



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Industry, Research and Energy

2010/2012(INI)

4.6.2010

OPINION

of the Committee on Industry, Research and Energy

for the Committee on the Internal Market and Consumer Protection

on completing the internal market for e-commerce
(2010/2012(INI))

Rapporteur: Ioannis A. Tsoukalas

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SUGGESTIONS

The Committee on Industry, Research and Energy calls on the Committee on Internal Market and Consumer Protection, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. whereas e-commerce is a key 21st century marketplace for the European Union, with the potential to reshape the European internal market, contribute to the knowledge economy, provide value and opportunities to European consumers and businesses at this time of financial strain, and impact significantly and positively on jobs and growth,
- B. whereas cross-border e-commerce brings important socio-economic benefits to European consumers, such as increased convenience and empowerment, reinforcement of consumer rights, increased transparency and competition, access to a wider variety of products and services to compare and choose from, and considerable potential for savings,
- C. whereas e-commerce is especially beneficial for citizens in rural, remote and peripheral areas who may otherwise not have access to a wide choice of goods with such convenience or at such value,
- D. whereas, during the recent economic crisis, the development of the digital society and the completion of the internal market in ICT has enabled the e-commerce sector to continue growing and creating jobs, helping to keep online businesses economically active and allowing consumers to take advantage of greater choice and better prices,
- E. whereas cross-border e-commerce has significant benefits for EU companies – especially SMEs – which can provide innovative, high-quality and consumer-friendly services and products across the online European internal market, reinforcing their position and enabling them to remain competitive in the global economy,
- F. whereas e-commerce is now a significant part of the mainstream economy, and businesses and consumers increasingly utilise both online and offline commercial practices to their best advantage,
- G. whereas there remain a number of severe structural and regulatory barriers to a fully functioning European internal e-commerce market, such as the fragmentation along national lines of consumer protection rules and rules on VAT, recycling fees and levies, and the abuse of rules governing exclusive and selective distribution agreements,
- H. whereas cross-border business-to-business e-commerce can boost the competitiveness of European companies, allowing them to source components, services and know-how easily from all over the internal market (also creating new economies of scale), and moreover, represents an opportunity for enterprises, SMEs in particular, to internationalise their customer base without having to invest in a physical presence in another Member State,
- I. whereas, whilst the Internet is the fastest growing retail channel and e-commerce is steadily increasing at national level, the gap between domestic and cross-border e-commerce in the EU is widening and European consumers, in some EU Member States, face geographical, technical and organisational restrictions in their choices,

- J. whereas overcoming barriers to cross-border e-commerce and boosting consumer confidence is essential to achieving an attractive, integrated digital single market for Europe and stimulating consumer markets and the broader economy,
1. Believes that priority should be given to removing the administrative and regulatory barriers to cross-border e-commerce by 2013 through the introduction of a single set of rules for consumers and businesses across the 27 EU Member States that will create a favourable digital environment, provide legal certainty to both enterprises and consumers, simplify procedures, reduce compliance costs, reduce unfair competition and unlock the potential of the EU e-commerce market; stresses that, to this end, the uniform interpretation and application of legislative tools such as a consumer rights directive, the e-commerce Directive (2000/31/EC), Article 20(2) of the Services Directive (2006/123/EC) and the Unfair Commercial Practices Directive (2005/29/EC) can be of major importance; calls therefore on the Commission to further its ongoing assessment of the Community *acquis* affecting the digital single market and to propose targeted legislative action on key impediments;
 2. Stresses the significance, for the further development of the e-commerce, of the free movement of goods and services, with particular emphasis on the principle of non-discrimination, within the internal market, on grounds of a recipient's nationality or place of residence; reiterates that this principle of non-discrimination is incompatible with the imposition of additional legal and administrative requirements on nationals of other Member States seeking to benefit from a service or from more advantageous terms or prices; calls, therefore, on the Commission to act, on the basis of Article 20(2) of the Services Directive, against such discrimination;
 3. Points out the significance of simplifying cross-border rules and lowering compliance costs for retailers and entrepreneurs by providing practical solutions on issues such as VAT reporting and invoicing, e-waste and recycling fees, copyright levies, consumer protection, labelling and sector-specific rules. To this end, calls for the establishment of 'one-stop' schemes and the promotion of cross-border e-government solutions such as e-invoicing and e-procurement;
 4. Calls on the Commission to remove the obligation of having an off-line shop prior to selling on-line, as this requirement radically hampers online sales;
 5. Notes the importance of enhancing the current low level of consumer confidence and trust in cross-border transactions by strengthening the online and cross-border enforcement of existing rules, empowering consumer protection authorities, promoting cooperation between public authorities and setting up efficient EU-wide mechanisms for market monitoring and audits, complaint handling and dispute resolution;
 6. Calls on the Commission to conduct an impact assessment on the creation or designation of national authorities to handle registration requests for on-line cross-border e-commerce from companies or entrepreneurs from their Member States, and a European authority to correlate the national authorities, so as to permit the rapid completion of the internal market;
 7. Calls on the Commission to set the clear standards required for cross-border e-commerce at EU level, including, for example, an obligation on merchants to give their customers

