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COVER NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	European Tech's Perspective The EU Toolbox for Safe and Sustainable E-Commerce

Following the meeting of the Working Party on Competitiveness and Growth (Internal Market) on 24 February 2025, delegations will find in Annex the presentation¹ made by European Tech Alliance² and Allegro sp. z o.o.³.

¹ This document contains a presentation by an external stakeholder and the views expressed therein are solely those of the third party it originates from. This document cannot be regarded as stating an official position of the Council. It does not reflect the views of the Council or of its members.

² European Tech Alliance, European transparency registry identification number: 189607519323-76

³ Allegro sp. z o.o., European transparency registry identification number: 611131527720-22

European Tech's Perspective The EU Toolbox for Safe and Sustainable E-Commerce

24/02/25



European
Tech Alliance¹

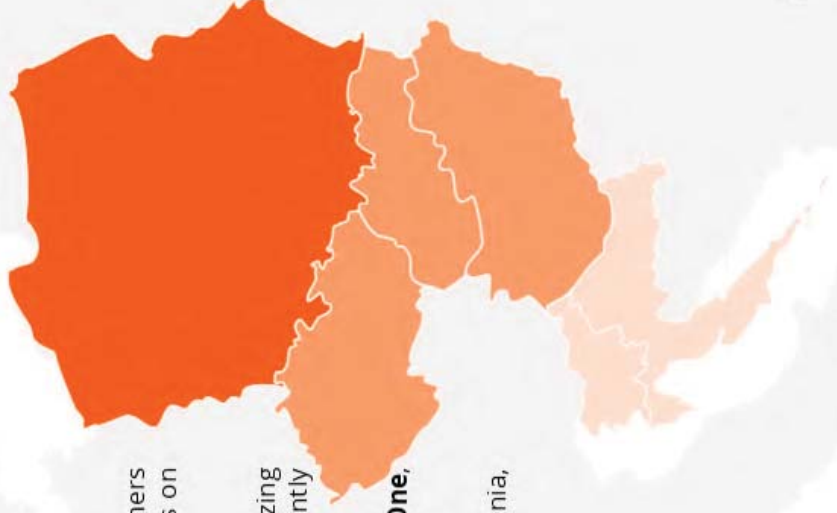
About the European Tech Alliance (EUTA)

- Represents leading European tech companies
- 33 members from 16 European countries
- Trusted by over 1 billion users globally
- Committed to European citizens and values



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- Allegro launched as an auction service operating in Poland on December 13, 1999.
- From 2006 Allegro operates a **marketplace model**, meaning that millions of international customers can buy whatever they need from thousands of international merchants, who can list unlimited offers on the platform.
- We were the largest-ever debut on the Warsaw Stock Exchange in 2020 and have added amazing companies to our group along the way: **Ceneo** in 2006, **eBilet** in 2019 and **FinAi** in 2020, and most recently **MALL and WE|DO** in 2022.
- Along a way, Allegro has introduced blockbuster brands like **Allegro Smart!**, **Allegro Pay**, **Allegro One**, and **Allegro Delivery**, all of which are bywords for convenient e-shopping.
- Currently, the group operates in 6 European countries: Poland, the Czech Republic, Slovakia, Slovenia, Croatia and Hungary.
- **Allegro active users under the DSA: 30,3 mln active users** (update 02/2025)



