

A DIGITAL SINGLE MARKET FOR EUROPE

28/5/2015

COM (2015) 192 final

Three pillars:

- I. Better online access for consumers and businesses across Europe***
- II. Creating the right conditions and a level playing field for advanced digital networks and innovatives services***
- III. Maximising the growth potential of the digital economy***

I. BETTER ONLINE ACCESS FOR CONSUMERS AND BUSINESSES ACROSS EUROPE

1. Cross-border e-commerce rules that consumers and business can trust

- EC will propose initiatives to enable cross-border commerce to flourish. This will include:
 - a) harmonizing EU rules for online purchases of digital content [e.g. for defective content purchased online, like e-books]
 - b) allowing the application of the trader's national law with a limited but harmonized set of key mandatory EU contractual rights applicable to both domestic and cross-border online sales of tangible goods, harmonizing the main rights and obligations of the parties to the sales contract in areas such as
 - remedies for non-performance or
 - minimum period for the right to a legal guarantee
 - c) Enforcement:
 - reviewing the Regulation on Consumer Protection Cooperation in order to develop more efficient cooperation mechanisms,
 - clarifying and developing the enforcement authorities' investigation and enforcement powers, including improving market monitoring activities and alert mechanisms to detect infringements faster

- establishing an EU-wide online dispute resolution platform.

2. Affordable high-quality cross-border parcel delivery

- Initiatives with the focus on improving price transparency and enhanced regulatory oversight in particular of small shipments.

3. Preventing unjustified geo-blocking

- Actions to put an end to unjustified geo-blocking: proposals to tackle unilateral commercial decisions resulting in discrimination against the consumer based on geographic location. Actions include:

- a) targeted change to the e-Commerce framework ['e-Commerce Directive']
- b) review of Article 20 of the Services Directive [non-discrimination]

- In parallel: Competition Sector Inquiry the EC launched on the 6th May 2015 focusing on the application of competition law in e-Commerce.

4. Better access to digital content – A modern, more European copyright framework

- Legislative proposals to reduce existing differences between national copyright regimes and allow for wider online access to works by users across the EU, including through further harmonization measures. The proposals will include:

- a) forms of portability of legally acquired content [e.g. access to subscription services already acquired in the home country while staying in another Member State],
- b) ensuring cross-border access to legally purchased online services while respecting the value of rights in the A/V sector,
- c) promoting greater legal certainty for the cross-border use of content for specific purposes [e.g. research, education, text and data mining] through harmonized exceptions]
- d) clarifying the rules on the activities of intermediaries [i.e. collecting societies]
- e) modernizing the enforcement of IP rights [piracy] focusing on commercial scale infringements [so small infringements can be authorized] as well as its cross-border applicability

- f) reviewing the Satellite and Cable Directive (to eventually enlarge its scope to include broadcasters online transmissions)

5. Reducing VAT related burdens and obstacles when selling across borders

- Legislative proposals to reduce the administrative burden on businesses arising from different VAT regimes including:
 - a) extending the current single electronic registration and payment mechanism [the 'one-stop shop' mechanism] to intra-EU and 3rd country online sales of tangible goods
 - b) introducing a common EU-wide simplification measures (VAT threshold) to help small start-up e-commerce businesses
 - c) allowing for home country controls including a single audit of cross-border businesses for VAT purposes and
 - d) removing the VAT exemption for the importation of small consignments from suppliers in third countries.
- EC will explore the tax treatment of certain e-services, such as digital books and online publications, in the context of the general VAT reform
- EC will present an Action Plan for corporate taxation in the Single Market, under which profits should be taxed where the value is generated, including in the digital economy.

II. CREATING THE RIGHT CONDITIONS AND A LEVEL PLAYING FIELD FOR ADVANCED DIGITAL NETWORKS AND INNOVATIVE SERVICES

1. Making the telecom rules fit for purpose

- Ambitious overhaul of the telecoms regulatory framework. The reform should focus on:
 - a) a consistent single market approach to spectrum policy and management [to be managed by the Member States and including revenues but under a more harmonized framework]
 - b) delivering the conditions for a true single market by tackling regulatory fragmentation to allow economies of scale for efficient network operators and service providers and effective protection of consumers,

- c) ensuring a level playing field for market players and consistent application of the rules
- d) incentivizing investment in high speed broadband networks including a review of the Universal Service Directive
- e) a more effective regulatory institutional framework [enhancing the role of the Body of European Regulators of Electronic Communications (BEREC) and the radio spectrum policy group].

