Basic information

2015/2147(INI) INI - Own-initiative procedure	Procedure completed
Towards a digital single market act **Subject** 2.40 Free movement of services, freedom to provide 3.30.06 Information and communication technologies, digital technologies 3.30.25 International information networks and society, internet	

Key players

European Parliament

Joint committee responsible	Rapporteur	Appointed
ITRE Industry, Research and Energy	KALLAS Kaja (ALDE)	07/07/2015
IMCO Internal Market and Consumer Protection	GEBHARDT Evelyne (S&D)	07/07/2015
	Shadow rapporteur JUVIN Philippe (PPE) VIRKKUNEN Henna (PPE) KUMPULA-NATRI Miapetra (S&D) HENKEL Hans-Olaf (ECR) FORD Vicky (ECR) CHARANZOVÁ Dita (ALDE) ERNST Cornelia (GUE/NGL) DE JONG Dennis (GUE/NGL) REDA Felix (Verts/ALE) TARAND Indrek (Verts/ALE) BORRELLI David (EFDD) ZULLO Marco (EFDD) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs	SORU Renato (S&D)	11/06/2015

	EMPL Employment and Social Affairs (Associated committee)	STEINRUCK Jutta (S&D)	05/06/2015
	TRAN Transport and Tourism	KYLLÖNEN Merja (GUE /NGL)	24/06/2015
	CULT Culture and Education (Associated committee)	KAMMEREVERT Petra (S&D)	04/05/2015
	JURI Legal Affairs (Associated committee)	DZHAMBAZKI Angel (ECR)	24/03/2015
	LIBE Civil Liberties, Justice and Home Affairs (Associated committee)	BONI Michał (PPE)	03/09/2015

European Commission	Commission DG	Commissioner
	Communications Networks, Content and Technology	OETTINGER Günther

Key events

Date	Event	Reference	Summary
06/05/2015	Non-legislative basic document published	COM(2015)0192	Summary
10/09/2015	Committee referral announced in Parliament		
10/09/2015	Referral to associated committees announced in Parliament		
14/12/2015	Vote in committee		
21/12/2015	Committee report tabled for plenary	A8-0371/2015	Summary
19/01/2016	Decision by Parliament	T8-0009/2016	Summary
19/01/2016	Results of vote in Parliament		
19/01/2016	Debate in Parliament		
19/01/2016	End of procedure in Parliament		

Technical information

Procedure reference	2015/2147(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Strategic initiative

Legal basis	Rules of Procedure EP 55 Rules of Procedure EP 59
Stage reached in procedure	Procedure completed
Committee dossier	CJ18/8/03915

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE567.714	22/09/2015	
Amendments tabled in committee		PE569.784	21/10/2015	
Amendments tabled in committee		PE569.785	21/10/2015	
Amendments tabled in committee		PE569.787	21/10/2015	
Amendments tabled in committee		PE569.786	22/10/2015	
Committee opinion	TRAN	PE565.151	11/11/2015	
Committee opinion	EMPL	PE560.716	16/11/2015	
Committee opinion	CULT	PE565.210	16/11/2015	
Committee opinion	LIBE	PE567.643	01/12/2015	
Committee opinion	ECON	PE567.734	04/12/2015	
Committee opinion	JURI	PE557.273	07/12/2015	
Committee report tabled for plenary, single reading		A8-0371/2015	21/12/2015	Summary
Text adopted by Parliament, single reading		T8-0009/2016	19/01/2016	Summary

European Commission

Document type	Reference	Date	Summary
Commission document (COM)	COM(2015)0192	06/05/2015	Summary
Commission response to text adopted in plenary	SP(2016)220	01/06/2016	

National parliaments

Document type	Parliament/Chamber	Reference	Date	Summary
Contribution	DE_BUNDESRAT	COM(2015)0192	23/07/2015	
Contribution	AT_BUNDESRAT	COM(2015)0192	24/07/2015	
Contribution	PT_PARLIAMENT	COM(2015)0192	24/07/2015	
Contribution	CZ_SENATE	COM(2015)0192	06/10/2015	
Contribution	RO_SENATE	COM(2015)0192	09/12/2015	

Contribution	RO_CHAMBER	COM(2015)0192	16/12/2015	
Contribution	UK_HOUSE-OF-LORDS	COM(2015)0192	20/04/2016	
Contribution	IT_CHAMBER	COM(2015)0192	31/05/2016	
Contribution	DE_BUNDESTAG	COM(2015)0192	06/07/2016	
Contribution	FR_SENATE	COM(2015)0192	30/01/2017	
Contribution	FR_SENATE	COM(2015)0192	17/10/2018	

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.

