Consumer protection: cross-border infringements, administrative and legal cooperation (Regulation on consumer protection cooperation)

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This Commission report constitutes a further step in the reform process of Regulation (EC) No 2006/2004 of the European Parliament and of the Council on cooperation between national authorities responsible for the enforcement of consumer protection laws (CPC Regulation). It integrates the biennial reports submitted by the Commission and the Member States as well as the outcome of the public consultation in the relevant areas.

The CPC Regulation provides that the Union shall cooperate with third countries and with the competent international organisations in the areas covered by this Regulation in order to enhance the protection of consumers economic interests. This unique framework brings together national authorities from all EU Member States. Its primary aim is to tackle cross-border infringements by establishing procedures for information exchange, cross-border enforcement requests and coordinated actions, to prevent infringing traders from moving between Member States to exploit gaps in jurisdictional boundaries.

Advantages of the CPC Regulation: the report notes that since 2007, the implementation of the CPC Regulation has overall produced positive results and it has created a network-based cooperation mechanism exemplary for other areas of the Single Market. It has brought substantial benefits to EU consumers. In particular:

- the CPC mutual assistance mechanism provided a clear and comprehensive legal framework for mutual exchanges of information and cross-border enforcement actions. The most important innovation is the possibility to enforce consumer protection law across borders. By the end of 2013, Member States made in total 1454 mutual assistance requests, which comprised 699 information requests and 755 enforcement requests;
- the "sweeps" (an EU-specific format for websites checks on airline tickets, mobile phone content, consumer credit) and common enforcement approaches based on the CPC Regulation allowed the Member States to coordinate their enforcement approaches on a larger scale. The sweeps identify breaches of consumer law in a given on-line market and to subsequently ensure compliance through enforcement activities. Since 2007, sweeps have taken place on a yearly basis, coordinated by the European Commission and run simultaneously by national enforcement authorities in the participating countries. Although voluntary, nearly all Member States participated each year. In the period 2007-2013, over 3000 websites were checked;
- the CPC alert mechanism provided for the first time a framework for Member States to exchange information about emerging infringements and to determine infringements which may require a coordinated approach.

Improve the cooperation mechanism: the Commission considers that the CPC Regulation remains highly relevant and an asset for the future of the EU consumer policy. The Evaluation, the Commission and Member States biennial reports, as well as the outcome of the public consultation, clearly point to the need for a comprehensive guidance for the CPC network, notably to find a smarter way to address the new challenges brought by the digital economy.

Further development of the CPC framework, including a possible revision of CPC Regulation, in the following areas could be needed:

- the mutual assistance mechanisms, including legal and procedural issues and provisions ensuring overall cooperation, may need clarification and strengthening;
- common enforcement activities such as sweeps or the recently launched common enforcement actions are effective and should be extended to other sectors; further progress is needed, as experience with certain CPC cases showed, to combat fraudulent and aggressive commercial practices, which may require specific enforcement means;
- the CPC market monitoring and alert mechanism may need to be developed to ensure fast identification of emerging threats to consumers that would require CPC action, in particular, the possibility to associate other actors, such as consumer organisations and European Consumer Centres, should be studied;
- resolve difficulties arising from different national procedural rules and standards applicable in enforcement proceedings as they appear as a barrier to effective and efficient cooperation. The toolbox of competent authorities, their minimum common powers, may also need clarifying;
- ensure that the Commission plays a more active role in the CPC network. More needs to be done in the future against widespread EU-level relevant infringements that cause significant harm to the EU economy;
- in view of increasing challenges triggered by trading practices originating from third countries in a globalised digital economy, further cooperation with international partners may be needed.

To determine the best possible way to use CPC cooperation for the benefit of the Member States and to enable all stakeholders to have positive returns, the Commission is currently carrying out impact assessment studies. These will examine the full range of options available for addressing the enforcement challenges of the future from maintaining the current framework, to introducing new legislation and should lay the ground for the Commission to decide on the most effective policy response.