Basic information

2003/0162(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Consumer protection: cross-border infringements, administrative and legal cooperation (Regulation on consumer protection cooperation) Repealed by 2016/0148(COD) Amended by 2003/0134(COD) Amended by 2005/0260(COD) Amended by 2007/0248(COD) Amended by 2008/0237(COD) Amended by 2008/0246(COD) Amended by 2011/0001(COD) Amended by 2011/0373(COD) Amended by 2011/0374(COD) Amended by 2013/0246(COD) Amended by 2016/0152(COD) **Subject** 2.80 Cooperation between administrations 4.60.06 Consumers' economic and legal interests 7.40.02 Judicial cooperation in civil and commercial matters	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
JURI Legal Affairs and Internal Market	GEBHARDT Evelyne (PSE)	11/09/2003

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Public Health, Consumer Policy (Associated committee)	PATRIE Béatrice (PSE)	07/10/2003

Council of the European Union

Council configuration	Meetings	Date
Employment, Social Policy, Health and Consumer Affairs	2549	2003-12-01
Competitiveness (Internal Market, Industry, Research and Space)	2570	2004-03-11
Transport, Telecommunications and Energy	2607	2004-10-07

European Commission

Commission DG	Commissioner
Health and Food Safety	

Key events

Date	Event	Reference	Summary
18/07/2003	Legislative proposal published	COM(2003)0443	Summary
01/09/2003	Committee referral announced in Parliament, 1st reading		
01/12/2003	Debate in Council		Summary
11/03/2004	Debate in Council		
17/03/2004	Vote in committee, 1st reading		Summary
17/03/2004	Committee report tabled for plenary, 1st reading	A5-0191/2004	
19/04/2004	Debate in Parliament		
20/04/2004	Decision by Parliament, 1st reading	T5-0296/2004	Summary
07/10/2004	Act adopted by Council after Parliament's 1st reading		
27/10/2004	Final act signed		
27/10/2004	End of procedure in Parliament		
09/12/2004	Final act published in Official Journal		

Technical information

Procedure reference	2003/0162(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Repealed by 2016/0148(COD) Amended by 2003/0134(COD) Amended by 2005/0260(COD) Amended by 2007/0248(COD) Amended by 2008/0237(COD) Amended by 2008/0246(COD) Amended by 2011/0001(COD) Amended by 2011/0373(COD) Amended by 2011/0374(COD) Amended by 2013/0246(COD) Amended by 2016/0152(COD)
Legal basis	EC Treaty (after Amsterdam) EC 095 Rules of Procedure EP 57_o
Stage reached in procedure	Procedure completed
Committee dossier	JURI/5/19932

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single				

reading		A5-0191/2004	17/03/2004	
Text adopted by Parliament, 1st reading/single reading		T5-0296/2004 OJ C 104 30.04.2004, p. 0034-0218 E	20/04/2004	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2003)0443	18/07/2003	Summary
Follow-up document	COM(2009)0336	02/07/2009	Summary
Follow-up document	C(2010)3021	12/05/2010	
Follow-up document	SEC(2010)0572	12/05/2010	Summary
Follow-up document	COM(2012)0100	12/03/2012	Summary
Follow-up document	COM(2014)0439	01/07/2014	Summary
Follow-up document	COM(2016)0284	25/05/2016	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES0106/2004 OJ C 108 30.04.2004, p. 0086-0089	28/01/2004	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Regulation 2004/2006
OJ L 364 09.12.2004, p. 0001-0011 Summary

Consumer protection: cross-border infringements, administrative and legal cooperation (Regulation on consumer protection cooperation)

2003/0162(COD) - 25/05/2016 - Follow-up document

The Commission presents a report assessing the effectiveness of Regulation (EC) N° 2006/2004 on consumer protection cooperation (CPC Regulation). The aim of the Regulation is to create a formal cooperation framework between national enforcement authorities responsible for the enforcement of consumer protection laws, with the aim of addressing problematic practices with a cross-border dimension.

