

# The EU's Digital Single Market: European Commission Seeks Stakeholder Input

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As announced when it launched its [Digital Single Market strategy in May](#), the European Commission is now seeking input from a wide range of stakeholders. The Commission launched several public consultations in September, most of which have a deadline of December 2015. These consultations, which are summarized below, provide an important opportunity to input into a process that could have a profound impact on businesses that operate in the European digital ecosystem.

## Telecoms Regulation

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Recognizing that the [Connected Continent Telecoms Package](#) discussions have become too narrowly focused on roaming and net neutrality at the expense of the broader challenges facing the industry, the Commission has launched an evaluation of the regulatory framework for electronic communications networks and services - see [here](#). The Commission hopes to refocus on the transition towards high-capacity networks in Europe and the increase in over-the-top (OTT) services.

This lengthy consultation (218 questions) is intended to provide stakeholders with an opportunity to voice their opinions on sector-specific regulatory issues such as network access, spectrum management, wireless connectivity, universal service and governing bodies. The consultation is due to close on December 7, 2015.

## Online Platform Regulation

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On September 24, the Commission published its long-awaited consultation on the regulatory environment for platforms, online intermediaries, data and cloud computing, and the collaborative economy - see [here](#). The Consultation should be of interest to a broad swathe of online stakeholders, including cloud service providers and users, IP rights holders and others interested in online content issues, as well as those with a stake in data analytics, digital rights groups and many others. The consultation will run until at least late December.

For a more detailed analysis of this online platform consultation, please see our alert [here](#).

## Geo-blocking and Copyright Reform

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The Commission is seeking to “end unjustified geo-blocking” by proposing legislation on the basis of the e-Commerce framework or the Services Directive framework. To this end, the

Commission has launched a consultation on geo-blocking and other geographic restrictions on shopping and accessing information in the EU - see [here](#).

Geo-blocking is the practice of restricting online content based on someone's location, digital content distribution and the relationship between online distributors and right holders. The Commission's consultation is focusing on restrictions faced by consumers accessing or providing information, and buying or selling across borders in the EU. The consultation will run until at least late December.

For more detailed analysis of this consultation on geo-blocking, please see our alert [here](#).

The European Commission's Directorate General for Competition also considered geo-blocking issues in relation to the licensing of digital rights to content in its ecommerce Requests for Information circulated in May, see [here](#).

## **Internet Connectivity**

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The Commission is seeking views from businesses and citizens about their needs in terms of internet upload and download speeds, reliability, connectivity etc. beyond 2020 - see consultation [here](#). The Commission will use the responses in its review of the regulatory and funding instruments that facilitate broadband deployment. The consultation is due to close on December 7, 2015.

The Commission has already begun an impact assessment of re-designation of additional spectrum (i.e. the 700MHz frequency band) for wireless broadband use - see [here](#).

## **Interoperability - ICT Standards**

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The Commission is also considering its ICT standards policy, in an effort to determine how best to ensure interoperability of online systems, technologies and services, so that consumers can switch between service providers without technical restrictions. The Commission consultation in this area can be found [here](#). The contributions to this consultation will guide the Commission's consideration of an ICT Priority Standards Plan.

The Commission is looking for input on standardisation in 10 key areas: (i) 5G communications, (ii) cloud computing, (iii) cybersecurity, (iv) data driven services and applications, (v) digitization of European industry, (vi) eHealth, (vii) intelligent transport systems (ITS), (viii) internet of things (IoT), and (ix) smart cities and (x) smart and efficient energy use. This consultation is due to close on December 16, 2015.

## **Cybersecurity Reforms**

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The Commission is also proposing to establish a public-private partnership on cybersecurity, focusing on producing technologies and solutions for online network security, and stimulating their take-up by business and consumers alike. A consultation is expected to be launched in October 2015, with the partnership to be potentially formed in the first half of 2016, after the Network and Information Security (NIS) Directive has been adopted.

## Parcel Delivery

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The European Commission has found the cross-border delivery options in Europe to be inadequate, noting that the listed prices charged for cross-border parcel delivery are still substantively higher than for domestic delivery. In addition, it has noted a lack of price transparency, excessive costs for small shipments and the lack of interoperability between different operators in cross-border trade.

The Commission ran a public consultation on this issue over the summer, which closed on July 29. The Commission is expected to formulate measures to address issues in the sector in the first half of 2016.

## VAT Rules

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European policy-makers agree that the current VAT rules for cross-border sales are too burdensome, particularly for small and medium enterprises, and inhibit the creation of a single market for digital goods and services. The Commission envisages four measures to reduce the administrative burden:

- Simplify the distance selling regime by bringing cross-border distance sales within the scope of the One Stop Shop for VAT compliance.
- Allow “home country” auditing of cross-border sales activity.
- Simplify the process for small e-commerce businesses, *e.g.*, through a common VAT exemption threshold for intra-EU sales of goods and services.
- Abolish "Low Value Consignment Relief" on the importation of goods from non-EU suppliers, to eliminate market distortions created by non-EU businesses supplying VAT-free goods.

The European Commission launched a public consultation on modernizing the VAT rules on September 25, 2015 - see [here](#). This consultation will close on December 18 and any legislative proposals will be proposed in 2016.

## Online Consumer Rules

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To promote cross-border e-commerce, the Commission is considering the following reforms of the contract rules for online purchases of digital content and tangible goods:

- ‘Digital Rights’: The Commission intends to introduce a set of mandatory contractual rights for domestic and cross-border online sales of both tangible goods and digital content addressing guarantee periods and remedies for non-performance. The Commission plans to publish its proposal on Digital Rights by the end of this year.
- Access to redress: In early 2016, the Commission will establish an online dispute resolution platform for EU citizens.
- Digital content: The Commission plans to harmonize rules for online purchases of digital content.

- Take downs: The Commission seeks to ensure uniform application of consumer rules online by giving authorities power to take down sites in breach of consumer regulations.

The Commission conducted a consultation on these issues over the summer, which closed on August 5. The Commission is now analyzing the responses and considering legislative proposals.

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