

<b>Title:</b> Implementation of two pyrotechnic article Directives: (i) 2013/29/EU alignment to the New Legislative Framework and (ii) 2014/58/EU relating to traceability  <b>IA No:</b> RPC 14-BIS-2216(2)  <b>Lead department or agency:</b> Department for Business, Skills and Innovation  <b>Other departments or agencies:</b>	<b>Impact Assessment (IA)</b>		
	<b>Date:</b> 16/02/2015		
	<b>Stage:</b> Final		
	<b>Source of intervention:</b> EU		
	<b>Type of measure:</b> Secondary legislation		
<b>Contact for enquiries:</b> Christine Knox 0207 215 3465			
<b>Summary: Intervention and Options</b>		<b>RPC Opinion:</b> GREEN	

Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Two-Out? Measure qualifies as
-6.44	-6.44	0.59	No   NA

**What is the problem under consideration? Why is government intervention necessary?**  
Under EU law, the UK has a legal obligation to implement both the Pyrotechnics Directive (Directive 2013/29/EU) and the Traceability Implementing Directive (Commission Implementing Directive 2014/58/EU). Action is required from the Government in order to implement the Directives.

**What are the policy objectives and the intended effects?**  
The objective is to meet the UK's legal obligation to implement the Directives. The intended effects of implementing the Directives are:  
(a) avoiding the consequences of breaching EU law; and  
(b) improving the safety of pyrotechnic articles made available on the market by (i) ensuring that the obligations of all of the economic operators in the supply chain are clearer (and in particular, those of importers and distributors); (ii) making pyrotechnic articles easier to trace; and (iii) providing a more structured market surveillance regime.

**What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)**  
Option 1: PREFERRED  
Make secondary legislation to implement the Directives - by revoking and replacing the Pyrotechnic Articles (Safety) Regulations 2010. This option has been chosen because it will allow the UK to meet its legal obligation to implement the Directives.  
  
Option 2:  
Adopt a non-regulatory approach to implementing the Directives. This option was considered and discounted because it would not satisfy the UK's legal obligation to implement the Directives.

<b>Will the policy be reviewed?</b> It will be reviewed. <b>If applicable, set review date:</b> 01/2020					
Does implementation go beyond minimum EU requirements?			No		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	<b>Micro</b> Yes	<b>&lt; 20</b> Yes	<b>Small</b> Yes	<b>Medium</b> Yes	<b>Large</b> Yes
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)			<b>Traded:</b>		<b>Non-traded:</b>

*I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.*

Signed by the responsible Minister: Anna Soubry Date: 15-7-15

# Summary: Analysis & Evidence

# Policy Option 1

## Description:

### FULL ECONOMIC ASSESSMENT

Price Base Year 2015	PV Base Year 2015	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -5.15	High: -7.73	Best Estimate: -6.44

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0.1	0.6	5.1
High	0.2	0.9	7.7
Best Estimate	0.1	0.7	6.4

#### Description and scale of key monetised costs by 'main affected groups'

- (i) UK Government will incur a small cost in retaining records of registration numbers of all pyrotechnic articles where the manufacturers/importers of such goods have ceased trading. We estimate this cost to be around £10k per year.
- (ii) there will be one-off and ongoing costs for business with respect to new labelling obligations, the retention of documents for 10 years rather than 7 and in keeping registration numbers.

#### Other key non-monetised costs by 'main affected groups'

The IA has attempted to monetise the costs to the main economic operators affected including importers/distributors and manufacturers but it has not been possible to monetise the cost to the large number of smaller retailers who will stock pyrotechnics for just a few weeks a year.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0.0	0.0	0.0
High	0.0	0.0	0.0
Best Estimate	0.0	0.0	0.0

#### Description and scale of key monetised benefits by 'main affected groups'

There may be some minor financial savings to enforcement costs due to the improved traceability requirements.

#### Other key non-monetised benefits by 'main affected groups'

Potential benefits include better functioning of the internal market. Harmonising of duties in the supply chain across the EU will facilitate movement of goods and benefit economic operators. There could also be benefits to the health and safety of consumers and workers through reducing the number of non-compliant products on the market. It is not possible to quantify the benefits in these instances.

