Online platforms and the digital single market

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The Committee on Industry, Research and Energy and the Committee on the Internal Market and Consumer Protection adopted an own-initiative report by Henna VIRKKUNEN (EPP, FI) and Philippe JUVIN (EPP, FR) on online platforms and the digital single market.

The report has been adopted pursuant to Rule 55 of the Rules of Procedure of the European Parliament (Joint committee meetings).

Members noted that the evolving development and use of internet platforms for a wide set of activities, including commercial activities and sharing goods and services, have changed the ways in which users and companies interact with content providers, traders and other individuals offering goods and services.

However, online platforms present new policy and regulatory challenges.

While welcoming the different initiatives already proposed under the Digital Single Market Strategy for Europe, Members stressed the importance of coordination and consistency between these initiatives. Although many EU policies also apply to online platforms, in some cases the legislation is not enforced properly or is interpreted in a different manner in the Member States. In this respect, Members called for an **effective and attractive regulatory environment** for the development of online and digital business in Europe.

Definition of platforms: the report stated that one single EU definition or ‘one size fits all’ approach would not help the EU succeed in the platform economy due to factors such as the great variety of types of existing online platforms and their areas of activity, as well as the fast-changing environment of the digital world.

Members are aware of the importance of **avoiding the fragmentation of the EU internal market** which could occur through a proliferation of regional or national rules and definitions, as well as of the need to provide certainty and a level playing field for both businesses and consumers.

Therefore, they called for online platforms to be distinguished and defined in relevant sector-specific legislation at EU level according to their characteristics, classifications and principles and following a problem-driven approach.

The report welcomed the Commission's ongoing work on online platforms, including consultations of stakeholders and carrying out an impact assessment. It called on it to propose, if necessary, regulatory or other measures based on this in-depth analysis.

Members considered that a clear difference should be made between B2C and B2B platforms, in light of the emerging B2B online platforms which are key to the development of the industrial internet, such as cloud-based services or data-sharing platforms enabling communication between internet of things (IoT) products. The Commission should address the barriers in the single market that are hindering the growth of such platforms.

Fair competition: the report stressed the importance of fair and effective competition between online platforms in order to promote consumer choice and avoid the creation of monopolies or dominant

positions that distort markets. There is a need for net neutrality and fair and non-discriminatory access to online platforms as a prerequisite for innovation and a truly competitive market. The Commission is urged to streamline the funding schemes for related initiatives facilitating the digitisation process.

Clarifying the liability of intermediaries: the report noted that the current EU intermediary limited liability regime is one of the issues raised by certain stakeholders and that it should be further clarified. Guidance is needed from the Commission on the implementation of the intermediary liability framework in order to allow online platforms to comply with their responsibilities and the rules on liability, enhance legal certainty, and increase user confidence.

The Commission is called on to develop further steps to that effect, recalling that platforms not playing a neutral role as defined in the e-commerce Directive cannot claim liability exemption.

Members urged online platforms to strengthen measures to **tackle illegal and harmful content online** and welcomed the Commission's intention to propose measures for video-sharing platforms in order to protect minors and for taking down content related to hate speech.

They considered that the liability rules for online platforms should allow the tackling of issues related to illegal content and goods in an efficient manner, for instance by applying due diligence while maintaining a balanced and innovation-friendly approach.

They also stressed the importance of taking action against the dissemination of **fake news** and called on the online platforms to provide users with tools to denounce fake news in such a way that other users can be informed that the veracity of the content has been contested.

The Commission is called on to analyse in depth the current situation and legal framework with regard to fake news, and to verify the possibility of legislative intervention to limit the dissemination and spreading of fake content.

Moreover, Members stressed the need for **online platforms to combat illegal goods and content and unfair practices** (e.g. the reselling of entertainment tickets at extortionate prices), through regulatory measures complemented by effective self-regulatory measures (e.g. through clear terms of use and appropriate mechanisms to identify repeat offenders, or by setting up specialised content moderation teams and tracing dangerous products) or hybrid measures.

As regards **data ownership**, the report noted that compliance with the General Data Protection Regulation (GDPR) and the Network and Information Security (NIS) Directive is essential. There is a need to inform users of the **exact nature of the data collected** and the ways it will be used.

Informing and empowering citizens and consumers: the report underlined that the internet of the future cannot succeed without users' trust in online platforms. Online platforms are encouraged to offer customers clear, comprehensive and fair terms and conditions and ensure user-friendly ways of presenting their terms and conditions, processing of data, legal and commercial guarantees and possible costs.

Lastly, Members called for an **assessment of current legislation and self-regulation mechanisms** in order to determine whether they provide adequate protection to users, consumers and businesses, against the backdrop of an increasing number of complaints and the investigations opened by the Commission into several platforms.