Policy background and key figures: the report notes that compliance with consumer rules is still an issue that impacts on consumers' and traders' trust in cross-border markets in the EU:

- estimates based on a representative sample of **five online sectors** (clothing, electronic goods, recreation, consumer credit and package travel), show that **37% of online traders** in the EU do not respect consumer law. This results in a consumer detriment of about **EUR 770 million per year** in the surveyed sectors alone;
- according to a 2014 Eurostat survey, only **15% of consumers reported having bought online** from other EU countries, while 44% did so domestically. While 61% of EU consumers feel confident about purchasing via the Internet from a retailer located in their own country, only 38% feel confident about doing so from a trader located in another EU country;
- within retail trade, the e-commerce market share remains lower in Europe than in the USA: in 2014 it was **7.2%** compared to 11.6% in the USA.

In the Digital Single Market Strategy and the Single Market Strategy adopted in 2015, the Commission set down its ambitions to unleash the potential of cross-border consumer markets, **both online and offline**, to sustain economic growth in the EU. It considers that it is **only through cooperation that national authorities** can effectively address consumer law infringements taking place in a cross-border context, especially in the digital environment where transactions know no borders.

The Commission carried out a **thorough assessment** of the functioning of the CPC Regulation. This analysis included an external evaluation (2012), a public consultation (2013-2014), two biennial reports (2009 and 2012), and the Commission report in 2014 on the functioning of the CPC Regulation.

Since the assessment pointed out the need to improve and modernise the CPC Regulation a detailed impact assessment of various possible options was performed in 2015 to assess the need for a legislative proposal to amend the CPC Regulation.

Assessment of the effectiveness of the CPC operational mechanisms: the evaluation showed that the Regulation allowed national authorities to stop infringements across borders:

- since 2007, **more than 4,500 e-commerce websites in various economic sectors have been screened** for infringements of EU law resulting in an increased level of compliance;
- in 2014, a further step in **enforcement cooperation** was made with the launch of coordinated actions requiring the concerned traders to cease unfair commercial practices in areas of common interest across the EU (for example, in the field of car rental or of online games offering "in-app" purchases).

Despite the positive outcomes concerning the relevance of the objectives of the Regulation, the external evaluation and public consultation pointed identified **following issues** hindering the efficiency of the Regulation:

- competent authorities in Member States minimum investigation and enforcement powers, which are insufficient to cooperate efficiently and swiftly especially in the digital environment;
- market intelligence is insufficiently shared;
- the mechanism for address infringements concerning several countries is limited.

Modernise the CPC Regulation: in view of these observations, the Commission proposes to modernise the current CPC Regulation in order to improve the cross-border enforcement of EU consumer laws.

On the basis of the Commission's impact assessment, it was estimated for the subset of five online markets studied that a decrease of 10 points in the non-compliance rate of 37% could **reduce the detriment** from an estimated EUR 770 million per year **to about EUR 539 million, i.e. by 30%.**

The amendments to the CPC Regulation proposed by the Commission concern the following aspects:

- **clarify the scope of the Regulation** to cover widespread infringements to Union consumer laws occurring simultaneously in several Member States, irrespective of the organisational structure of the trader concerned; **extend the scope of the Regulation** to cover infringements which may last for a relatively short time (e.g. misleading advertisement campaigns over a few days) but which have a lasting harmful impact on consumers;
- **enhance the clarity, speed and efficiency of the alert mechanism**, and allow European Consumer Centres and consumers and traders associations invited to do so to post alerts about possible infringements as an information for enforcers;
- **clarify the scope of some of the existing minimum powers** needed by competent enforcement authorities for cooperation;
- establish a **planning system** that will allow coordination of enforcement priorities for cross-border enforcement activities and of the resources allocated to national authorities;

- clarify that evidence can be efficiently shared across the network and seamlessly used within the various national jurisdictions, without requiring it to be in specific form or formats; clarify the cooperation procedures; and **strengthen the coordination role of the Commission** and the Single Liaison Offices;

- **take action against widespread infringements** harming consumers in most of the EU economy (i.e. in at least 3/4 Member States, accounting together for at least 3/4 of the EU population), through **one common procedure,** main aim of this which would be establish the infringement and to stop it through cooperation with the concerned operators at the EU level, through commitments of traders to changing their practices. Where companies refuse to cooperate or fail to implement their commitments, Member States should take enforcement actions in a coordinated manner.

