Towards a digital single market act

2015/2147(INI) - 19/01/2016 - Text adopted by Parliament, single reading

The European Parliament adopted by 551 votes to 88, with 39 abstentions, a resolution entitled ‘Towards a Digital Single Market Act’, as a follow-up to the digital single market strategy for Europe presented by the Commission.

The need for a digital single market: whilst welcoming the Commission communication, Parliament considered that achieving a Digital Single Market, based on a common set of rules, could foster EU competitiveness, have positive effects on growth and jobs, relaunch the Single Market and make society more inclusive, offering new opportunities to citizens and businesses, especially by exchanging and sharing innovation. Noting that 75 % of the value added by the digital economy comes from traditional industry, Parliament called on Europe to use the great potential of the information and communications technology (ICT) sector to digitise the industry and maintain global competitiveness.

It called on the Commission to:

- identify and dismantle barriers affecting e-commerce in order to build a genuine cross-border e-commerce market – e-commerce generates EUR 500 billion per year in the European Union - in order to build a genuine cross-border e-commerce market;
- promote a more dynamic economy that allows innovation to flourish and removes barriers for businesses, in particular **innovative ones, SMEs, start-ups and scale-ups**, so that they can access markets in a level playing field.

Cross-border e-commerce rules that consumers and business can trust: Parliament welcomed the Commission's undertaking to adopt a strong proposal on online contracts covering digital content purchased online and to improve consumers' legal protection in this sphere. It agreed that consumers should enjoy an **equivalent and future-proof level of protection** regardless of whether they purchase digital content online or offline. It emphasised that this should be done in a **technology-neutral manner** and not impose unreasonable costs for business.

Members requested an **‘Active Consumers’ strategy** to assess in particular whether consumer switching is facilitated in the online world, and whether action is needed to make consumer switching easier, in order to boost competition in online markets. It also called on the Commission to assess the feasibility, usefulness and potential opportunities and weaknesses created by the introduction of sector-specific **EU trustmarks for online sales** as well as to work towards the timely and correct implementation of the EU-wide online dispute resolution (ODR) Regulation.

Affordable high-quality cross-border parcel delivery: Parliament the report noted that accessible, affordable, efficient and high-quality delivery services are an essential prerequisite for thriving cross-border e-commerce. It called on the Commission and the Member States to actively share best practices in the parcel delivery sector, and to propose a **comprehensive action plan**, to find innovative solutions to improve services, to further integrate the single market for parcel delivery an52d postal services, to dismantle barriers postal operators encounter in cross-border delivery, and to propose if necessary a revision of the relevant legislation.

Preventing unjustified geo-blocking: in this regard, Parliament:

- called for ambitious, targeted actions to improve access to goods and services, in particular by **ending unjustified geo-blocking** practices and unfair price discrimination based on geographical

location or nationality which often have the effect of building monopolies and of consumers resorting to illegal content;
- welcomed the Commission's proposal to enhance portability and interoperability in order to stimulate the free circulation of legally acquired, and legally available, content or services, as a first step towards bringing an end to unjustified geo-blocking;
- pointed out the importance of the **ongoing competition sector inquiry** into the e-commerce sector in order to investigate, inter alia, whether unjustified geo-blocking restrictions, such as discrimination on the basis of IP address, postal address or the country of issue of credit cards, infringe the rules of EU competition law.

Parliament also welcomed the Commission's commitment to **modernise the current copyright framework** to adapt it to the digital age.

Reducing VAT-related burdens and obstacles when selling across borders: Parliament stressed that in order to prevent market distortion, tax avoidance and tax evasion and to create a true European Digital Single Market, more coordination on taxation is needed, requiring inter alia the establishment of an EU-wide Common Consolidated Corporate Tax Base (CCCTB). In this regard, it welcomed the adoption of the review of the payment services directive and stressed that if the Union is to enhance EU-wide e-commerce, pan-EU instant e-/m-payments under a common standard and the appropriate implementation of the review of the payment services directive must be achieved without delay.

To create a fit-for-purpose regulatory environment: Parliament emphasises that **private investments** in fast and ultra-fast communication networks are a requirement for any digital progress that must be incentivised by a stable EU regulatory framework enabling all players to make investments, including in rural and remote areas. It highlighted the importance of a successful implementation of European Fund for Strategic Investment (EFSI) to maximise investments by targeting projects with higher-risk profiles, boosting economic recovery, stimulating growth, and incentivising private investments, inter alia microfinancing and venture capital to support innovative companies.

Role of online platforms: the Commission is urged to examine whether potential issues related to online platforms could be resolved by proper and full implementation of existing legislation and effective enforcement of EU competition law in order to ensure a level playing field and fair and effective competition between online platforms and to avoid the creation of monopolies. Members also called on the Commission and the Member States to support the further development of the **sharing economy** and its potential for more flexible forms of employment (the Commission is forecasting a growth potential that goes over USD 100 billion). Parliament encouraged the Commission to set up a stakeholder group in charge of promoting best practices in the sharing economy sector.

Reinforcing trust and security in digital networks: a harmonised response from the EU and its Member States with a view to ensuring a high level of network and information security is needed. Members stated that providing security on the internet entails the protection of networks and critical infrastructure, ensuring the ability of law enforcement agencies to fight crime, including terrorism, violent radicalisation and sexual abuse and sexual exploitation of children online. The Commission is called upon to advance policies and a **legal framework to tackle cybercrime** and illegal content and materials on the internet.

Security, together with protection of fundamental rights in cyberspace, is crucial to reinforcing trust in digital services and is therefore a necessary basis for establishing a competitive digital single market.

Building a data economy: Parliament emphasised the opportunities that new ICT technologies such as Big Data, cloud computing, 3D-printing and other technologies can bring to the economy and society. It also highlighted the opportunities offered by energy sector digitalisation, with smart meters, smart grids and data hubs for more efficient and flexible **energy production**.

Digital skills and expertise: highlighting that the mismatch between supply and demand with regard to skills is a problem for the development of the digital economy, Members called on the Commission, as a matter of urgency, to develop a skills strategy which can tackle this shortage. They proposed using appropriations from the Youth Employment Initiative to support associations (grassroots movements) which teach disadvantaged young people digital skills. Media and internet literacy should also be promoted.

E-government: Parliament stated that the development of e-administration is a priority for innovation. It urged the Commission to lead by example in the field of e-government and to develop, together with the Member States, an ambitious and comprehensive **e-government action plan** based on the “once only principle”, whereby citizens and businesses should not be asked for information already provided to a public authority, whilst ensuring citizens' privacy and a high level of data protection.