


# Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	1997/2061(COS)	Procedure completed
Electronic commerce, a European initiative		
Subject		
3.45.05 Business policy, e-commerce, after-sales service, commercial distribution		
4.60.06 Consumers' economic and legal interests		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>ECON</b> Economic and Monetary Affairs, Industrial Policy	PSE <a href="#">MANN Erika</a>	14/07/1997
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>ENER</b> Research, Technological Development and Energy	UPE <a href="#">MALERBA Franco E.</a>	02/07/1997
	<b>RELA</b> External Economic Relations	ELDR <a href="#">PLOOIJ-VAN GORSEL Elly</a>	27/10/1997
Council of the European Union	Council configuration		Meeting
	<a href="#">Competitiveness (Internal Market, Industry, Research and Space)</a>		<a href="#">2079</a>
	<a href="#">Economic and Financial Affairs ECOFIN</a>		<a href="#">2053</a>
	Industry		<a href="#">2043</a>
	<a href="#">Competitiveness (Internal Market, Industry, Research and Space)</a>		<a href="#">2007</a>
		Date	
			30/03/1998
			01/12/1997
			13/11/1997
			21/05/1997

Key events			
16/04/1997	Non-legislative basic document published	COM(1997)0157	Summary
21/05/1997	Debate in Council	<a href="#">2007</a>	
25/06/1997	Committee referral announced in Parliament		
13/11/1997	Resolution/conclusions adopted by Council		
01/12/1997	Debate in Council	<a href="#">2053</a>	

30/03/1998	Debate in Council	<a href="#">2079</a>	
23/04/1998	Vote in committee		Summary
23/04/1998	Committee report tabled for plenary	<a href="#">A4-0173/1998</a>	
13/05/1998	Debate in Parliament		
14/05/1998	Decision by Parliament	T4-0284/1998	Summary
14/05/1998	End of procedure in Parliament		
01/06/1998	Final act published in Official Journal		

### Technical information

Procedure reference	1997/2061(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/08808

### Documentation gateway

Non-legislative basic document		COM(1997)0157	16/04/1997	EC	Summary
Economic and Social Committee: opinion, report		<a href="#">CES1191/1997</a>	29/10/1997	ESC	Summary
Committee of the Regions: opinion		<a href="#">CDR0350/1997</a> <a href="#">OJ C 180 11.06.1998, p. 0019</a>	12/03/1998	CofR	
Committee report tabled for plenary, single reading		<a href="#">A4-0173/1998</a> <a href="#">OJ C 167 01.06.1998, p. 0005</a>	23/04/1998	EP	
Text adopted by Parliament, single reading		T4-0284/1998 <a href="#">OJ C 167 01.06.1998, p. 0175-0203</a>	14/05/1998	EP	Summary

## Electronic commerce, a European initiative

**OBJECTIVE:** to encourage vigorous growth of electronic commerce in Europe. **SUBSTANCE:** this document proposes a whole range of measures in the field of electronic commerce, a field of great importance for European competitiveness in the world markets. These specific measures should be implemented in the wider context of the initiatives of the Information Society and would, in particular, be integrated into the Rolling Action Plan for the Information Society (COS0464). The Commission's political objective was to implement immediately a consistent framework of technological, regulatory and support actions by the year 2000. The key elements of the document were the following: (1) to promote the technology and infrastructure needed to put in place structures which would provide efficient access systems for users. This objective would require a fully competitive telecommunications market and the refocusing of R&D efforts so that Europe's high level of scientific and technological capability could be translated more successfully into marketable products and services. It would also require a broad consensus on standards and on the interoperability of electronic market systems; (2) to capitalize on the single market by ensuring a consistent regulatory framework for electronic commerce in European and in wider global markets. This framework should boost the confidence of businesses and consumers in secure technologies (such as digital signatures, digital certificates and electronic payment mechanisms) so that they make use of electronic commerce by dismantling remaining legal barriers and preventing the creation of new obstacles; (3) to foster a favourable business environment for electronic commerce by promoting adequate skills, and by making consumers and industry aware of the opportunities it offered. This would be realized through training, information and demonstration projects, and by exploiting synergies between government and industries; (4) to work towards a global consensus from a common European position to ensure effective participation in current international cooperation and negotiation. Europe should defend its own strengths and interests within international groups and fora. ?