Since the proposed changes are numerous, the Commission **proposes to replace the current CPC Regulation** with a text that will consolidate all these amendments.

Consumer protection: cross-border infringements, administrative and legal cooperation (Regulation on consumer protection cooperation)

2003/0162(COD) - 01/07/2014 - Follow-up document

This Commission report constitutes a further step in the reform process of Regulation (EC) No 2006/2004 of the European Parliament and of the Council on cooperation between national authorities responsible for the enforcement of consumer protection laws (CPC Regulation). It integrates the biennial reports submitted by the Commission and the Member States as well as the outcome of the public consultation in the relevant areas.

The CPC Regulation provides that the Union shall cooperate with third countries and with the competent international organisations in the areas covered by this Regulation in order to enhance the protection of consumers' economic interests. This unique framework brings together national authorities from all EU Member States. Its primary aim is to tackle cross-border infringements by establishing procedures for information exchange, cross-border enforcement requests and coordinated actions, to prevent infringing traders from moving between Member States to exploit gaps in jurisdictional boundaries.

Advantages of the CPC Regulation: the report notes that since 2007, the implementation of the CPC Regulation has overall **produced positive results and it has created a network-based cooperation mechanism exemplary for other areas of the Single Market. It has brought substantial benefits to EU consumers.** In particular:

- the **CPC mutual assistance mechanism** provided a clear and comprehensive legal framework for mutual exchanges of information and cross-border enforcement actions. The most important innovation is the possibility to enforce consumer protection law across borders. By the end of 2013, Member States made in total 1454 mutual assistance requests, which comprised 699 information requests and 755 enforcement requests;
- **the "sweeps"** (an EU-specific format for websites checks on airline tickets, mobile phone content, consumer credit) and common enforcement approaches based on the CPC Regulation allowed the Member States to coordinate their enforcement approaches on a larger scale. The sweeps identify breaches of consumer law in a given on-line market and to subsequently ensure compliance through enforcement activities. Since 2007, sweeps have taken place on a yearly basis, coordinated by the European Commission and run simultaneously by national enforcement authorities in the participating countries. Although voluntary, nearly all Member States participated each year. In the period 2007-2013, over 3000 websites were checked;
- **the CPC alert mechanism** provided for the first time a framework for Member States to exchange information about emerging infringements and to determine infringements which may require a coordinated approach.

Improve the cooperation mechanism: the Commission considers that the CPC Regulation remains highly relevant and an asset for the future of the EU consumer policy. The Evaluation, the Commission and Member States biennial reports, as well as the outcome of the public consultation, clearly point to the need for a **comprehensive guidance** for the CPC network, notably to find a smarter way to address the new challenges brought by the **digital economy**.

Further development of the CPC framework, including a possible revision of CPC Regulation, in the following areas could be needed:

- the **mutual assistance mechanisms**, including legal and procedural issues and provisions ensuring overall cooperation, may need clarification and strengthening;
- **common enforcement activities** such as sweeps or the recently launched common enforcement actions are effective and **should be extended** to other sectors; further progress is needed, as experience with certain CPC cases showed, to combat fraudulent and aggressive commercial practices, which may require specific enforcement means;
- the **CPC market monitoring and alert mechanism may need to be developed** to ensure fast identification of emerging threats to consumers that would require CPC action, in particular, the possibility to associate other actors, such as consumer organisations and European Consumer Centres, should be studied;
- resolve difficulties arising from different national **procedural rules and standards** applicable in enforcement proceedings as they appear as a barrier to effective and efficient cooperation. The toolbox of competent authorities, their minimum common powers, may also need clarifying;
- ensure that the **Commission plays a more active role in the CPC network**. More needs to be done in the future against widespread EU-level relevant infringements that cause significant harm to the EU economy;
- in view of increasing challenges triggered by **trading practices** originating from third countries in a globalised digital economy, further cooperation with international partners may be needed.

