

ICON smart consumers

P2B

Illegal content

How to enhance transparency and consumer empowerment on the Internet

The use of comparison tools

The relationship between businesses and consumers in the digital age

'P2B initiative' – three pillars for healthy ecosystems

Transparency

Online platforms free to set unilaterally the rules of the game
BUT
such rules shall be **clear, unequivocal** and **spelled out upfront**

Effective redress

Online platforms shall provide efficient internal complaint-handling and participate in good faith in mediation mechanisms
FOR
quick and effective out-of-court conflict resolution

Monitoring

Close study of the market development in order to identify opportunities and **inform possible future policy-making** on key issues in the online economy

PROBLEMS

1.

TERMS & CONDITIONS

Sudden unexplained changes to terms and conditions – difficulty for businesses to adapt their commercial strategies

2.

DELISTING

Delisting/suspension without clear statement of reasons - prevents from challenging the delisting/suspension decision

3.

RANKING

Unclear ranking practices - no accountability or verifiability

COMMISSION'S PROPOSAL

- Clear and unambiguous language.
- Business users will be informed of any changes to the T&C.
- Platforms will have to respect a notice period of 15 days, unless the business user concerned explicitly agrees on a shorter period.

- Providers of online intermediation services should state the reasons for delisting business users' goods/services or for suspending or terminating their accounts.
- T&C will include the possible reasons why a professional user can be delisted or suspended.

Providers of online intermediation services as well as online search engines will be required to clearly inform about the general criteria determining how goods and services are ranked.

4.

DATA ACCESS

Unclear data access and use policies

The providers of these services have to formulate and publish general policies on what data generated through their services can be accessed, by whom and under what conditions.

5.

DISCRIMINATION

Discrimination of business users - favouring of platforms' own services

Online intermediation services providers should be transparent on how they treat their own goods or services compared to those offered by their professional users.

6.

MOST-FAVoured NATION CLAUSES

Limit businesses' freedom to offer better conditions outside the platform

Providers of online intermediation services will be required to explain the use of contract clauses demanding the most favourable range or price of goods and services offered by their professional users.

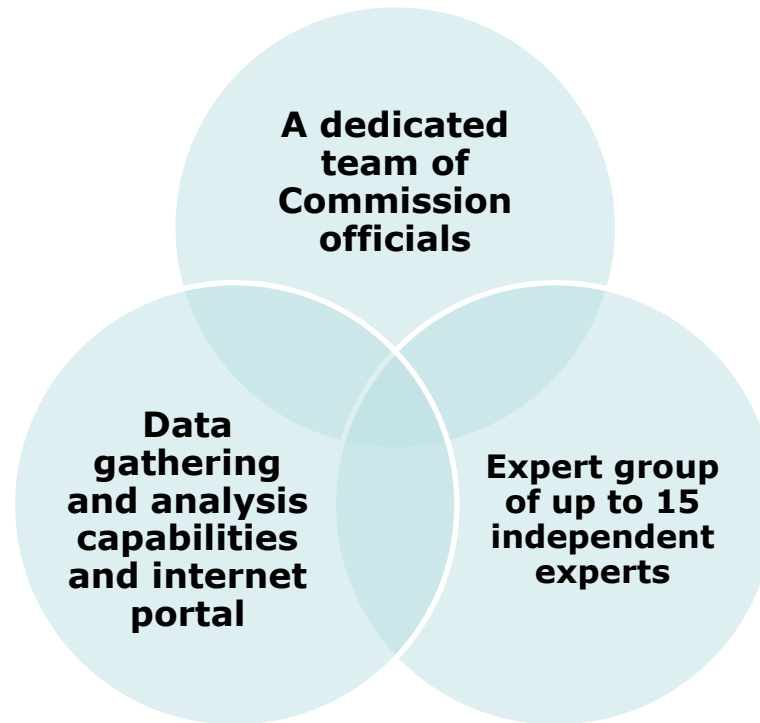
7.

LACK OF REDRESS

1. Inexistent or ineffective platform-internal complaint-handling mechanisms
2. Inexistent specialised and effective external, out-of-court redress mechanisms
3. Limited and costly access to EU courts

1. Online platforms will have to set up or have in place internal complaint handling systems (exemption for small enterprises)
2. Business users will have access to out-of-court dispute settlement through easily accessible external mediators.
3. Representative organisations or associations will be able to defend businesses in courts – injunctive relief.

The Observatory on the Online Platform Economy



The Observatory – Tasks

*Transparency/accountability
in online advertising*

*algorithmic decision-
making*

**Monitoring the
evolution of
the online
platform
economy**

**Data gathering and
expert analysis on
emerging challenges
and opportunities
for the EU in the
online platform
economy**

**Monitoring
market indicators
for the online
platform
environment**

*Online
content*

data

Impact on consumers

Discrimination

Stakeholders' views after adoption

- *These are proportionate measures addressing market distortions, but price parity clauses should also be prohibited - importance of timely adoption (UEAPME)*
- *light-touch approach compatible with innovation - regulation should be kept at minimum - complaint-handling burdensome for SMEs (ESBA)*
- *balanced approach – supports SMEs' use of platforms while allowing platforms to operate effectively (Marketplace Coalition - ebay, Rakuten etc.)*
- *platform-related issues should be tackled at EU level (ETNO)*
- *dependency and resulting P2B practices are a fact (Unlockd)*
- *transparency is not sufficient – fairness rules are needed (IMPALA)*
- *transparency is "overly prescriptive", blanket Regulation (EDIMA)*
- *one-size-fits-all Regulation, no systemic problems (CCIA)*

Commission initiatives on tackling illegal content online

27/9/2017

- **Communication** on Tackling illegal content online – towards an enhanced responsibility for online platforms

1/3/2018

- **Recommendation** on measures to effectively tackle illegal content online

2/3/2018

- **Inception Impact Assessment** on Measures to further improve the effectiveness of the fight against illegal content online

4Q 2018

- Potentially, further measures

Principles and safeguards

*The Communication and the Recommendation outline principles and safeguards in the **different steps** of the procedure:*

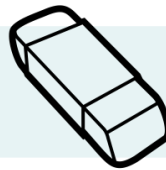
Identification of
illegal content



Avoiding that
illegal content
reappears online



Removal of
illegal content





What's in the box

Clearer 'notice and action' procedures

More efficient tools and proactive technologies

Stronger safeguards to ensure fundamental rights

Transparency

Closer cooperation with authorities and trusted flaggers

Specific chapter on Terrorism