The number of new laws published by the EU continued to increase last year, with 1,789 new laws published in 2010 up from 1,751 in 2009, according to research by Sweet & Maxwell, the leading legal information provider.

Sweet & Maxwell, a Thomson Reuters company, says that the number of new European laws has jumped 16% compared to two years ago, when 1,536 laws were passed (year to Dec 31 2008).

UK businesses have complained that they struggle to keep abreast of the high number of new laws coming from the European Union.

Neville Hunnings, editor of Encyclopedia of European Union Law, a Sweet & Maxwell title, comments: “European laws impact on all areas of business, from a regulation that notoriously set whether a banana is straight enough to new bank capital requirements. UK businesses will be concerned that the number of new European laws is growing, putting upward pressure on their compliance costs.”

Sweet & Maxwell says that the surging number of new European laws is partly driven by legislation being implemented in response to the credit crunch, such as laws setting up the European Banking Authority and the new European Systemic Risk Board.

UK “GOLDPLATES” TOO MANY EUROPEAN LAWS

Sweet & Maxwell explains that it is up to national governments to decide how to implement European directives and businesses often criticise the UK government for making the rules stricter than necessary, known as “goldplating”.

Neville Hunnings comments: “Too many European laws are goldplated when they are implemented by Parliament in the UK. That can harm the competitiveness of UK businesses which have to compete with European counterparts operating under national laws that have implemented the rules less strictly.”

MAJOR LEGISLATION PASSED IN EUROPE

According to Sweet & Maxwell some major legislation was passed by the European Union last year that will have far-reaching consequences for UK businesses and consumers, including:

- legislation that will mean all new buildings in Europe must be nearly zero-energy by 2020
- all products will have to have labelling detailing their energy usage, even if they are for commercial or industrial use

Comments Neville Hunnings: “A large proportion of European laws are adjustments to make sure the internal market is working properly, for example fishing quotas or trade tariffs with non-members. But many of them also have a hugely significant impact on UK businesses – from banks to market traders – and consumers.”

BUSINESSES FACE FURTHER FLOOD OF NEW RULES FROM EUROPEAN COURT

Sweet & Maxwell explains that the increase in EU legislation does not include another major source of legal changes that affect the UK: court rulings by the European Court of Justice, which can be binding on UK courts.
Recently, the ECJ ruled that insurers could not discriminate on the basis of sex which is likely to change radically how insurers can charge consumers for insurance policies. For example, there are concerns that female drivers will have to pay the same premium as male drivers despite being statistically much less likely to be involved in a car crash.

Adds Neville Hunnings: “As well as the large amount of new legislation coming from Europe, UK consumers and businesses also have to adapt to legal changes as a result of European Court decisions.”

EUROPEAN LAWS THAT AFFECT THE UK

• Regulations – once these are passed by European lawmakers they are immediately effective in all member states and any European citizen can rely on their legal effects in legal disputes.
• Directives – member states are given a deadline to implement these laws in their own way. Sometimes member states choose to implement them more rigorously than required by the directive, which is called “goldplating”.
• Decisions – made by the European Commission without the need for any kind of a vote or other democratic mandate.
• Framework decisions – these are equivalent to directives but relate to criminal legal matters.

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