



DIGITAL COMMERCE: OUR VISION FOR EUROPE'S FUTURE

Manifesto for European Elections 2024



OUR VISION FOR E-COMMERCE IN EUROPE

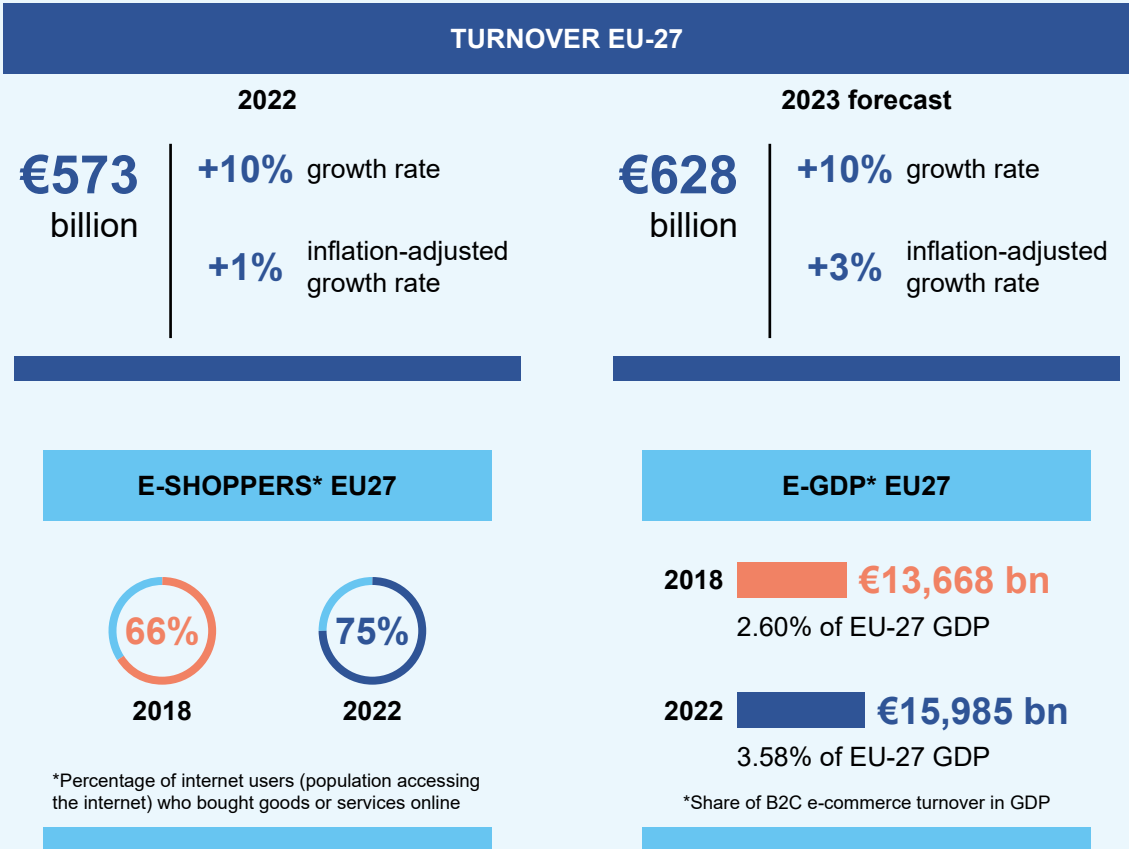
The European Union is at a turning point. The next European Elections and the next 5 years will have a decisive impact on our ability to transition to a more circular and digital economy, without leaving anyone behind, and to become a competitive global actor.

As proven time and time again, we need to ensure the resilience of our economy and the businesses and people behind it. A resilient economy relies on its competitiveness around the world, and of its companies. It also relies on its ability to foster innovation and adapt rapidly to ever-changing challenges.

Ecommerce Europe strongly believes that the European digital commerce sector is key in achieving these objectives. In the last five years, the e-commerce sector has largely proven its potential to serve the goals of the EU Single Market. From allowing European businesses to go digital and expand across borders, to avoiding irreversible disruptions for companies and consumers during the COVID-19 pandemic, the sector has contributed to the overall resilience of the EU.

In the next five years, the digital commerce sector has the possibility to be the driving force behind a fairer and more competitive, sustainable and digital economy.

