

Position Paper e-Regulations

Sustainable Growth of e-Commerce in Europe



www.ecommerce-europe.eu

2014



Ecommerce Europe association data at a glance 2014



West € 177.7 bn +15.6%
 Central € 93.3 bn +22.8%
 South € 40.8 bn +18.8%
 North € 31.9 bn +12.5%
 East € 19.3 bn +53.0%



Europe EU28 € 363.1 bn +19% € 317.9 bn +18%

Our Mission
 To promote the interest of e-commerce in Europe through advocacy, communication and networking.

816 million people live in Europe
565 million people use the Internet
264 million people are e-shoppers



2,111,111+ jobs directly or indirectly via e-commerce

550,000+ estimated online businesses

3.7 bn+ number of parcels annually (f)

GOMSEC

Global Online Measurement Standard ECommerce



June 8-10 2015
 Barcelona



European E-commerce Awards
 • Entrepreneurial award
 • Omnichannel award
 • Pure Player award

Round Tables

Meetings in 8 European cities for e-commerce experts and invitees

European Reports

Reports include country profiles, trends and Infographics.

Position Papers
 1. e-regulations
 2. e-Privacy & Transparency
 3. e-Payments
 4. e-identification & Trust Services
 5. e-Logistics

15+ leading e-commerce associations



ECOMMERCE EUROPE member
 5,000+ members

ECOMMERCE EUROPE partner
 27+ preferred business partners



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- Reports contain countries
- Eastern: Rom, Rus, Ukr, a.o.
 - Western: Be/Nelux, Fra, Ire, UK
 - Southern: Gre, It, Port, Spa, Turk, a.o.
 - Northern: Den, Est, Fin, Lat, Lit, Nor, Swe, a.o.
 - Central: Aus, Cr, Germ, Hun, Pol, Swi, a.o.

Ecommerce Europe is the association representing around 5000+ companies selling products and/or services online to consumers in Europe. Ecommerce Europe is a major stakeholder in policy issues concerning the Digital Single Market - which experiences difficulties in the cross-border coordination between Directorate-Generals, Member States, and Members of the European Parliament. Ecommerce Europe offers to be a one-stop-shop for the European Institutions for all e-commerce related issues. Ecommerce Europe can be consulted when it comes to market research and data, policy questions and in-depth country knowledge.

Ecommerce Europe asks the European institutions for a one-stop-shop for e-commerce policies which are currently covered by a plethora of legislation. In order to achieve this Ecommerce Europe proposes an integrated perspective on five key themes: **Internet security & privacy, consumer rights, e-payments, tax issues and e-logistics**. Detailed proposals linked to these themes are outlined in the Ecommerce Europe multiple position papers.

E-REGULATIONS

The European e-commerce landscape is governed by a plethora of legislation. Ecommerce Europe calls upon lawmakers **to facilitate the growth of cross-border e-commerce** by adopting an **integrated and balanced approach** towards e-commerce policies. In a fast developing market it is important that the sector receives room for self-regulation in dialogue with consumer organizations and other stakeholders – a vision the European Commission shares with Ecommerce Europe. In areas where legislation is in place or needs to be developed, Ecommerce Europe **calls upon policy makers to engage in a constructive dialogue with all stakeholders** in order to ensure the most effective and adapted legal framework to the development of e-commerce in Europe.

Ecommerce Europe is committed to collaborate with policy makers and stakeholders on the following recommendations for e-regulations:

1. Continue ensuring trust in e-commerce

Trust between consumers and merchants is key to the growth of the e-commerce sector. Although trust and online sales have increased over the past years, Ecommerce Europe believes extra effort should be spent to foster trust in the areas of **privacy, transparency, fraud and security**. **Ecommerce Europe advocates a balanced and harmonized approach on EU level**. In this context, Ecommerce Europe believes that **self-regulatory**

measures such as a code of conduct and trustmarks should be considered as a strong and powerful leverage to complement traditional regulatory tools in consolidating trust in cross-border activities. Together with national e-commerce associations, and consumer protection organizations Ecommerce Europe is currently developing a non-profit, pan-European trustmark that should be available for European consumers in the near future.

