



## **The Commission's Communication for the collaborative economy leaves lots of foggy spots and ignore the liability of platforms**

**Brussels, 2 June 2016** – The European Commission published today a Communication setting out guidelines on how to apply European legislation to the so called 'collaborative' or 'sharing' economy. The European hospitality industry supports the approach that service providers, offering their services on a permanent basis should be considered traders. However, the Communication does not clearly differentiate between occasional and permanent activity, where platforms shall also play a key role in providing information to authorities.

It is now clear that permanent activities are to be considered as business activities. The possible setting-up of thresholds and especially their enforcement to distinguish between occasional and permanent activities will require well-coordinated cooperation between the various players, including platforms, in order to allow for authorities to check compliance (e.g. letting an apartment for a given number of days).

*"We see some first positive steps ahead in the Communication of the Commission, such as the recognition of the existence of business activities in the so-called collaborative economy, however many issues still needs further clarifications in particular the spectrum of liability of the platforms"* said Christian de Barrin, CEO of HOTREC.

The guidelines acknowledge that service providers can be subject to market access requirements, such as business authorisations or licencing obligations. The hospitality industry is calling upon authorities to set up registration of activity in order to follow-up on providers' compliance with requirements. The liability of platforms shall thus include to only display offers, which met registration requirements.

We take good note that consumer protection remains key for the European Commission to be ensured, also in the collaborative economy. However, the approach to assess on a case-by-case basis, who is qualifying as a trader or not could be impossible to implement, taking the constantly changing millions of offers on the various platforms, especially if they are not engaged in the process.

Besides consumer protection, taxation, and employment issues, the hospitality industry calls upon the compliance of service providers with food and health safety legislation. There are clear rules at European level on the provision of food services by any provider, which need to be respected, also in the framework of home restaurants.

*“Platforms have to take responsibility in a market, which sees the increasing development of two economies: one regulated and one not regulated. The solution, when striving for a well-functioning European market overall, lies as well in the enforcement of existing regulations at national level covering the general consumer principles as well as in responding to the local concerns and the situation of each city or region”* said Ramón Estalella, Chair of HOTREC’s ‘Sharing’ economy Task Force.

#### ***What is HOTREC?***

HOTREC represents the hotel, restaurant and café industry at European level. This industry includes around 1,8 million businesses, of which 99% are small and medium sized enterprises (91% of them micro enterprises, i.e. employing fewer than 10 people). These businesses make up some 59% of industry value added. The hospitality industry provides some 10.2 million jobs in the EU alone. Together with the other tourism industries, the sector is one of the largest industries in Europe. HOTREC brings together 43 national associations representing the sector in 30 different European countries.

For further information: [www.hotrec.eu](http://www.hotrec.eu)

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