E-COMMERCE IN THE EU



Source: Lone, S., & Weltevreden, J.W.J. (2023). 2023 European E-commerce Report. Amsterdam/Brussels: Amsterdam University of Applied Sciences & Ecommerce Europe.

EXECUTIVE SUMMARY

Key principles

How do we make the e-commerce sector the driving force we need to achieve the EU's objectives?

Ecommerce Europe presents in this paper a way forward for the European Union to unlock the potential of the European economy and the digital commerce sector. We believe that this ambition can only be achieved through the guiding principles listed below.

By following these principles when regulating any aspects of the economy, we could ensure that the common objective of a green, digital and inclusive economy is fulfilled.

- Preserve channel-neutrality and companies' ability to grow and compete.
- Ensure the highest level of harmonisation in the EU.
- Defend a level playing field for all companies.
- Think enforcement first, and new rules second.
- Think small first, to work for the 90% of companies making up our economy.
- Understand companies' realities to design rules they can comply with.
- Respect better regulation principles and ensure coherence across legislations.

Priorities

Where do we start? Ecommerce Europe puts forward concrete policy priorities for the new mandate, where we see clear potential for the European Union in the next 5 years:

- [Closing the loop on the EU Circular Single Market.](#)
- [Streamlining data requirements for business compliance and growth.](#)
- [Leveraging digital tools to streamline and improve consumer information.](#)
- [Partnering consumer fairness with economic growth.](#)
- [Building an innovative and competitive retail payment landscape.](#)
- [Ensuring a streamlined taxation policy and a seamless flow of goods.](#)

KEY PRINCIPLES

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the retail of the future



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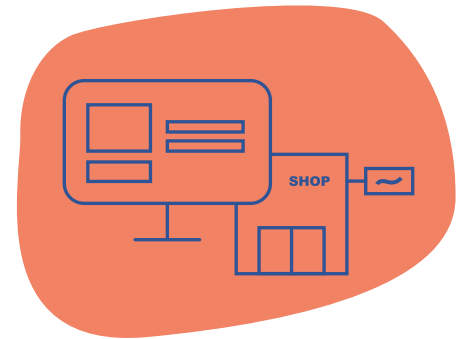
Ecommerce Europe's vision about the future of retail is driven by a set of horizontal key principles that policymakers should always take into consideration when proposing and negotiating new legislation, particularly when regulating the digital commerce sector.

The following principles also constitute the essential elements allowing the sector to not only keep afloat, but also pursue its growth and contribute to the competitiveness of our Single Market.

Channel-neutrality

Online and offline channels are complementary and should be treated equally from a regulatory perspective to ensure the further development of omnichannel solutions by companies. These include experimenting with sustainable solutions and responding to consumers' new habits and expectations for seamless shopping experiences.

It is of paramount importance to monitor and adapt, when needed, legislation to the evolution of retail and ensure a seamless functioning of existing business models. Moreover, **digitalisation is key for European companies to increase their exports towards other EU countries and beyond**. Ecommerce Europe therefore advocates for channel-neutrality to be a central element when regulating the sector.



Harmonisation

The EU Single Market is the foundation of our economy. Despite the important steps that have been taken over the years, Ecommerce Europe stresses that businesses are **still facing significant barriers to cross-border selling**. Policymakers have a duty to reduce market fragmentation and remove red tape for cross-border business operations.

This is the only way to retain European businesses in the Single Market, allow them to grow beyond their borders and have access to the entire European market without hurdles, therefore becoming sufficiently competitive on the global stage. Ecommerce Europe strongly insists on more harmonised EU rules, which are fundamental to alleviate unnecessary regulatory burdens, increase legal certainty for businesses and ultimately improve consumer choice and economic prosperity.



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Level playing field

To create the necessary conditions for a strong Single Market, capable of competing globally, we believe that e-commerce players active in the Union but based in non-EU countries should play by the same rules as EU-based businesses, in order to avoid creating any unfair competition. **Ecommerce Europe therefore advocates for a level playing field to ensure that EU-based businesses do not suffer from a competitive disadvantage vis-à-vis non-EU based players.**

This principle is particularly important when considering that the **ever-growing body of EU regulations on digital commerce makes it increasingly complicated and costly for companies based in the EU to comply with.** Policymakers should consider that additional legislation also has a strong impact on the level playing field at the expenses of European businesses.