2. A media framework for the 21st century

- EC will review the Audiovisual Media Services Directive and focus on issues such as
 - a) the material scope of the Directive (to include new services and players currently not considered as audiovisual media services)
 - b) the geographical scope (to cover providers are currently fall outside it)
 - c) the protection of minors
 - d) advertisement
 - e) Promotion of European works on VoD platforms

3. A fit for purpose regulatory environment for platforms and intermediaries

3.1 Role of online platforms

- EC assumes that market power of some online platforms raises a number of issues that warrant further analysis.
- Announces a comprehensive assessment of the role of platforms, including in the sharing economy and of online intermediaries.
- Analysis will cover i.a. issues like
 - a) transparency in search results (involving paid for links and/or advertisement)
 - b) platforms' usage of the information they collect
 - c) relations between platforms and suppliers
 - d) constraints on the ability of individuals and businesses to move from one platform to another

3.2 Combatting illegal content on the Internet

- EC will analyze how best to tackle illegal content on the Internet, with due regard to freedom of expression and information, such as

- a) rigorous procedures for removing illegal content while avoiding the take down of legal content, and
- b) whether to require intermediaries to exercise greater responsibility and due diligence in the way they manage their networks and systems “a duty of care”

4. Reinforcing trust and security in digital services and in the handling of personal data

- Once the new general EU rules on data protection are adopted the EC will review the ePrivacy Directive to enlarge its scope beyond traditional telecom companies

- EC will initiate the establishment of a Public-Private Partnership on cybersecurity in the area of technologies and solutions for online network security.

III. MAXIMIZING THE GROWTH POTENTIAL OF THE DIGITAL ECONOMY

1. Building a Data Economy

- EC will propose a European ‘Free flow of data’ initiative that tackles:

- a) restrictions on the free movement of data for reasons other than the protection of personal data within the EU and
- b) unjustified restrictions on the location of data for storage or processing purposes.

- EC will address the emerging issues of ownership, interoperability, usability and access to data in situations such as business-to-business, business to consumer, machine generated and machine-to-machine data and will encourage access to public data to help drive innovation.

- EC will launch a European Cloud initiative including cloud services certification, contracts, switching of cloud services providers and a research open science cloud.

2. Boosting competitiveness through interoperability and standardization

- Launch of an integrated standardization plan to identify and define key priorities for standardization with a focus on the technologies and domains that are deemed to be critical to the Digital Single Market.
- Plan will address essential sectorial interoperability and standards in areas such as health (telemedicine, e-health), transport (travel planning, e-freight), environment, and energy.
- EC will revise and extend the 2010 European Interoperability Framework (impact in e-procurement and e-government)

3. An inclusive e-society

3.1 Digital skills and expertise

- EC will address digital skills and expertise as a key component of its future initiatives on skills and training (curricula responsibility is on the Member States)

3.2 E-government

- EC will present a new e-Government Action Plan 2016-2020 which will include
 - a) making the mandatory interconnection of business registers a reality by 2017,
 - b) launching in 2016 an initiative with the Member States to pilot the 'Once-Only' principle,
 - c) extending and integrating European and national portals to work towards a 'Single Digital Gateway' to create a user friendly information system for citizens and business and
 - d) accelerating Member States' transition towards full e-procurement and interoperable e-signatures.

IV. DELIVERING THE DIGITAL SINGLE MARKET

1. Investing in the Digital Single Market

- EC will work with the EIB, project promoters and Member States to ensure that available investment funds are fully used, including technical assistance and the full use of synergies between funding instruments.

2. International dimension

- Action in support of openness of the EU market, and request for same openness and effective enforcement of IP rights from trading partners.
- Promise: develop sustainable approach to Internet Governance through the multi-stakeholder model
- Open digital trade; combine it with trade and investment policy

3. Effective Digital Single Market Governance

- EC announces actions to guarantee effective implementation of this Strategy in collaboration with the EP and Council and ongoing dialogue with stakeholders.
- EC will seek to improve the data, analysis and intelligence behind the Digital Single Market by pooling the relevant knowledge and making it easily accessible to the public.
- EC will further develop its Digital Economy and Society Index indicator (DESI).