by the issuance of a “roadmap” that generally describes possible options and spells out the process for developing a proposal. Such steps include a public consultation intended to inform the Commission’s development of a formal legislative proposal, and a supporting impact assessment. In turn, member state officials examine and amend these proposals in Council, as does the European Parliament; Council and Parliament positions are publicly available. Where those positions differ, the three institutions – Commission, Council, and Parliament – agree on the final text of legislation through closed-door negotiations known as “trilogues.” All adopted measures are published in all EU languages in the [EU's Official Journal](#).

In many instances, the European Commission has broad discretion to promulgate detailed rules with less or no review by other bodies, and with varied procedures

depending on context. For example, EU primary regulations often include authority for the Commission to elaborate additional or more detailed aspects in the form of either “delegated” or “implementing” acts. The Commission’s proposals are subject either to an override by the Council or Parliament, or to approval by Member States. In 2016, as part of its “Better Regulation” agenda, the Commission began, in at least some cases, to publish the draft texts of these proposed delegated or implementing acts for a four-week public review, which to some extent, coincides with requirements to notify proposed measures to the WTO. However, many contexts, such as standard setting or chemicals, include upstream procedures to evaluate product hazards that are dominated by member state expert committees and “independent” agencies such as ECHA (European Chemicals Agency) and EFSA (European Food Safety Authority) that are not subject to the new Better Regulation frameworks. Furthermore, many sectors subject to more specific regulations set forth in the secondary legislation described above – delegated and implementing acts – are in effect governed via meetings and processes involving expert groups of member state representatives and designated European companies.

Despite new opportunities for public “feedback” and debate in the early phases of rulemaking as part of the “Better Regulation” program, U.S. companies and other stakeholders continue to struggle in their efforts to obtain detailed draft text and key information in a timely manner concerning the Commission’s legislative proposals. Without this information, stakeholders are limited in their ability to fully understand and determine potential compliance or operational costs to trade and investment in the EU. As a result, there is no opportunity for the public to comment on the actual text of proposed legislation until after the Commission has sent its formal proposal forward for consideration by its “legislative” branches, the Council and Parliament. In a manner that is inconsistent with good regulatory practices observed by many OECD member states, the actual draft is not made available during the key phase when the Commission could still make technical amendments. Rather, Commission directorates issue more general consultation documents, usually accompanied by questionnaires, soliciting public views before a Commission proposal is particularly

developed. As it develops the details of its proposal, the Commission may call invitation-only meetings with experts as a means of obtaining specific information; however, these meetings are not necessarily designed to include all potential global stakeholders, and may be restricted to only European stakeholders. Consequently, the impact assessment developed by the Commission during this period is only published with its final proposal, rather than being made available for public review and comment at an earlier stage.

Another example of a systemic lack of transparency and access for U.S. exporters is standards development. In order to participate in EU standards making, a company must have a physical presence in the European Union. To the extent EU regulations allow private conformity assessment bodies (CABs) to perform conformity assessment activities for products, they do not recognize U.S. CABs conduct of conformity assessments on U.S. soil, except under the U.S.-EU Telecom MRA, where qualified U.S organizations can obtain Notified Body status under the Radio Equipment Directive and the Electromagnetic Compatibility (EMC) Directive.

For specific information on member states' openness to foreign investment, please consult the Commerce Department's Country Commercial Guides of the 28 EU member states found at the following website: [EU Member States' Country Commercial Guides](#)

### **Industrial Policies**

EU law provides that Member States may designate parts of the Customs Territory of the Community as “free zones” and free warehouses. The EU considers the free zones to be mainly a service for traders to facilitate trading procedures by allowing fewer customs formalities. Information on free trade zones and free warehouses is contained in Title IV, Chapter Three, of Council

Regulation (EEC) no. 2913/92 establishing the Community Customs Code, titled, "Free Zones and Free Warehouses" (Articles 166 through 182).

The use of free trade zones varies across Member States. For example, Germany maintains a number of free ports or free zones within a port that are roughly equivalent to U.S. foreign-trade zones, whereas Belgium has none. A full list of [EU free trade zones](#) last updated in January 2017.