Enforcement

Enforcement of EU rules has proven to be challenging, as national authorities are often under-resourced, under-staffed and lack coordination, both between countries and between national competent authorities themselves. Nevertheless, further rules requiring considerable enforcement efforts have been adopted in recent years.

New legislation should always comprise an assessment of the resources needed to enforce additional rules. To pursue this objective, cross-border cooperation among national competent authorities should be enhanced and a structured dialogue involving relevant stakeholders, including from the business side, should be ensured. **Only effective and efficient enforcement of EU legislation can boost the legitimacy and fairness of EU laws and reduce the costs of policymaking.**



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SME-proofing

A key objective for policymakers should be to ensure that existing and new legislation is designed, aligned and harmonised for all companies to understand and comply with, particularly for SMEs, **in line with the Think Small First principle**. Policymakers stand the chance to facilitate business compliance by creating less prescriptive and more outcome-oriented rules.

This approach would reduce the administrative burden placed on SMEs, which would be given a fair chance to compete on a global scale. Policymakers would invest less resources in devising one-size-fits-all, sub-optimal means and tools for businesses to comply with their obligations.



Designed for compliance

In the European digital commerce sector, new business models, using innovative technologies, focusing on circular supply chains, are no longer the exception, but are becoming the norm. Legislation is successful only if businesses are able to comply with the rules, even when their innovative models do not match the traditional classifications in legislation, such as sales of goods or provision of services.

Policymakers therefore need to step up their efforts to ensure EU legislation **accurately reflects the diversity of the digital commerce sector**. EU rules must be adaptable to various business models and products, and they should not impede innovation and growth. Moreover, in any given piece of legislation, the right responsibilities should be attributed to actors based on their place in the supply chain, their access to specific information, to the products themselves and so on.



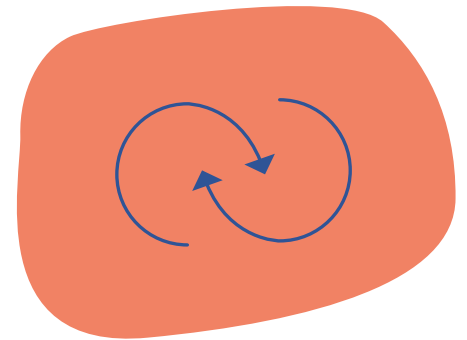
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Coherence and better regulation

The acceleration of the legislative process and the increase of new regulations challenge the coherence and consistency of the EU legislative framework. Any opportunity to improve synergies between separate pieces of EU legislation should be explored. **Worryingly, we have seen the principles of ‘better regulation’ being ignored.**

The well-known ‘Better regulation’ principle should amount to establishing unambiguous, principle-led procedures, which should be transparent and binding to policymakers. We therefore advocate for impartial, consistent and representative consultations with stakeholders, not least to allow businesses, especially smaller ones, to duly participate in the process. ‘Better regulation’ also implies the predictability of norms, meaning a consistent process that avoids, at all costs, last-minute, fundamental changes to legislations without prior proper consultation or assessment. Finally, Commission’s guidance for new rules should come well before the application deadline, to leave a workable margin for businesses of all sizes to adapt to the new framework.



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Closing the loop on the EU circular single market

To continue the transition towards sustainable and circular practices, it is imperative to build a Single Market for waste, waste management and circular models. The lack of harmonised definitions and rules on waste management and Extended Producer Responsibility (EPR) represents a real missed opportunity for the EU.

Without a harmonised (and updated) definition and rules, companies will continue to encounter difficulties in implementing waste management policies and investing in giving products and materials a second life. This is problematic for various reasons, such as for the free movement of waste and products intended for recycling, repair or preparation for reuse within the Single Market. This creates practical limits to the fulfilment of the EU's Green Deal ambitions.

To address existing barriers to the transition to a circular economy, we ask the EU to:

