# Electronic commerce, a European initiative

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Although the Internet started out as a network mainly for academia, today the majority of new sites are launched by companies wanting to market or sell their products. In its report by Ms. Erika MANN (PES, D) on the Commission Communication on a "European Initiative in Electronic Commerce", the Committee welcomes this development and supports the idea of drawing up a European policy framework for e-commerce. To ensure that companies and citizens can enjoy the full benefits of e-commerce and to avoid a fragmentation of the Internal Market, the Committee underlines that coordination of policies and regulations is necessary at the European level. The Commission is called upon to make proposals without delay to create an internal market in the field of e-commerce and to ensure complete freedom for European companies to provide services throughout the Union. The Committee considers that there are a large number of regulatory issues that should be solved through a common regulatory framework. These should include, in particular, consumer protection, liability, definitions of the places of establishment and transaction as well as intellectual property rights. Stressing the need to not impose new taxes on e-commerce which would penalize it compared to traditional trade, the Committee asks the Commission to study whether Internet trade should be taxed according to the current system or whether the new realities of the electronic marketplace require a complete overhaul of exiting tax principles. In any case, the Committee continues, an agreement has to be reached at the European level concerning the taxation issues, particularly regarding VAT, in order to provide legal certainty, to avoid revenue losses and to ensure tax neutrality. Although a clear regulatory framework is important, it is also necessary to take measures to increase skills and awareness of consumers and businesses of the nature and possibilities of e-commerce. The Committee proposes that national governments play a leading role in this context by strengthening education and training and by offering government services on-line. To promote consumer confidence in electronic transactions, the Committee considers it crucial that limits concerning the use of encryption are eliminated. Finally, given the worldwide nature of the Internet, the Committee also stresses the need to reach international agreements in this area, for example by creating a Universal commercial code for e-commerce within the framework of the WTO. The Committee believes that the EU, by establishing a European regulatory framework, will have a strong negotiating position in such discussions.