

# DIGITALEUROPE cautions MEPs against distorting the necessary balance between consumers and businesses in the Omnibus proposal

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Members of the European Parliament's Committee on the Internal Market and Consumer Protection (IMCO) have now tabled their amendments to the European Commission's proposal on better enforcement and modernisation of EU consumer protection, also called the "Omnibus proposal".

*"With a total revenue of EUR 309 billion, Europe's e-Commerce market is lagging behind the U.S. (EUR 437 billion) and Asian (EUR 720 billion) markets. EU policymakers need to strike the right balance between high-level consumer protection and businesses' interests so that our industry can remain competitive and become the leaders of tomorrow", warned Cecilia Bonefeld-Dahl, DIGITALEUROPE's Director-General.*

*"In addition to distorting the necessary balance, the amendments put forward in IMCO, notably on penalties and on transparency requirements for online marketplaces, have the potential to hamper innovation and reduce the offer made available to European consumers", she said.*

DIGITALEUROPE supports MEPs' commitment to establish a strong and high-level framework of consumer protection in Europe. However, our first analysis of IMCO's amendments reveals unproductive and worrying developments in at least two key areas:

- **On penalties:** we believe that penalties should be assessed on a case-by-case basis, strictly proportionate to the level of the violation and only applied in the Member State or Member States where the violation took place. Basing penalties on companies' global turnover would be excessive, leading to disproportionate and unreasonable situations especially for SMEs that are not engaged in cross-border activities and deprived of legal counsellors.
- **On transparency requirements for online marketplaces:** we caution against full algorithmic transparency. Disclosing every detailed parameter that makes up rankings will endanger trade secrets, risk infringing intellectual property rights and therefore distort the competition in the market.

DIGITALEUROPE urges MEPs to carefully analyse any potential unintended consequences arising from amendments that would extend the scope to beyond online marketplaces and introduce liability rules for contracts concluded on all types of online platforms. We support existing rules on intermediary liability in the 2000/31/EC e-Commerce Directive and caution against unnecessary overlaps and potential contradictions between the two files.

DIGITALEUROPE looks forward to working closely with the EU institutions and other stakeholders in the coming months to ensure we can collectively deliver on the Omnibus proposal, for the benefit of both citizens and businesses.

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## ABOUT DIGITALEUROPE

DIGITALEUROPE represents the digital technology industry in Europe. Our members include some of the world's largest IT, telecoms and consumer electronics companies and national associations from every part of Europe. DIGITALEUROPE wants European businesses and citizens to benefit fully from digital technologies and for Europe to grow, attract and sustain the world's best digital technology companies. DIGITALEUROPE ensures industry participation in the development and implementation of EU policies.

DIGITALEUROPE's members include in total over 35,000 ICT Companies in Europe represented by 63 Corporate Members and 39 National Trade Associations from across Europe. Our website provides further information on our recent news and activities: <http://www.digitaleurope.org>

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