- **Promote the development of repair, refurbishment and reuse across the EU.** Existing EU product-related rules are crucial to ensure the safety of consumers and the sustainability of products. However, it is important to take into account the specificities of the second-hand and repair industry to avoid stifling the growth of the sector (e.g. the fact that the manufacturer may no longer be in business and therefore accountable for those products, and that the current consumer legislation is written strictly from the perspective of new products, basically ignoring the specificities of trading second hand goods). Moreover, the EU should encourage and coordinate new measures to promote circular services, by exploring different incentive measures (e.g. repair vouchers, reduced VAT on repair services and/or on the purchase of spare parts...).
- **Focus on the harmonisation, simplification and digitalisation of EPR systems in the EU.** EPR systems across the EU should be urgently harmonised, simplified and digitalised. The fragmentation of EPR systems creates significant barriers to SMEs' participation in these systems, but also to their ability to grow cross-border. As illustrated in [Ecommerce Europe's campaign on Extended Producer Responsibility](#), fulfilling EPR requirements, for example for selling one mobile phone unit in each in each 27 EU markets would mean up to 300 yearly reports, 40 working days, and an administrative cost equivalent to costs equivalent to € 140.000 per year to comply with e-waste, batteries and packaging rules. As a first step toward an EU EPR framework. Ecommerce Europe advocates for the setting up of a Single European Registry for producers for all waste streams. This EPR EU Registry could play a role in monitoring compliance, but also as a "matchmaking" platform between companies who wish to export and producer responsibility organisations in these countries.
- **Revise and make the Waste Framework Directive a Regulation to ensure coherence between various waste-related legislations** and update the definition of 'waste'. In the past years, the European Commission has proposed new sectoral legislation dealing with various waste streams. These obligations should be fully aligned, and any new piece of legislations should be designed with that objective in mind. We also call on the European Commission to **update the definition of 'waste' to exclude any substance or object meant for preparation for reuse, repair or recycling.** The current definition of 'waste' does not allow to differentiate between products or materials that can be reused, repaired, repurposed, or refurbished versus what should actually be recycled or disposed of. This greatly complicated value retention of 'waste' that could be repurposed, and also impacts the ownership of the good or materials.

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Streamlining data requirements for business compliance and growth

EU and national legislation increasingly and heavily rely on data generated and governed by businesses. Whether it serves the purpose of delivering reliable information to end users and consumers or of fulfilling reporting obligations, data has become key to achieving business compliance in the EU. However, the unalignment among different pieces of legislation drawing on data, such as the Union Customs Code, the Ecodesign for Sustainable Products Regulation or the Green Claims Directive, risks adding administrative burdens on companies.

This adds up to the significant endeavours that the businesses must make to harvest such data, which often depends on the informed consent and/or the active participation of consumers or other stakeholders. If properly streamlined, the regulatory landscape for data requirements would not only increase overall business compliance, but also contribute to the development of a competitive environment for data-sharing. An optimised data framework would encourage businesses of all sizes to funnel targeted investments in data governance structures and to equip themselves with appropriate resources.

In the next five years, the European e-commerce sector could lead by example in compliance with data-sharing and related reporting requirements. For this to become reality, more harmonisation across the so far scattered rules is needed. Hence, we ask for:

- Clarifying and rationalising the quantity, type and format of data required from businesses to comply with new data-intensive legislation, including by assessing the efforts needed to harvest such data.
- Ensuring alignment between data sharing and administrative reporting obligations for imports and intra-EU B2C sales.

Moreover, e-retailers have the potential to deliver accurate, data-driven information on environmental aspects of products offered to consumers in the Single Market. To allow e-retailers to help consumers opt for more sustainable purchasing choices, we ask the EU to:

- **Allocate proportionate data-sharing requirements to all players along the supply and distribution chain**, notably to empower the retail sector to contribute to achieving the flow of reliable environmental data.
- **Guarantee the involvement of relevant stakeholders in the setting of standards** for relevant data-sharing and reporting requirements in the framework of the Digital Product Passport.
- **Commit to standardisation efforts** for the development of methodologies for the calculation of the environmental impact of products, to avoid overwhelming consumers with similar but divergent and non-comparable information.

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Leveraging digital tools to streamline and improve consumer information

The growth of digital commerce and digital solutions to communicate to consumers create a myriad of new opportunities to increase awareness and empower EU citizens to make informed decisions. Digital solutions for labelling and product information offer the possibility to help reduce packaging waste, provide more detailed and tailored information to consumers, decrease production costs and incentivise innovation. To develop the right solutions and fulfil the different regulatory objectives set at national and EU level, companies need to retain a certain level of flexibility.

Companies also need predictability, legal coherence and certainty. In the past years, the European Union developed key legislations regulating **what** we communicate and **how** we communicate to consumers, including on the role of digital labelling. The framework now spans across a number of finalised and yet to be adopted legislations, both horizontal and sector specific. Moreover, the regulation of consumer information and (digital) labelling suffers from a great deal of fragmentation throughout the EU, impacting companies' ability to leverage digitalisation and clarity of information sharing with consumers.