2. Harmonize consumer rights through the Consumer Rights Directive and not optional law

There is widespread uncertainty which laws apply when engaging in cross-border sales. Ecommerce Europe applauds the efforts of the European policy makers in creating clarity through harmonizing consumer rights in the Consumer Rights Directive. **The potential of the Consumer Rights Directive in boosting cross-border e-commerce could however be seriously mitigated by the implementation of the Common European Sales Law.** A non-binding and optional legal instrument in addition to the clear legal status of the Directive will only lead to confusion of the consumer and merchant.

The current proposal for the Common European Sales Law lacks simplicity, legal clarity, and the stability of contracts. This will lead to excessive administrative burdens and legal uncertainty for merchants – raising the price of online transactions for the merchant and

consequently the consumer. As an alternative, **Ecommerce Europe calls for further harmonization of all legislation applicable in online cross-border transactions.**

3. Develop a common VAT system

The lack of a common European VAT system **hampers the growth of the sector.** In many cases, cross-border sales and digital services are subjected to double taxation. Many SMEs do not have the resources nor the knowledge on different tax obligations in different Member States. To illustrate: the **difference between the lowest and the highest VAT systems is ten percentage points** – 15% in Luxemburg and 25% in Denmark and Sweden. A level playing field should remain between online- and other transactions – any differentiation in taxation of the ‘online’ and the ‘real’ economy would be artificial and risks posing disproportionate administrative burdens on the industry.

4. Legal education and assistance: the one-stop-shop approach

Given the rapid speed of legislative developments and the cross-border nature of the e-commerce industry in Europe, SMEs have difficulty to comprehend the different legal systems that apply. In order to effectively set up business, high start-up costs are involved when striving for the ambition to go cross-border. Easy, facilitating instruments that help merchants to be compliant with cross-border legislation without creating additional obligations can ensure businesses will truly benefit from the

Digital Single Market. Ecommerce Europe advocates **the establishment of a 'one-stop-shop' for SMEs with cross-border ambitions as to encourage and facilitate EU SME's cross-border business development.**

5. Clear guidance and an impact assessment for the Consumer Rights Directive

The Consumer Rights Directive is currently in the phase of being implemented in the Member States, with a deadline set on 13 June 2014. **Ecommerce Europe strongly believes that a harmonized set of consumer rights at European level is a major step towards an e-commerce single market that would benefit to industry and consumers.** However, Ecommerce Europe has some serious concerns with regards to the interpretation and implementation on some of the provisions provided by the directive including the one that would impose to online merchants, in case of withdrawal, to reimburse the consumer before they get the product back. Ecommerce Europe urges lawmakers to carry out a **thorough impact assessment of the legislation, and to engage in a constructive debate with the industry regarding those provisions where substantial issues have risen.** Furthermore, Ecommerce Europe seeks **clear guidance and information tools on the implementation of the Consumer Rights Directive**, as national organizations currently encounter problems with the interpretation and implementation.

6. Integrate a dispute settlement mechanism in Alternative and Online Dispute Resolution (ADR/ODR)

Given the nature of e-commerce transactions access to cheap, flexible and accessible mechanisms for dispute resolution are preferable to traditional legislation for both consumers and merchants. Ecommerce Europe therefore advocates **fast rollout of a Common European Complaint and Dispute Settlement System.** This system should be comprehensible and easily accessible, and should be built upon existing systems of Alternative Dispute Resolution.

7. Fair competition - no artificial distinction between online and offline activities and clear rules on comparison sites and search engines

Online shops should be able to operate in a fair and transparently operating European market. This implies no artificial distinction between online and offline activities on selective distribution or price differentiation. **Access to results of comparison sites and search engines should be provided without infringing fair competition.** All companies, including SME's, should be adequately represented and have fair access to the big data these models can provide.

8. Ensure adequate privacy and transparency for consumers through a risk-based approach to protection of personal data

Privacy and protection of personal data are key drivers for trust in the e-commerce sector and cross-border industry development. Consumers should feel safe and secure when visiting the website of an online merchant or when performing transactions online. When personal data and privacy are adequately protected, merchants will still be able to benefit from recent technical developments in information collection. Ecommerce Europe therefore asks that policy makers harmonize privacy and data protection rules through a risk-based approach. Our detailed recommendations in how to facilitate this are explained in the position paper **“Privacy and Transparency for Consumer Trust and Consumer Centricity”**.



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