PROPOSED REPLACEMENT EU ACT
INITIAL ASSESSMENT OF IMPACT

Reference: COM/2026/565
Date: 9th September 2026
Department: Department for the Economy

Proposed Replacement EU Act

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) 2017/1369 and Regulation (EU) 2020/740 as regards simplification and better use of digital options for energy and tyre labelling

This regulation will replace

Regulation (EU) 2017/1369 of the European Parliament and of the Council of 4 July 2017 setting a framework for energy labelling and repealing Directive 2010/30/EU (Protocol Annex 2, Heading 26 on Environment, energy efficiency)

And

Regulation (EU) 2020/740 of the European Parliament and of the Council of 25 May 2020 on the labelling of tyres with respect to fuel efficiency and other parameters, amending Regulation (EU) 2017/1369 and repealing Regulation (EC) No 1222/2009

which also replaced

Regulation (EC) No 1222/2009 of the European Parliament and of the Council of 25 November 2009 on the labelling of tyres with respect to fuel efficiency and other essential parameters (Protocol Annex 2, Heading 26 on Environment, energy efficiency)

Summary of the Act

This proposal would amend Regulation (EU) 2017/1369 on energy labelling and Regulation (EU) 2020/740 on tyre labelling. The proposal is primarily a simplification and digitalisation measure. It does not create new product categories within scope and does not alter the underlying policy objectives of the existing energy-labelling and tyre-labelling regimes.

The proposal would:

- simplify existing energy-labelling and tyre-labelling requirements and reduce administrative burdens;
- increase the use of digital tools and digital product information, including wider use of QR codes and the European Product Registry for Energy Labelling (EPREL database);
- reduce or replace certain paper-based information requirements where digital alternatives are considered appropriate;
- clarify and streamline obligations on suppliers, dealers and other economic operators across the supply chain;
- update rules relating to the display and provision of product information, including in online and digital sales environments;
- strengthen compliance, enforcement and market-surveillance arrangements; and
- improve the operation and accessibility of the existing energy and tyre labelling frameworks while maintaining consumer-information objectives.

In contrast to the existing Regulations, the proposal places greater emphasis on digital provision of information, reduced administrative requirements, more effective use of existing digital systems and more effective enforcement mechanisms. The proposal does not change the fundamental requirement for energy labels and tyre labels to provide consumers with comparable information on product performance and efficiency, but seeks to modernise how that information is generated, displayed, accessed and enforced.

Overall, the proposal is intended to simplify the operation of the existing frameworks, reduce compliance burdens and make greater use of digital options, while retaining the existing policy objectives of the current energy-labelling and tyre-labelling regimes.

Department(s) Responsible

Responsibility for the policy areas covered by this proposal rests with the UK Government. The Department for Energy Security and Net Zero (DESNZ) is the lead department for the energy-labelling elements of the proposal, while the Department for Transport (DfT) has responsibility for the tyre-labelling provisions.

The principal policy responsibilities sit with UK Government departments. In Northern Ireland, DfE’s interest is principally enforcement and coordination, while DfI has an interest in the tyre-labelling provisions. As Regulations (EU) 2017/1369 and (EU) 2020/740 apply in Northern Ireland under the Windsor Framework, the proposal is subject to consideration under the democratic scrutiny arrangements.

Within Northern Ireland, the Department for the Economy's interest is principally related to the enforcement functions associated with the Energy Labelling framework, together with Windsor Framework and Democratic Scrutiny Committee coordination responsibilities. DfE does not hold policy responsibility for energy labelling or tyre labelling.

The Department of Infrastructure has an interest in the tyre-labelling provisions and has engaged with DfT on the potential implications of the proposal.

Initial Assessment of Impact

At this stage, the Department has not identified evidence that the application of the proposed Regulation would have a significant impact specific to the everyday life of communities in Northern Ireland in a way that is liable to persist.

At this stage, the Department has not identified evidence that non-application of the proposed Regulation would have a significant impact specific to the everyday life of communities in Northern Ireland in a way that is liable to persist.