As part of the European Commission's next mandate, we strongly encourage the co-creation (with the industry and civil society) of a **clear vision for the future of consumer information and labelling in the EU**, encompassing the role of all these new legislations and how they interact with each other. This should also serve as a basis to ensure a clear focus on the enforcement of existing rules, rather than creating new ones. We therefore recommend to:

- **Ensure a coordinated and harmonised approach to consumer information and digital labelling** across EU legislations and sectoral initiatives, as well as across Member States. We strongly encourage the European Commission to coordinate the co-creation of clear guidelines on the interplay of consumer information and digital labelling requirements and best practices across the EU. Guidelines should aim at making new rules as accessible as possible to companies in the EU and ensure in parallel a harmonised interpretation of the rules by national competent authorities.
- **Ensure that new consumer information rules and solutions fit the evolution of consumer behaviour.** Consumers should have access to the right information regardless of the channel or device that they are using. With an increasingly diverse type of devices being used (for the past years with the growth of mobile commerce, and the more recent development of voice commerce), it is necessary to think of innovative and smart ways to share information. Similarly, the growth of the second-hand economy requires flexible rules, to ensure that these products can be marketed and sold on the EU market. Forward thinking is equally necessary to allow the development of innovative solutions that could tackle the existing information gap that can occur when dealing with second-hand.
- **Promote dialogue and cooperation on awareness raising** among companies and consumers, and exchanges with authorities on enforcement of EU consumer law. Application of consumer law would notably benefit from this, especially when considering the fragmentation of interpretation across the EU. It is often challenging for companies to understand what is required of them. Companies and consumers would both benefit from an open dialogue on interpretation of the law and best practices.

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Partnering consumer protection with economic growth

Recent debates on fairness and addictive designs seem to imply the alleged use of unfair practices by companies towards consumers. However, in these debates, it is essential to recognise the great variety of business models and design legislation that encourages innovation, legal certainty and a level playing field.

Retail, be it online, offline or omnichannel, is a transaction-based business model that focuses on ensuring traders enable consumers to find the products they need with minimum effort. The retail sector needs a predictable regulatory environment that enables businesses to attract new customers, benefits from investments and champions economic growth and security.

To ensure these aspects, and more, we recommend to:

- **Protect the omnichannel approach** to guarantee a uniform shopping experience and avoid further fragmentation. Both companies and consumers need one set of rules across all channels, proportionate and effectively enforced. Best practises, awareness raising and guidance can be adequate tools to address more specific challenges.
- Make use of the already existing portfolio of consumer legislation by **ensuring effective and efficient enforcement of current rules**. Existing EU legislation such as the UCPD can be enforced immediately and the current legal framework does not present major gaps that would prevent enforcement against any of the currently debated practices around fairness.

The EU has the most comprehensive set of consumer protection rules globally. The challenge remains enforcement and complexity of these rules. Recent examples, such as the Omnibus Directive, point to a need to rethink enforcement of consumer rights in the EU and integrate the learnings from the past mandates.

For example, the upcoming revision of the CPC Regulation creates the opportunity to develop new approaches, in support of enforcing effectively existing rules. Positive examples from the 2019-2024 mandate point to the need to implement timely solutions (e.g., the cooperation with the CPC during the COVID-19 pandemic) to build effective and proportionate approaches, delivering timely results to both consumers and businesses.

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Building an innovative and competitive retail payment landscape

Payments and transaction data are becoming a strategic issue in the EU and beyond, from merchants having to adapt to end-users seeking new experiences and solutions, to countries and institutions seeking to leverage the digitalisation of payments to achieve strategic autonomy. With the right technical and regulatory building blocks, those objectives can be pursued together. Ecommerce Europe strives for **an innovative and competitive cross-border payment landscape that can spur the development of secure, consumer-centric, cost-efficient payment solutions** across Europe.

Today, the EU retail payment market is still dominated by traditional payment methods, specifically card-based payments. New payment methods still struggle to reach sufficient level of maturity to compete with international card schemes (e.g., issue of pan-European reach, consumer adoption, remaining legal and competitive barriers). The lack of competition and alternatives to card payments in the EU is also concerning in the context of rising costs for merchants, related to the fee increase and new charges imposed by cards schemes.

