



HOTREC position paper on the proposal for Regulation on short-term accommodation rental services (STR Regulation)

HOTREC, the voice of European hospitality, welcomes the [proposal for Regulation on data collection and sharing relating to short-term accommodation rentals services](#) which sets common rules for host registration and a data-sharing framework with public authorities. The initiative represents an important step in establishing a framework that will protect and benefit consumers, residents, hospitality workers, local communities and the entire EU tourism ecosystem of which short-term rental (STR) accommodations have, over time, become an inherent part.

HOTREC has been closely following the developments and latest trends of STRs for almost a decade, and with great concern, we can conclude that the problems of STRs identified in the past remain relevant today: **unfair competition, undeclared work, consumer exposure to safety hazards and unreported tax income, among other things, remain outstanding issues.** We, therefore, welcome that the current proposal will become an important tool for authorities around the EU to address many of these issues. With that in mind, HOTREC also supports that the proposal is based on the principle of subsidiarity and that local, regional and/or national authorities will remain empowered to introduce market access rules.

Nevertheless, HOTREC believes that the current proposal should be further strengthened and clarified so that the final law is future-proof and helps to level the playing field amongst different accommodation providers. We, therefore, call on the EU Member States and the European Parliament to address the following issues which are further elaborated on in the second part of the position paper:

1. Scope and definitions (such as “*unit*”) should be clarified by referencing national laws.
2. Registration schemes and registration numbers for hosts should be mandatory in all EU Member States.
3. More flexibility and ambition should be given when it comes to data and information provided by hosts.
4. The roles and responsibilities of online platforms should be strengthened with an aim of supporting regulatory compliance by STR hosts.

1 - Clearer scope and definitions (Articles 2, 3 and corresponding recitals)

Scope

HOTREC supports that the proposal excludes areas such as taxation and customs from the scope of the Regulation. However, we do believe that recital 17, as currently worded would allow online platforms to reject requests from authorities for **any type of data** (including tax income data) in case registration schemes prescribed by the current Regulation are not in place. Even though HOTREC supports the introduction of mandatory registration schemes and registration numbers across the EU, we believe that the recital should be deleted, in order to ensure legal clarity.

Definitions

HOTREC generally welcomes the definitions that are included in the proposal; however, we do believe that some of them need to be further clarified and narrowed by including references to national laws.

For example:

- Due to different classifications and types of accommodations across the EU, **the definition of the "Unit"** needs to include a reference to national laws as it is the case for the definition of "short-term accommodation rental service". Such flexibility is necessary in Member States that introduced daily caps on rented STRs, where a host can circumvent the rule by starting to rent out individual rooms instead of the entire home when reaching the limit. Therefore, it is important there is no differentiation between individual rooms and entire homes when defining a unit.
- While HOTREC supports the **clear exclusion of hotels and similar accommodations** from the scope of the Regulation, we would like to point out that certain types of accommodations are not a part of the same statistical categories in all EU Member States. Therefore, to ensure legal clarity, we would urge policymakers to include a reference to national laws in this instance as well.

2 - Mandatory registration schemes and registration numbers (Article 4 and corresponding recitals)

HOTREC believes that the final law should task EU Member States to introduce mandatory registration schemes and registration numbers **in all EU Member States** in order to avoid legal fragmentation and to strengthen the level playing field in the accommodation sector across the entire EU. According to the impact assessment prepared by the European Commission¹, 23 EU Member States already have some types of systems in place that allows them to collect information from platforms, which showcases that a large majority of countries already took initial steps to address various issues of STRs.

Besides introducing mandatory registration schemes and registration numbers, HOTREC also urges the policymakers to ensure that:

- Where registration schemes are already established on regional, local or city level, the obligation to set up registration schemes and issuing of registration numbers should be **expanded to cover entire territories of EU Member States**.
- **Existing and already established registration schemes should be maintained and not be endangered by** newly proposed schemes. Furthermore, it is important that these schemes can be plugged into Single Digital Entry Points without undue delay.