UK Government Explanatory Memorandum

The UK Government Explanatory Memorandum at **Annex A**, led by the Department for Energy Security and Net Zero with input from the Department for Transport, describes COM(2026) 565 as a targeted simplification and digitalisation measure amending the Energy Labelling Regulation and the Tyre Labelling Regulation. It states that the proposal does not significantly change the high-level objectives of the existing regimes, but would provide greater flexibility in how labels and product information are supplied, increase use of digital options including European Product Registry for Energy Labelling (EPREL) and QR-linked information, clarify responsibilities across the supply chain, strengthen accountability for non-EU manufacturers and authorised representatives, simplify the transition to rescaled labels by extending the rescaling period from 4 to 12 months, and support improved compliance and enforcement. For tyre labelling, the Memorandum notes changes including greater reliance on EPREL rather than physical datasheets, bringing some tyre fitters within scope, flexibility in how tyre label information is displayed, removal of vehicle supplier and distributor point-of-sale obligations, updated EPREL information requirements and increased delegated powers for the European Commission.

The Memorandum also records that energy labelling and ecodesign are not devolved matters, while both Regulations are listed in Annex 2 to the Windsor Framework and the proposal therefore has potential implications for Northern Ireland and the operation of the UK internal market. It states that the proposal is expected to have only limited impact for GB businesses operating solely domestically, but could create additional administrative complexity for businesses operating across GB and EU/NI markets. Possible implications identified include additional packaging, labelling, product information, EPREL or fulfilment requirements for GB suppliers serving Northern Ireland, additional obligations for authorised representatives, installers and some tyre fitters operating in Northern Ireland, and enforcement responsibilities for Northern Ireland market surveillance authorities.

The Memorandum notes that any impacts are expected to be limited and largely transitional, while further engagement is planned to understand more fully the potential costs and practical implications for affected businesses.

Analysis by the European Commission on its Impact Assessment

The European Commission's impact assessment presents the proposal as a targeted simplification and digitalisation measure affecting the Energy Labelling Regulation (EU) 2017/1369 and the Tyre Labelling Regulation (EU) 2020/740. The Commission's analysis concludes that the existing frameworks remain effective in supporting consumer choice, energy efficiency and market transparency, but identifies opportunities to reduce administrative burdens, increase the use of digital tools and improve compliance and enforcement arrangements.

The Commission states that the proposal is intended to simplify the operation of the existing regimes through measures including greater reliance on digital product information, increased use of QR codes and the EPREL database, reduction of certain paper-based information requirements, clarification of obligations on economic operators and improvements to market surveillance. The Commission considers that these changes should reduce compliance costs and administrative burdens while maintaining the existing policy objectives of the energy-labelling and tyre-labelling frameworks.

The Commission's assessment does not identify significant adverse impacts arising from the proposal. Rather, the anticipated benefits relate primarily to administrative simplification, more efficient information provision, improved accessibility of product information, and more effective enforcement of existing requirements. The proposal is presented as a modernisation of the current frameworks rather than a fundamental change in policy.

The Department has not identified evidence that any Northern Ireland stakeholders participated directly in the Commission's impact assessment process. Nor has the Department identified specific references within the

Commission documentation to Northern Ireland stakeholders or Northern Ireland-specific impacts. The Commission's analysis is therefore largely based on EU-wide evidence and stakeholder engagement.

Departmental Engagement

DfE has maintained ongoing engagement with DESNZ, DfT and DfI on the proposal, including its application in Northern Ireland and the associated enforcement arrangements.

DfE also published a short Call for Comment through the NI Business Info service, with support from Invest NI, inviting businesses and stakeholders to provide comments, observations or concerns on the proposal. No responses have been received to date.

EXPLANATORY MEMORANDUM FOR EUROPEAN UNION LEGISLATION / DOCUMENTS WITHIN THE SCOPE OF THE UK/EU WITHDRAWAL AGREEMENT AND THE WINDSOR FRAMEWORK

COM(2026)565

Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2017/1369 and Regulation (EU) 2020/740 as regards simplification and better use of digital options for energy and tyre labelling.

