

SBS contribution to the public consultation on the revision of the New Legislative Framework (NLF)

January 2026

KEY MESSAGES:

- The New Legislative Framework (NLF) has played a central role in the achievement of the Single Market, providing a flexible framework that allows to cope with technological developments and bring lasting and tangible benefits to European SMEs. In light of its overall effectiveness, **SBS believes that the revision process of the NLF should maintain its overarching principles and proceed towards a moderate revision.**
- SBS supports a gradual, proportional and well-designed rollout and widespread adoption of the Digital Product Passport (DPP) as a requirement for products made available in the Single Market. **It is essential that the DPP is manageable for small businesses and takes into account capacity and sector-specific readiness.** To do so, a targeted impact assessment to evaluate the costs and consequences of DPPs across different product groups and value chains on SMEs and microenterprises should be carried out. **SMEs have to be provided with guidance and clear compliance tools to make the DPP a success for EU citizens and all economic operators.**
- **Interoperability must be a crucial element for the digital integration of the Single Market.** Across many sectors, large manufacturers de-facto impose bundled proprietary solutions, which limit consumer choice and economic opportunities for SMEs along supply chains and throughout the lifecycle of products.
- **SBS believes that the provisions related to the CE marking are still appropriate.** While acknowledging that there are cases where there can be confusion among consumers about the nature and scope of the CE marking, this does not seem to be a sufficient reason to eliminate a well-known, well-established system that is still serving its purpose.

- **It is necessary to clarify and integrate certain definitions that are either absent or not fully clear and harmonised in the current NLF framework, along with clarifying the obligations and responsibilities of operators carrying out these activities.** These definitions include, but are not limited to “refurbishment”, “repair” and “substantial modification”.
- **It is necessary to ensure harmonisation and consistency of rules across the Single Market, avoiding fragmentation in national legislation and in interpretation and implementation of EU legislation across different Member States.** This extends to avoiding requiring additional national markings in certain sectors and in public procurement. Such fragmentation creates barriers to the Single Market and disproportionately affects SMEs, often preventing them from expanding into new markets and limiting opportunities for investment and growth.
- Fraudulent products pose serious safety risks to consumers and harm European businesses. Ensuring coordinated, timely and consistent responses to non-compliant and dangerous products is key to ensuring fair competition and guaranteeing economic opportunities for European SMEs
- SBS opposes the proposal for a merging of all three of the future NLF, Market Surveillance Regulation and Regulation 1025/2012 on European standardisation into a single “EU Product Act”. On the other hand, SBS does not oppose a merger of only the NLF and Market Surveillance Regulation. **SBS believes that the Standardisation Regulation should remain standalone**, as merging all three pieces of legislation would cause confusion, make the content too heterogenous and actually hamper legislative cohesion, rather than reinforcing it.

The NLF has played a central role in the achievement of the Single Market, providing a flexible framework that allows to cope with technological developments and bring lasting and tangible benefits to European SMEs. The crucial role of the NLF as a pillar of an inclusive and stakeholder-driven European standardisation system has to be reiterated and maintained.

SBS believes that overall the NLF has been effective in supporting the free movement of goods by ensuring an approach that can provide presumption of conformity using harmonised standards and a harmonised approach to accreditation. Therefore, it is our opinion that the revision of the NLF should maintain its founding principles and go towards a “moderate revision”.

First off, it is crucial to bear in mind that any revision of the NLF has to pursue proportionality and simplification, primarily considering the needs and specificities of European SMEs, who represent 99.8% of all European enterprises, providing over 65% of European jobs and more than 50% of all European economic added value.

In particular, the “Think Small First” and proportionality principles should be embedded in all NLF implementation processes, explicitly adjusting obligations based on the size and capacity of economic operators. Similarly, systematic use of SME-specific impact assessments (e.g. through reinforced SME tests) should be mandated under NLF-related legislation, in line with the “Simpler and Faster Europe” agenda.

Regarding some of the improvements needed to the NLF in its current form and the areas for possible action in this sense already listed in questionnaire accompanying the public consultation, SBS highlights the following:

- **Simplification of product information obligations through digitalisation**

SBS supports a progressive, proportionate and well-designed rollout and widespread adoption of the Digital Product Passport (DPP) as a requirement for products made available in the Single Market. This has the potential to support the transition to more sustainable business models, enable the development of services such as repair, reuse and refurbishment, where SMEs are strongly present. It can also enhance the sustainability of SME-manufactured products and facilitate informed consumer choices.

It is essential that the DPP is manageable for small businesses, crafts and consumers, including those that manufacture unique items and small series, and takes into account capacity and sector-specific readiness. This applies to both one-off and ongoing expenses and costs. In this sense, a targeted impact assessment or “SME Test”, to evaluate the costs and consequences of DPPs across different product groups and value chains on SMEs and microenterprises, with direct SME input, should be devised and implemented.

SMEs have to be provided with guidance and clear compliance tools to make the DPP a success for EU citizens and all economic operators. Much stronger efforts are needed in terms of **clarity and guidance to SMEs** to make sure that such solutions can provide **economic advantages and not, on the other hand, place excessive requirements that would put SMEs and microenterprises at a disadvantage** vis á vis market surveillance authorities, other economic operators and customers.

When considering the roll-out of digital compliance tools like the DPP, **it is also necessary to ensure that SMEs do not have to comply with an excessive amount of administrative requirements, both in terms of reporting and in terms of supplying information to vendors and other economic actors along supply chains**, particularly when SMEs are in a weaker bargaining position compared to larger companies.

