Basic information

2016/2276(INI) INI - Own-initiative procedure	Procedure completed
Online platforms and the digital single market **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	VIRKKUNEN Henna (PPE)	17/06/2016
IMCO Internal Market and Consumer Protection	JUVIN Philippe (PPE)	17/06/2016
	Shadow rapporteur GUTIÉRREZ PRIETO Sergio (S&D) BLANCO LÓPEZ José (S&D) VAN BOSSUYT Anneleen (ECR) DALTON Daniel (ECR) KALLAS Kaja (ALDE) MLINAR Angelika (ALDE) DE JONG Dennis (GUE/NGL) MATIAS Marisa (GUE/NGL) REIMON Michel (Verts/ALE) REDA Felix (Verts/ALE) BORRELLI David (EFDD) ZULLO Marco (EFDD)	

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	

	REGI Regional Development	The committee decided not to give an opinion.	
	JURI Legal Affairs	LE GRIP Constance (PPE)	16/02/2017

Council of the European Union	Council configuration	Meetings	Date
	Transport, Telecommunications and Energy	3545	2017-06-09

Key events

Date	Event	Reference	Summary
25/05/2016	Non-legislative basic document published	COM(2016)0288	Summary
24/11/2016	Committee referral announced in Parliament		
24/11/2016	Referral to joint committee announced in Parliament		
18/05/2017	Vote in committee		
31/05/2017	Committee report tabled for plenary	A8-0204/2017	Summary
09/06/2017	Debate in Council		
14/06/2017	Debate in Parliament		
15/06/2017	Decision by Parliament	T8-0272/2017	Summary
15/06/2017	Results of vote in Parliament		
15/06/2017	End of procedure in Parliament		

Technical information

Procedure reference	2016/2276(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55 Rules of Procedure EP 59
Stage reached in procedure	Procedure completed
Committee dossier	CJ18/8/08311

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary

Committee draft report		PE599.814	28/02/2017	
Amendments tabled in committee		PE602.752	27/03/2017	
Amendments tabled in committee		PE602.753	27/03/2017	
Committee opinion	JURI	PE601.100	08/05/2017	
Committee report tabled for plenary, single reading		A8-0204/2017	31/05/2017	Summary
Text adopted by Parliament, single reading		T8-0272/2017	15/06/2017	Summary

European Commission

Document type	Reference	Date	Summary
Commission document (COM)	COM(2016)0288	25/05/2016	Summary
Commission working document (SWD)	SWD(2016)0172	26/05/2016	
Commission response to text adopted in plenary	SP(2017)574	20/11/2017	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	RO_CHAMBER	COM(2016)0288	27/09/2016	
Contribution	DE_BUNDESRAT	COM(2016)0288	03/10/2016	

Online platforms and the digital single market

2016/2276(INI) - 15/06/2017 - Text adopted by Parliament, single reading

The European Parliament adopted by 393 votes to 146 with 74 abstentions a resolution on online platforms and the digital single market.

Members considered that e-platforms are beneficial to the digital economy and to today's society because they offer consumers a wider range of choices and create new markets. However, they posed new policy and regulatory challenges.

Although many EU policies also apply to online platforms, in some cases the legislation is not correctly applied or interpreted differently across the Member States. In this regard, Members called for **an effective and attractive regulatory environmen**t to help develop digital and online activities in Europe.

Definition of platforms: Parliament agreed that one single EU definition or ‘one size fits all’ approach would not help the EU succeed in the platform economy due to the wide variety of platform types and their areas of activity, as well as the rapidly changing environment of the digital world.

However, MEPs are aware of the importance of **avoiding the fragmentation of the EU's internal market** as well as of the need to provide certainty and a level playing field for both businesses and consumers.

They therefore suggested that e-platforms should be distinguished and defined in the relevant sectoral legislation at EU level according to their characteristics, classifications and principles and following a problem-driven approach. They called on the Commission to propose, where appropriate, regulatory or other measures based on a thorough impact assessment.

Parliament believed that a clear distinction should be drawn 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 barriers in the single market that hinder the growth of these platforms.

A level playing field: the resolution stressed the importance of fair and effective competition between online platforms in order to promote consumer choice and to avoid the creation of monopolies or dominant positions that distort markets. Network **neutrality** and **equitable and non-discriminatory access** to online platforms is a prerequisite for innovation and a truly competitive market.

Members urge the Commission to prioritise actions that allow **European start-ups** and online platforms to emerge and scale up.

Clarifying intermediaries' liability: Parliament noted that the current limited liability regime for intermediaries was one of the issues raised by some stakeholders and needed to be clarified. It stressed the following points:

- the Commission should provide **guidance** to enable online platforms to comply with their responsibilities, improve legal certainty and increase user confidence;
- platforms should **strengthen measures to combat illegal and harmful online content**: Members welcomed the Commission's intention to propose measures for video sharing platforms to protect and remove content related to hate speech;
- liability rules for on-line platforms should address issues related to **illegal content and goods**: the Commission should define and clarify notification and withdrawal procedures to combat such content;
- platforms should provide users with **tools to report false news** so that other users are informed: the Commission should analyse the possibility of legislative intervention to limit the spread of false content.

In addition, Members stressed the need to:

- set up online platforms to **combat illegal goods and content and unfair practices** (for example, resale of entertainment tickets at exorbitant prices) through regulatory measures supplemented by regulatory measures, (e.g. to identify repeat offenders, or by setting up specialised content moderation teams and tracing dangerous products) or hybrid measures;
- ensure compliance with the General Data Protection Regulation and the Directive on Network and Information Security, underlining the need to inform users of the **exact nature of the data collected** and the ways they will be used.

