



Department
for Business
Innovation & Skills

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Dear Vice-President Ansip,

Joint Letter from the United Kingdom, the Czech Republic, Poland, Luxembourg, Finland, Sweden, Denmark, Estonia, Latvia, Lithuania and Bulgaria.

The development of new digital technologies, behavioural patterns and business models is challenging the status quo and raising questions about how platforms function within the Digital Single Market. The European Commission is rightly emphasising the importance of this issue and collecting evidence as the basis for a comprehensive analysis of the role of online platforms within the Digital Single Market Strategy. We, the undersigned, ask that the Commission take the following into account when considering the development of policies and initiatives relating to digital platforms.

Platforms should be primarily seen as an opportunity, not a threat. Platforms are a development to be positive about. They are creative, innovative and drive growth and competitiveness. The reason they have succeeded is that they offer advantages for businesses and consumers alike. Businesses use platforms to reach more customers and expand into new markets. They benefit from new funding models and reduced costs. Consumers benefit from increased information and convenience, choice and quality of services, and savings in money and time. It is thus important that platforms are allowed to continue to be the drivers of innovation and to meet customer demand.

Platforms are already subject to significant regulation. Platforms must operate within the law and we believe that we should look to the existing regulatory framework to solve any concerns about the way platforms operate, whenever this is possible. Existing legislative and non-legislative instruments,

including data protection law, competition law and consumer law, already apply to platforms and can be used to regulate them. In addition, we should make sure that we have explored the role of industry self-regulation fully as this may often be more appropriate and effective than government regulation in the fast pace of the digital world. In the first instance, we should focus on implementing existing laws effectively and consistently rather than adding to the burden of regulation on businesses.

Platforms must not be hampered by cumbersome regulation. Platforms are hugely varied and cover a wide range of business models. Policy questions are therefore rarely applicable exclusively to platforms, and when they are, they are limited to a subset of platforms. Adoption of new ex-ante regulation targeting online platforms as a segment of the digital economy is not desirable unless there is clear and compelling evidence of need, as there is a high risk that such new regulation would be ill-suited to the dynamic nature of the sector. If at all possible, we should avoid introducing legislation that might act as a barrier to the development of new digital business models and create obstacles to entry and growth in the European digital market. Such legislation might have an unintentionally damaging effect on the innovation, competitiveness and economic growth of the European digital industries. It would not be in the interests of European businesses nor of consumers and would put us at a disadvantage in relation to global competition.

We can best support the development of European platforms in Europe by providing the right conditions for growth. This can be achieved by working to complete the Digital Single Market, updating existing regulation to make it fit for a digital age, lightening the burden of regulation for small, innovative businesses and encouraging ease of access to finance through the Capital Markets Union package. Innovative new business-to-business platforms that support technology like the Internet of Things will benefit from a stable and clear regulatory environment. This line of action will encourage the growth and development of European platforms by providing a dynamic and competitive environment, which further regulation is not well placed to do. This will fulfil the ambition of the Commission's strategy to set free the entrepreneurial potential of European start-ups and foster economic growth and competitiveness in the EU.

We look forward to working with you on this important issue.



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