Completing the internal market for e-commerce

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The Committee on the Internal Market and Consumer Protection adopted the own-initiative report drawn up by Pablo ARIAS ECHEVERRÍA (EPP, ES) on completing the internal market for e-commerce.

The committee welcomes the EU2020 Strategy's promotion of a knowledge-based economy and encourages the Commission to take swift action on increasing the speed of broadband services as well as streamlining the charges of such services throughout the Union, so as to better achieve a single market for e-commerce.

It stresses the importance of making full use of the potential of e-commerce as part of making the EU more competitive on the global level.

Counteracting fragmentation of the on-line internal market: the report recalls that there are major differences between the rules and practices of distance traders as to the guarantees and liability they offer within and beyond their national borders and as to the benefits which harmonisation would bring them; calls for an in-depth impact analysis of the consequences for e-commerce of any harmonisation of rules concerning the legal guarantee of conformity with existing national legislation.

According to Members, it is important to enhance confidence in cross-border Internet payment systems (e. g., credit and debit cards and e-purses) by: (i) promoting a range of payment methods; (ii) enhancing interoperability and common standards; (iii) tackling technical barriers; (iv) supporting the most secure technologies for electronic transactions; (v) harmonising and strengthening legislation on privacy and security issues; (vi) combating fraudulent activities and informing and educating the public.

Reaffirming the importance of cross-border business-to-business e-commerce, the report points out the significance of simplifying cross-border rules and lowering compliance costs for retailers and entrepreneurs by providing practical solutions on issues such as VAT reporting and invoicing, e-waste and recycling fees, copyright levies, consumer protection, labelling and sector-specific rules. To this end, calls for the establishment of ‘one-stop’ schemes and the promotion of cross-border e-government solutions such as einvoicing and e-procurement.

The Commission is called upon to:

- come forward with targeted legislative proposals in order to strengthen consumer access to and trust in products and services traded online, and offer consumers a simple one-stop shop approach;
- come forward with a proposal for establishing a European financial instrument for credit and debit cards, with a view to facilitating online processing of card transactions;
- come up with measures to support the e-invoice initiative with a view to ensuring Europe-wide use of electronic invoices by 2020;
- explore options on how to promote better access to creative content on the internet such as music and audiovisual works and on how to respond to citizens' demand for consumer-friendly cross-border services.

The report regrets that the Services Directive has still not been fully transposed in some Member States. It calls on the Commission and the Member States to put an end to discrimination against consumers on the grounds of electronic address or residence, ensuring the effective implementation of Article 20(2) of the Services Directive, as well as the proper enforcement by national authorities and courts of the national provisions implementing this non-discrimination rule in the legal systems of Member States.

Completing the Internal Market by e-commerce: Members call for measures to be taken in order to contribute towards an increase in the number of internet users and the improvement of the quality, price and speed of the net in those countries and regions within the Union that do not have a good-quality connection, ensuring that broadband access is available throughout the EU by 2013.

In addition, specific measures should be put in place for the protection of children and young people, notably via the development of age verification systems and the prohibition of online marketing practices that have a negative impact on children's behaviour.

Members believe that the development of, and support for, common, open technical and operational specifications and standards (for compatibility, interoperability, accessibility, security, logistics, delivery, etc.) will facilitate cross-border e-commerce by assisting consumers, especially vulnerable and inexperienced computer users, and by bridging the operational, technical, cultural and language barriers that exist between the various Member States.

The Commission is called upon to:

- set the clear standards required for cross-border e-commerce at EU level;
- come forward with a proposal for establishing a European financial instrument for credit and debit cards, with a view to facilitating online processing of card transactions;
- ensure that, by 2015, at least 50% of all public procurement procedures are conducted electronically;
- establish the requirement for entrepreneurs who voluntarily use standardised contracts and standardised general commercial terms and conditions to highlight those provisions which differ therefrom;
- further examine and assess the rules governing specific distance contracts for tourist services (airline tickets, hotel accommodation, car rental, leisure time services, etc.) ordered individually over the internet, primarily in order to increase the liability of online auctions to better protect consumer rights;
- clarify rules on soliciting (direct or indirect) using the internet in other Member States.

Enhancing users' legal protection in cross-border e-commerce: Members believe that priority should be given to removing the administrative and regulatory barriers to cross-border e-commerce by 2013 through the introduction of a single set of rules for consumers and businesses across the 27 EU Member States. The committee drafts the following recommendations:

enhance market surveillance, transparency of rules and enforcement mechanisms to encourage users' confidence;

- quickly act against rogue websites by paying greater attention to consumer rights, including measures aimed at introducing labels for safe and secure websites and ensuring that companies providing sponsored advertising services do not advertise illegal websites;
- address the shortcomings of web searching and advertising platforms and to encourage their cross-border operation, for example through the promotion of the .eu domains;
- ensure, by means of monitoring, that the coherent application of copyright law is not circumvented in e-commerce;
- set up efficient EU-wide mechanisms for market monitoring and audits, complaint handling and dispute resolution;
- develop and standardise rules offering a high level of legal protection to minors, and encourage the launching of information and training campaigns for parents, teachers and guardians;
- address appropriate actions or sanctions regarding e-commerce in counterfeit goods and medicines, including labels for safe and secure websites such as certification systems for authorised pharmacies.

An e-confidence strategy to raise e-commerce users' confidence: the committee calls for a **single legal instrument** combining the various texts currently in force in order to clarify the rules applicable to e-commerce. The report also deals with the following issues:

- the development, under the framework research programmes, of innovative research projects aimed at promoting and unifying the EU e-commerce market by increasing consumer confidence, empowerment and choice in the digital environment;
- the efficient monitoring of legal, technical and economic developments in ecommerce;
- the launch of a 'Digital literacy and inclusion action plan' at EU and Member State levels;
- the adoption of recommendations and guidelines for electronic shops.

Lastly, the Commission is called upon to act swiftly and to report in 2012 on its progress in tackling the ten barriers to cross-border e-commerce, as stated in its communication on cross-border business to consumer e-commerce in the EU.