To determine the best possible way to use CPC cooperation for the benefit of the Member States and to enable all stakeholders to have positive returns, the Commission is currently carrying out **impact assessment studies**. These will examine the full range of options available for addressing the enforcement challenges of the future – from maintaining the current framework, to introducing new legislation – and should lay the ground for the Commission to decide on the most effective policy response.

Consumer protection: cross-border infringements, administrative and legal cooperation (Regulation on consumer protection cooperation)

2003/0162(COD) - 20/04/2004 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Evelyne GEBHARDT (PES, D), making some amendments to the Commission's proposals. (Please see the summary of 17/03/04.) The Commission is required to submit to the European Parliament and the Council a report on the application of the Regulation on the basis of the reports of the Member States.

Consumer protection: cross-border infringements, administrative and legal cooperation (Regulation on consumer protection cooperation)

2003/0162(COD) - 01/12/2003

The Council held a policy debate based on an Italian Presidency questionnaire on the proposal for a Regulation on cooperation between national authorities responsible for the enforcement of consumer protection laws and took note of the comments of the delegations and the Commission. The work on this proposal will continue at technical level, on the basis of the contributions made by Member States as well as the outcome of the European Parliament's first reading. Concerning the scope of the proposal, a large majority of delegations supported a restricted scope, limited to cross-border infringements of Community legislation protecting consumers' interests. The Commission's proposal limits the scope of the Regulation to cross-border infringements only as regards the provisions on mutual assistance, while the remaining provisions would also cover domestic infringements. In particular, Member States would regularly have to notify and report to the Commission on both cross-border and domestic consumer complaints and infringement. Regarding the tools suggested by the proposal, several delegations favoured the use of the current system of co-operation between Member States and the existing European networks to protect the consumers' interest, in accordance with the principles of subsidiarity and proportionality. These delegations indicated their fears of a bureaucratic system, with extra-administrative financial costs. Other delegations supported the Commission's view of a framework for mutual assistance and a network of enforcement authorities in each Member State, in particular in view of the development of new marketing techniques and technologies. Furthermore, several delegations stressed their concerns regarding potential interference between national judiciary systems and the European network as proposed by the Commission. Commissioner BYRNE took due note of the comments and concerns expressed by the delegations and stressed that the current proposal would create a dynamic economic climate by restoring consumer confidence.

Consumer protection: cross-border infringements, administrative and legal cooperation (Regulation on consumer protection cooperation)

2003/0162(COD) - 18/07/2003 - Legislative proposal

PURPOSE : to present a proposal for a Regulation on cooperation between national authorities responsible for the enforcement of consumer protection laws. CONTENT : this proposed Regulation lays down the conditions under which the competent authorities in the Member States responsible for the enforcement of the laws that protect consumers' interests are to be designated and are to cooperate with each other and with the Commission in order to ensure compliance with those laws and the smooth functioning of the internal market and in order to enhance the protection of consumers' economic interests. The development of cross-border transactions, including through the greater use of the Internet, has made the need for this improvement more urgent. Enlargement further reinforces the need for action. The protection of consumers from cross-border infringements requires the creation of a network of public enforcement authorities throughout the internal market. These authorities require a minimum of common investigation and enforcement powers. The proposal provides a framework of mutual assistance rights and obligations for enforcement authorities to use when dealing with cross-border infringements. The resulting network is designed to give national enforcement authorities an enforcement solution to deal quickly with the most serious rogue traders. The proposed regulation also provides for wider administrative cooperation among the Member States and with the Commission on projects of common interest that are designed to inform and educate consumers and empower them. The scope of the proposed regulation is limited to cross-border infringements. Therefore the Member States are not required to change their arrangements for domestic infringements. FINANCIAL IMPLICATIONS : - budget line 170201 : (B5-100) Community activities in favour of consumers; - total allocation for action: EUR 150,000 per year for commitment; - unlimited period of application from 2004; - the proposal is compatible with existing financial programming and has no financial implications on revenue. The following budget intervention arrangements are foreseen: - Actions taken by the Commission through contracts following procurement procedures, such as calls for tenders. Appropriate technical specifications will be defined for each action. These arrangements for budget intervention will be applied in accordance with the relevant provisions of the Financial Regulation applicable to the general budget of the European Communities; - impact on staff and adminsitrative expenditure : 3 permanent posts (EUR 162 000/12 months).

