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## **NOTE**

From:	Presidency
To:	Council
Subject:	Outcome of the conference: "Collaborative Economy" (Brussels, 15 November 2016)
	- Information from the Presidency

Delegations will find attached a note from the Presidency on the above-mentioned subject with a view to the AOB item on the agenda of the Competitiveness Council on 28 November 2016.

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## INFORMATION FROM THE COLLABORATIVE ECONOMY CONFERENCE

## **BRUSSELS, 15 NOVEMBER 2016**

The Slovak Presidency of the Council to the European Union organised a high-level conference on the collaborative economy (Collaborative Economy Conference) in order to follow-up on the previous discussion of the ministers at the Competitiveness Council on 28 September 2016. It has been agreed by the ministers that it is needed to contribute to a balanced development of the collaborative economy benefiting European consumers and businesses. The debate also showed the common belief that collaborative economy has a potential for generating new jobs and enhancing growth. The ministers also stressed the need to clarify key elements of the collaborative economy: legal status, liability, employees rights, safety, taxation. The Member States concluded that by sharing best practices and deepening cooperation the whole ecosystem of the traditional and new business models would be supported and the legislative fragmentation avoided.

In the light of this ministerial debate, strongly encouraging Member States to cooperate more in the area of collaborative economy, the Slovak Presidency subsequently expressed its commitment to organise a conference with the aim to exchange best practices from different Member States, policy-makers, businesses and consumers.

The Collaborative Economy Conference was an interactive, content-driven forum designed to examine the current state of the market, to facilitate the debate and to explore the future of the collaborative economy. Conference delivered an insight into the collaborative economy from the viewpoint of European policymakers, major players and game-changing start-ups active in the European economy.

In his opening speech, Peter Pellegrini, Deputy Prime Minister of the Slovak Republic for Investments and Information Society, highly appreciated the new communication on the collaborative economy adopted by the European Commission on 2 June 2016 as an important part of the Digital Single Market package. Moreover, deputy prime minister also highlighted that the new rules have to be established by all Member States together and to avoid overregulation.

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Jyrki Katainen, the Vice-president of the European Commission for Jobs, Growth, Investment and Competitiveness called for more openness and willingness to amend the outdated legislation of the new business models. The Vice-president pointed out that there is no time to be defensive because the collaborative economy is changing the world we know too rapidly. Further the Vice-president called on the Member States to take an active role in modifying rules that are not more relevant for the collaborative economy.

The idea that the European Union needs a smart regulation, which is proportionate and justified was reiterated by the Commissioner for Internal Market, Industry, Entrepreneurship and SMEs, E. Bieńkowska in her keynote speech. Collaborative economy plays already an important role in the current society and it is predicted to grow. In order not to prevent innovation, it has to be framed correctly. The Commissioner reminded that the European Commission provides the legal guidance and certainty for the users, operators and platforms. In addition, it gives support to the Member States to use existing legislation such as e-commerce, services directive and the consumer protection legislation to be implemented correctly.

The conference consisted of two panels. The first panel focused on the reporting of the best practices in the area of collaborative economy by the respective policy-makers from Estonia, Denmark, Netherlands, Portugal and Slovenia. Estonia informed the audience about their study on collaborative economy which should be published together with policy recommendations in the weeks to come. The preliminary results showed that the sharing economy is growing and makes the economy more transparent, increases productivity and entrepreneurship and therefore should be made legal. Denmark is currently preparing the national strategy which seeks to promote more sharing, more legal certainty, granting tax incentives and establishing one-stop-shop as an information repository for users, platforms and peers. The Netherlands presented Amsterdam being one of the first sharing cities in Europe with more than 100 active platforms. Portugal and Slovenia both mentioned the development in the area of the accommodation sector where the demand increases in relation to the attractiveness for tourists and boosts the usage of the platforms on the market.

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The second panel provided opportunity for policy-makers to discuss challenges related to collaborative economy with the representatives of industry and different stakeholders. Lowri Evans, the Director General of the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs stressed the necessity to first monitor the development of the collaborative economy and asked the Member States not to legislate too early. The topic of trust was raised by MEP Dita Charanzová. The consumer protection legislation should not be changed, because it has already been developed and implemented. The EU should not regulate the review mechanisms, because the consumers are the driving force of the collaborative economy.

To provide a more balanced view on the collaborative economy, the representatives of the businesses from France, Slovakia and Poland took part in the second panel. They concluded that the different initiatives undertaken by the Member States such as taxation, user information requirements, platform liability, data portability make it difficult for companies to understand the rules in different countries and to expand. Moreover, the fragmentation in the single market also refrain the companies of doing business cross-border.

In conclusion, all the stakeholders generally supported the development of the collaborative economy while providing legal certainty, consumer protection and creating a more sustainable and accessible economy based on more cooperation.

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