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GUEST CONTRIBUTION

LEO FIELDING - SHOOK HARDY & BACON LLP

LEO FIELDING, SENIOR COUNSEL,
SHOOK HARDY & BACON INTERNATIONAL LLP

ELECTRONICS PRODUCTS FACE NEW RULES

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Manufacturers can expect to hear more about several European initiatives that are currently underway to enhance the sustainability of electronic consumer products. Many of these initiatives originate in the European Commission's "Circular Economy Action Plan" and the Commission's wider efforts for a climate-neutral and resource-efficient EU economy in which products are increasingly sustainable, safe, and recyclable.

The EU Chips Act enters into force

Semiconductors are one product in the regulatory spotlight. On 21 September 2023, the new Semiconductor Regulation (2023/1781), better known as the EU Chips Act, entered into force to help strengthen Europe's semiconductor ecosystem. Under the Regulation, manufacturers that commit to continued investments in Europe's semiconductor sector will be able to apply for certain benefits.

The Regulation specifically recognises two types of facilities: 1) open EU foundries (OEFs), which design and produce components mainly for other industrial players, and 2) integrated production facilities (IFSs), which design and produce components that serve their own market. Recognition as either type of facility triggers a number of benefits, such as fast-tracking of permits in Member States for construction and operation. It remains to be seen if this will achieve the EU's goal of encouraging further manufacturer investment.

Deadlines in the new EU Batteries Regulation

On 17 August 2023, a new law to ensure that batteries are collected, reused, and recycled in Europe entered into force. The new EU Batteries Regulation (2023/1542) applies to all manufacturers, importers, and distributors of all battery types on the EU market. It is designed to ensure that batteries placed on the market under the rule have a low carbon footprint, use minimal harmful substances, need fewer raw materials from non-EU countries, and are collected, reused, and recycled to a high degree in Europe.

The rule has different provisions with different transition times. Future deadlines impose ever-more stringent requirements, such as the need for all batteries to have a Digital Product Passport by 18 February 2027 and waste collection targets for portable batteries to reach at least 63% by the end of 2027. Those involved in the supply chain should start planning for any production, compliance, or reporting changes they will need to make.

E-bike and e-scooter battery concerns

Following a number of fires involving lithium batteries in e-bikes and e-scooters, the UK's Office for Product Safety and Standards (OPSS) published information for consumers on 11 September 2023 to raise awareness around the safe use and charging of e-bikes and e-scooters.

The advice places a greater emphasis on consumers' need to always follow the manufacturer's instructions for charging and using the products, to always use the manufacturer-approved battery and charger, and to go directly to the manufacturer or retailer for any replacement battery or charger. Manufacturers and retailers should expect additional scrutiny from the OPSS to ensure that any product safety issues are properly assessed and action is taken to protect users from harm.

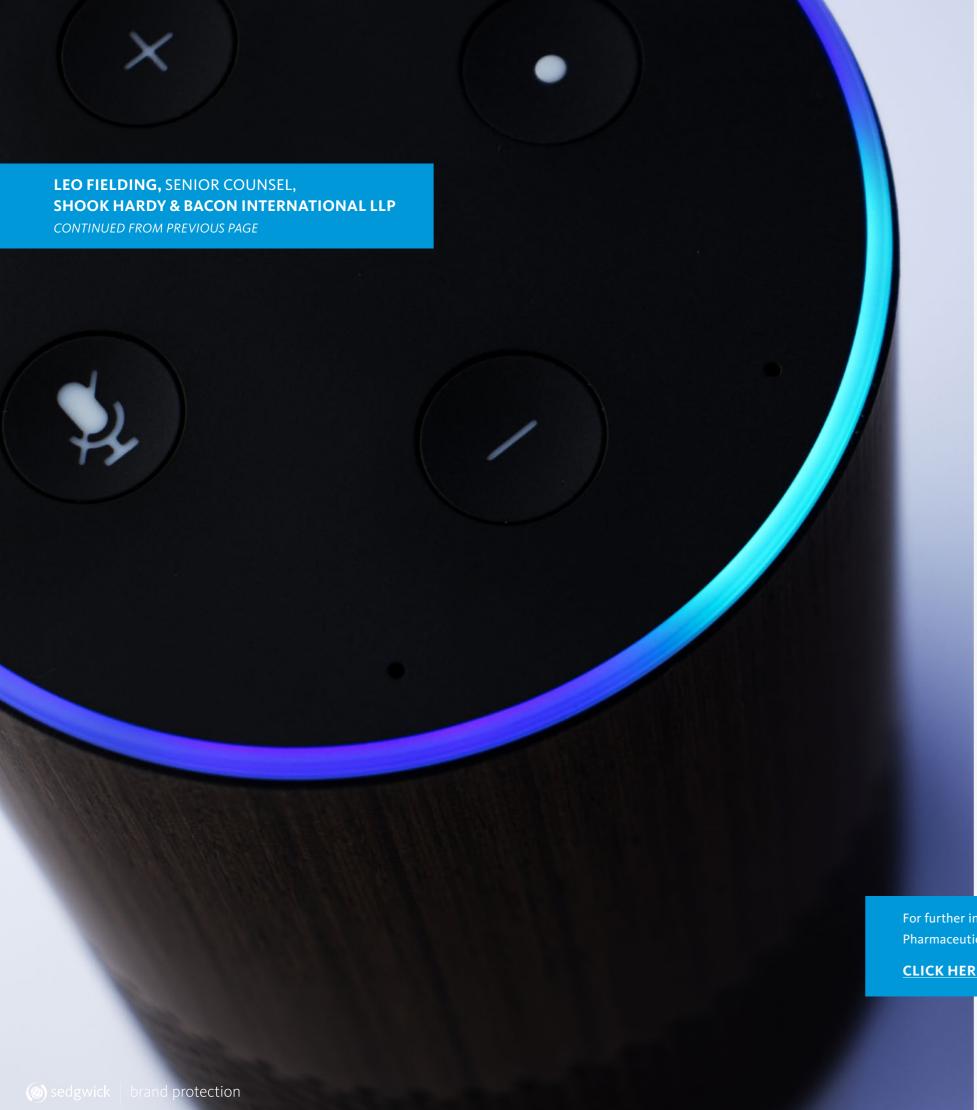## Standardization of chargers and beyond