## Electronic commerce, a European initiative

The ESC will support the Commission's efforts to formulate a set of Community principles for developing the European Information Society and promoting electronic commerce in the EU so that Europe can live up to both its international role and its responsibilities towards European citizens. The regulatory framework must not simply be an instrument for promoting electronic commerce; it must also be a means of preventing mass unemployment. The following basic conclusions have been drawn from working on the text: - Electronic commerce presents a challenge both for the productive sectors of the economy (commerce, industry, crafts, banking, etc.) and for all users and consumers. The public sector is called upon to play a key role in promoting electronic commerce. Security problems must be solved as soon as possible so that transactions are reliable and justifiable concerns about the protection of personal data can be allayed. SMEs should be able to benefit from electronic commerce on an equal basis by taking advantage of the opportunities that it now offers and modernizing their operations. The Commission must set up without delay the necessary lifelong training programmes so that employers and workers can cope with the new working conditions. The European Union should take part in the global dialogue with uniform, integrated positions which safeguard European interests. - The European Union must directly promote research and development programmes for new technologies.?

## Electronic commerce, a European initiative

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Although the Internet started out as a network mainly for academia, today the majority of new sites are launched by companies wanting to market or sell their products. In its report by Ms. Erika MANN (PES, D) on the Commission Communication on a "European Initiative in Electronic Commerce", the Committee welcomes this development and supports the idea of drawing up a European policy framework for e-commerce. To ensure that companies and citizens can enjoy the full benefits of e-commerce and to avoid a fragmentation of the Internal Market, the Committee underlines that coordination of policies and regulations is necessary at the European level. The Commission is called upon to make proposals without delay to create an internal market in the field of e-commerce and to ensure complete freedom for European companies to provide services throughout the Union. The Committee considers that there are a large number of regulatory issues that should be solved through a common regulatory framework. These should include, in particular, consumer protection, liability, definitions of the places of establishment and transaction as well as intellectual property rights. Stressing the need to not impose new taxes on e-commerce which would penalize it compared to traditional trade, the Committee asks the Commission to study whether Internet trade should be taxed according to the current system or whether the new realities of the electronic marketplace require a complete overhaul of existing tax principles. In any case, the Committee continues, an agreement has to be reached at the European level concerning the taxation issues, particularly regarding VAT, in order to provide legal certainty, to avoid revenue losses and to ensure tax neutrality. Although a clear regulatory framework is important, it is also necessary to take measures to increase skills and awareness of consumers and businesses of the nature and possibilities of e-commerce. The Committee proposes that national governments play a leading role in this context by strengthening education and training and by offering government services on-line. To promote consumer confidence in electronic transactions, the Committee considers it crucial that limits concerning the use of encryption are eliminated. Finally, given the worldwide nature of the Internet, the Committee also stresses the need to reach international agreements in this area, for example by creating a Universal commercial code for e-commerce within the framework of the WTO. The Committee believes that the EU, by establishing a European regulatory framework, will have a strong negotiating position in such discussions ?

## Electronic commerce, a European initiative

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In adopting the report by Mrs Erika MANN (PSE) Parliament encouraged the development of electronic commerce and supported the idea of drawing up a European framework policy applicable in this area. It considered that every possible effort must be made to exploit the potential for new job creation in high-grade information-based services by introducing new and special education and training facilities to impart these new skills. To ensure that undertakings and citizens could benefit fully from the advantages of electronic commerce and in order to avoid the fragmentation of the internal market Parliament stressed the need for coordination at European level of appropriate policies and regulations in this area. The Commission was called on to make proposals without delay seeking to create an internal market in the field of electronic commerce and to ensure that freedom to provide services throughout the Union was complete for all European undertakings. SMUs in the retail trade, marketing and tourism should be able to benefit from information measures, training measures and ad hoc research programmes to prepare for the conversion process. Parliament considered that a large number of problems were recurrent and that it would be appropriate to resolve them by means of a common regulatory framework. These should include in particular consumer protection, reliability, definitions of concepts such as place of establishment for service providers, place of transaction and intellectual property rights. Stressing that new taxes should not be imposed on electronic commerce which would penalize it by comparison with traditional forms of commerce, Parliament called on the Commission to examine whether electronic commerce should be taxed using the existing system or rather whether the current principles of taxation should be completely reformulated in the light of new developments. It considered that in any case agreement had to be reached at European level concerning taxation issues, and in particular VAT, in order to provide legal certainty, to avoid undue revenue losses and to ensure neutrality. While it was important to provide a clear regulatory framework, it was also necessary to adopt measures to provide improved training and better information to consumers and undertakings with regard to the characteristics and potential of electronic trading. Parliament recommended that governments should play a key role in this field by strengthening education and training and by offering government services on line. It considered it vital in strengthening consumer confidence in electronic commerce to eliminate restrictions on the use of encryption. Lastly, given the global scale of the Internet it again stressed the need to conclude international agreements in this field, for example by drawing up a universal code on electronic commerce within the framework of the WTO. Parliament considered that by establishing a regulatory framework, the European Union was establishing an advantageous negotiating position with a view to these discussions. ?