The estimated total impact of Allegro on the Polish economy



over

EUR 6.25 billion
Gross Value Added



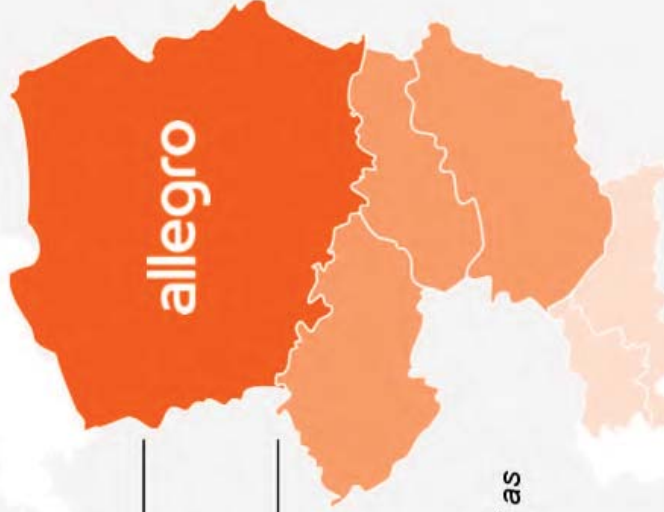
around

EUR 1.925 billion
wages and salaries



around

140 thousand
employees involved



Allegro is the flywheel of the Polish economy, generating about 1% of its GDA as well as the entire Polish GDP, while supporting 150,000 SMEs, involving about 140,000 Employees.

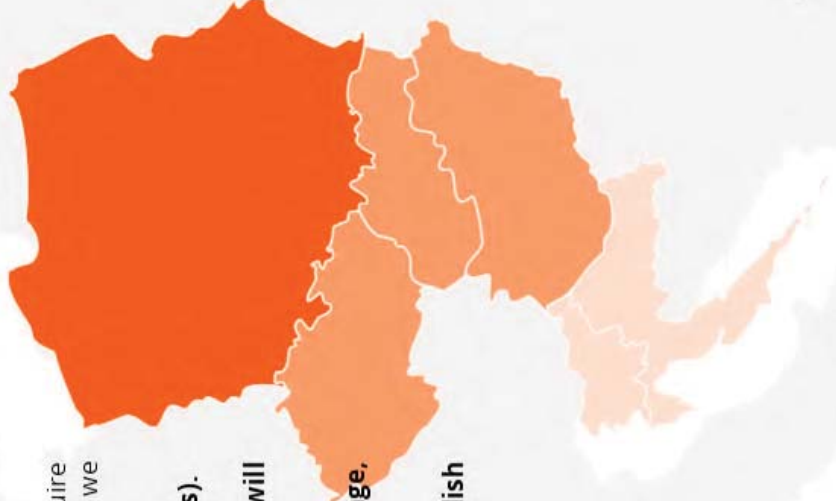
The Need for Action



- Unsafe and illegal products entering the EU at an alarming rate
 - The Single Market is being exploited
 - Compliance not taken seriously by all players
- Example of disparity in compliance efforts:
- DSA: One EUTA member: 60 teams working on DSA compliance

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- Allegro must implement **36 EU laws by the end of 2026, including 9 directives**, which require adaptation to different national rules. We will closely monitor national laws in the markets where we operate to ensure full compliance.
- Implementing all legal requirements takes the **compliance team an average of 787 hours (131 days)**.
- For example, tax changes under **ViDA for IOSS will take 30,000 man-hours** in a year, while **DAC 7 will require man-5,000 hours**.
- Compliance costs in tech companies go beyond labor to include **infrastructure, data storage, and technology developments**.
- The Polish Economic Institute estimates that **DSA, DMA, and DAC7 compliance will cost the Polish economy EUR 12.525 million** in administrative expenses.



allegro Compliance tasks in Allegro in February 2025

● Digital Services Act

- ✓ update on the **number of monthly active service recipients** (reporting frequency: twice a year)
- ✓ publication of the **Report on Content Moderation** (reporting frequency: once a year)

● General Product Safety Regulation

- ✓ finalization of **internal implementation** activities
- ✓ registration to the **Safety Gate Online Marketplace Registration Module**