Starting in 2024, the new EU "common charging solution" will apply to multiple electronic devices, with additional products like laptop computers being added in 2026. The new rules require manufactures to use USB-C charging systems for wired charging applications on many types of electronic devices. Products affected by the directive include handheld mobile phones, tablets, digital cameras, headphones, headsets, portable speakers, handheld videogame consoles, e-readers, earbuds, keyboards, mice, and portable navigation systems.

Looking further ahead, European legislators have their sights set on regulating wireless charging technology. The "common charging solution" legislation requires the European Commission to come up with a report on this technology by 28 December 2026, with a particular focus on issues of consumer convenience, the reduction of environmental waste, behavioural changes, and the development of market practices.

Consumer products that connect to the internet

Subject to Parliament's approval of draft secondary legislation, the UK's consumer connectable product security regime will come into effect on 29 April 2024. From that date, the law will require manufacturers of consumer connectable products put on the UK market to comply with certain minimum security requirements.

The regime comprises two pieces of legislation: the Product Security and Telecommunications Infrastructure Act 2022, which received Royal Assent in December 2022, and the Product Security and Telecommunications Infrastructure (Security Requirements for Relevant Connectable Products) Regulations 2023 (the PSTI Regulations), which remain subject to approval by Parliament. Many of the security measures outlined in the draft PSTI Regulations align with those previously adopted in the UK government's voluntary Code of Practice for Consumer Internet of Things Security.

LEO FIELDING, SENIOR COUNSEL,
SHOOK HARDY & BACON INTERNATIONAL LLP
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The proposed PSTI Regulations contain requirements for the complexity of default passwords (e.g., easily guessable default passwords will be banned), reporting of security issues (e.g., manufacturers will have to publish contact information for reporting vulnerabilities), and a requirement to be transparent about the minimum period within which security updates will be provided to consumers. Certain products governed by other legislation, such as medical devices, charge points for electric vehicles, and certain smart meters, are exempt from the regime.

Overall, the proposed PSTI Regulations signal a growing concern to prevent non-secure connected products from being sold to UK consumers. Even though the draft proposal is yet to be approved by Parliament, businesses should start to acquaint themselves with the new rules and determine whether products they are marketing in the UK are likely to fall within their scope. Companies should be proactive about anticipating any adaptations they might need to make.

EU legislators have also been active recently on cybersecurity. If adopted, the EU's proposed Cyber Resilience Act (CRA) will impose new mandatory cybersecurity criteria for Internet of Things (IoT) products such as laptops, toys, and smartphones. The criteria will also apply to non-tangible software products including operating systems, smartphone apps, and video games.

British companies exporting relevant goods and software to the EU market should be aware that they could face the burden of overlapping cybersecurity obligations under both the EU's CRA and the UK's Product Security and Telecommunications Infrastructure Act 2022.

Steps for stakeholders

There are many new regulations on the way as policy makers try to keep up with innovation. Electronic product manufacturers, suppliers, and distributors will need to keep track of the new rules, and the differences that may exist between UK and EU laws.

For further insight on European product safety spanning the Electronics, Consumer product, Medical device, Pharmaceutical, Automotive and Food and drink industries, download the full edition of the **Recall Index report**:

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