



Internet Telephony Services Providers' Association

Digital Single Market

Overview

On 6th May 2015 the European Commission unveiled its [Digital Single Market Strategy](#). The Commission states that the overall aim of the Strategy is to 'tear down regulatory walls and to finally move from 28 national markets to a single one'.

The Strategy sets out 16 key actions under three pillars which the Commission will deliver by the end of 2016:

- I. **'Better access for consumers and businesses to online goods and services across Europe** – this requires the rapid removal of key differences between the online and offline worlds to break down barriers to cross-border online activity'.
- II. **'Creating the right conditions for digital networks and services to flourish** – this requires high-speed, secure and trustworthy infrastructures and content services, supported by the right regulatory conditions for innovation, investment, fair competition and a level playing field'.
- III. **'Maximising the growth potential of Our European Digital Economy'** – Requiring investment in ICT infrastructures, cloud computing, Big Data and research and innovation to improve competitiveness, public services, inclusiveness and skills.

Pillar I: Better access for consumers and businesses to online goods and services across Europe

1. Make cross-border e-commerce easier

- Including harmonised, clear contractual rules for online sales of both physical goods and digital content.
- Having 28 different national consumer protection and contract laws 'discourages cross-border trading', therefore preventing consumers from fully benefitting from increased competition.
- 'The Commission will make an amended proposal before the end of 2015 (i) covering harmonised EU rules for online purchases of digital content, and (ii) allowing traders to rely on their national laws based on a focused set of key mandatory EU contractual rights for domestic and cross-border online sales of tangible goods.'

2. Enforce consumer rules more rapidly and consistently by reviewing the Regulation on Consumer Protection Cooperation



Internet Telephony Services Providers' Association

- The Consumer Protection Cooperation Regulation (which means that a network of national enforcement authorities which aims to enforce the main EU consumer laws across borders consistently) is currently being assessed.

3. More efficient and affordable parcel delivery

- Recent studies have shown that this is an obstacle to shopping cross-border.

4. End 'unjustified' geo-blocking

- Geo-blocking refers to the practice of either denying consumers access to a website based on their location or re-routing them to a local store with different prices.
- Ending this would give more choice of products and services for consumers at lower prices.
- The Commission is planning to make legislative proposals in the first half of 2016 to end this practice

5. Identify potential competition concerns affecting European e-commerce markets

- On the day of the DSM's publication, the Commission launched an antitrust competition inquiry into the e-commerce sector in the EU).

6. Introduce a modern, more competitive European copyright framework

- The Commission will make legislative proposals before the end of 2015 to harmonise national copyright regimes, allowing for 'wider online access to works across the EU'.
- The proposal will include: portability of legally acquired content, better access to online services from other EU Member States, Harmonising exceptions, clarifying the rules of the use of copyright-protected content by intermediaries and modernising the enforcement of intellectual property rights.

7. Review the Satellite and Cable Directive to assess if its scope needs to be enlarged to broadcasters' online transmissions and to explore how to improve cross-border access to broadcasters' services in Europe.

8. Reduce VAT related burdens and obstacles when selling across borders

- The Commission will make legislative proposals in 2016 to reduce the burden on businesses arising from different VAT regimes across the EU, including:
 - Extending the current single electronic registration and payment mechanism
 - Introducing a common EU-wide VAT threshold to 'help small start-up e-commerce businesses.



Internet Telephony Services Providers' Association

- Allowing for home country controls including a single audit of cross-border businesses for VAT purposes.
- Removing the VAT exemption for the importation of small consignments from suppliers in third countries.

Pillar II: Creating the right conditions and a level playing field for digital networks and innovative services to flourish

9. Overhaul the EU's telecom rules, including:

- More effective spectrum coordination and common EU-wide criteria for spectrum assignment at national level.
- Creating incentives for investment in high-speed broadband:
 - The DSM will 'reinforce the right regulatory environment' for investment by telecoms companies
 - Various funding instruments for broadband already exist, including the European Structural and Investments Fund which includes over €20billion for ICT investments over the 2014-20 funding period.
- Ensuring a level playing field for all market players (traditional and new).
- Creating an effective institutional framework.
- (The Strategy states that it is awaiting the conclusion of the Telecoms Single Market package negotiations on net neutrality and roaming charges)

10. Review the audiovisual media framework

The review of the Audiovisual Media Services Directive will look at:

- The 'roles and responsibilities of all market players, measures for the promotion of European works, advertising and the protection of minors'. A regulatory proposal will be brought forward in 2016.
- Regarding on-demand services, the Commission is already looking into their increasing importance, noting that many Europeans are willing to pay for content that is not offered in their country.

11. Analyse the role of online platforms in the market. This will also look at how illegal content (both copyright infringing material and that related to terrorism/child pornography) should be tackled.

- The Commission will launch a 'comprehensive analysis' of online platforms (social media, search engines, app stores etc.) and the sharing economy. This will look at the control they hold over access to online markets and what some



Internet Telephony Services Providers' Association

perceive as a 'lack of transparency' as to how they use the information they collect.

- An analysis on whether more rigorous procedures for removing illegal content will be performed, including looking into whether intermediaries should exercise greater responsibility in the management of their networks and systems.

12. Reinforce trust and security in digital services

- Build on new EU data protection rules (due to be adopted by end of 2015) – the reform of data protection regulation is currently being negotiated by the European Parliament and Council.
- The Commission will review e-Privacy Directive as it will need to be aligned with reformed data protection rules. Its scope will also be looked at as it currently covers traditional telecoms companies but not all market players.

13. Propose a partnership with industry on cybersecurity

- The Commission believes that this will be very important in structuring and coordinating digital security resources in Europe. It will include a wide range of participants, from SMEs to national security agencies.
- Funding details for the partnership have not yet been made available.

Pillar III: Maximising the growth potential of Our European Digital Economy

14. Propose a 'European free flow of data initiative' to promote the free movement of data in the in the EU.

- The Commission believes that a better flow of data between national systems, through the removal of unnecessary restrictions, will assist in the development of new technologies such as cloud computing and the Internet of Things.
- The Commission will also launch a European Cloud initiative covering the certification of cloud services - this is designed to address concerns over the security of cloud services and therefore to improve their uptake.

15. Define priorities for standards and interoperability in areas critical to the DSM including e-health, transport planning or energy (smart metering).

- An integrated standardisation plan will be launched to define key priorities for interoperable standards, focusing on the health, transport, environment and energy sectors.
- The Commission will set up a strategic forum for Member States and European Standard organisations to jointly discuss common priorities.

16. Support an 'inclusive digital society'



Internet Telephony Services Providers' Association

- The Commission will support Member States' initiatives on digital skills and training.
- The current e-Government Action Plan will expire at the end of 2015. The new strategy will focus on a number of areas including the transition to full e-procurement and interoperable e-signatures.

Next steps:

The Commission states that the Digital Single Market project team will deliver on all of these different actions by the end of 2016. With the backing of the European Parliament and the Council, the Digital Single Market should be completed 'as soon as possible'.

The Digital Single Market will be on the agenda of the European Council meeting on 25-26 June.