It is also important to remind that, while SMEs fully support and want to take advantage of the digitalisation of the Single Market, there are still many SMEs and microenterprises who need guidance and support (both financially and in terms of skills) to fully incorporate digital tools into

their day-to-day economic activity. **It is vital that any progress towards the adoption of digital tools does not leave these SMEs behind or at risk of being forced out of the market.**

- **Interoperability and data access**

Another crucial element to be considered for the digital integration of the Single Market is interoperability. **Across many sectors (digital hardware/software, machinery, lifts...), often large manufacturers de-facto impose bundled proprietary solutions. This limits consumer choice and economic opportunities for SMEs along supply chains and throughout the product lifecycle, particularly in updating, repair and maintenance.** A horizontal and interoperable Single Market would boost SMEs' role in maintenance, repair, refurbishment and reuse, and help extend product lifecycles, in line with EU policy priorities.

Finally, it is crucial to make data access easy and support SMEs in building their digital infrastructure. If the needs of SMEs are not taken into account, there is a risk that the choice of providers for end customers will be significantly reduced. Therefore, smaller craft businesses should not be obliged to purchase specific software to ensure compliance with legislation.

In terms of access to product information, SBS fully agrees that digital solutions can greatly increase transparency and sustainability. However, paper-based information should remain available upon request, particularly for safety-related information and instruction for use.

- **CE Marking**

SBS believes that the provisions related to the CE marking are still appropriate. While acknowledging that there are cases where there can be confusion among consumers about the nature and scope of the CE marking, this does not seem to be a sufficient reason to eliminate a well-known, well-established system that is still serving its purpose.

Furthermore, **foreseeing a complete substitution of the CE marking with a new system (likely based around the DPP) that is still under development and that is still not at all known to SMEs and microenterprises, could cause very big problems to smaller businesses in terms of adapting to a new unknown technology.** This could cause very concrete consequences in terms of losing economic opportunities, without very strong improvements in terms of outreach, clarification and guidance for SMEs and microenterprises on the new DPP system.

- **Enhanced circularity in the NLF and update/alignment of relevant definitions**

It is necessary to clarify and integrate certain definitions that are either absent or not fully clear and harmonised in the current NLF framework, along with clarifying the obligations and

responsibilities of operators carrying out these activities. These definitions include, but are not limited to, “refurbishment”, “repair”, “reuse” and “substantial modification”.

In particular, a “substantial modification” should be clearly distinguished from routine repair or maintenance operations, ensuring that the original manufacturer does not obtain a de-facto monopoly on the modification of products, and avoiding imposing disproportionate administrative burdens, particularly on SMEs, that may discourage the refurbishment, upgrade or remanufacturing of products. Disincentivising the updating and upgrading of existing products and pushing SMEs and all economic actors towards buying new products is clearly in contradiction with EU policy priorities and objectives regarding circular economy and durability of products.

- **Strengthening the harmonisation and consistency of rules within the Single Market**

Industry is still facing a patchwork of diverging national rules and interpretations. Some examples include national differences in lists of authorised material for food or water contact, sorting label requirements and claim regulations. **Such fragmentation creates barriers to the Single Market and disproportionately affects SMEs, often preventing them from expanding into new markets. In addition, to ensure the Single Market is consistent and efficient, legislative overlaps and reporting and requirements duplications across different pieces of EU legislation should also be avoided.** This extends to avoiding requiring additional national markings (e.g.: NF in France) in certain sectors and in public procurement.

Introduce freedom of movement for accreditation. National conformity assessment procedures must not exceed international standards and place unnecessary burdens on companies. To avoid this, conformity assessment bodies should in the future be allowed to freely choose which national accreditation body they and their programmes are accredited by.

- **Ensuring timely and consistent responses to non-compliant and dangerous products**

Fraudulent products pose serious safety risks to consumers and harm European businesses. Items sold via online marketplaces can enter the EU without complying with EU regulations or meeting quality and safety standards. EU’s consumer protection rules are among the strongest worldwide, but enforcement remains key to ensuring fair competition and consumer safety. Member State authorities and customs, supported by the EU Commission, should coordinate efforts to ensure consistent interpretation of the rules and to enhance enforcement and market surveillance actions aimed at removing non-compliant and dangerous products from the market and implementing effective and dissuasive corrective measures. This is essential to ensure a level-playing field for businesses. However, this needs to be achieved by strengthening the market surveillance authorities and by increased use of digital tools without burdening SMEs with additional obligations, (e.g. reporting and documentation requirements or additional controls).

- **EU Product Act**

With regards to the possibility mentioned in the questionnaire accompanying the NLF revision public consultation, to **merge the future NLF, Market Surveillance Regulation and Regulation 1025/2012 on European standardisation into a single “EU Product Act”**, SBS states its **clear opposition to this idea**.

SBS believes that the Standardisation Regulation should remain standalone, as a blanket merging all three pieces of legislation would cause confusion, make the content too heterogenous and actually hamper legislative cohesion, rather than reinforcing it. As highlighted in the [Commission’s own evaluation of Regulation 1025/2012](#), its efficiency and **coherence (both internal and external) are among its main strengths**, therefore there seems to be very little argument for such a wholesale merging.

On the other hand, SBS is not opposed in principle to merging NLF and Market Surveillance Regulation, providing that the new joint act is designed coherently and any overlaps and discrepancies are avoided.

Small Business Standards (SBS) is the European association representing and supporting small and medium-sized companies (SMEs) in the standardisation process, both at European and international levels.

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