Towards a digital single market act

2015/2147(INI) - 21/12/2015 - Committee report tabled for plenary, single reading

The Committee on Industry, Research and Energy adopted, jointly with the Committee on Internal Market and Consumer Protection, the own-initiative report presented by Kaja KALLAS (ALDE, FI) and Evelyne GEBHARDT (S&D, DE), entitled ‘Towards a Digital Single Market Act’, as a follow-up to the digital single market strategy for Europe presented by the Commission.

The Committees on Employment and Social Affairs, Culture and Education, Legal Affairs, Civil Liberties, Justice and Home Affairs, exercising their prerogatives as an associated committee under Parliament’s Rule 54 of the Rules of Procedure were consulted to give an opinion on the report.

The need for a digital single market: the report stated that Europe must 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.

Cross-border e-commerce rules that consumers and business can trust: Members 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. The report noted that the Commission is planning a Regulatory Fitness and Performance Programme (REFIT) of the whole consumers acquis for 2016. The Commission is also called upon 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: 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**, including guidelines for best practices, in cooperation with operators, to find innovative solutions to improve services, lower costs and the environmental impact, and to propose if necessary a revision of the relevant legislation.

Preventing unjustified geo-blocking: the report considered that ambitious, targeted actions are needed 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. Members 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.

Reducing VAT-related burdens and obstacles when selling across borders: Members 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, they 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.

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Towards a digital single market act

2015/2147(INI) - 06/05/2015 - Non-legislative basic document

PURPOSE: to propose a connected Digital Single Market Strategy for Europe.

BACKGROUND: the global economy is rapidly becoming digital. These changes are happening at a scale and speed that bring immense opportunities for innovation, growth and jobs.

Against this background, all Member States are wrestling with similar problems but on a national basis which is too limited to allow them to seize all the opportunities and deal with all the challenges of this transformational change. For many issues **the European level offers the right framework**. That is why the European Commission has set the **creation of a Digital Single Market** as one of its key priorities.

Europe has the capabilities to lead in the global digital economy but we are currently not making the most of them. Fragmentation and barriers that do not exist in the physical Single Market are holding the EU back. Bringing down these barriers within Europe could contribute an additional EUR 415 billion to European GDP. The digital economy can:

- expand markets and foster better services at better prices,
- offer more choice and create new sources of employment,
- create opportunities for new start-ups and allow existing companies to grow and profit from the scale of a market of over 500 million people.

CONTENT: this Strategy has a **multi-annual scope and is focused on key interdependent actions that can only be taken at EU level**. They have been chosen to have maximum impact, can be delivered during the Juncker Commission's mandate.

The Digital Single Market Strategy will be built on three pillars:

PILLAR 1: Better access for consumers and businesses to online goods and services across Europe: this requires the rapid removal of key differences between the online and offline worlds to break down barriers to cross-border online activity.

> **1. Cross-border e-commerce rules**: only 7% of SMEs in the EU sell cross-border. If the same rules for e-commerce were applied in all EU Member States, 57% of companies say they would either start or increase their online sales to other EU Member States.
>
> The Commission will make an amended proposal before the end of 2015 (i) covering harmonised EU rules for online purchases of digital content, and (ii) allowing traders to rely on their national laws based on a focused set of key mandatory EU contractual rights for domestic and cross-border online sales of tangible goods. The Commission will also submit a proposal for a review of the Regulation on Consumer Protection Cooperation in order to develop more efficient cooperation mechanisms.

2. Affordable high-quality cross-border parcel delivery: for companies that currently do not sell online but are trying to do so, 62% say the fact that delivery costs are too high is a problem. The Commission will launch measures in the first half of 2016 to **improve price transparency and enhance regulatory oversight of parcel delivery**.

3. Preventing unjustified geo-blocking: geo-blocking refers to practices used for commercial reasons by online sellers that result in the denial of access to websites based in other Member States. Geo-blocking is one of several tools used by companies to segment markets along national borders (territorial restrictions). By limiting consumer opportunities and choice, geo-blocking is a significant cause of consumer dissatisfaction and of fragmentation of the Internal Market.

