EU4Digital Facility

EU4Digital: eTrade Network, 8th Online Workshop

Day 2: eCommerce

EU4Digital

Online conference | 9-10th June 2020

Funded under the EU4Digital
Initiative of the European Union

Agenda

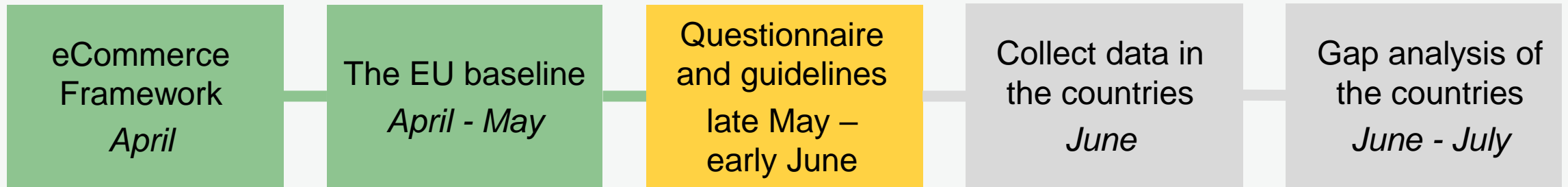| Topics to discuss |
| --- |
| Overall timeline of the activity |
| The 2021 updates |
| eCommerce Framework: limits and topics included into the study |
| eCommerce baseline: key aspects |
| Timeline for the data collection and the report |

Timeline of eCommerce activity

3.3 eCommerce

| eCommerce Framework *April* | The EU baseline *April - May* | Questionnaire and guidelines late May – early June | Collect data in the countries *June* | Gap analysis of the countries *June - July* |

Output 1

Recommendations for eCommerce harmonisation
(July - August)

Harmonisation targets 3 scenarios:
1. Overall eCommerce strengthening (legal, standards, ecosystem areas) in the EaP;
2. Facilitate selling / buying of the EU businesses and consumers in the EaP;
3. And vice versa: the EaP business and consumers sell and buy in the EU.

Output 2

Identification of key challenges to scope pilot and later develop and implement it
(September – June 2021)

EU4Digital

eCommerce Framework: scope

Definition	Scope	Transactions
Sale of goods through electronic transactions carried out on computer networks	Online purchase of products and merchandises. Commercial items.	**B2C** B2B

EU4Digital

The 2021 changes in the EU: influence on cross-border eCommerce

VAT

1 All goods are to be declared and VAT to be collected (including < 22 EUR goods)

2 One Stop Shop system to collect VAT at purchase making a fast release at customs

Customs

3 Electronic customs declaration of all imported consignments (via Import Control System 2)

4 Reduced data set for goods < 150 EUR

5 Everyone can benefit from simplified customs procedures

EU4Digital

eCommerce Framework: value chain

Value chain: flow of activities and processes involved in any type of eCommerce cross-border trade between businesses, consumers and public entities.

Marketing → Sales → Payment → Placing order → Parcel delivery → Customer support

EU4Digital

eCommerce Framework: value chain

Value chain: flow of activities and processes involved in any type of eCommerce **cross-border trade** between businesses, consumers and public entities.

Marketing ▸ Sales ▸ Payment ▸ Placing order ▸ Parcel delivery ▸ Customer support

Legislation area:
- Unfair commercial practices;
- Price indication;
- Online marketplaces;

Standards area:
- Information on postal services;
- International postal address;
- Data definition and encoding – Identification of postal items;
- Identification & codification of postal consignment;
- EU eCommerce websites trust marks;
- CE marking;

eCommerce ecosystem area:
- Global, continental and local eCommerce platforms operating in the EU;
- Rating of products;

EU4Digital

eCommerce Framework: value chain

Value chain: flow of activities and processes involved in any type of eCommerce **cross-border trade** between businesses, consumers and public entities.

| Marketing | Sales | Payment | Placing order | Parcel delivery | Customer support |

Legislation area:
- Consumer sales and guarantees;
- Product safety rules;
- Rules for protection of intellectual property and enforcement;
- Trademarks and designs;

Standards area:
- Distance to access point of postal services;
- Open global networks and systems for postal operators;
- Packaging for boxable items;
- Product safety;

eCommerce ecosystem area:
- Common solutions to create platforms and integrate with other stakeholders of the ecosystem;
- Social media as a marketplace for influencers;

EU4Digital

eCommerce Framework: value chain

Value chain: flow of activities and processes involved in any type of eCommerce **cross-border trade** between businesses, consumers and public entities.

