

## **OPEN LETTER**

## Re: Urgent need for a Level Playing Field in e-commerce: oneyear review and call to action

Dear Reader,

One year ago, Ecommerce Europe and its national association members published an <u>open letter</u> urging EU institutions and Member States to ensure fair competition in the EU Single Market and the effective enforcement of EU legislation towards all e-commerce players, regardless of their origin.

In February this year, the European Commission released its Communication on safe and sustainable ecommerce<sup>1</sup>, addressing the critical issue of ensuring a level playing field between EU-based and non-EU based companies. In that occasion, Ecommerce Europe <u>recognised</u> the publication of the Communication as an important step forward but also flagged that it did not fully acknowledged the immediate need for measures to ensure fair competition within the EU Single Market.

The concerns we have been raising remain highly relevant and, in many areas, they have become even more pressing. As non-EU-based e-commerce players continue to expand, the critical role of vigilant authorities in safeguarding consumer rights and ensuring compliance becomes increasingly important. To this end, we renew our collective focus on fair competition, product safety, and legal certainty to ensure the viability and proper functioning of the European economy.

## Faster progress needed to solve persistent challenges

Over the past year, besides the publication of the E-commerce Communication, we have seen some other developments that, we hope, will soon bring results. For instance, there have been enforcement initiatives taken by the authorities under the auspices of the Consumer Protection Cooperation (CPC) Regulation<sup>2</sup> and actions under the Digital Services Act<sup>3,4,5</sup>. Growing awareness among Member States<sup>6,7</sup> is also a sign that this topic and the problems associated with it are becoming a top priority to address.

While these steps seem encouraging, what is missing is speed. Investigations and eventual enforcement procedures take too much time, time that compliant businesses cannot afford, as they see their market

<sup>&</sup>lt;sup>1</sup> <u>https://digital-strategy.ec.europa.eu/en/library/e-commerce-communication-comprehensive-eu-toolbox-safe-and-sustainable-e-commerce</u>

<sup>&</sup>lt;sup>2</sup> https://ec.europa.eu/commission/presscorner/detail/fi/ip\_24\_5707

<sup>&</sup>lt;sup>3</sup> https://ec.europa.eu/commission/presscorner/detail/en/ip\_24\_5622

<sup>&</sup>lt;sup>4</sup> https://digital-strategy.ec.europa.eu/en/news/commission-requests-information-shein-illegal-products-and-its-recommender-system

<sup>&</sup>lt;sup>5</sup> https://ec.europa.eu/commission/presscorner/detail/en/ip\_25\_1551

<sup>&</sup>lt;sup>6</sup> https://www.bmwk.de/Redaktion/EN/Publikationen/Wirtschaft/federal-government-action-plan-on-e-

commerce.pdf?\_\_blob=publicationFile&v=2

<sup>7</sup> https://presse.economie.gouv.fr/regulation-et-securite-du-e-commerce/



share being eroded by non-compliant players active in the EU. Compliant businesses invest extensively in ensuring compliance with EU rules, and it is estimated that non-compliant ones can offer their products at least 40% cheaper<sup>8</sup>. This apparent price difference between compliant and non-compliant companies shows the significant advantage that non-compliant businesses currently enjoy.

There have been some positive signs in the past<sup>9</sup> that the CPC Regulation can already be a useful tool today in battling non-compliant non-EU based actors. Unfortunately, its country-by-country enforcement model limits its effectiveness as national authorities are solely responsible for enforcing consumer law, which makes impactful enforcement difficult. This, however, should not be an excuse for national consumer authorities not to act today against non-compliant companies based outside the EU, as has already been done in the past<sup>10</sup>. In addition, while we still have substantial questions that should be addressed when it comes to an EU centralised enforcement system<sup>11</sup>, we are convinced that the European Commission must be given a strong and clear mandate to take on the role of enforcer in cases of EU-wide infringements of consumer law affecting millions of Europeans, no matter where the e-commerce actors are based.