Lastly, to ensure a more **harmonised approach the registration number** across the EU should be based on the same typology and standard which should be developed by also involving EUROSTAT in the elaboration as they are already collecting data on short-stay accommodation offered through online platforms.²

3 - More flexibility and ambition on data and information provided by hosts (Article 5 and corresponding recitals)

Across Europe, many regions and Member States, have already set up systems that list requirements on types of data which hosts need to provide when registering. HOTREC believes that the information that will be provided by hosts as envisaged under Article 5 represents a good minimum basis. However, we do believe the provision needs to include certain clarifications and additional flexibility for EU Member States.

In line with the principle of subsidiarity and to ensure the Regulation is future proof, it is important that authorities can request additional sets of data (i.e., periodicity of rentals in the previous year, revenue generated by the host from STR activities in the previous year, other facilities being offered, last renovation made and scope of renovation (full, partial)).

¹ European Commission 2022, *impact assessment report*, pp:200-1, downloadable [here](#)

² Eurostat 2019, *Short-stay accommodation offered via online collaborative economy platforms*, available [here](#)

This will allow them to better understand different issues that are specific to local, regional or Member State level.

HOTREC would also recommend clarifying specific wording on information in the same article. According to the proposal, the hosts will be required to provide the following four types of data:

1. *the address of the unit;*
2. *the type of unit;*
3. *whether the unit is offered as a part or whole of the host's primary or secondary residence, or for other purposes;*
4. **the maximum number of guests that the unit can accommodate.**

HOTREC would encourage policymakers to clarify point 4 and additionally ask hosts to also provide the **number of rooms and the number of beds in the unit**. Such additional information will be clearer and more factual for authorities.

It is also important to clarify the Article deals with "unit data" in order to avoid rejections of data sharing due to personal data protection rules. Furthermore, the Regulation should allow the data to be shared, cross-referenced, and checked between different competent authorities and ministries. This will allow them to better address and tackle issues, such as fraud, and ensure that certain bodies are not prohibited to access data necessary for their investigations.

4 - Strengthened responsibilities and role of online platforms (Article 7 and corresponding recitals)

Role and responsibilities of online platforms should be strengthened and improved since they should play a key role in supporting regulatory compliance by STR hosts. Looking at legal and regulatory developments over the past decade it seems that platforms were merely buying time by not proactively addressing various issues concerned to STRs. When put under pressure by the authorities, online platforms introduced certain measures, such as nightcaps in limited locations and/or started legal proceedings to fight market access rules.

HOTREC believes that the final law should address the following points concerning platforms:

- The initial recitals, such as **recital 2** should underline that online platforms also contributed to the improper functioning of the internal market by failing to cooperate with relevant authorities.³
- An obligation to display registration numbers should apply to **all online short-term rental platforms** even if they do not conclude direct transactions. There are over 700 STR platforms⁴ in the EU and it is important that basic rules envisaged in this Regulation, such as enabling the showing of registration numbers and connecting to Single Digital Entry Points apply to all of them. To ensure this, HOTREC recommends deleting recital 8. Furthermore, it is important that the **same registration number** for the individual unit is applied across all platforms. This will ensure that hosts do not use different numbers in case they are banned from one platform but not from others.
- **Article 7(1)c** which obliges online platforms to conduct random checks of hosts' declarations should be clarified by **introducing a minimum number of checks** per year and **giving authorities the possibility to require platforms to conduct *ad hoc* checks**.
- The Regulation should also clearly stipulate that in case platforms fail to comply with rules and obligations, they should be subject to appropriate sanctions and fines as defined by competent judicial, EU and national law enforcing entities.



³ HOTREC 2022, *Position Paper on EU-wide Regulation of Short-term Rentals (Full Report) 2022*, pp:18-21, available [here](#)

⁴ European Commission 2022, *impact assessment report*, pp:130, downloadable [here](#)