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HM Revenue and Customs  
Balance of Competencies Review, 3E10  
100 Parliament Street  
London  
SW1A 2BQ

Date: 2 August 2013

Dear Sir/Madam

### **Review of the Balance of Competencies - Internal Market: Free Movement of Goods**

Thank you for the opportunity to comment on the above consultation. I am responding on behalf of the United Kingdom Accreditation Service (UKAS), which is the sole national body recognised by Government for the accreditation, against recognised standards, of organisations providing calibration, testing, certification and inspection services. UKAS is appointed as the National Accreditation Body (NAB) for the UK by The Accreditation Regulations 2009 (SI No 3155/2009) and operates under a Memorandum of Understanding with the Secretary of State for Business, Innovation and Skills, on behalf of government as a whole.

These comments are restricted to the impact of EU action on the accreditation infrastructure only.

The Accreditation Regulations 2009 implement the provisions of Regulation 765/2008/EC on accreditation and market surveillance, which is referenced, on page 9 of the call for evidence document, as one of the main parts of the New Legislative Framework (NLF) for community harmonisation legislation for products.

Through the mutual recognition of accredited testing and certification, accreditation therefore plays a key supporting role in facilitating trade within the EU and, under corresponding international agreements, globally. By ensuring that testing, inspection calibration and certification are carried out in a competent, consistent and impartial manner, accreditation also contributes to public confidence in the quality of goods and services placed on the market within the UK and overseas.

The European Commission has, since the mid-1980s, issued guidance to Member States on the operation of accreditation but it was not until the adoption of Regulation 765/2008 that there has been a legal framework for the operation of accreditation in the EU.

The adoption of this legal framework has brought a number of advantages for UKAS and UK businesses in terms of harmonisation of the way that accreditation is operated across the EU. Despite the earlier guidance issued by the European Commission, there were still differences in the way that accreditation was organised in different

Member States which led, in some cases, to a reluctance by purchasers and consumers to accept goods and services that were subject to accredited testing and certification from other Member States. Regulation 765/2008 has resolved a number of these differences and strengthened the pan-European management of accreditation (operated by the European co-operation for Accreditation (EA)) thus leading to wider acceptability of accredited test results and certificates and therefore goods and services sold by UK businesses across Europe.

Accreditation is also referenced in Decision 768/2008/EC on a common framework for the marketing of products as the preferred method of ensuring the competence of the 'notified bodies' required to carry out testing, inspection and certification activities by many of the community harmonisation measures. The harmonisation of the accreditation of notified bodies is still a work in progress (led by EA) but, we believe, has already brought an improvement in confidence in the operation of the single market.

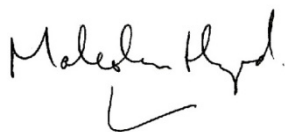
Regulation 765/2008/EC recognises accreditation as a public authority activity and therefore prohibits competition between National Accreditation Bodies. As a consequence, organisations are required to apply for accreditation to the NAB of the Member State in which they are established. This requirement has led to some difficulties for testing and certification organisation that operate multi-nationally, offering services in a number of different Member State. According to a strict interpretation of the Regulation, such organisations should apply for accreditation in each Member State in which they operate, thus increasing costs and bureaucracy. It makes more sense, from a financial and practical point of view, for such organisations to be accredited by the NAB of the Member State in which its head office is based, which would enlist the help of local NABs to monitor the activities of the accredited organisations in other Member States. Following considerable pressure from the Department for Business, Innovation and Skills, UKAS and businesses, the European Commission agreed to a more favourable interpretation of the Regulation along these lines and it is believed that the accredited organisations are now broadly content.

There are also indications that the European Commission may be inclined to interpret other elements of the Regulation in a way that places unnecessary restrictions on the activities of NABs. UKAS and BIS are monitoring these developments very carefully.

In summary, UKAS believes that EU competence in the field of accreditation is beneficial to the UK overall but that great care needs to be taken in the interpretation of the legislation to avoid unintended consequences such as those outlined above.

I hope you will find this information useful for your review but if you would like any further information, please do not hesitate to contact me.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Malcolm Hynd', with a stylized flourish underneath.

Malcolm Hynd  
External Affairs Manager