#### Key assumptions/sensitivities/risks

Discount rate (%) 3.5

We have assumed that industry is already keeping a certain amount of the new data required and has efficient data retrieval systems in place to meet the HMRC requirements for keeping business records for up to 6 years. This may not be the case as many are small and micro businesses so costs may be more than anticipated to retain information for an extra 4+ years and to collect new data in some cases. We have assumed the costs to most small retailers will be minimal.

### BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: 0.6	Benefits: 0.0	Net: -0.6	No	NA

# Evidence Base

## Problem under consideration

### Alignment – Directive 2013/29/EU

In 2006 the European Commission conducted a review of the way that the internal market for goods was working. The Commission found that harmonised legislation was not working effectively across and within EU Member States. They identified three main problems including (i) the number of products that were on the EU market that did not comply with product safety legislation; (ii) the unsatisfactory performance of some Notified Bodies (the bodies which determine whether a product meets the essential requirements of the legislation) and (iii) difficulties in using and understanding the current legislation. The Commission proposed a Decision in an attempt to improve this.

2. The New Legislative Framework (NLF) which resulted is a common set of principles which aims to make legislation on the Single Market for Goods clearer, more consistent and more understandable. It was adopted as an EU Regulation and an EU Decision in July 2008.<sup>1</sup> Subsequently an “Alignment Package” was introduced to align nine existing European Union Directives to the NLF. The 2007/23/EU Pyrotechnics Directive was one of the nine to be aligned. This will be achieved by the implementation of Directive 2013/29/EU.

3. The key provisions of the 2013 Directive are to introduce common definitions and responsibilities for Economic Operators (EOs) ie manufacturers, importers and distributors. For example, all economic operators must now hold information for 10 years on who supplied them with a particular product. The Directive also clarifies what EOs must do when a product is non-compliant eg distributors who suspect a product does not comply must now take corrective action to make it compliant or take steps to recall it.

### Traceability – Directive 2014/58/EU

4. During discussions on the alignment package at the beginning of 2013, it became clear that the Commission had concerns about the traceability of pyrotechnic articles. They put forward a proposal to improve this which was adopted as Directive 2014/58/EU setting up a system for the traceability of pyrotechnic articles. The key provisions are that manufacturers will label all pyrotechnic articles with a registration number and that records will be kept of this number for 10 years by manufacturers and importers.

5. These two Directives are being considered in a single Impact assessment because we plan to implement them with one piece of UK legislation.

## Rationale for intervention

6. The purpose of the alignment is to make products in the EU safer by making the relevant legislation easier for users to understand and apply. Directive 2013/29/EU on the making available on the market of pyrotechnic articles will align requirements for pyrotechnic articles. In order to meet our EU law obligations, this Directive must be transposed into national law by July 2015.

7. The traceability Directive should be transposed into national law by April 2015.

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<sup>1</sup> Regulation (EC) No 765/2008 of the European Parliament and of the Council of 9 July 2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products. Decision No 768/2008/EC on a common framework for the marketing of products.

8. We propose to implement the requirements of both Directives by revoking and replacing the Pyrotechnic Articles (Safety) Regulations 2010.

### **Policy Objective**

9. The objective is to transpose the requirements of the Directives into UK law. This will ensure that the safety and economic benefits of clearer legislation, and improved traceability, reach UK consumers and workers.

### **Description of options**

10. We considered two possible options. It is not possible to do nothing as the UK has treaty obligations to implement the Directives:

#### Option 1 – make legislation to implement the Directives - **PREFERRED**

We propose to implement by revoking and replacing the 2010 Pyrotechnic Articles (Safety) Regulations. This option would ensure that the UK regulations reflect the updated obligations and traceability requirements and ensure that pyrotechnic articles are correctly labelled to better protect consumers.

#### Option 2 - non-regulatory approach.

We considered a non-legislative approach of implementing and rejected it. This is because it would not meet the UK's EU law obligations to implement the Directives.

### **Monetised and non-monetised costs and benefits of options**

#### Option 1 – make legislation to implement the Directives - **PREFERRED**

##### Alignment: *benefits*

- *Harmonisation*

11. It is expected **there will be some benefit** from clarification and harmonisation of definitions for business across Member States. Harmonising of duties of those in the supply chain across the Union will facilitate movement of goods in the internal market – with potential positive implications on competition.

- *Notification process*

12. There **could be marginal benefits** to organisations wishing to become notified bodies from clearer indication of the notification process.