SUBJECT MATTER

1. On 24 June 2026, the European Commission published a proposal for a Regulation of the European Parliament and of the Council on simplification and better use of digital options for energy and tyre labelling (the "proposal"; the "Omnibus"). The exact application date will be determined following the upcoming formal adoption by the European Parliament and the Council.
2. The proposal would amend Regulation (EU) 2017/1369 setting a framework for energy labelling (the "Energy Labelling Regulation"), providing greater flexibility over the format in which labels accompanying products are supplied. The Ecodesign for Sustainable Products Regulation (EU) 2024/1781 (ESPR)14, which repealed and replaced the Ecodesign Directive 2009/125/EC15 as from 18 July 2024, subject to certain transitional measures, is not part of the Omnibus.
3. The proposal aims to simplify rules for suppliers and dealers by providing greater flexibility over the format in which labels accompanying products are supplied and improve compliance and enforcement by facilitating use of digital options and clarifying legal concepts and responsibilities.
4. Regulation 2026/565 introduces the following key changes in regard to energy labelling:
    - Flexibility as regards the format for energy labels accompanying products while maintaining the possibility to obtain printed labels on request
    - Fully electronic product information sheets
    - Stronger accountability for non-EU manufacturers and authorised representatives
    - Simplifying the transition to rescaled labels for suppliers and dealers
    - Clarification of responsibilities of stakeholders in the supply chain
    - Once-only principle for EPREL
5. Regulation (EU) 2020/740 (the "Tyre Labelling Regulation") sets out new requirements for the performance labelling of tyres, which are to be displayed at the point of sale to enable informed purchasing decisions by customers:
    - It requires standardised information to be displayed on the tyre's rolling resistance, wet grip, external rolling noise and, if appropriate, snow and ice performance
    - It also requires product information to be made available in the European Product Registry for Energy Labelling (EPREL)

6. Whilst this proposed update to the Tyre Labelling Regulation does not make significant changes to its high-level objectives and requirements, it does introduce a number of amendments focused on the improved functioning of the regulation, including:

   - Improving practical application of the regulation for suppliers and distributors and moving to a greater reliance on the digital product database (EPREL) rather than physical datasheets
   - It also aims to enable improved enforcement of the EU tyre labelling scheme for market surveillance authorities

7. Notable changes proposed for Regulation 2020/740 on Tyre Labelling include:

   - Clarifications to bring tyre fitters within scope to require similar obligations to those of tyre retailers
   - Providing some simplification and flexibility on display of the tyre labelling information for distributors, including permitting the use of simplified labelling information or nested displays in some circumstances where it may not be practical to display the full label
   - Providing a better link between the tyre label and the EPREL database within information seen by the consumer and removing the need for paper information sheets
   - Removing the obligation for vehicle suppliers and distributors to display tyre labelling information at the point of sale
   - Updates to the information required to be entered into EPREL by the tyre manufacturer
   - Increased delegation of powers for the European Commission to make changes to aspects of the tyre labelling requirements.

SCRUTINY HISTORY

8. Regulation (EU) 2017/1369 setting a framework for energy labelling was retained and then assimilated into GB law following EU exit. The assimilated version of the Energy Labelling Regulation continues to provide the framework for energy labelling in Great Britain, alongside relevant domestic legislation and product-specific regulations.
9. There are no previous scrutiny documents related to Energy Labelling and changes to the regulation 2017/1369 specifically.
10. The Department for Energy Security and Net Zero has previously submitted Explanatory Memoranda on EU legislation concerning ecodesign and energy labelling requirements for energy-related products, including product-specific requirements and rescaling of energy labels.
11. The original proposal for Regulation (EU) 2020/740 was subject to scrutiny from the House of Commons European Scrutiny Committee and the House of Lords European Union Committee in February 2019.

MINISTERIAL RESPONSIBILITIES

12. The Secretary of State for Energy Security and Net Zero has overall responsibility for existing ecodesign and energy-labelling regulations.
13. The Secretary of State for Transport has responsibility for tyre labelling policy.

INTERESTS OF DEVOLVED GOVERNMENTS

14. Ecodesign and Energy Labelling are not devolved matters under the devolution settlements in Scotland, Wales and Northern Ireland. We have shared this EM with the Devolved Governments.
15. Regulation (EU) 2017/1369 and (EU) 2020/740 are listed in Annex 2 to the Windsor Framework. The proposal therefore has potential implications for Northern Ireland and the operation of the UK internal market.
16. The Department for Energy Security and Net Zero will continue to engage with the Northern Ireland Executive and the Devolved Governments on the potential implications of the proposal as the EU legislative process progresses.

LEGAL AND PROCEDURAL ISSUES

17. Regulation (EU) 2017/1369 establishes the EU framework for energy labelling and provides the legal basis for the development of product-specific energy labels and delegated acts.
18. The proposal would amend Regulation (EU) 2017/1369. As a proposal for a Regulation of the European Parliament and of the Council, it is subject to the ordinary legislative procedure.
19. Regulation (EU) 2017/1369 and Regulation (EU) 2020/740 are listed in Annex 2 to the Windsor Framework. The proposed amendments that fall within the scope of Annex 2 would only apply to the relevant law in Northern Ireland.

