

# Ecommerce Europe's reply to the call for evidence on the evaluation of the Geo-blocking Regulation

## Introduction

Ecommerce Europe welcomes the opportunity to provide input for the Commission's evaluation process of the Geo-blocking Regulation (GBR). Ecommerce Europe is the united voice of the European Digital Commerce sector, representing the interests of companies selling goods and services online to consumers in Europe. Our mission is to act at EU level by engaging with policymakers to create a better regulatory framework for all e-merchants.

Given our role in the digital ecosystem, any changes to the GBR could lead to substantial impacts on the way in which e-merchants conduct their business and as a result we ask for caution and evidence-based policy making in this process.

In the paragraphs below we single out other areas which could benefit from improvement to foster cross-border sales. We do underline that it is essential for the Commission to not oblige online traders to cross-border deliver to all EU countries as doing this would harm small and medium sized businesses and have a detrimental impact on the Single Market as a whole.

## The objectives of the Geo-blocking Regulation

Overall, we consider the GBR to be a balanced instrument which does not require to be reopened. The current scope of the Regulation is appropriate, and it serves its purpose.

In terms of **relevance**, the GBR contributes to some extent by facilitating cross-border sales within the EU Single Market.

Regarding **effectiveness & coherence**, the main objective of the evaluation of the GBR should be to identify any remaining obstacles to cross-border trade within the Single Market.

- **Build on previous success:** Previous efforts to simplify cross-border trade across the EU have proven successful, for instance with the creation of the VAT One-Stop-Shop, which has significantly improved merchants' ability to conduct cross-border online sales.
- **Address fragmentation:** However, the Commission study<sup>1</sup> from 2024 showed that some significant challenges still persisted, 6 years after the entry into force. For instance, the lack of harmonised rules for packaging, recycling, and labelling requirements of goods across the EU are hindering traders' ability to enhance cross-border sales and could be addressed in future revisions of the GBR.

As for **efficiency & EU added value**, the current review of the GBR should also take into account the various advantages that the GBR has created, including:

- **Harmonised standards:** A consistent regulatory environment across the EU simplifies operations for merchants and reduces complexity. This is in line with the spirit of regulatory simplification that is one of the top priorities of this mandate.

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<sup>1</sup> [Study for further evaluation of the geo-blocking regulation](#)

- Safeguards for entrepreneurship: Existing protections for business freedom should be maintained. For instance, the GBR should continue to balance merchants' obligations with their freedom to organise their commercial policy, in accordance with EU and national law.

## Room for improvement

On the back of positive feedback outlined before, we also have some negative feedback. For example, one of our members from the Netherlands explained to us that many Dutch webshops struggle to achieve full compliance. The European Commission's own research confirms that numerous businesses are not fully adhering to the regulation. Several practical obstacles make compliance particularly difficult, and in some cases, near impossible. These include:

- Limited consumer demand: A core issue with the regulation is the low practical impact it has had on consumer behaviour. Webshop members report that only a negligible number of EU consumers attempt to purchase from foreign websites
- Billing address restrictions: Many webshops are unable to deliver to other Member States due to technical constraints. For example, some do not support foreign billing addresses due to limitations in their order management systems. Implementing this feature requires significant IT investments, which businesses deem unnecessary given the limited demand from cross-border consumers. The regulation fails to account for the technical constraints that online retailers face in adjusting their checkout processes. Standardised formats for addresses in the EU might be a step forward towards fixing this issue.
- Payment methods and pricing differences: The regulation mandates that businesses must not discriminate against consumers by payment method, yet not all payment options are equally available across borders. Some payment providers operate only in specific jurisdictions, and the costs of offering international payment options can be prohibitively high. The study from 2024 referenced above refers to customers complaining about the lack of certain local payment options. We agree that some of the payment services are not reachable from the whole EU. However, there is still quite a variety of options available to the consumers, such as card payments and others (Visa, Mastercard, Paypal). Deploying a payment method in a new market is not straightforward, as it requires an agreement with the service provider, and which might require new risk assessments and economic conditions. The need of scale is also needed in this case to ensure that the number of transactions expected merit the implementation of this new payment method. The EU should be practical and ensure that the customer has an option to pay, not to oblige the retailer to facilitate the payment with all the range of potential options existing in the market. Additionally, price variations between different EU country versions of a webshop are a common consumer concern, but it should be understood that such discrepancies are often driven by operational costs (e.g., delivery)
- Fraud prevention and operational risks: Some webshops have expressed concerns about fraud risks associated with foreign billing addresses. In response, they have implemented solutions such as limiting delivery to pick-up points rather than home addresses. This practical compromise highlights that strict adherence to the regulation can sometimes increase exposure to fraudulent transactions, which in turn places financial and security burdens on businesses. It would be of great benefit to businesses across the EU if the same mechanisms for fraud prevention would be available in all the Member States.