### **Protection of Property Rights**

For specific information on Member States' protection of property rights policies, please consult the Commerce Department's Country Commercial Guides of the 28 EU Member States found at the following website: [EU Member States' Country Commercial Guides](#)

### **Financial Sector**

For specific information on Member States' capital markets and portfolio investment, please consult the Commerce Department's Country Commercial Guides of the 28 EU Member States found at the following website: [EU Member States' Country Commercial Guides](#)

### **State-Owned Enterprises**

For specific information on Member States' competition from state-owned enterprises, please consult the Commerce Department's Country Commercial Guides of the 28 EU Member States found at the following website: [EU Member States' Country Commercial Guides](#)

### **Responsible Business Conduct**

For specific information on Member States' responsible business conduct, please consult the Commerce Department's Country Commercial Guides of the 28 EU Member States found at the following website: [EU Member States' Country Commercial Guides](#)

## **Corruption**

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law. It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U.S. firm that believes a competitor is seeking to use bribery of a foreign public official in international business, for example to secure a contract, should bring this to the attention of appropriate U.S. agencies, as noted below.

**U.S. Foreign Corrupt Practices Act:** In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which generally makes it unlawful for U.S. persons and businesses (domestic concerns), and U.S. and foreign public companies listed on stock exchanges in the United States or which must file periodic reports with the Securities and Exchange Commission (issuers), to offer, promise or make a corrupt payment or anything of value to foreign officials to obtain or retain business. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. In addition to the anti-bribery provisions, the FCPA contains accounting provisions applicable to public companies. The accounting

provisions require issuers to make and keep accurate books and records and to devise and maintain an adequate system of internal accounting controls. The accounting provisions also prohibit individuals and businesses from knowingly falsifying books or records or knowingly circumventing or failing to implement a system of internal controls. In order to provide more information and guidance on the statute, the Department of Justice and the Securities and Exchange Commission published [A Resource Guide to the U.S. Foreign Corrupt Practices Act](#). For more detailed information on the FCPA generally, see the [Department of Justice FCPA website](#).

**Other Instruments:** It is U.S. government policy to promote good governance, including host countries' implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions negotiated under the auspices of the OECD (Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements.

**OECD Antibribery Convention:** The [Antibribery Convention](#) entered into force in February 1999. As of January 2016, there are 41 parties to the Convention, including the United States. Major exporters China and India are not parties, although the U.S. Government strongly endorses their eventual accession to the Antibribery Convention. The Antibribery Convention obligates the Parties to criminalize bribery of foreign public officials in international business transactions, which the United States has done under U.S. FCPA.

**UN Convention:** The [UN Convention](#) entered into force on December 14, 2005, and there are 178 parties to it as of January 2016. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption,

from basic forms of corruption such as bribery and solicitation, embezzlement, and trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery.

**OAS Convention:** In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of January 2016, the [OAS Convention](#) has 34 parties and the follow-up mechanism created in 2001 ([MESICIC](#)) has 31 members.

**Council of Europe Criminal Law and Civil Law Conventions on Corruption:** Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention on Corruption, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and accounting offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on whistleblower protection, compensation for damage relating to corrupt acts, and nullification of a contract providing for or influenced by corruption, inter alia. The Group of States against Corruption ([GRECO](#)) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 Member States (48 European countries and the United States). As of

January 2016, the [Criminal Law Convention](#) has 44 parties and the Civil Law Convention has 35.

**Free Trade Agreements:** While it is U.S. government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require parties to adopt or maintain laws that criminalize the offering of an undue advantage to a public official (or the solicitation of such an advantage by a public official), as well as other acts of corruption in matters affecting international trade or investment. Parties also commit to effectively enforce their anticorruption laws and regulations. All U.S. FTAs may be found at the [U.S. Trade Representative Website](#).

**Local Laws:** U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department's U.S. and Foreign Commercial Service can provide assistance with navigating the host country's legal system and obtaining a list of local legal counsel.

**Assistance for U.S. Businesses:** The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company's overarching compliance program when choosing business partners or agents overseas. The U.S. and Foreign Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its website at [U.S. Commercial Service](#) or [Foreign Commercial Service](#) .