Furthermore, the Commission's E-commerce Communication goes in the right direction when calling on the Member States to speed up their negotiations and finalise an agreement on the Customs reform, which is a robust revision of the existing Union Customs Code (UCC)<sup>12</sup>, aimed at introducing more transparency and accountability of e-commerce actors in the importation of goods from third countries. Unfortunately, despite the recent progress achieved by the Polish Presidency, the negotiations in the Council have been progressing slowly and several details will still need to be clarified in trilogues. Coupled with the staggered implementation deadlines in the medium term, this means the effects of the reform will not be visible before the end of the decade. The introduction of a handling fee imposed on direct B2C shipments from non-EU countries is also now addressed under these discussions and presented by the legislators as a new tool to further equip enforcement authorities with more resources. If introduced in the UCC, it will be fundamental to ensure that the revenues originating from this fee would be dedicated to enforcing EU customs and market surveillance legislation, to help national authorities better deal with such a high volume of imports.

We also acknowledge the European Commission's intention to modernise product and environmental legislation to adapt to the evolution of e-commerce and therefore address existing regulatory and enforcement gaps. The focus on implementation of recent sets of rules and the ongoing evaluation of key pieces of legislation are good starting points. However, optimisation of market surveillance instruments and targeted changes to product-related and environmental frameworks must also be considered to prevent the flow of non-compliant products to the EU.

<sup>11</sup> For instance, how the centralised enforcement will be funded, how EU consumer law (e.g., the Unfair Commercial Practices Directive) will have to be adapted to ensure that the European Commission can enforce it and risks related to these changes. Ecommerce Europe will publish a detailed position paper on the review of the CPC Regulation in due time.

<sup>&</sup>lt;sup>8</sup> <u>https://www.svenskhandel.se/api/documents/pressmeddelanden/The%20Cost%20of%20Compliance%202025-1.pdf</u>

<sup>&</sup>lt;sup>9</sup> https://www.economie.gouv.fr/protection-consommateurs-sanction-place-marche-ligne-wish

<sup>&</sup>lt;sup>10</sup> https://www.economie.gouv.fr/protection-consommateurs-sanction-place-marche-ligne-wish

<sup>&</sup>lt;sup>12</sup> https://ecommerce-europe.eu/wp-content/uploads/2025/02/ECOM-Position-on-EU-Customs-and-Imports-04022025.pdf



In the current context, we see that many key challenges persist. Some of these non-EU based e-commerce players continue to exploit their almost endless financial resources, they disregard our rules and undermine the companies that compete fairly. While work continues on recently approved, under discussion or soon to be proposed legislation, as we mark the one-year milestone of our Level Playing Field campaign, to address current challenges caused by the flooding of non-EU imports, Ecommerce Europe:

- Calls on EU and national competent authorities to speed up ongoing investigations, accelerate the
  effective enforcement of existing EU rules on all players regardless of their origin, while also
  focusing on the implementation of more recently adopted sets of rules and the ongoing evaluation
  of key pieces of legislation in the field of product-related and environmental law;
- Encourages the swift adoption of the Union Customs Code reform and emphasises the importance of ensuring a timely and well-planned implementation of the revision;
- Asks Member States to take responsibility and urgently provide adequate resources to national authorities to better monitor, investigate and penalise violations;
- Supports in principle the idea of giving the European Commission the role of enforcer in cases of EU-wide infringements of consumer law affecting millions of Europeans to support under-resourced national consumer authorities;
- Calls for enhanced cooperation between relevant DGs by creating a permanent taskforce on Level Playing Field at the European Commission level involving (at least) DG JUST, DG TAXUD, DG TRADE, DG CNECT, DG COMP, DG GROW, DG ENV and national authorities for consistent application of the law and coordinated actions, ideally with the involvement of relevant external stakeholders;
- Calls for a speedy deployment of the new web crawler, announced in the Commission's Ecommerce Communication, to perform automated searches for potentially non-compliant products.

Ecommerce Europe and its members remain fully committed to working alongside EU and national decision-makers and stakeholders to build a truly level playing field. The challenges are complex, but through cooperation, transparency, and action, we can build a fair and sustainable EU Single Market for businesses, consumers and the environment.

We look forward to continued dialogue and collaboration in this shared mission.

Yours faithfully,

Juco Conetti

Luca Cassetti Secretary General