

Cyber Resilience Act

2025

How could the Cyber Resilience Act be relevant for you?

The Cyber Resilience Act (CRA) introduces **mandatory cybersecurity requirements** for products that contain a **digital element**, obligating manufacturers and retailers to ensure these products meet security standards. The CRA applies to connected software and hardware products, regardless of whether they connect directly or indirectly to another device or network. **Exceptions** include products already governed by specific regulations, such as medical devices, aeronautical equipment, and cars. This broad scope encompasses consumer electronics and complex industrial systems.

Timeline of CRA implementation

The CRA came into force on **10 December 2024**, marking a key milestone in Europe's cybersecurity framework. Its main provisions are expected to take effect from **11 December 2027**, except for reporting obligations for manufacturers that should apply from **11 September 2026**.



The CRA complements other legislation in this area, specifically the NIS2 Directive. You can track the progress of the transposition of the NIS2 Directive [here](#) and the CER Directive [here](#).

What are the key obligations for businesses in scope?

The CRA imposes obligations on manufacturers, distributors, and importers of software or hardware products (including remote data processing solutions and components sold separately) in particular to:

- Ensure that products placed on the EU market meet the cybersecurity standards set out in the CRA.
- Report vulnerabilities and incidents to cybersecurity authorities and, where relevant, to users.



What are the possible sanctions in case of non-compliance?

The amount of the administrative fine depends on the severity of the infringement:

- Up to 15 million euros or, if the offender is an undertaking, up to 2.5% of its worldwide annual turnover for the proceeding financial year (whichever is higher) for non-compliance with the essential cybersecurity requirements outlined by the CRA;
- Up to 10 million euros or, if the offender is an undertaking, up to 2% of its worldwide annual turnover for the proceeding financial year (whichever is higher) for other infringements such as non-compliance with the obligation to appoint an authorised representative or violation of the requirements for technical documentation and CE-marking;
- Up to 5 million euros or, if the offender is an undertaking, up to 1% of the worldwide annual turnover for the proceeding financial year (whichever is higher) for the incorrect, incomplete or misleading information provided by an organisation in reply to a request from notified bodies and market surveillance authorities.

Additionally, failure to comply with CRA requirements can lead to corrective or restrictive actions, such as product recalls or withdrawals from the EU market initiated by market surveillance authorities or the European Commission.

Why Bird & Bird?

We advise multinational companies on a range of cybersecurity matters, and almost always in the context of multi-jurisdictional projects.

A snapshot of our recent experience:

- Advised a large **German IT manufacturing company** regarding the applicability and compliance with the CRA to Industrial IoT applications.
- Advising a **global engineering and manufacturing company** with a strong focus on the connected environment on the NIS2 Directive and CRA.
- Advising a provider of **high-tech instruments, test equipment and software** on the NIS2 Directive and its applicability to the company's products and services and also advising on the CRA.
- A member of a consortium of legal experts led by Bird & Bird setting up and running the **European Commission's** European Blockchain Sandbox project. The goal of the project is to provide a framework for regulators, supervising authorities and blockchain innovators to engage in a regulatory dialogue, identify obstacles from a legal and regulatory perspective (which also focuses on cybersecurity) in a safe and confidential environment, and therefore increase legal certainty for innovative decentralised technology solutions, including blockchain. The three-year initiative will support 20 blockchain projects annually and is open to use cases across the EU/EEA.

How can we support you with compliance?

Bird & Bird's team of experts is on hand to help your organisation prepare for compliance with the incoming rules, including by:

- Carrying out a **scoping exercise** to determine the applicability of the CRA to your organisation;
- **Reviewing current processes** and procedures to assess what changes need to be made to align with the CRA requirements;
- Updating **incident response plans and processes**, including those aimed at compliance with other laws, such as the GDPR;
- Drafting a **practical compliance plan** with specific target dates;
- Assisting with the **procurement of IT capabilities to comply with the CRA**, including by drafting relevant contract provisions; and
- **Assisting you** in closing the gap and in ensuring that **regulatory efforts** in related areas (IT contracts, privacy, sector specific laws (e.g. NIS2 Directive)) are **consistent**.

For more information, please speak to your usual Bird & Bird contact or our experts on the next page.



Contacts



*Dr. Natallia
Karniyevich*

Senior Associate

+4921120056000
natallia.karniyevich@twobirds.com



Feyo Sickinghe

Of Counsel

+31703538904
feyo.sickinghe@twobirds.com



Dr. Fabian Niemann

Partner

+4921120056000
fabian.niemann@twobirds.com



Deirdre Kilroy

Partner

+35315749850
deirdre.kilroy@twobirds.com



Berend Van Der Eijk

Partner

+31703538800
berend.vandereijk@twobirds.com



Tomasz Zalewski

Partner

+4825837900
tomasz.zalewski@twobirds.com

twobirds.com

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