The United States provides commercial advocacy on behalf of exporters of U.S. goods and services bidding on public sector contracts with foreign governments and government agencies. An applicant for advocacy must complete a questionnaire concerning its background, the relevant contract, and the requested U.S. Government

assistance. The applicant must also certify that it is in compliance with applicable U.S. law, that it and its affiliates have not and will not engage in bribery of foreign public officials in connection with the foreign project, and that it and its affiliates maintain and enforce a policy that prohibits bribery of foreign public officials. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel, and reported through the Department of Commerce Trade Compliance Center "["Report a Trade Barrier" website](#) . Potential violations of the FCPA can be reported to the Department of Justice via email to [FCPA.Fraud@usdoj.gov](mailto:FCPA.Fraud@usdoj.gov).

**Guidance on the U.S. FCPA:** The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals and issuers to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding actual, prospective business conduct. The details of the opinion procedure are available on [DOJ's Fraud Section website](#) and general information is contained in Chapter 9 of the publication [A Resource Guide to the U.S. Foreign Corrupt Practices Act](#). Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general information to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the [Office of the General Counsel, U.S. Department of Commerce website](#) . More general information on the FCPA is available at the websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

## Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, translations of the statute into numerous languages, documents from FCPA related prosecutions and resolutions, and press releases are available at the [U.S. Department of Justice's website](#) and [FCPA](#)
- The [U.S. Securities and Exchange Commission FCPA](#) Unit also maintains a FCPA website. The website, which is updated regularly, provides general information about the FCPA, links to all SEC enforcement actions involving the FCPA, and contains other useful information.
- General information about anticorruption and transparency initiatives, relevant conventions and the FCPA, is available at the [Department of Commerce Office of the General Counsel website](#).
- The [Trade Compliance Center](#) hosts a website with anti-bribery resources. This website contains an online form through which U.S. companies can report allegations of foreign bribery by foreign competitors in international business transactions
- Additional country information related to corruption can be found in the U.S. State Department's annual [Human Rights Report](#).
- Information about the [OECD Anti-bribery Convention](#) including links to national implementing legislation and country monitoring reports.
- (See also [Anti-bribery Recommendation](#); and [Good Practice Guidance Annex for companies](#).)
- [GRECO Monitoring Reports](#)
- [MESICIC Monitoring Reports](#)
- [The Asia Pacific Economic Cooperation \(APEC\)](#) Leaders have also recognized the problem of corruption and APEC Member Economies have

developed anticorruption and ethics resources in several working groups, including the [Small Medium Enterprises Working Group](#), and the [APEC Anti-Corruption and Transparency Working Group](#).

There are many other publicly available anticorruption resources which may be useful, some of which are listed below without prejudice to other sources of information that have not been included. (The listing of resources below does not necessarily constitute U.S. government endorsement of their findings.)

- Transparency International (TI) publishes an annual [Corruption Perceptions Index \(CPI\)](#). The CPI measures the perceived level of public-sector corruption in approximately 180 countries and territories around the world. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents, and an overview of the latest research findings on anti-corruption diagnostics and tools. See [Transparency](#).
- The [World Bank Institute's Worldwide Governance Indicator \(WGI\)](#) project reports aggregate and individual governance indicators for 215 economies over the period 1996–2014, for six dimensions of governance (Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption). [The World Bank Business Environment and Enterprise Performance Surveys](#) may also be of interest. See also the World Bank Group [Doing Business reports](#), a series of annual reports measuring regulations affecting business activity.
- The World Economic Forum publishes every two years the [Global Enabling Trade Report](#), which assesses the quality of institutions, policies and services facilitating the free flow of goods over borders and to their destinations. At the core of the report, the Enabling Trade Index benchmarks the performance of

138 economies in four areas: market access; border administration; transport and communications infrastructure; and regulatory and business environment.

- Global Integrity, a nonprofit organization, publishes its annual [Global Integrity Report](#), which typically assesses anti-corruption and good governance mechanisms in diverse countries.

## **Political & Security Environment**

For specific information on political violence in Member States, please consult the Commerce Department's Country Commercial Guides of the 28 EU Member States found at the following website: [EU Member States' Country Commercial Guides](#)

## **Labor**

Issues such as employment, worker training and social benefits remain primarily the responsibility of EU Member States. However, the Member States are coordinating ever more closely their efforts to increase employment through macroeconomic policy cooperation, guidelines for action, the exchange of best practices, and programmatic support from various EU programs. The best information regarding conditions in individual countries is available through the labor and social ministries of the Member States.

