

BANNING COMPANIES LIKE UBER OR AIRBNB SHOULD BE THE LAST RESORT



last resort."

The European Commission put forward common rules for sharing economy companies, such as the ride-hailing app Uber and the home-rental site Airbnb, in all Member States to ensure that they pay taxes for their business activities and guarantee the protection of consumers and employees. The EC however suggested to countries that banning these businesses should be a solution of "the

EC has also called on governments to differentiate between citizens who offer services individually or on an occasional basis, and providers who act in a professional capacity, by establishing an activity level threshold, for example.

"A competitive European economy requires innovation. Our role is to create a regulatory environment that enables the creation of new business models, while protecting consumers and ensuring fair fiscal and working conditions," said Jyrki Katainen, European Commission Vice-President with responsibility for Jobs and Competitiveness.

Katainen also sought to **calm the fears of traditional competitors who see the sharing economy companies as a threat to their businesses** and he rejected the idea of seeking to replace one model with the other.

The Commissioner for Internal Market and Industry, Elzbieta Bienkowska, stressed the need to shed clarity on the market and insisted that we are not proposing any new rule, but Brussels is trying to explain how to use what already exists.

To this end, the EU Executive is offering guidelines for the application of existing EU rules in a more agile and speedy manner, although these rules are not binding to the Member States.

Brussels sees the companies like Uber and Airbnb as a growth opportunity for the European economy, where those who want to start a business can "test the waters," and where new demand and new consumers can be generated.

However, EC points out that this opportunity should not give rise to a parallel economy, and therefore it is advocating the establishment of common rules in Member States to ensure that those platforms pay taxes, guarantee consumer protection and offer fair conditions of employment.

For example, Brussels is proposing that the requirement to have a license or activity permit should be applied when it is strictly necessary for reasons of public interest, and it believes that a total ban should be only an act of last resort.

In this regard, the Commission Services recommended in the proposal that these licenses should not be required for these sharing economy platforms when they are acting as intermediaries between consumers and those who offer a service such as transportation or accommodation.

Brussels is also proposing that the sharing economy companies should be exempt from responsibility on issues such as data stored on behalf of those who offer a service, but they certainly should be responsible for services offered directly by them, such as payment

services.

As far as consumer protection is concerned, Brussels is making it clear that users must be protected from abuse and unfair practices, but it is recommending that disproportionate obligations should not be imposed on those providing certain occasional services.

According to a recent Eurostat survey, one in every six Europeans has used the services of sharing economy companies at some time, and 50% know of their existence.

In 2015, the sector made about 28,000 million euros, a figure that is double the figure for the previous year, according to data provided by Brussels.

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