- *Enforcement*

13. Some Trading Standards departments have indicated they do not receive a large number of complaints from consumers and they **do not therefore envisage much in the way of financial benefit** accruing to them from the proposed amendment which should reduce such complaints.

### Alignment: costs

- *Labelling*

14. There is a new labelling requirement to include the registration number and the product, batch or serial number on the pyrotechnic articles. The requirement for the registration number matches that in the harmonised standards used to demonstrate compliance for CE marking under the 2007 Directive so additional costs would not be expected in respect of the registration number. But there may be increased costs especially for small businesses (which make up the majority of businesses in this sector) in including the product, batch or serial number.

- *Retention of information*

15. There will be a duty for all economic operators to keep information for ten years as to who supplied them with a pyrotechnic article and who they have supplied a pyrotechnic article to. Some of the products under the pyrotechnics Directive are likely to have a lifespan of less than 10 years. The **additional data collection / storage cost is expected to be marginal**, and we have tested some likely costs as part of the consultation process.

- *Change of Directive number*

16. A new directive number might lead to costs being incurred for manufacturers and notified bodies necessitating the re-drafting and re-issue of documents and manuals to include the revised number. There will be a transitional period before these requirements will come into force hence any alterations could be incorporated more broadly into periodic updating, **so any additional cost should be marginal**.

- *Notification process*

17. Notified Bodies for the pyrotechnic and firework industry could be affected due to reinforcement of the notification requirements and information obligations - strengthened obligations on information sharing among notified bodies would lead to some increase in on-going costs – there are already some occasions when NBs are required to exchange information, but the obligation has been widened and so such exchanges will need to be more frequent. However there are currently no UK pyrotechnic notified bodies so **this will not be a cost to UK Notified Bodies** but may be a cost that NBs in other Member States pass onto their UK customers but again any cost increases are expected to be marginal.

- *Familiarisation costs*

18. Enforcers, industry and government will need to ensure that importers, manufacturers and distributors are aware of changes to legislation and this could lead to some **one-off costs**.

### Traceability: benefits

19. Clearer duties on operators throughout the supply chain (ie not just manufacturer/importer) may also bring some **minor benefits** in that the enforcement authority will be able to target more directly those infringing the requirements.

20. There may be **some financial savings in enforcement costs** due to the improved traceability requirements and increased co-operation between Notified Bodies for pyrotechnic articles placed on the market.

## Traceability: costs

21. **Manufacturers and importers will incur costs in keeping records** of registration numbers of all articles and the **UK Government will incur costs** in retaining this information if those above cease trading. There is a frequent turnover of particularly importers of consumer fireworks so we have estimated costs to HMG of keeping such records as a third of an administrative post per year at circa £10k annually.

22. Additional to the new traceability requirements in the alignment Directive, are those in the traceability directive which include a new registration number requirement which is the same as that in the harmonised standard EN15947 used to demonstrate compliance with the old 2007 Directive so we are not expecting this will impart a new cost under the 2013 Directive. Also manufacturers and importers will be required to keep records of these registration numbers along with their trade name, generic type and the site of manufacture. Dependent on how these EOs keep records presently this **could add administrative costs**. Also if the relevant businesses cease activity then the records are required to be transferred to the competent authority ie UK Government who will also incur administrative costs from receiving, storing and retrieving the records. There is a frequent turnover of particularly importers of consumer fireworks so we have estimated costs to HMG of keeping such records as a third of an administrative post per year at circa £10k annually.

23. There are additional information retention requirements for Notified Bodies which could be passed on to UK business from other Member State NBs.

### *Overall*

24. Further details of the cost to business of this approach are outlined below in the 'Direct costs to business' section.

### Option 2 - non-regulatory approach

*Benefits:* nil

*Costs:*

25. This option would ignore the legal requirement for Member States to implement as set out in the two Directives.

### **Risks and assumptions**

26. We have assumed that industry is already keeping a certain amount of the new data required eg site of manufacture of imported articles, and that they have efficient data retrieval systems. This may not be the case as many are small or micro businesses so costs could be more than anticipated.