Helpful information from the EU can be found on the websites for the [European Commission's Directorate-General for Employment and Social Affairs](#) and on the [Eurostat website](#) .

In general, the labor force in EU countries is highly skilled and offers virtually any specialty required. Member States regulate labor-management relations, and employees generally enjoy strong protection. EU Member States have among the highest rates of ratification and implementation of ILO conventions in the world. Numerous provisions in the Treaty on the Functioning of the European Union (TFEU), EU labor law and policy guidelines aim to strengthen social dialogue and the

role of the “social partners” (labor and management organizations) at EU, national, sectoral, local, and company levels.

There is a strong tradition of labor unions in most Member States. In many cases, the tradition is stronger than the modern reality. While Nordic Member States (Denmark, Finland, and Sweden) still have high levels of labor union membership, many other large Member States, notably Germany and the United Kingdom, have seen their levels of organization membership drop significantly to levels around 20–30 percent. French labor union membership, at less than 10 percent of the workforce, is lower than that of the United States.

### **OPIC and Other Investment Insurance Programs**

OPIC programs are not available in the EU as a whole, although individual Member States have benefited from such coverage.

### **Foreign Direct Investment and Foreign Portfolio Investment Statistics**

For specific information on Member States’ foreign direct investment statistics, please consult the Commerce Department’s Country Commercial Guides of the 28 EU Member States found at the following website: [EU Member States' Country Commercial Guides](#)

### **Contact for More Information on the Investment Climate Statement**

For specific information on contacts for more information on the Investment Climate Statement in Member States, please consult the Commerce Department’s Country Commercial Guides of the 28 EU Member States found at the following website: [EU Member States' Country Commercial Guides](#)

### **Web Resources**

[DG Internal Market and Services](#)  
[DG Economic and Financial Affairs](#)  
[DG Employment and Social Affairs](#)

[Office for Harmonization in the Internal Market](#)

[EU Anti-Fraud Office](#)

[Eurostat - EU Statistical Office](#)

[U.S. Bureau of Economic Analysis- Department of Commerce](#)

[European Patent Office](#)

## **Trade & Project Financing**

### **Methods of Payment**

For information on methods of payment please consult the Commerce Department's Country Commercial Guides on EU Member States: [EU Member States' Country Commercial Guides](#)

Alternatively, search the Commerce Department's Market Research Library, available from: [Market Intelligence](#) under Country and Industry Market Reports

### **Banking Systems**

For information on banking systems please consult the Commerce Department's Country Commercial Guides on EU Member States: [EU Member States' Country Commercial Guides](#)

Alternatively, search the Commerce Department's Market Research Library, available from: [Market Intelligence](#) under Country and Industry Market Reports

### **Foreign Exchange Controls**

For additional information on foreign exchange controls please consult the Commerce Department's Country Commercial Guides on EU Member States: [EU Member States' Country Commercial Guides](#)

### **US Banks & Local Correspondent Banks**

For information on U.S. banks and local correspondent banks please consult the Commerce Department's Country Commercial Guides on EU Member States: [EU Member States' Country Commercial Guides](#)

## **Project Financing**

EU financial assistance programs provide a wide array of grants, loans, loan guarantees and co-financing for feasibility studies and projects in a number of key sectors (e.g., environmental, transportation, energy, telecommunications, tourism, public health). A number of centralized financing programs are also generating procurement and other opportunities directly with EU institutions.

The EU supports economic development projects within its Member States, as well as EU-wide "economic integration" projects that cross both internal and external EU borders. In addition, the EU provides assistance to candidate and neighbor countries.

The EU provides project financing through grants from the EU budget and loans from the European Investment Bank. Grants from the EU Structural and Investment Funds program are distributed through the Member States' national and regional authorities. Projects in non-EU countries are managed through the Directorate-Generals Enlargement, Development and Cooperation (EuropeAid), Humanitarian Aid and Civil Protection (ECHO).