Consumer protection: cross-border infringements, administrative and legal cooperation (Regulation on consumer protection cooperation)

2003/0162(COD) - 12/05/2010 - Follow-up document

The Commission presents a Staff Working Document on the results of the public consultation and the introduction of a harmonised methodology for classifying and reporting consumer complaints and enquiries. This is the accompanying document to the Commission Recommendation on the use of a harmonised methodology for classifying and reporting consumer complaints and enquiries (please see C(2010)3021)

As a result of the Single Market Review, the Commission developed the Consumer Markets Scoreboard. This is a tool to help monitor the market and identify possible malfunctioning. Consumer complaints are a key indicator in the Scoreboard. They provide valuable indications as to how modern markets are functioning from the consumer perspective. Due to the existing data gap in collecting comparable complaints data, there is a need to develop a harmonised methodology for classifying and reporting consumer complaints and enquiries. The harmonised methodology is to be used on a voluntary basis by all third party complaints bodies. These include consumer authorities, energy, telecommunication and financial services regulators, enforcement bodies, consumer organisations, alternative dispute resolution mechanisms and similar bodies. Complaints collected by traders, as well as complaint mechanisms operated by traders or on their behalf are outside the scope of this initiative.

The Commission Recommendation invites all eligible complaint bodies to adopt the harmonised methodology and report data to the Commission.

This Staff Working Document presents the background to the project and the main issues which emerged from the consultation. It explains how stakeholders' comments have been taken into account and how the Commission will help the complaint bodies adopt the harmonised methodology.

The document recalls that consumer complaints are an important 'grass roots' input into policy-making. It is increasingly important for policymakers at national and EU level to listen to the 'voice' of consumers and understand what they have to say, and to be able to convincingly communicate to citizens that their daily concerns are heard at the highest level where policy is made. A harmonised system is a great opportunity for both national governments and the EU to re-engage with citizens and listen more attentively to their every day problems and concerns. Complaints data can be used to encourage constructive dialogue between all interested stakeholders. Collection of comparable data on consumer complaints at EU level will enable monitoring of national markets and cross-country comparisons. This will give national authorities a much better context to monitor their own policies and consumer markets.

Public consultation: the public consultation was carried out between 7 July 2009 and 5 October, 2009. The consultation raised considerable interest among a wide range of stakeholders. In total, the European Commission received 168 responses, from European Consumer Centres, industry, Member State authorities, non-governmental organisations and regulatory authorities.

Responses were submitted by stakeholders from all Member States, Croatia, Iceland and Norway.

The majority of stakeholders who participated in the public consultation collect both consumer complaints and enquiries. The majority of these bodies classify complaints and enquiries separately. Also, most stakeholders said that they collect complaints coming from consumers while a tiny minority collect complaints from consumer organisations and businesses. Most bodies reported that they collect data about the sectors concerned by complaints as well as data about the different types of complaints.

The **majority of respondents support the introduction of a harmonised methodology and the use of complaints data for policy-making**. The majority of respondents expressed an interest in adopting the methodology either as it appeared in the public consultation or with some changes. However, **various stakeholders raised concerns related to issues such as the use and presentation of complaints data, the structure of the methodology, possible double counting and costs associated with introducing and using the methodology**. The issues are address in this document.

Implementation: to facilitate the adoption and implementation of the methodology the Commission will continue its close engagement with complaint bodies and discuss issues such as its practical application and the analysis of complaints. Efforts will be made towards providing assistance on IT aspects associated with adopting the harmonised methodology. In line with the Recommendation, complaint bodies are invited to report to the Commission on a yearly basis. The Commission services will present the data yearly in the Consumer Market Scoreboard.