20. The Tyre Labelling Regulation is part of the EU's approach to transport decarbonisation by addressing the contribution of tyres to vehicle energy consumption. These requirements are applied in Northern Ireland through their listing under Annex 2 to the Windsor Framework. Similar requirements are also applied in Great Britain through the assimilated version of Regulation (EC) 1222/2009 (the predecessor to Regulation (EU) 2020/740).

GB & NI POLICY IMPACTS

21. The Government is committed to improving the energy efficiency of products and ensuring that consumers have access to clear, accurate and useful information about the energy performance of products.
22. Energy labels play an important role in enabling consumers to compare the energy performance of products at the point of purchase. The Government recognises the potential benefits of digitalisation in reducing administrative burdens and improving access to product information, while ensuring that consumers continue to receive effective and accessible information.

23. The proposal would provide greater flexibility in how energy labels are supplied with products and digitalisation of labelling and PIS will reduce packaging, minimise duplication and administrative burdens. For GB businesses operating solely on the domestic market, the impact is expected to be limited. The proposal could create some additional complexity for businesses operating across both GB and EU/NI markets due to administrative divergence.
24. Some GB suppliers may face additional packaging, labelling, product information, EPREL or fulfilment requirements when supplying the NI market. This could increase administrative complexity for affected businesses and, in some cases, influence decisions on product availability in Northern Ireland. Any impacts are expected to be limited and largely transitional in nature, reflecting adjustment to revised regulatory requirements, and are likely to diminish over time as businesses adapt and align products and processes for the NI and wider EU markets.
25. The proposal would introduce additional obligations for Authorised Representatives and installers operating in NI, together with associated enforcement responsibilities for NI market surveillance authorities. While this is expected to create some additional administrative and compliance burdens, the Government's initial assessment is that the proposals are unlikely to result in significant disruption to existing GB-NI trade flows in the longer term, although businesses and enforcement authorities may require an implementation period to prepare for compliance and enforcement.
26. The change in the rescaling period from 4 to 12 months will introduce flexibility for businesses in NI and those operating across GB and NI, allowing them to prepare and comply with both sets of requirements for longer. However, it will result in different transitional timelines between GB and NI, potentially causing confusion and extended periods allowing for the use of multiple labels in NI.
27. This proposed update to the Tyre Labelling Regulation will have an impact of tyre retailers and vehicle dealerships in Northern Ireland. However, as the proposed changes primarily aim to simplify administrative and digital information requirements relating to the supply of tyre labelling information, we perceive that it is likely to lower the overall burden of applying the regulation. This will be particularly true for vehicle suppliers or distributors, who will no longer have to provide tyre labelling information. The amendments will mean that some tyre fitters could enter into scope of the requirements for the first time if they were not previously captured within the definition of a tyre distributor.

FINANCIAL IMPLICATIONS

28. In the EU, the proposed measures are expected to save businesses and market surveillance authorities up to €125 million annually over the next 10 years and contribute to reaching the €18.4 billion of administrative costs saving.
29. Initial assessment does not suggest significant costs implications for the UK market, with possible cost-reductions for traders selling to NI and exporting to the EU due to reduced paperwork and administrative savings. However, there is a possibility that businesses operating across GB and NI might face higher costs due to regulatory divergence and the need to comply with separate requirements. Further industry engagement is planned to determine the extent of such possible additional costs.

CONSULTATION

30. DESNZ officials will continue to actively engage UK stakeholders and the European Commission on arising impacts and continue to research energy labelling, to further develop our understanding of the implications of the proposals in question and assess the merits of analogical reforms in the GB.
31. DESNZ officials have also previously engaged with the EU commission during the initial consultation on the aspects of these proposals related to energy labelling, feeding in views gathered from OPSS and industry. We have further engaged selected stakeholders on the issue as part of our regular Ecodesign stakeholder Forums. Industry endorsed similar digitalisation initiatives and flexibilities in the UK but warned about growing dependence on EPREL and issues around its quality and functionality.

Yours sincerely,

Martin McCluskey MP
Minister for Local Energy and Jobs