### ***EU Structural and Investment Funds (ESIF)***

EU Structural Funds, including the European Regional Development and the European Social Fund, were created in 1975 with the aim to mitigate economic and social differences between the regions of the European Union. New budgets are approved every seven years for all Member States. The budgets and the allocation of funding between the different priorities (social, economic or environmental) are based on the conclusions of the "Partnership Agreements" (PAs) which are negotiated between the European Commission and the member state national authorities. For the period of 2014 – 2020, the EU has earmarked 352 billion euros for regional development and cohesion policy projects. For information on [approved programs](#) that will result in future project proposals.

For projects financed through ESIF, member state regional managing authorities are the key decision-makers. They assess the needs of their country, investigate projects,

evaluate bids, and award contracts. To become familiar with available financial support programs in the Member States, it is advisable for would-be contractors to develop a sound understanding of the country's cohesion policy indicators.

Tenders issued by Member States' public contracting authorities for projects supported by EU grants are subject to EU public procurement legislation. All ESIF projects are co-financed by national authorities and many may also qualify for a loan from the European Investment Bank and EU research funds under Horizon 2020, in addition to private sector contribution. For more information on these programs, please see the market research section on the website of the U.S. Mission to the EU:

### [Market Intelligence](#)

#### ***The Cohesion Fund***

The Cohesion Fund is another instrument of the EU's regional policy. Its 63 billion euro (2014-2020) budget is used to finance projects in two areas:

Trans-European transport projects including transport infrastructure, and environment, including areas related to sustainable development and energy for projects with environmental benefits.

The fund supports projects in Member States whose Gross National Income (GNI) per inhabitant is less than 90 % of the EU average, such as Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, and Slovenia.

These projects are, in principle, co-financed by national authorities, the European Investment Bank, and the private sector:

**Key Link:** [The Cohension Fund](#)

#### ***Other EU Grants for Member States***

Other sets of sector-specific grants such as Horizon 2020 or the Structural Funds offer assistance to EU Member States in the fields of science, technology, communications, energy, security, environmental protection, education, training and research. Tenders related to these grants are posted on the websites of the European Commission and the relevant Member State authorities. Participation is usually restricted to EU-based firms or tied to EU content. Information pertaining to each of these programs can be found at: [EU Grants](#)

### ***External Assistance Grants***

“Development and Cooperation – EuropeAid” is the Directorate-General (DG) responsible for implementing EU development policies through programs and projects across the world. Its website offers extensive information on the range of grant programs, the kind of projects that are eligible, as well as manuals to help interested parties understand the relevant contract law. However, participation in these calls for tender is reserved for enterprises located in the EU Member States or in the beneficiary countries and requires that the products used to respond to these projects are manufactured in the EU or in the aid recipient country. Consultants of U.S. nationality employed by a European firm are allowed to participate. European subsidiaries of U.S. firms are eligible to participate in these calls for tender.

For more information: [International Cooperation and Development](#)

The EU provides specific **Pre-Accession** financial assistance to the accession candidate countries that seek to join the EU through the “Instrument for Pre-accession Assistance” (IPA). The European Neighborhood Instrument (ENI) provides assistance to countries that are the Southern Mediterranean and Eastern neighbors of the EU. ENI is the follow-up to the European Neighborhood Policy program (ENPI) covering the countries of Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the occupied Palestinian territory, Syria, Tunisia and Ukraine. The ENI budget is 15.4 billion euros for 2014-2020. Additional information can be found at: [EU External Action](#)

Instrument for Pre-accession Assistance II (IPA II) is an EU program for pre-accession countries that provides support for political and economic reforms, preparing the beneficiaries for the rights and obligations that come with EU membership and that are linked to the adoption of the *acquis communautaire* (the body of European Union law that must be adopted by candidate countries as a precondition to accession). These programs are intended to help build up the administrative and institutional capacities of these countries and to finance investments designed to aid them in complying with EU law. IPA II runs from 2014 to 2020 and finances projects in: Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Iceland, Kosovo, Montenegro, Serbia, and Turkey. The budget of IPA II for 2014-2020 is 11.7 billion euros.

For more information, see:

[http://ec.europa.eu/enlargement/instruments/overview/index\\_en.htm#ipa2](http://ec.europa.eu/enlargement/instruments/overview/index_en.htm#ipa2)

The **Connecting Europe Facility (CEF)** is an EU financing mechanisms that uses the EC budget as well as the Cohesion Funds to finance projects in three key areas: energy, transport and telecom. It was created by Regulation 1316/2013 on December 11, 2013.