Consumer protection: cross-border infringements, administrative and legal cooperation (Regulation on consumer protection cooperation)

2003/0162(COD) - 02/07/2009 - Follow-up document

The Regulation on Consumer Protection Cooperation (CPC Regulation) establishes an EU-wide network of public authorities responsible for enforcing consumer laws in the Member States (CPC Network). Within its scope, the CPC Regulation partially harmonises the authorities' investigative and enforcement powers and lays down the mechanisms for exchanging relevant information and/or taking enforcement action to stop infringements in cross-border situations. It obliges Member States to act upon mutual assistance requests addressed to them through the CPC Network and to ensure that adequate resources are allocated to the network's authorities to meet those obligations. It further provides a broader framework for the development of administrative cooperation initiatives for which the Commission provides funding.

This report complies with the Commission's obligation to report every two years on the application of Regulation No 2006/2004/EC. It covers the first two years of operations of the CPC Network, i.e. 2007 and 2008.

Following a relatively slow start, Network activity quickly accelerated to reach a total of **719 mutual assistance requests in two years**, of which 327 requests were created in 2007 and 392 in 2008. 40% of the information requests and 30% of the enforcement requests created were closed by the authorities during the same period.

In addition, the CPC Network has carried out two joint market surveillance and enforcement exercises ("sweeps") which took the form of internet inquiries: one on websites selling airline tickets in 2007 and one on websites offering ring tones for mobile phones in 2008. Enforcement work is still ongoing for the 2008 sweep.

The majority of **infringements** in the CPCS concerned misleading advertising provisions (close to a third of the total number of cases) and online commercial practices (internet and mailings).

The report notes that the CPC Regulation has proved to be a **powerful enforcement tool** increasing the level of consumer protection throughout the EU. It has closed a gap by providing national enforcers with a means of effectively putting an end to commercial practices harming consumers in cross-border situations and making it easier for them to join forces to create a credible enforcement environment in the EU.

Moreover, the Network is producing **tangible results for consumers**. Nevertheless, the assessment of the Network's first two years of operation shows that it has not yet reached its full potential and reveals **a series of shortcomings**. The Commission's priority is to work in close partnership with the Member States to address these issues within the existing legal framework.

In particular, the Commission highlights the need to:

- **consolidate the CPC Network** by ensuring that all authorities designated by the Member States actively use the IT-system;
- **improve the Network's efficiency and effectiveness** through a series of measures which could in due course also include a review of the CPC Regulation;
- **strengthen the framework for administrative cooperation**, including Commission projects to improve the collection of data on consumer issues and to develop a common complaints classification.

Consumer protection: cross-border infringements, administrative and legal cooperation (Regulation on consumer protection cooperation)

2003/0162(COD) - 27/10/2004 - Final act

PURPOSE : to lay down the conditions under which the competent authorities in the Member States designated as responsible for the enforcement of the laws that protect consumers' interests shall cooperate with each other and with the Commission in order to ensure compliance with those laws and the smooth functioning of the internal market and in order to enhance the protection of consumers' economic interests.

LEGISLATIVE ACT : Regulation 2006/2004/EC of the European Parliament and of the Council on cooperation between national authorities responsible for the enforcement of consumer protection laws (the Regulation on consumer protection cooperation).

CONTENT : the Council adopted a Regulation on cooperation between national authorities responsible for the enforcement of consumer protection laws. The Regulation provides a framework of mutual assistance for enforcement authorities to use when dealing with cross-border infringements and for administrative cooperation among the Member States and with the Commission on projects that are designed to inform, educate and empower consumers. Following an agreement between the Council and the European Parliament in the framework of the codecision procedure, it was possible to adopt the Regulation in first reading.

The Regulation stipulates that each Member State shall designate the competent authorities and a single liaison office responsible for the application of this Regulation. A Member State may, if necessary in order to fulfil its obligations under this Regulation, designate other public authorities. They may also designate bodies having a legitimate interest in the cessation or prohibition of intra-Community infringements.

These competent authorities shall fulfil their obligations under this Regulation as though acting on behalf of consumers in their own country and on their own account or at the request of another competent authority in their own country. Member States shall take all necessary measures to ensure effective coordination of the application of this Regulation by the competent authorities, other public authorities, bodies having a legitimate interest in the cessation or prohibition of intra-Community infringements designated by them and the competent courts, through the single liaison office.

