

**Question for written answer E-003510/2014  
to the Commission**  
Rule 117  
**Anna Maria Corazza Bildt (PPE)**

Subject: Establishment requirements for the registration of top-level domain names

By providing for greater competition in the digital single market, we can boost growth and job creation in Europe. Much has already been achieved in removing obstacles to cross-border e-commerce, but more still needs to be done. One example of the obstacles that remain is the requirement in some Member States to register an online company with a physical office in order to gain access to a top-level domain name.

Given that search engines usually rank local content higher than foreign content, it is in the interest of an online company to register its website under a local top-level domain name (such as '.se', in the case of business interests in Sweden). However, some Member States, namely Germany, Finland, Denmark and Estonia, impose further requirements regarding physical establishment in order to acquire such a domain. Not only is this very costly for an online company that wishes to operate efficiently in the EU, but it also distorts competition that should be free and fair throughout our common market. Figures provided by small and medium-sized enterprises engaged in e-commerce that were forced to establish themselves in other Member States indicate that the administrative costs associated with these requirements can easily exceed EUR 9 000 per year and per country.

Member States that impose such rules justify them by the need to follow national legislation and prevent so-called 'domain grabbing'. The Internet Corporation for Assigned Names and Numbers (ICANN) has suggested that conflicts relating to top-level domain names can be resolved by giving priority to local stakeholders. However, these non-binding recommendations are often abused to build a preventive barrier before any conflict has actually occurred.

In this context, could the Commission clarify whether such national establishment requirements are compatible with EU rules on free movement? Does the Commission consider them to be discriminatory? Is it honestly justified and appropriate that an online company from one Member State should have to bear additional costs in order to operate on a level playing field across the digital single market? What does the Commission intend to do to address this discrimination affecting non-national e-commerce companies?