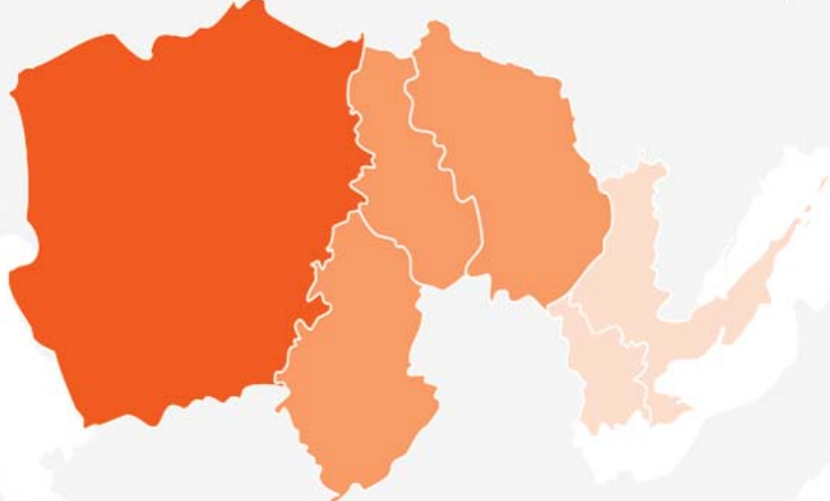
● Consumer Protection Pledge - *voluntary commitment*

- ✓ submission of the **2nd PSP+ report** to the EC on activities aimed at identifying and removing dangerous product listings from the platform (reporting frequency: twice a year)
- ✓ submission of the **1st Consumer Rights Commitments report** to the EC on the measures taken to guarantee i.a. easy withdrawals and cancellations, trustworthy consumer reviews and educational activities for traders (reporting frequency: twice a year)

● Memorandum of Understanding for Counterfeit Goods - *voluntary commitment*

- ✓ 17th data collection exercise: bilateral dialogues between signatories (reporting frequency: twice a year)

...and more to come as on 13/03/2025 Allegro will publish its **annual report (approx. 400 pages)** with **sustainability statement** under the CSRD (**130 pages**)



The Challenge



- The EU faces an overwhelming influx of non-compliant parcels
- Existing regulations are not effectively enforced
- Trade, competition, and safety issues at stake

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The Big Question: Do We Have the Tools?



- The EU already has extensive regulatory frameworks:
 - The Digital Services Act (DSA)
 - The General Product Safety Regulation (GPSR)
 - The Market Surveillance Regulation
 - The Product Liability Directive
 - The Batteries & Waste Batteries Regulation
 - The Packaging & Packaging Waste Regulation
 - The Construction Products Regulation
 - The DAC7 Directive
 - Privacy regulations

The problem is not the lack of rules but their enforcement

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Moving Forward - Concrete Solutions



1. **Faster, more coordinated enforcement procedures**
 - The current system is too slow. Procedural rules must adapt to reflect the speed of digital commerce.
 - Defined timelines for enforcement actions
 - Use of interim and last-resort measures
2. **Tailored enforcement mechanisms**
 - The issue is not about marketplaces, but the overwhelming influx of non-compliant parcels.
3. **A Single Market for Enforcement**
 - Within Member States
 - Between Member States (e.g., strengthening the Consumer Protection Cooperation (CPC) network)
 - At the EU level (consistent enforcement across the EU)
4. **Ensuring Compliance is Taken Seriously**
 - Platforms must prioritize product safety and consumer protection
 - Strengthen enforcement actions, including geoblocking non-compliant platforms
 - Example: France banning Wish for selling unsafe products
5. **Closer collaboration with industry and customs authorities**
 - Legislators must discuss technical details with platforms to ensure the Customs Data Hub is operational.
6. **A trade and diplomatic response**
 - Are we prepared to hold non-EU actors accountable—even if it leads to diplomatic or trade tensions?

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Conclusion



- The challenge is clear, but so are the solutions
- Enforcement must be stronger, faster, and more coordinated
- The rules exist – now, it's time to apply them
- Let's act now to protect EU consumers and businesses

Thank you

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