The Commission will make legislative proposals in the first half of 2016 to **end unjustified geo-blocking**. Action could include targeted change to the e-Commerce framework and the framework set out by Article 20 of the Services Directive.

Furthermore, the Commission will review the satellite and cable directive to assess the need to enlarge its scope to broadcasters' online transmissions and the need to tackle further measures to ensure enhanced cross-border access to broadcasters' services in Europe.

4. A modern, more European copyright framework: 56% of Europeans use the internet for cultural purposes and spending on digital entertainment and media is predicted to see double digit growth rates (around 12%) for the next five years.

Barriers to cross-border access to copyright-protected content services and their portability are still common, particularly for audiovisual programmes.

The Commission will make legislative proposals before the end of 2015 to **reduce the differences between national copyright regimes** and **allow for wider online access to works by users** across the EU, including through further harmonisation measures. Europe needs a more harmonised copyright regime which provides incentives to create and invest while allowing transmission and consumption of content across borders, building on our rich cultural diversity.

5. Reducing VAT related burdens and obstacles when selling across borders: an EU business wishing to make cross-border sales faces a VAT compliance cost of at least EUR 5,000 annually for each targeted Member State.

The Commission will make legislative proposals in 2016 to **reduce the administrative burden on businesses arising from different VAT regimes** including (i) extending the current single electronic registration and payment mechanism to intra-EU and 3rd country online sales of tangible goods, (ii) introducing a common EU-wide simplification measure (VAT threshold) to help small start-up e-commerce businesses.

PILLAR 2: Creating the right conditions for digital networks and services to flourish: this requires high-speed, secure and trustworthy infrastructures and content services, supported by the right regulatory conditions for innovation, investment, fair competition and a level playing field.

The Commission intends to:

1. present proposals in 2016 for an ambitious overhaul of the telecoms regulatory framework focusing on (i) a consistent **single market approach to spectrum policy and management**; (ii) delivering the conditions for a true single market; (iii) ensuring a level playing field for market players and consistent application of the rules; (iv) incentivising investment in **high speed broadband networks** (including a review of the Universal Service Directive).

2. A media framework for the 21st century: the Commission will review the Audiovisual Media Services Directive with a focus on its scope and on the nature of the rules applicable to all market players, in particular measures for the promotion of European works, and the rules on protection of minors and advertising rules.

3. Analyse the role of online platforms (e.g. search engines, social media, e-commerce platforms, app stores, etc): certain online platforms are playing an ever more central role in social and economic life: they enable consumers to find online information and businesses to exploit the advantages of ecommerce.

The Commission will launch before the end of 2015 a **comprehensive assessment of the role of platforms**, including in the sharing economy, and of online intermediaries. It will cover issues such as how best to **tackle illegal content on the Internet**.

4. Reinforcing trust and security in digital services and in the handling of personal data: only 22% of Europeans have full trust in companies such as search engines, social networking sites and e-mail services. In the first half of 2016, the Commission will initiate the establishment a Public-Private Partnership on cybersecurity in the area of technologies and solutions for online network security. Once the new EU rules on data protection are adopted, which should be by the end of 2015, the Commission will review the ePrivacy Directive.

PILLAR 3: Maximising the growth potential of our European Digital Economy: this requires investment in ICT infrastructures and technologies such as Cloud computing and Big Data, and research and innovation to boost industrial competiveness as well as better public services, inclusiveness and skills.

The Commission intends to:

1. propose in 2016 a European **'Free flow of data' initiative** that tackles restrictions on the free movement of data for reasons other than the protection of personal data within the EU and unjustified restrictions on the location of data for storage or processing purposes;

2. launch an **integrated standardisation plan** to identify and define key priorities for standardisation with a focus on the technologies and domains that are deemed to be critical to the Digital Single Market, including essential sectoral interoperability and standards in areas such as health (telemedicine, m-health), transport (travel planning, efreight), environment, and energy;

3. support an **inclusive Digital Single Market** in which citizens and businesses have the necessary skills and can benefit from interlinked and multi-lingual eservices, from e-government, e-justice, e-health, e-energy or e-transport. The Commission will: (i) address digital skills and expertise as a key component of its future initiatives on skills and training; (ii) present a **new e-Government Action Plan 2016-2020**.