Marketing → Sales → **Payment** → Placing order → Parcel delivery → Customer support

Legislation area:
- Electronic payments;
- Limit of payment fees;

eCommerce ecosystem area:
- Electronic payments ecosystem:
  - Common in the EU payment methods;
  - Payment gateways and service providers;
- Payment of cross-border taxes and stakeholders involved at every stage;

EU4Digital

eCommerce Framework: value chain

Value chain: flow of activities and processes involved in any type of eCommerce **cross-border trade** between businesses, consumers and public entities.

Marketing → Sales → Payment → **Placing order** → Parcel delivery → Customer support

Legislation area:
- Unfair contract terms;
- Electronic contracts;
- Prohibitions and restrictions of import of goods;

Standards area:
- Interfaces for cross-border parcels;
- Electronic Data Interchange between postal handling organisations;
- Electronic communication of item information;
- Item level tracking information;
- Item messages with Customs;
- Consignment messages with carrier;
- Messages between postal operators;

EU4Digital

eCommerce Framework: value chain

Value chain: flow of activities and processes involved in any type of eCommerce **cross-border trade** between businesses, consumers and public entities.

Marketing → Sales → Payment → Placing order → **Parcel delivery** → Customer support

Legislation area:
- Parcel delivery customs formalities: excise goods, fees for customs procedures;
- Fiscal aspects of parcel delivery: duties, VAT, excise duties;
- Transparency of tariffs for cross-border parcel delivery;
- Postal security measures for cargo and mail;
- Import electronic advance data;

Standards area:
- Quality of postal services;
- Interoperability in postal operations;
- Digital postal services;
- Measurement of the transit time of end-to-end services;
- Method for measurement of parcel transit time for cross-border parcels;
- Apertures of private letter boxes and letter plates;
- Parcel boxes for end use;
- Digital opening and closing systems for parcel receptacles;
- Requirements for electronic advanced data in postal operations;

eCommerce ecosystem area:
- Role of the UPU in parcels delivery rules;
- Common goods delivery methods and fulfilment operations;
- Delivery to remote and rural areas;
- Goods tracking and identification via global IDs;
- Customs clearance process and changes in 2021;
- De-minimis in the EU and changes in 2021;

EU4Digital

eCommerce Framework: value chain

Value chain: flow of activities and processes involved in any type of eCommerce **cross-border trade** between businesses, consumers and public entities.

Marketing → Sales → Payment → Placing order → Parcel delivery → **Customer support**

Legislation area:
- Consumer alternative dispute resolution;
- Consumer online dispute resolution;

Standards area:
- Complaints handling principles for postal services;
- Damage to postal items;
- Re-forwarding;
- Measurement of loss and substantial delay in priority and first-class single piece mail;

eCommerce ecosystem area:
- Return process of damaged or wrong goods;

EU4Digital

eCommerce baseline: aspects to consider in legislation area

Around **70 key aspects** identified in the legislation area to be assessed and considered by the Eastern partner countries. Some of the key aspects areas that will be assessed via questionnaire:

Consumer protection

1. Unfair practices: definitions, prohibition, code of conduct;
2. Rights: contracts, info to be provided, time limits;
3. Consumer directive: online marketplace, status of trader, personalization of price, discounts;
4. Dispute resolution: online/alternative resolution
5. …