and the public authorities easy, direct and permanent access, free of charge, to information regarding the name and registration number of the merchant or service provider, prices for the goods and services offered and any additional delivery costs that could add to the bill;

8. Believes that consumer confidence can be further enhanced by ensuring public trust in the online environment, addressing concerns over the protection of personal data, regulating data collection, behavioural targeting, profiling and advertising, and raising consumer awareness through educational and information campaigns; calls on the Commission to submit a proposal for the adaptation of the Data Protection Directive to the current digital environment;
9. Reiterates that respect for the fundamental human right to privacy and data protection is the key enabler of e-commerce;
10. Stresses the need to make the supply chain and the terms and conditions of cross-border online trade simpler and more transparent by establishing rules on misleading or incomplete information about consumer rights, total costs and traders' contact details and by promoting best and fair practices, recommendations and guidelines for electronic shops; recognises the efforts made by the EU in this area to clarify the terms, conditions and prices of air fares as a positive example to be followed;
11. Believes that the development of self-regulatory codes of conduct by trade, professional, and consumer associations, and implementation of the provisions of Parliament's report on 'a new Digital Agenda for Europe: 2015.eu' calling for the creation of a European charter of citizens' and consumers' rights in the digital environment and developing a 'fifth freedom' permitting the free circulation of content and knowledge, would enhance consumer confidence in e-commerce by clarifying the rights and obligations of all information-society players;
12. Stresses the significance of promoting and enforcing EU-wide logos, trust marks and quality marks that will help consumers in identifying reputable online traders, reward best practices and encourage innovation, thus supporting EU companies in their efforts to reach beyond their home market;
13. Stresses the importance of enhancing confidence in cross-border Internet payment systems (e.g., credit and debit cards and e-purses) by promoting a range of payment methods, enhancing interoperability and common standards, tackling technical barriers, supporting the most secure technologies for electronic transactions, harmonising and strengthening legislation on privacy and security issues, combating fraudulent activities and informing and educating the public;
14. Calls on the Commission to come forward with a proposal for establishing a European financial instrument for credit and debit cards, with a view to facilitating online processing of card transactions;
15. Believes that reform of the postal sector and the promotion of interoperability and cooperation among postal systems and services can have a significant impact on the development of cross-border e-commerce, which requires inexpensive and efficient

distribution and tracking of products; therefore highlights the need for rapid implementation of the Third Postal Directive (2008/6/EC);

16. Stresses the importance of electronic signatures and of the public key infrastructure (PKI) for pan-European secure e-government services and calls on the Commission to set up a European Validation Authorities Gateway to ensure cross-border interoperability for electronic signatures;
17. Calls on the Commission to come up with measures to support the e-invoice initiative with a view to ensuring Europe-wide use of electronic invoices by 2020;
18. Bearing in mind how important it is to realise the full potential of the single market, calls on the Commission and the Member States to ensure that, by 2015, at least 50% of all public procurement procedures are conducted electronically, in accordance with the action plan agreed by the Ministerial Conference on e-Government, held in Manchester in 2005;
19. Believes that mobile commerce (m-commerce) can be a significant part of e-commerce, capable of reaching the millions of European citizens who use mobile phones but not personal computers, thus furthering the convergence of Internet and mobile technologies and fostering the EU lead in mobile communications;
20. Believes that the development of, and support for, common, open technical and operational specifications and standards (for compatibility, interoperability, accessibility, security, logistics, delivery, etc.) will facilitate cross-border e-commerce by assisting consumers, especially vulnerable and inexperienced computer users, and by bridging the operational, technical, cultural and language barriers that exist between the various Member States;
21. Recognises the particular legal challenges linked to the development of an internal market for m-commerce capable of ensuring consumer rights, personal privacy and the protection of underage customers; calls on the Commission to examine this issue in detail;
22. Believes that cross-border web searching and advertising should provide consumers and traders with better information and enhance their ability to make comparisons and identify offers; is concerned, in this regard, about possible distortions of competition that consumers and entrepreneurs may be experiencing in some EU Member States; calls on the Commission, in cooperation with the industry, to address the shortcomings of web searching and advertising platforms and to encourage their cross-border operation, for example through the promotion of the .eu domains;
23. Stresses the importance, for the further development of cross-border e-commerce, of establishing a coherent EU-wide framework, within the limits of the *acquis communautaire*, for the protection and enforcement of intellectual property rights; stepping-up the fight against illegal and counterfeit goods; and raising awareness of these issues among European consumers;
24. Stresses the importance of fast and effective implementation of the European Progress Microfinance Facility, operational as of June 2010, which could provide new impetus for the promotion of on-line businesses, especially amongst the recently unemployed;