Morover, Member States shall encourage cooperation between the competent authorities and any other bodies having a legitimate interest under national law in the cessation or prohibition of intra-Community infringements to ensure that potential intra-Community infringements are notified to competent authorities without delay.

On the issue of the exchange of information on request, the Regulation states that a requested authority shall, on request from an applicant authority, supply without delay any relevant information required to establish whether an intra-Community infringement has occurred or to establish whether there is a reasonable suspicion it may occur. the requested authority shall undertake, if necessary with the assistance of other public authorities, the appropriate investigations or any other necessary or appropriate measures, in order to gather the required information. On request from the applicant authority, the requested authority may permit a competent official of the applicant authority to accompany the officials of the requested authority in the course of their investigations.

As regards the exchange of information without request, when a competent authority becomes aware of an intra-Community infringement, or reasonably suspects that such an infringement may occur, it shall notify the competent authorities of other Member States and the Commission, supplying all necessary information, without delay. When a competent authority takes further enforcement measures or receives requests for mutual

assistance in relation to the intra-Community infringement, it shall notify the competent authorities of other Member States and the Commission.

As far as the request for mutual assistance and information exchange procedures is concerned, the applicant authority shall ensure that all requests for mutual assistance contain sufficient information to enable a requested authority to fulfil the request, including any necessary evidence obtainable only in the territory of the applicant authority. Requests shall be sent by the applicant authority to the single liaison office of the requested authority, via the single liaison office of the applicant authority. Requests shall be forwarded by the single liaison office of the requested authority to the appropriate competent authority without delay.

In addition, the Community shall cooperate with third countries and with the competent international organisations in the areas covered by this Regulation in order to enhance the protection of consumers' economic interests. The arrangements for cooperation, including the establishment of mutual assistance arrangements, may be the subject of agreements between the Community and the third countries concerned.

Lastly, Member States shall communicate to the Commission the text of any provisions of national law that they adopt, or of agreements other than to deal with individual cases that they conclude, on matters covered by this Regulation. Every two years from the date of entry into force of this Regulation, the Member States shall report to the Commission on the application of this Regulation. The Commission shall make these reports publicly available.

ENTRY INTO FORCE : 29/12/2004. It shall apply from 29 December 2005. The provisions on mutual assistance set out in Chapters II and III shall apply from 29 December 2006.

Consumer protection: cross-border infringements, administrative and legal cooperation (Regulation on consumer protection cooperation)

2003/0162(COD) - 12/03/2012 - Follow-up document

The Commission presents its second biennial report on the application of Regulation (EC) 2006/2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws. The report covers the years 2009 and 2010.

The CPC Network: overall the Network has handled an amount of cases that is comparable to the previous reference period, i.e. roughly 540 requests for either information or to take enforcement measures in order to stop a detected infringement. The **number of alerts however significantly decreased,** i. e. the number of unilateral messages that are sent by one authority to other concerned authorities to warn about an infringement to consumer laws that was detected or which it has reasonable grounds to suspect.

In terms of the directives infringed, breaches to the provisions on misleading and/or other deceptive advertising practices, covered by Directive 2005/29 /EC on unfair commercial practices are the most common type of breaches handled by the Network, followed by breaches to the provisions of the e-commerce Directive.

Achievements: the report states that the CPC Network has entered a phase of consolidation and stabilisation of its activities. The main achievements t are as follows:

- the teething problems of the first few years (e.g. connection difficulties or other technical issues related to the use of the database) have been addressed;
- authorities have learnt to use the cooperation tools established by the CPC Regulation more effectively as they have become familiar with the IT- tool and new procedures;
- the sweeps, coordinated and monitored by the Commission, have become part of the Network's regular activities and have ensured some visibility to the network through the related press activities;
- the Network discusses and plans its concerted activities in annual enforcement activities plans;
- training courses are organised more efficiently on the basis of annual training plans and through the network of national trainers;
- a common approach to working together in the Network is slowly emerging through discussions in workshops as well as the practical experience gained during the four years of operations.;
- operating guidelines, elaborated by the Commission provide practical guidance to competent officials about how the network works and how to prepare requests for mutual assistance under the CPC Regulation.