Along with the European Fund for Strategic Investments (EFSI), CEF is expected to play a role in bridging the investment gap in Europe, which is one of the Commission's top priorities. In all three main categories the focus is on creating better conditions for growth and jobs. Annual and multi-annual work programs specify the priorities and the total amount of financial support allocated for these priorities in a given year.

Only actions contributing to projects of common interest in accordance with Regulations 1315/2013, No 347/2013 and a Regulation on guidelines for trans-European networks in the area of telecommunications infrastructure, as well as program support actions, are eligible for support.

Projects supported through the CEF mechanism focus on the following:

- cleaner transport modes,
- high speed broadband connections, and
- the use of renewable energy (in line with the Europe 2020 Strategy), integration of the internal energy market, reduction of the EU's energy dependency and ensuring security of supply.

The total budget of the CEF for the period 2014 to 2020 is set at €33.24 billion. This amount is distributed between the main priority areas as follows:

transport sector: €26.2 billion, of which €11.3 billion is transferred from the Cohesion Fund to be spent in line with this Regulation exclusively in Member States eligible for funding from the Cohesion Fund;

- a) telecommunications sector: €1.14 billion;
- b) energy sector: €5.85 billion

Please see: [Connecting European Facility](#)

### ***Loans from the European Investment Bank***

Headquartered in Luxembourg, the European Investment Bank (EIB) is the financing arm of the European Union. Since its creation in 1958, the EIB has been a key player in building Europe. As a non-profit banking institution, the EIB assesses reviews and monitors projects, and offers cost-competitive, long-term lending. Best known for its project financial and economic analysis, the EIB makes loans to both private and public borrowers for projects supporting four key areas: innovation and skills, access to finance for smaller businesses, climate action, and strategic infrastructure.

While the EIB mostly funds projects within the EU, it lends outside the EU as well (e.g., in Southeastern Europe, Africa, Latin America, and Pacific and Caribbean states). In 2016, the EIB loaned 75 billion euros for projects, an 11% decrease from 2015. The EIB also plays a key role in supporting EU enlargement with loans used to finance improvements in infrastructure, research, and industrial manufacturing to help those countries prepare for eventual EU membership.

The EIB presents attractive financing options for projects that contribute to the European objectives cited above, as EIB lending rates are lower than most other commercial rates.

Projects financed by the EIB must contribute to the socio-economic objectives set out by the EU, such as fostering the development of less favored regions, improving European transport and environment infrastructure, supporting the activities of SMEs, assisting urban renewal and the development of a low-carbon economy, and generally promoting growth and competitiveness in the EU. The [EIB website](#) displays lists of projects to be considered for approval.

## **Multilateral Development Banks**

### **World Bank**

With 189 member countries, the World Bank is an international financial institution that provides loans to countries of the world for capital programs.

### **European Bank for Reconstruction and Development (EBRD)**

The European Bank for Reconstruction and Development (EBRD) was founded in 1991 to create a new post-Cold War era in central and eastern Europe, furthering progress towards ‘market-oriented economies and the promotion of private and entrepreneurial initiative’.

### **U.S. Commercial Service Liaison Offices at the Multilateral Development Banks (European Bank for Reconstruction and Development, World Bank)**

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the European Bank for Reconstruction and Development and the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development.

The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the Commercial Liaison Offices to the [European Bank for Reconstruction and Development](#) and the [World Bank](#).

- Albania
- Bosnia & Herzegovina
- Bulgaria
- Croatia
- Cyprus
- Estonia
- Hungary
- Jordan
- Kosovo
- Latvia
- Macedonia
- Montenegro
- Poland
- Romania
- Russia
- Serbia
- Slovakia
- Slovenia
- Turkey
- Ukraine

### **Web Resources**

[Commercial Liaison Office to the European Bank for Reconstruction and Development](#)

[Commercial Liaison Office to the World Bank](#)

### **Web Resources**

#### **EU websites:**

[The EU regional policies, the EU Structural and Cohesion Funds](#)

[EU Grants and Loans Index](#)

[EuropeAid Co-operation Office](#)

[EU tenders Database](#)

[The European Investment Bank](#)

[EIB-financed projects.](#)

**U.S. websites:**

[Market research section on the website of the U.S. Mission to the EU](#)

[Export-Import Bank of the United States](#)

[Country Limitation Schedule](#)

[OPIC](#)

[Trade and Development Agency](#)

[SBA's Office of International Trade](#)

[U.S. Agency for International Development](#)

## **Business Travel**

### **Business Customs**

For information on this topic please consult the Commerce Department's Country Commercial Guides on EU Member States: [EU Member States' Country Commercial Guides](#)

Alternatively, search the Commerce Department's Market Research Library, available from: [Market Intelligence](#) under Country and Industry Market Reports.