25. Stresses that care should be taken to avoid the risks posed by illegal product offers on the web – in particular counterfeit medicines and healthcare products – by promoting health literacy and using specific websites of the .eu domains to draw attention to misleading information;
26. Points out that it is necessary to introduce legislation applicable to all electronic transactions, this being essential to protect the rights of e-commerce service users;
27. Calls for the development, under the framework research programmes, of innovative research projects aimed at promoting and unifying the EU e-commerce market by increasing consumer confidence, empowerment and choice in the digital environment;
28. Believes that media and computer literacy and awareness are essential to the development of the European digital environment, and calls, therefore, for the launch of a ‘Digital literacy and inclusion action plan’ at EU and Member State levels, notably comprising: specific digital literacy training opportunities for unemployed people and groups at risk of exclusion; incentives for private-sector initiatives to provide digital skills training to all employees; a Europe-wide ‘Be smart online!’ initiative to make all students, including those engaged in life-long learning and professional training, familiar with the safe use of ICT and online services; and a common EU-level ICT certification scheme;
29. Calls for the efficient monitoring of legal, technical and economic developments in e-commerce and points out the need for an impact assessment of all decisions affecting the digital single market and the information society; to this end an ‘e-commerce scoreboard’ for assessing the European online market environment would be a useful tool;
30. Reaffirms the importance of cross-border business-to-business e-commerce as a means whereby European companies, SMEs in particular, can grow, become more competitive and create more innovative products and services; calls on the Commission and the Member States to provide a sound and certain legal and regulatory framework to give companies the guarantees they need in order to carry out cross-border business-to-business e-commerce transactions with confidence;
31. Notes that, in the context of revision of the Universal Service Directive, the further development, as a priority, of fast and affordable broadband access is essential to the development of e-commerce, as lack of Internet access remains one of the most significant barriers to European citizens’ use of e-commerce.

RESULT OF FINAL VOTE IN COMMITTEE

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| Date adopted | 1.6.2010 |
| Result of final vote | +: 47 -: 1 0: 1 |
| Members present for the final vote | Jean-Pierre Audy, Zigmantas Balčytis, Ivo Belet, Bendt Bendtsen, Jan Březina, Maria Da Graça Carvalho, Giles Chichester, Pilar del Castillo Vera, Christian Ehler, Lena Ek, Ioan Enciu, Gaston Franco, Adam Gierek, Robert Goebbels, Fiona Hall, Jacky Hénin, Oriol Junqueras Vies, Arturs Krišjānis Kariņš, Philippe Lamberts, Bogdan Kazimierz Marcinkiewicz, Marisa Matias, Judith A. Merkies, Jaroslav Paška, Aldo Patriciello, Anni Podimata, Miloslav Ransdorf, Herbert Reul, Paul Rübig, Amalia Sartori, Francisco Sosa Wagner, Evžen Tošenovský, Ioannis A. Tsoukalas, Claude Turmes, Niki Tzavela, Vladimir Urutchev, Kathleen Van Brempt, Alejo Vidal-Quadras |
| Substitute(s) present for the final vote | António Fernando Correia De Campos, Francesco De Angelis, Françoise Grossetête, Oriol Junqueras Vies, Ivailo Kalfin, Ivari Padar, Vladko Todorov Panayotov, Markus Pieper, Mario Pirillo, Catherine Trautmann |
| Substitute(s) under Rule 187(2) present for the final vote | Jürgen Creutzmann, Ramona Nicole Mănescu, László Surján |