

The GPSR Regulation: Do you know your obligations?

On 13 December 2024, the new Regulation (EU) 2023/988 of the European Parliament and the Council of 10 May 2023 on general product safety (hereinafter as the "GPSR" or "Regulation") entered into force, Also Czech law implementing the Regulation was already published in the Collection of Laws on 12 December 2024. The Regulation sets new regulations on product safety and introduces new obligations for individual operators in the supply chain.

To help you navigate the new regulations, we have prepared a clear summary of the most important points.

Who is affected by the GPSR?

The Regulation generally applies to all non-harmonised products placed or supplied on the EU internal market but with certain exceptions set out below.

The Regulation specifically states that it does not apply to the following products:

- human or veterinary medicinal products,
- food and feed,
- live plants and animals, genetically modified organisms and micro-organisms in contained use, as well as plant and animal products directly related to their future reproduction,
- animal by-products and derived products (e.g. wool),
- plant protection products (e.g. pesticides),
- equipment used by consumers for driving or travelling, unless those are directly operated by the transport provider,
- aircraft whose design, manufacture, maintenance, and operation present a low safety risk,
- antiques,
- products that are marked to be repaired or reconditioned before use.

The Regulation, as general product safety legislation, does not apply to products subject to special regulation.

Are there differences in the obligations of individual operators?

The scope of the obligations imposed by the Regulation varies according to the operator. Below we summarise the main obligations of the different operators concerned.

What to do if you are a manufacturer?

Safety assessment: as a manufacturer, you must carry out a risk analysis to ensure that your product does not endanger the health or safety of consumers.

Preparation and retention of documentation: it is your responsibility to prepare technical documentation on the safety of the product and to keep it for a specified period of 10 years.

Compliance with standards: your products must comply with the relevant technical standards and regulations.

Product labelling: you must label products or their packaging:

- your identification and your contact details name, registered business name or registered trademark of the manufacturer, postal and electronic address at which you can be contacted;
- <u>product identification</u> indicating the type of product, its series, serial number, or other identifying data;

Safety information: you must include clear instructions and safety information (in the Czech language) with the product unless the product can be used safely without such instructions or information.

Product tracking: you need to maintain systems to track products on the market and actively monitor potential risks.

Record-keeping obligations - As a manufacturer, you must keep internal records of complaints received (and investigate these) as well as product safety incidents, product recalls, and actions taken; the records must be kept for a maximum of 5 years;

Risk communication: You must inform the relevant national authorities (via the new Safety Business Gateway) and consumers of any product safety issues, as well as take corrective action and, where appropriate, withdraw unsafe products from the market and circulation. Any accidents caused by the product must be reported to the competent authorities via the aforementioned Safe Business Gateway.

Please note that if a person other than the manufacturer places a product on the market under his name or trademark, or makes a substantial change to the product, he is considered the manufacturer for this Regulation and is subject to the obligations of the manufacturer.

What are the importer's obligations?

Verification of compliance: As an importer, you must ensure that the product you are placing on the market meets the general safety requirement of the Regulation and that the manufacturer has fulfilled its obligations in relation to the product. Otherwise, you must refuse to place the non-compliant product on the market.

Product labelling: you must also include your identification and contact details on the product or its packaging.

Safety information: importers are also obliged to ensure that clear instructions and safety information accompany the product (in the Czech language) unless they are not required.

Retention of documentation: you must keep a copy of the product's technical documentation for a specified period of 10 years after marketing to verify the safety of the product.

Storage and transport: it is your responsibility to ensure that the storage and transport conditions of the products do not compromise compliance with the general safety requirement of the Regulation.

Risk communication: You must inform consumers, manufacturers, and national authorities (via the <u>Safety Business Gateway</u>) about the dangerous product, as well as take corrective action or withdraw dangerous products from the market and circulation.

Record-keeping obligations: the importer is not exempted from other obligations similar to those of the manufacturer with regard to investigating complaints and keeping records on product safety (complaints, accidents, recalls, or measures taken).

What do you need to do as a distributor?

Pre-distribution check: You must first verify that the manufacturer and importer, if any, have complied with the relevant product safety requirements of the Regulation. Otherwise, the distributor must refuse to supply the product to the market.

Storage and transport: the distributor is also responsible for the storage and transport conditions of the products so that they do not compromise compliance with the general

safety requirement of the Regulation.

Reporting problems: for a product you have placed on the market that is unsafe or does not comply with the requirements of the Regulation, you must inform the manufacturer or importer, as appropriate, and ensure that the national authorities are informed (via the <u>Safety Business Gateway</u>) and that corrective action is taken, including, where appropriate, the withdrawal of the product from the market and circulation.

What additional obligations do e-shops have?

In addition, e-shops must now provide **at least the following information clearly and visibly** in the pre-contractual offer of the product:

- the identification and contact details of the manufacturer or, where applicable, the
 responsible person within the EU (name, registered trade name, or registered trademark
 of the manufacturer and postal and electronic address at which the manufacturer can
 be contacted),
- 2. <u>data enabling the product to be identified, including its illustration and type and any other product identifiers,</u>
- 3. any comprehensible <u>warning or safety information to be attached to the product or its</u> <u>packaging</u> (in the Czech language).

Are there obligations that all economic operators must fulfil?

Yes, all operators in the supply chain must <u>establish internal procedures to comply with the requirements of the Regulation on product safety,</u> followed by their <u>obligation to cooperate with market surveillance authorities</u>. Operators must also be prepared to provide specific information in relation to the product at the request of the surveillance authority for a period of 6 to 10 years after the product has been supplied.

Where a <u>product registration system or customer loyalty</u> scheme exists, each operator should offer customers the possibility to provide separate contact details for product safety purposes only.

The Regulation also introduces additional mechanisms, including, for example, specific procedures as well as consumer rights in case of product recalls and circulation, as well as specific obligations for online marketplace providers. These and other points are not discussed in detail here given the scope of this Communication.

What are the penalties for breach of the obligations?

Supervisory authorities (typically the Czech Trade Inspection Authority) will be authorised to impose sanctions of up to <u>CZK 50,000,000</u> for potential violations (however, the approved proposal shows that most sanctions for offences are below the maximum exposure of a few million CZK).

Who to contact?

If you have any questions about the above, or if you would like to know more or more details about the new obligations brought by the above legal regulation, we are at your disposal. We are ready to assist you in this area.



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