



## EUROPEAN COMMISSION

*Brussels, 14.07.2016  
C(2016) 4488 final*

*Dear Chairman,*

*The Commission would like to thank the House of Lords for submitting its Report entitled "Online Platforms and the Digital Single Market" (hereafter "The Report"). The Report provides a comprehensive analysis of the issues related to platforms in the EU's evolving Digital Single Market and as such constitutes a valuable contribution within the political dialogue between the Commission and the House of Lords. The Commission would also like to thank the House of Lords once again for having been given the opportunity to contribute to the preparation of the Report through oral testimony.*

*On 25 May 2016 the Commission published the results of the stakeholder consultation on platforms, which includes a staff working document outlining its analysis of the situation of platforms in the market and a Communication on Online Platforms and the Digital Single Market. These documents are now available on the Commission's website<sup>1</sup>.*

*The Commission agrees with the Report's conclusion that the success of online platforms drives growth, innovation and competition. Action at EU level to avoid EU market fragmentation is important to give innovators in the EU access to a large customer base and sufficient finance. Moreover, the Communication "A European agenda for the collaborative economy"<sup>2</sup>, the recently adopted strategy to digitise European industry<sup>3</sup> and availability of EU funding for research and innovation will further improve the conditions for attracting, retaining and growing online platforms in the EU.*

*The Lord Whitty  
Chair of the  
European Internal Market  
Sub-Committee  
House of Lords  
Palace of Westminster  
UK – LONDON SW1A 0PW*

*cc. The Lord Boswell of Aynho  
Chair of the  
European Union Select  
Committee  
House of Lords  
Palace of Westminster  
UK – LONDON SW1A 0PW*

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<sup>1</sup> <https://ec.europa.eu/digital-single-market/en/news/comprehensive-assessment-online-platforms>

<sup>2</sup> COM(2016) 356 final

<sup>3</sup> COM(2016) 180 final

*Also in line with the Report's recommendations, no new horizontal regulation is proposed specifically for online platforms but instead the approach is framed in terms of the following principles:*

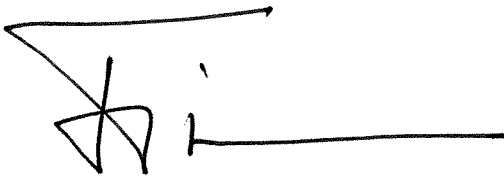
- 1. A level playing field for comparable digital services;*
- 2. Ensuring that online platforms behave responsibly to protect core values;*
- 3. Fostering trust, transparency and ensuring fairness;*
- 4. Keeping markets open and non-discriminatory to foster a data-driven economy.*

*In line with these principles, the application of existing rules to online platforms in the area of consumer protection is clarified in a guidance document on the Unfair Commercial Practices Directive, and the Regulation on Consumer Protection Cooperation is amended to make the enforcement of EU consumer law more efficient. As to the issue of fairness of business-to-business (B2B) relations beyond the application of competition policy, the Commission will undertake further analysis in the course of which the conclusions of the Report will also be included in its reflections.*

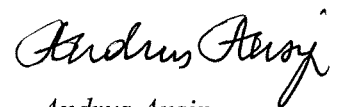
*The Commission also takes note of the House of Lords' recommendations with regard to consumer legislation, data protection and the new right to data portability for personal data. Legislation in this area has been constantly evolving and is subject to very new developments such as the recent adoption of the General Data Protection Regulation (Regulation (EU) 2016/679)<sup>4</sup> which will be applicable across the EU on 25 May 2018. Similarly, in the area of competition law, there are a range of ongoing investigations in the online platforms space.*

*The Commission would like to thank the House of Lords for sharing its report, rich analyses and conclusions and looks forward to continuing the political dialogue in the future.*

*Yours faithfully,*



*Frans Timmermans  
First Vice-President*



*Andrus Ansip  
Vice-President*

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<sup>4</sup> OJ L 119, 4.5.2016, p. 1–88