

Cooperation between national authorities responsible for the enforcement of consumer protection laws

2016/0148(COD) - 27/03/2017 - Committee report tabled for plenary, 1st reading/single reading

The Committee on the Internal Market and Consumer Protection adopted the report by Olga SEHNALOVÁ (S&D, CZ) on the proposal for a regulation of the European Parliament and of the Council on cooperation between national authorities responsible for the enforcement of consumer protection laws.

The committee recommended that the European Parliament's position, adopted at first reading following the ordinary legislative procedure, should amend the Commission proposal as follows:

Scope: this Regulation shall apply to intra-Union infringements, widespread infringements and widespread infringements with a Union dimension as respectively, even where those infringements have ceased before an enforcement procedure started or could be completed.

Members proposed a clear set of **definitions**, including the terms: "widespread infringement with a Union dimension", "competent authority", "single liaison office", "sweeps".

Widespread infringement with a Union dimension shall mean a widespread infringement that harmed, harms or is likely to harm consumer's collective interests in a majority of Member States accounting together for at least a majority of the population of the Union.

Limitation period: the competent authorities may investigate infringements and prevent traders from engaging in them in the future. Within five years from the cessation of the infringement, the competent authorities may have the power to **impose sanctions, order compensation for consumers and order the restitution of profits obtained as a result of infringements**.

Competent authorities and single liaison offices: each Member State shall designate the competent authorities and a single liaison office that are responsible for the application of this Regulation. The coordination role of the single liaison office should be entrusted in each Member State to a public authority that has **sufficient powers and necessary resources** to undertake that key role.

Powers of competent authorities: Members stated that each Member State shall confer on their competent authorities the **investigation and enforcement powers** and shall provide them with the resources necessary for the application of this Regulation. The text lists the powers that competent authorities of each Member State shall dispose in order to carry out the duties assigned to them by this Regulation.

The competent authorities shall exercise powers **proportionately, efficiently and effectively** in accordance with Union law, including the principles of the Charter of Fundamental Rights of the European Union, applicable procedural safeguards and the Union rules on data protection, and national law.

When a decision is being made whether to impose a **sanction**, due regard shall be given to the nature, gravity and duration of the infringement, taking into account the number of consumers affected and the level of damage suffered by them and the intentional or negligent character of the infringement.

Requests for information: Members proposed to lay down a **30 day time-limit** for replying to requests for information and specified that the requested authority shall **without undue delay**, on request from an applicant authority, take all necessary enforcement measures to bring about the cessation or prohibition of the intra-Union.

The Commission shall adopt implementing acts laying down the standard forms and steps of the procedure on the request for information and enforcement measures.

Launching of coordinated actions and designation of the coordinator: where a competent authority or the Commission has a reasonable suspicion that a widespread infringement is taking place, it shall notify the competent authorities of the Member States concerned by that infringement and the Commission, as applicable, without delay.

When the threshold for a widespread infringement with a Union dimension is met, the Commission shall launch a coordinated action and shall **ensure the coordination of the action**.

A competent authority may decline to take part in a coordinated action if, for instance, a criminal investigation or judicial proceedings have already been initiated in respect of the same widespread infringement or the widespread infringement with a Union dimension and against the same trader in the Member State concerned.

The provisions on investigative measures, commitments, enforcement measures in coordinated actions and the closure of these actions have been clarified.

Sweeps: coordinated screening of online ecommerce websites (sweeps) is another form of enforcement coordination that has proven to be an effective tool against infringements. Members stated that these should be retained and strengthened in the future, including by extending its application to **offline sectors**. They shall be coordinated by the Commission.

Alert mechanism: entities having the appropriate expertise and legitimate interest in consumer protection shall be entitled to participate in the alert mechanism set up by the Regulation. The participation of professional associations shall also be authorised.