- **Delivery:** The 2020 short term review<sup>2</sup> refers to the demands of certain consumers to be provided for the delivery of the goods from another country. We believe that, when the option to buy locally is provided by the retailer, the latter should not be responsible also for the transportation of goods outside the country if the customer decides to buy from abroad. For retailers to deliver goods in other countries, they need to secure enough scale to remain competitive. Operators that provide delivery services across the whole EU tend to be more expensive than specialised local carriers. Thus, the optimisation for the transportation of goods requires an individual cost analysis for each market, including a complex logistics for the combination of a series of local providers. Outside this optimised system, the cost of delivery increases exponentially and does not make sense from an economic perspective. It is paramount that satisfying the demand of a small number of consumers that want to buy abroad does not impair the experience for the large majority of consumers that is happy with its current services, nor reduces competitiveness for the EU retailers that are servicing the local customers. Other options already exist for the small proportion of customers that still want to be delivered from another country, which is using forwarding services (of course, paying the cost of this additional service). As the Copenhagen economics report also shows, *“this concern also highlighted European consumers’ limited use of innovative delivery solutions, which would allow consumers to unbundle the sale of a product from its delivery”*. In this case, the solutions would not need to come from the side of the retailer, but from the delivery industry to promote their services.
- **Limitations in choice of products:** The Commission’s Staff Working Document also highlights the fact that certain consumers complain that the catalogue of products offered in each market might not be the same across the EU. Again, there should not be a barrier to retailers to create economies of scale which also exist within the digital context. Even if the products are sold online, they need to be distributed afterwards. In many cases, warehouses are used for this, being provided with the products for which demand is expected at regional level. This is why in certain cases there is no availability of a certain product in some countries, as it would be highly inefficient to send products to be stuck or alternatively to deliver them one by one. The Geo-blocking regulation should not endanger the right of providers to decide which products they make available to each market.

## Recommendations

To create a better (Digital) Single Market which benefits businesses and consumers alike, the Commission should look not only at the GBR, but more holistically at the Single Market and either propose changes where necessary, or at the very least, encourage the Member States to tackle the barriers which prevent traders and companies from engaging in more cross-border trade.

A key point for us concerns the issue of forced cross-border deliveries, which we **strongly oppose**. Merchants simply cannot or do not want to sell and deliver cross-border for multiple legitimate reasons. Making this an obligation would be like forcing a shop such as FNAC to open shops in all EU countries because besides having a shop in their home base (France) they opened one other shop in Belgium.

From our point of view, it would be more advisable to harmonise rules across members states. Doing so would help remove barriers to cross-border trade, therefore eliminating the need for instruments such as the GBR.

In the following section, we will give two categories of recommendations. The first set of recommendations concerns specific changes for the GBR to become more effective and of greater added value. The second set of recommendations is broader and is not limited only to the GBR, but it is connected to the GBR.

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<sup>2</sup> [Report from the Commission on the first short-term review of the Geo-blocking Regulation](#)

The GBR could be enhanced through targeted improvements that would provide benefits to consumers and businesses alike. The following 4 recommendations aim to give companies more legal certainty, flexibility and security.

- Acknowledging limitations: Businesses should not be penalised for genuine technical constraints, such as the inability to support foreign billing addresses in their current systems. Additionally, companies should have the freedom to choose which markets they wish to expand to and only deliver goods to areas they want to.
- Recognition of payment provider restrictions: It should be acknowledged that not all payment methods can be equally available across borders due to structural limitations. And in the case of those that are sometimes available, it is very costly to integrate a new payment offer.
- Allowances for fraud prevention measures: Webshops should have the flexibility to implement protective measures, such as restricting deliveries to pick-up points in high-risk transactions.
- Clarification on Pricing Strategies: While price discrimination based on location is discouraged, the Commission should provide clearer guidelines on how localised pricing strategies fit within the regulation.

Besides these, we also have some more general recommendations. Traders, particularly smaller ones, are facing other issues which prevent them from engaging in cross-border trade. Some of the issues highlighted to us are:

- National-specific payment methods not used by the merchant (e.g., in the Netherlands).
- Lack of harmonisation in key areas such as taxation, delivery or consumer protection rules (e.g., different warranty rules in different Member States, rules regarding the inclusion of phone number when placing an order)
- Legal fragmentation
- Language barriers
- Selective distribution agreements with the producer
- Consumer acquisition costs
- After sales service costs

## Conclusion

Following several years of application of the GBR, members reported very few problems to us in relation to its application and functioning. While the goal of the Regulation was to enhance cross-border trade and to some extent that objective has been achieved many issues continue to hinder the Single Market. Those issues however are not limited to the GBR and require more focused actions that address legal fragmentation, national specific practices, language barriers and so on.

Finally, it is critical for traders to be able to retain their freedom to conduct business where they want. Companies should not be obliged to sell their products or services to all EU countries even when they do not have the knowledge, staff or possibility to even consider this idea. Any obligation for companies to ship goods everywhere in Europe would run counter to the existing agenda of the European Commission to increase competitiveness and reduce burdens.