### **Direct costs to business**

27. In transposing the EU directives there is a degree of goldplating in that we are exercising derogations to retain pre-existing standards which are higher than the minimum outlined by the EU legislation. We consider that this approach is justified on the grounds of public order and health and safety. The relevant provisions that will amount to goldplating are the following:

(i) Under the Directive, category F1 fireworks (the least dangerous category) cannot be made available to a person under 12 years of age. Under UK law, the position is (and will continue to be) that (aside from Christmas crackers) such category F1 fireworks cannot be made available to a person under 16 years of age.

(ii) Under the Directive, category F2 fireworks cannot be made available to a person under 16 years of age. Under UK law, the position is (and will continue to be) that such category F2 fireworks cannot be made available to a person under 18 years of age.

(iii) Under UK law, the position is (and will continue to be) that certain categories of fireworks that would otherwise fall within category F2 or F3 (e.g. spinners and air bombs) can only be supplied to a person with specialist knowledge. This restriction is not found in the Directive.

28. However, as these requirements maintain the status quo, they will not give rise to new costs for business

29. Most of the direct costs to industry will arise from new labelling and data retention requirements as outlined below. Rather than seeking to itemise these separately for each potential cost element, we have used feedback from industry to give an indication of cost and impact according to different elements of the supply chain.

#### All economic operators

30. Economic operators include manufacturers, importers and distributors and they will all have new record keeping responsibilities and will have to provide the following to enforcement agencies on request:

- identify any economic operator who has supplied them with a pyrotechnic article
- identify any economic operator to whom they have supplied a pyrotechnic article
- keep this information for 10 years

31. In addition Notified Bodies may pass on costs from their new requirements (maintaining list of registration numbers, revised notification process, obligations to share information) to UK business customers.

32. As well as these obligations for all operators there are further duties outlined below.

#### Manufacturers

33. There are new requirements for manufacturers which could have costs associated. These include:

- keeping technical documentation and declaration of conformity (DOC) for 10 years. This is a current requirement except for products that are assessed under Module G (unit verification). In future manufacturers using Module G will also have to retain documentation for 10 years.
- keeping a record for 10 years of the registration number along with trade name, generic type, sub-type if applicable and site of manufacture
- ensuring procedures are in place to maintain conformity of series production
- carrying out sample testing following justified request & keeping register of complaints
- new labelling and safety information requirements to include registration number, product, batch or serial number
- clarified non-conformity and market surveillance requirements
- complying with the economic operators obligations above

34. Although the Directives require the labelling to include a product, batch or serial number, the choice between these different numbers will be left to the manufacturer. It is expected that most manufacturers will choose to include a product number (at a relatively small cost), rather than a batch number (at a much larger cost). Therefore, this new labelling requirement is not expected to give rise to significant new costs for manufacturers. The Blue Guide (p47 of 2014 edition) says that labelling with the product, batch, or serial number is left to the discretion of the manufacturer.

35. Under the current Regulations, information about the manufacturer which does not fit on the pyrotechnic article must be put on the retail packaging. Under the new Directive it will be possible for such information to be put on its packaging or in a document accompanying the pyrotechnic article. This additional flexibility may allow manufacturers to make a cost saving.

### Importers

36. New requirements for importers include:

- keeping technical documentation and declaration of conformity (DOC) for 10 years
- clarified non-conformity and market surveillance requirements eg sample testing when requested by enforcement authorities and keeping a register of complaints and product recalls.
- complying with the economic operators obligations above

37. Under the current regulations, the importer only takes on substantial obligations concerning the compliance of a pyrotechnic article where the manufacturer is not established in the EU. Under the requirements of the Directive, all importers of pyrotechnic articles will have such obligations. Currently all businesses are required to keep a certain amount of information for HMRC reporting purposes for up to 6 years. Depending on the information already kept, the additional costs could cover only the extra 4+ years of data retention.

### Distributors

38. The 2013 Directive expands and makes more explicit the obligations of distributors. For these purposes, distributors include any economic operators in the supply chain who are not the manufacturer or importer. The new obligations include the following:

- where distributors consider or have reason to believe that a pyrotechnic article is not in conformity with the essential safety requirements, they must not make the pyrotechnic article available on the market;
- ensuring that storage and transport conditions do not jeopardise compliance with the essential safety requirements;
- complying with the economic operators obligations below

### Retailers

39. As retailers are distributors for the purposes of the Directive, they will need to comply with the relevant requirements of the Directive. Retailers of consumer fireworks include supermarkets, newsagents and corner shops. There are likely to be costs for these businesses, particularly in relation to the new duty to keep a record of the economic operators that supplied the fireworks to them. We have no data available to provide even a rough estimate of costs and no information has been provided through our consultation.