### **Travel Advisory**

[State Department Travel Website](#)

### **Visa Requirements**

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

[State Department Visa Website](#)

For information on this topic please consult the Commerce Department's Country Commercial Guides on EU Member States:

[EU Member States' Country Commercial Guides](#)

Alternatively, search the Commerce Department's Market Research Library, available from: [Market Intelligence](#) under Country and Industry Market Reports.

## **Currency**

The euro is the result of the European Union's project for economic and monetary union which came fully into being on January 1, 2002. The Euro is used by the institutions of the European Union and by the Eurozone states, which account for 19 of the 28 Member States of the European Union:

Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, Spain.

## **Telecommunications/Electric**

For information on telecommunications/electric please consult the Commerce Department's Country Commercial Guides on EU Member States: [EU Member States' Country Commercial Guides](#)

Alternatively, search the Commerce Department's Market Research Library, available from: [Market Intelligence](#) under Country and Industry Market Reports.

## **Transportation**

For information on transportation please consult the Commerce Department's Country Commercial Guides on EU Member States: [EU Member States' Country Commercial Guides](#)

Alternatively, search the Commerce Department's Market Research Library, available from: [Market Intelligence](#) under Country and Industry Market Reports.

## **Language**

The official languages of the EU are Bulgarian, Croatian, Czech, Danish, Dutch, English, Estonian, Finnish, French, Gaelic, German, Greek, Hungarian, Italian,

Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovene, Spanish and Swedish.

## Health

For information on health please consult the Commerce Department's Country Commercial Guides on EU Member States: [EU Member States' Country Commercial Guides](#)

Alternatively, search the Commerce Department's Market Research Library, available from: [Market Intelligence](#) under Country and Industry Market Reports.

## Local Time, Business Hours and Holidays

The European Institutions generally follow the holidays of the EU member state in which they are located. During the month of August, most EU organizations are staffed with minimum personnel. For information on local holidays in the EU Member States, please see individual member state's Country Commercial Guides. The following is a list of holidays observed by the European Commission in Belgium during calendar year 2017:

January 2	Monday, New Year's Day
April 13	Maunday Thursday
April 14	Good Friday
April 17	Easter Monday
May 01	Monday, Labor Day (observed)
May 25	Thursday, Ascension Day
May 26	Friday after Ascension Day
June 05	Whit Monday
July 21	Friday, National Day

November 01	Wednesday, All Saints Day
December 24-31	6 end-of-year days

The U.S. Mission to the European Union is closed on most U.S. and Belgian holidays. For individual Member States' local time and business hours, please refer to the [EU Member States' Country Commercial Guides](#)

Business travelers to the European Union seeking appointments with officials in the U.S. Mission to the European Union in Brussels, Belgium, should contact the Commercial Service in advance. The Commercial Service at the U.S. Mission to the European Union can be reached by telephone at +32-2 811-4817 or by e-mail at [Office.BrusselsEC@trade.gov](mailto:Office.BrusselsEC@trade.gov). Additional information on our office can be found on our website at [U.S. Mission to the European Union](#). A current directory of staff and locations worldwide may be accessed on the Commercial Service website [Staff directory and locations](#).

### **Temporary Entry of Materials or Personal Belongings**

For information on this topic please consult the Commerce Department's Country Commercial Guides on EU Member States: [EU Member States' Country Commercial Guides](#)

Alternatively, search the Commerce Department's Market Research Library, available from: [Market Intelligence](#) under Country and Industry Market Reports.

### **Web Resources**

[Market Research Library](#)

[EU Member States' Country Commercial Guides](#)

[State Department Visa Website](#)

**Commercial Service at the U.S. Mission to the European Union**

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[Current directory of Commercial Service staff and locations worldwide](#)