Informing and empowering citizens and consumers: the resolution underlined that the internet of the future cannot succeed without users' trust in online platforms. Online platforms should 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, while avoiding complex terminology.

Lastly, Members called for an **assessment of current legislation and self-regulatory mechanisms** to determine whether they provide adequate protection for users, consumers and businesses in the context of a growing number of complaints and investigations initiated by the Commission concerning several platforms.

Online platforms and the digital single market

2016/2276(INI) - 25/05/2016 - Non-legislative basic document

PURPOSE: to present a targeted approach in order to respond to questions related to online platforms.

BACKGROUND: in its communication setting out a strategy for the digital single market, the Commission committed itself to undertaking a comprehensive assessment of the role of platforms, including in the sharing economy, and of online intermediaries.

Online platforms play a **key role in innovation and growth** in the Digital Single Market. They have revolutionised access to information and have connected buyers and sellers in a better and more efficient way. The growing importance of the digital economy linked with the diversity and fast changing nature of platform ecosystems also raise **new policy and regulatory challenges.**

A number of globally competitive platforms originated in Europe, for example *Skyscanner* and *BlaBlaCar*. However, on the whole, the **EU currently represents only 4% of the total market capitalisation** of the largest online platforms: the vast majority of platforms originate in the US and Asia.

Creating the right framework conditions and the **right environment** is essential to retain, grow and foster the emergence of new online platforms in Europe.

CONTENT: based on the results of a wide-ranging public consultation, the Commission Communication: (i) outlines the **key issues identified** in the assessment of online platforms; (ii) presents the Commission's position on both the **innovation opportunities and the regulatory challenges** presented by online platforms, and sets out its approach to supporting their further development in Europe.

This communication underlines the need to adopt policy and regulatory approaches that respond directly to the challenges, and which are flexible and future-proof. Where appropriate, **self-regulation and co-regulation** can often achieve better outcomes for enabling the development of strong platform ecosystems in Europe and can complement or reinforce the existing legislation that already governs certain activities of online platforms.

As a general rule, when elaborating responses to issues related to online platforms, the Commission will take the following **principles** into account:

1) A level playing field for comparable digital services: many online platforms have challenged conventional business models. Yet these new services are not subject to the same rules as traditional telecommunications services.

As a general principle**, comparable digital services should be subject to the same or similar rules,** duly considering opportunities for reducing the scope and extent of existing regulation. To achieve a level playing field, there may be a need to simplify, modernise and lighten existing regulation, but avoid imposing a disproportionate burden on new as well as traditional business models.

The Commission will apply these principles to the current reviews of the **EU telecoms rules** and as part of the review of the ePrivacy Directive in 2016, for example when it reviews rules relating to confidentiality regarding OTT online communications services.

(2) Responsible behaviour of online platforms: compared with 2010, children aged 11 to 16 are now up to 20% more likely to be exposed to hate messages. Children are also more easily exposed to adult material online, often with unrestricted access. As of July 2015, more than 400 hours of video content was uploaded to YouTube every minute. Rights holders across several content sectors claimed that their content is used by some online platforms without authorisation.

The dialogue with IT companies towards a code of conduct on illegal hate speech online, the EU Internet Forum on terrorism content and the CEO Coalition to make the internet a better place for children are important examples of multi-stakeholder engagement processes aimed at finding common solutions to voluntarily detect and fight illegal or harmful material online.

The Commission will **maintain the existing intermediary liability regime**. It intends to:

- suggest, in its proposal for an updated Audio-visual Media Services Directive, that video sharing platforms put in place measures to **protect minors** from harmful content and to protect everyone from incitement to hatred;
- achieve, in the next **copyright** package, a fairer allocation of value generated by the online distribution of copyright protected content;
- encourage coordinated **EU-wide self regulatory efforts** by online platforms;
- explore the need **for guidance on the liability of online platforms** when putting in place voluntary, good-faith measures to fight illegal content online;
- review the need for **formal notice-and-action procedures.**

3) Confidence, transparency and fairness: a 2016 Eurobarometer survey on online platforms showed that 72% of responding consumers were concerned about the data collected about them or their activities. Over 75% of respondents among the general public consider that more transparency is needed, in particular on how platform remuneration influences the listing of search engine results, on identification of the actual supplier of services or products, and on possible misleading practices including fake reviews.

Commission action will focus on:

- a legislative proposal revising the Regulation on Consumer Protection Cooperation, to facilitate more efficient enforcement of EU consumer law in cross-border situations;
- the review of the guidance on the Unfair Commercial Practices Directive, an update of existing consumer protection rules in relation to platforms, and monitoring the implementation of the principles for comparison tools ;
- encouraging online platforms to recognise other **electronic identification (eID)** means that offer the same reassurance as their own.

4) Safeguarding a fair and innovation-friendly business environment: the Commission will carry out a **targeted fact-finding exercise on B2B practices** in the online platforms environment, e.g. (voluntary) dispute resolution mechanisms, transparency and better information measures or guidance. In particular, the Commission will engage closely with stakeholders and public authorities. By spring 2017, the Commission will determine whether additional EU action is needed.

5) Keeping markets open and non-discriminatory to foster a data-driven economy: as part of the **'free flow of data' initiative** scheduled for the end of 2016, the Commission will consider options for effective approaches, including technical standards, to facilitate switching and portability of data among different online platform and **cloud computing services,** both for business and private users.

The Commission considers it important to ensure that future developments of digital technologies remain open.

Online platforms and the digital single market

2016/2276(INI) - 31/05/2017 - Committee report tabled for plenary, single reading

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.