## Estimate of costs for business

40. BIS asked CBI Explosives Industry Group, the British Fireworks Association, the British Pyrotechnists Association and the Association of Stage Pyrotechnicians to undertake informal surveys of their industry and their members to assess the costs of implementation. From the responses it is clear that there will be some transitional and ongoing costs to businesses.

41. Micro businesses are included. The regulations ensure consumer safety and it is important that businesses of all size are committed to meeting the essential safety requirements of the pyrotechnic Directives.

42. The sectors covered by the Directives include consumer fireworks, display fireworks (for professional use), theatrical pyrotechnics and also other pyrotechnic articles which can include components for automotive air bags and seat belt tensioners and other articles such as bird scarers and other markets which are complex to identify. We have better information on the consumer and stage fireworks sectors than for the broader 'other pyrotechnic articles' class. It is therefore difficult to determine exactly how many companies will be affected by the new legislation to arrive at an accurate determination of costs.

- *European market*

43. The EU market for consumer fireworks is estimated by industry to be around €700 million (£550 million) per year with the EU market for sales to professionals only (Category 4) also estimated at €700 million per year. Automotive occupant restraint systems mainly comprise airbags and seatbelt tensioners. In 2009, around 65 million airbag systems were produced in the EU market, representing a market value of around €1.8 billion. As regards seatbelts, approximately 80 million units at a value of about €1 billion were produced in the EU in 2009. This amounts to a total market size of roughly €2.8 billion for automotive occupant restraint systems.<sup>2</sup>

44. The overall market size of the pyrotechnics sector covered by the Directives is thus in the region of €4.2 billion or £3.3 billion per year

- *UK market*

45. Using data from industry we broadly estimate the market for consumer fireworks to be worth about £60-70 million annually in the UK, around £24 million for Category 4 fireworks and in the region of £5 million for theatrical pyrotechnics. Due to the disparate nature of the sector there is no collected data available for the category of other pyrotechnic articles in the UK.

### *Category 1-4 fireworks (professional display), theatrical pyrotechnics*

46. Data below from HSE shows that there were around 70 importers of pyrotechnic articles last year. This largely covers consumer, display and theatrical pyrotechnics but some other pyrotechnic articles may be included. This corresponds with data on the number of importers from outside of the UK which reveals that in 2013, 70 companies imported fireworks from outside the EU.<sup>3</sup>

#### **Notifications to HSE 2010 – 2013 of UK imports of Category 1-4 fireworks**

Year	Approximate Number of Importers
2011	118
2012	86
2013	71

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<sup>2</sup> Impact Assessment *NEW LEGISLATIVE FRAMEWORK (NLF) ALIGNMENT PACKAGE*, Brussels, November 2011, p63

47. Over 95% of consumer fireworks are imported to the UK, nearly all from China, and the value of fireworks imports to the UK from outside the EU is £16 million.<sup>4</sup> There are very few UK manufacturers of display and theatrical pyrotechnics. Industry estimate that there are twice as many distributors of Category 1-4 fireworks as importers – distributors here including those with a primary focus on fireworks and excluding retailers of other goods such as supermarkets and corner shops.

*Other pyrotechnic articles including air bags and seat belt tensioners*

48. The Office of National Statistics data suggests there is little manufacture of other pyrotechnic articles.<sup>5</sup> Sales and import data under the manufacture of explosives categories for fireworks and other pyrotechnic articles is frequently suppressed suggesting there are very few companies involved in this in the UK. Although this data is likely to also include some manufacturers not affected by the directive. The main difficulty is in identifying pyrotechnics distributors. There is no SIC code that corresponds with pyrotechnics distributors. Companies that distribute pyrotechnics will be classified under several very broad wholesaler and entertainment SIC codes, of which they make up a tiny proportion

49. Our best estimate therefore is that there are approximately 200 - 250 businesses that will be affected most by the implementation of these two Directives. The vast majority of these are SMEs with many micro businesses.

