



Compliance with taxation in the collaborative economy, along with consumer protection, make registration of activity a must for a healthy single market

Brussels, 15 December 2017 – The European hospitality industry calls for compliance of collaborative economy activities with basic market and societal requirements allowing for a healthy and fair business market. The increasing role of professionals makes registration of activity necessary to level the playing field and protect consumers by fostering national law enforcement.

According to the European Holiday Home Association, collaborative economy platforms in tourist accommodation are offering 20 million beds across Europe, compared to 13 million beds in hotels and similar establishments (Eurostat). A recent study of the European Commission (DG Grow) shows that a huge proportion of accommodation providers are marketed by professionals. 2/3 rent out their property for more than 120 days a year.

“Platforms must take responsibility for society not only by facilitating compliance with taxation, but also to ensure consumer protection. The one and only step to achieve this is set up a registration of activity to clear up the market and level the playing field” stressed Christian de Barrin, CEO of HOTREC.

The November 2017 PricewaterhouseCoopers study on the impact of taxation on European tourism also underlines the need for a proper participation of the sharing economy in public responsibilities. The study says, that *“it can be hard for tax authorities to raise awareness of obligations and police non-compliance, while this introduces inequity between the effective tax burden on compliant businesses and those who do not comply with tax obligations. This distorts the market and leads also to a loss of revenues for the government”*.

Still on taxation, Paris’ deputy mayor recently showed concern on AirBnB’s new credit card being registered in Gibraltar, worrying that this practice could facilitate tax evasion by hosts. A few days later AirBnB agreed not to use the card in France.

Ramón Estalella, Chair of HOTREC’s ‘Collaborative’ economy Task Force concluded: *“In order to allow for a harmonised European approach, HOTREC considers that the adoption of the Guiding policy principles elaborated by the European Commission during fall 2017 would mean a big step forward”*.

What is HOTREC?

HOTREC represents the hotel, restaurant and café industry at European level. The sector counts in total around 1.8 million businesses, being 99,5% small and medium sized enterprises (91% are micro enterprises, i.e. employing less than 10 people). These businesses make up some 60% of value added. The industry provides some 10 million jobs in the EU alone. Together with the other tourism industries, the sector is the 3rd largest industry in Europe. HOTREC brings together 40 national associations representing the interest of this industry in 29 different European countries.

For further information: www.hotrec.eu

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