Parcel delivery

1. Fiscal: abolished VAT exceptions, fully electronic customs declaration, access to simplified procedures;
2. Non-fiscal: prohibitions and restrictions, "CE" label, trademarks, transparency of tariffs;
3. The UPU: types of parcel items, limits on weight, EAD.
4. …

Other areas

1. Digital service providers: requirements on security and incident notification, representative in the EU;
2. Unjustified geo-blocking;
3. Data protection: safeguards, data protection clauses;
4. Liability of online intermediaries;
5. Payments: integrated market, security, transparency, reduced liability, authentication;
6. …

EU4Digital

eCommerce baseline: aspects to consider in standards area

Around **40 key aspects** identified in the standards area to be assessed and considered by the Eastern partner countries. Some of the key aspects areas that will be assessed via questionnaire:

CEN: Quality of services

1. End-to-end transit time, tack and trace events;
2. Standardised quality of services measurement;
3. Complaints handling principles; compensation and redress;
4. Damage of postal items;
5. Reforwarding requirement;
6. Availability of postal info;
7. …

CEN: Interoperability

1. Harmonisation of letter boxes and postal address;
2. Access to postal points and unattended delivery solutions;
3. Electronic advanced data;
4. Packaging standards;

CEN: Digital Postal Services

EAD and data for digital customs pre-declarations on items level

CEN: Physical process and associated data

Harmonisation of unique transport unit identifiers;

The UPU: Electronic exchange

1. Necessary service providers and interfaces;
2. Messaging exchange standard;
3. Harmonised tracking of items;
4. Closed and open messaging standards;

EU4Digital

eCommerce baseline: aspects to consider in ecosystem area

Around **50 key aspects** identified in the ecosystem area to be assessed and considered by the Eastern partner countries. Some of the key aspects areas that will be assessed via questionnaire:

Cross-border supply chain

1. Stakeholders involved based on the global model;
2. Item level of cross-border parcel supply chain;
3. Harmonised and linked IDs;
4. EAD before transportation;

Security and trust

1. Advanced payment security
2. National trustmarks and code of conduct;
3. Control by public bodies;
4. Common review platforms;
5. Insurance: liability limits;

eCommerce marketplaces

1. Global / continental / local marketplaces availability to enable of cross-border trade;
2. Localisation of communication channels/content;

Taxation

1. Common and upcoming processes to pay taxes: IOSS, DDP, DAP
2. Systems and stakeholders involved to pay taxes;

Logistics and supply chain

1. The UPU: infrastructure and solutions used by the network;
2. Post as the key stakeholder;
3. Delivery: outsourcing or development of own solutions; common delivery locations; fulfilment models to consider; remote areas; returns of items;
4. Tracking of items and transport; SSCC;

Payments

1. Methods: cards, wallets, etc.
2. Bank cards charges;
3. Gateways: global and common local services;

Timeline to prepare the report

| Weeks >	June 2020					July				August				September	
	1 Jun	8 Jun	15 Jun	22 Jun	29 Jun	6 Jul	13 Jul	20 Jul	27 Jul	3 Aug	10 Aug	17 Aug	24 Aug	1 Sep	7 Sep
1. Local preparation: mobilise the team, start desk research, schedule interviews	■	■													
2. Field research in each country		■	■	■	■										
3. Draft the local state of play reports by local teams			■	■	■	■									
4. Review / align of the local reports by the central team						■	■								
5. Draft central report (gap analysis and recommendations)								■	■	■	■				
6. Align with eTrade Network, eCommerce Working Group										■	■	■			
7. Align with the Client												■	■	■	

EU4Digital

Pilot countries

The following country pairs were selected for the eCommerce piloting activity:
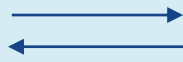
Azerbaijan ⇄ **Georgia**　　**Armenia** ⇄ **The EU**
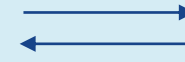
EU4Digital

EU4Digital

Thank You

EU4Digital website: https://eufordigital.eu/
Newsletter: https://eufordigital.eu/?#newsletter