Weaknesses: the assessment of the past two years of operations also shows that shortcomings persist and that the Network has yet to reach its full potential:

- many authorities rarely or never use the CPC cooperation mechanisms and some of the most active players of the first years have reduced their engagement, which partially explains the relative slowing down of Network activities in terms of new cases since 2010;
- the **complexities of cross-border enforcement** that derive from diverging national consumer legislation and differences in the procedural rules applicable in the Member States have become more apparent compared to the first years of the Network when authorities primarily focussed on learning how to use the system;

- lengthy procedures, different approaches to enforcement and levels of experience have further tested authorities' readiness to work through the CPC Network.

In some instances, the difficulties encountered by the authorities could be a first indication that the **legislative framework established by the CPC Regulation needs to be adapted** in order to enhance cross-border enforcement. It may also suggest that **national procedures need to be reviewed further** in the light of the CPC cooperation framework to ensure that authorities are able to meet the Regulation's objectives in full. The technical amendment of the CPC Regulation's annex, adopted in 2011, brought additional legal clarity as regards the list of provisions to which the cooperation mechanisms apply. To date there is, however **insufficient evidence to engage in a legislative process that would revise the Regulation** more substantially. The Commission's evaluation of the years covered by the report demonstrates that many of the difficulties encountered by the Network can be addressed within the existing legal framework.

More experience and information are needed to form a better view of whether the Regulation should be reviewed and if so how. In particular **the issue of the Regulation's scope needs to be evaluated in depth,** including the question of the possible insertion of additional substantive laws in the Annex. Furthermore, ensuring that adequate resources are allocated to the authorities will remain a major challenge in future years as well as a factor critical to the Network's success.

The way forward: the Commission's first priority will be to work closely with Member States to address the shortcomings identified within the existing legislative framework. The Commission has identified the following areas where efforts should concentrate in the short and medium term:

- pursue efforts to consolidate the Network by enhancing the functionalities of the Network's IT-tool, securing training for competent officials through the trainers' network and ensuring that the implementing rules facilitate consistent and quicker handling of mutual assistance requests;

- maintain the funding of common activities to encourage the exchange of best practice and experience but **re-evaluate the current officials exchange scheme** in the light of the experience gained and comments from national authorities;

- continue working with authorities to develop a common approach to enforcement through discussions in workshops, the common activities and the sweeps. The Network could also benefit from exploring new ways of carrying out concerted enforcement and market monitoring activities. This was demonstrated by the 2009 and 2010 sweeps where a group of authorities combined the sweep with other enforcement activities to maximise the impact. A discussion on how to make the best use of alerts within the Network is also needed;

- further enhance the planning of Network activities. The annual Enforcement Action Plans constitute a first step forward to identifying areas of common interest for the Network authorities but this work needs to be taken forward;

- develop more effective ways of identifying enforcement priorities at European level, bringing together the first hand information from consumers that is available at national level and the data stemming from tools such as the Consumer Markets Scoreboard, the new complaints database or the ECC-Network's database. For the EU sweeps, a group of authorities is currently exploring how to better identify emerging threats on the internet and subsequently ensure that adequate follow-up action can be identified by the Network;

- develop efforts to raise the public profile of the CPC Network. The press activities related to the sweeps give some visibility to the Network's achievements but too little is still known about the outcome of the (generally) bilateral enforcement cooperation. The national biennial reports indicate that the work in the CPC is producing tangible results for consumers but the information provided remains limited.

In the longer term, the Commission is further assessing the cooperation framework and procedures established by the CPC Regulation with a view to evaluating whether some of the difficulties encountered by the Network may require a legislative response.

The findings of the report constitute a first step in this process and have been the basis for preparing the terms of reference of an external evaluation the Commission is about to launch and that will deliver results in 2012. One issue that needs to be examined in this context is the impact that the fairly broad scope of the CPC Regulation's annex is having on the effectiveness and efficiency of the Network, especially in areas where other cooperative frameworks exist. The Commission's role in the Network's activities also needs to be appraised.