	<b>Estimate</b>	<b>Source of estimate</b>
Importers of fireworks & theatrical pyrotechnics	70	Data from HSE and HMRC
Distributors of fireworks and theatrical pyrotechnics	140	Industry estimate
Manufacturers/importers/distributors of all pyrotechnic articles	Very low numbers - say <10	Industry, ONS
<b>Total</b>	<b>220</b>	Use range 200-250

50. The government's informal survey received responses from five companies, who together represent manufacturers, importers and distributors of Cat 1-4 fireworks and theatrical pyrotechnic articles. This small sample showed average one-off costs of about £3,500 for implementation and ongoing costs of roughly £30k per annum but the companies responding to the survey were large in comparison to the wider population. Therefore extrapolating this data to give total costs would be unreliable and we called for further evidence in our formal consultation. There was little additional information forthcoming although some respondents did suggest that the numbers of those affected by the directive was higher than set out here. In response to this we have increased the possible range of companies incurring these one-off and on-going costs from 200-250 to 200-300 with a best estimate of 250 companies.

51. To reach an estimate of the total cost to business we have assumed that the one-off transition will on average require 40 hours of staff time per business to a cost of £13.53 per hour.<sup>6</sup> These figures have been tested as part of the final consultation process.

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<sup>4</sup> ONS PRODCOM Provisional 2013 SIC(07) 2051 - Manufacture of explosives

<sup>5</sup> as above

<sup>6</sup> Based upon the mean hourly wage of administrative and secretarial occupations in the Annual Survey of Hours and Earnings 2013 and estimates of non-wage labour costs based on Eurostat

## Consultation responses

52. The government consultation received industry responses from 9 companies and business representative organisations. Only one gave any data on costs and did not provide any justification for the overall figure supplied whilst another queried the cost per hour used as too low. However it is not possible to estimate what proportion of the total industry these responses represent and as such to impute the total cost to the pyrotechnics sector. Therefore we have not augmented our total cost to business and EANCB calculations.

53. Three of the industry responses plus two from enforcement authorities thought that the overall number of economic operators was an underestimate, and although we have no additional data on which to make a better estimate we have increased the range as set out below.

54. This would give average one-off costs of £541 per business, leading to a total one-off cost to business of £135k. We have assumed that ongoing costs will involve on average 200 hours of staff time per economic operator at an average hourly cost of £13.53 per hour. This gives an average ongoing cost of £2,707 per annum per business, leading to a total ongoing cost to business of £677k per annum.

	<b>Hours per business</b>	<b>Cost per hour (£)</b>	<b>Cost per business (£)</b>	<b>Number of economic operators</b>	<b>Total cost to business (£)</b>
<b>One-off</b>	40	13.53	541	250	135,000
<b>Ongoing (per annum)</b>	200	13.53	2,707	250	677,000

### **Direct benefits to business**

55. There could be marginal benefits to organisations wishing to become NBs from a clearer indication of the notification process. Additionally some benefits are expected from clarifications and harmonisation of definitions across Member States, though it is not possible to quantify these.

### **Wider impacts**

56. The proposal will not introduce any equality, environmental or social impacts.

57. Transitional costs may have a proportionally greater impact on smaller firms. However it is not possible to exempt micro-businesses or SMEs from the scope of the regulations without affecting essential safety protections for the consumer. The UK fireworks and theatrical pyrotechnics industry is mainly made up of SMEs and micro businesses.

58. The new regulations would be enforced by local authorities' trading standards departments and the Health and Safety Executive (HSE) who already enforce the Pyrotechnic Articles (Safety) Regulations 2010. Any familiarisation costs will be minimal as they have been involved in discussions on the alignment from an early stage.

## **Summary and preferred option**

59. In summary we prefer to go with Option 1 and make legislation to implement Directives 2013/29/EU and 2014/58/EU. This should help to make pyrotechnic articles in the EU safer by making the relevant legislation easier for users to understand and apply, and should make it easier to trace pyrotechnic articles throughout the supply chain and thereby improve market surveillance and the safety of pyrotechnic articles.

60. We would implement by bringing in secondary legislation to revoke and replace the Pyrotechnic Articles (Safety) Regulations 2010. This would bring the clarity of a fresh set of easy to understand regulations rather than introducing confusing amendments into the existing legislation. Implementation should help to progress the long term aim of improving the internal market in products through more effective market surveillance, better regulation of notified bodies and more effective legislative harmonisation.

BIS  
February 2015