We believe that the European Commission and EU regulators can play a role in promoting competition and innovation in the payment market, and thus we recommend them to:

- **Address the problem of the rise of the cost of payments in the EU, notably through existing and new competition tools available**, to ensure a fair repartition of the costs and lower prices for merchants and consumers. We strongly encourage the European Commission to continue investigating and take action to address the rise of scheme fees. In general, the European Commission should play a role in ensuring better awareness of the evolution of merchant services charges by encouraging or mandating more transparency on pricing services and scheme fees for instance, which would particularly help smaller merchants.
- **Boost competition of the EU retail payment market**. The European Commission should monitor the impact of the future Payment Services Regulation and any future barriers to Open Banking that may arise. The EU should also focus on **designing a digital euro that offers a true potential for very affordable and innovative payments**, by ensuring that we do not simply reproduce existing intermediation and fee structure of other digital payment methods, and leverage its architecture to deliver a competitive, convenient, inclusive payment method. Rather than mandating the acceptance of digital euro to all merchants, the EU should strive for a compelling solution which will lead to broad acceptance.
- **Focusing on harmonising and ensuring the successful implementation of future-proof rules** on open banking, on the authentication of customers and on the fight against fraud. The industry has a lot to gain in ensuring a harmonised implementation on existing and future rules on strong customer authentication and the fight against fraud, as well as a clear focus on efficiency across the payment supply chain. With the revision of the existing standards on Strong Customer Authentication in the coming years, we encourage regulators to ensure that the new rules and their enforcement have for objectives the highest level of both consumer convenience and protection.

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Ensuring a streamlined taxation policy and a seamless flow of parcels

More recent rules in e-commerce have improved the EU taxation system, also by making it more future-proof. While simplification and revenue boost can be measured in the short term, some of these changes have also had immediate adverse effects on the Single Market due to several factors: misalignment of legislations and legal uncertainty, lack of guidance from Member States to companies, unilateral interpretation of the rules, proliferation of registrations and identification numbers in different online portals, delays in implementation and lack of readiness of certain e-commerce portals.

In light of the new EU VAT and customs schemes regarding the declaration, reporting and collection of intra-EU and import taxes, we ask policymakers to:

- **Ensure that legislations are aligned and do not overlap**, to avoid inconsistency in the current EU and national legislative frameworks that could exacerbate pre-existing problems (e.g., double taxation, IOSS misuse, IT readiness), cause several compliance issues and bring further uncertainty over fiscal responsibility and duplication of data-sharing provisions.
- **Guarantee the interoperability of different database portals** (e.g., the Customs Data Hub, Single Window Environment, Import Control System 2, Digital Product Passport, Corporate Sustainability Due Diligence, Forced Labour database) to preserve the Once-Only Principle (OOP) and streamline the efforts to modernise, digitalise and simplify the taxation system.
- **Provide clear guidance, an adequate dialogue framework with stakeholders and sufficient lead time** for impacted businesses, to make sure all businesses, including SMEs, have enough time to prepare and adapt to the new system.
- **Harmonise Member States' approaches to VAT exemptions on donations at EU level** (and exempt them from VAT) and **encourage efforts in terms of VAT incentives** for circular products, as well as repair or other services.

In the international framework, several legislative developments are gradually changing the policy landscape in the digital commerce sector. To ensure that these rules are transposed at EU and national level in a harmonised way, we believe it is necessary to:

- **Provide stability in the direct taxation system.** The absence of a binding international agreement on where large companies should pay taxes bears the risk of providing legal uncertainty in the national tax systems and creating loopholes for introducing adverse Digital Services Taxes and similar unilateral measures. Ensuring consistency among international, EU and national tax legislations is of pivotal importance to avoid multiple layers of rules.
- Several international policy debates have stressed the need for clarity, conformity and adaptation of the current parcel delivery market rules to recent developments in e-commerce and digitalised taxation systems, also with regards to SMEs' access to the delivery market. To guarantee that the cross-border delivery of goods in the EU works in a seamless and smart way, it is important to **ensure that upcoming legislative initiatives in the logistics sector will be proportionate, fit for purpose, evidence-based and, if introduced, allocate the right responsibilities to the rights actors.** This includes, among others, the upcoming work of the Commission on the rules on transportation and labelling of dangerous goods in the last-mile delivery, as well as the debate on whether the current EU postal framework should be updated.



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