

The Confederation of Industry of the Czech Republic appreciates the opportunity to submit feedback to the European Commission's inception impact assessment on fairness in platform to business relations. We wanted to provide a couple of reflections on the wider consequences that this sort of platform regulation could have on the growing European platform ecosystem. This position expands principles already highlighted by the Business Europe on similar topics, such as the [BE paper submitted to the public consultation](#) Regulatory environment for platforms from January 2016.

**The Confederation of Industry believes the Commission's evidence base doesn't properly justify targeted nor prescriptive regulatory intervention:** The Commission is relying on survey results from [Ecorys](#), which we worry provides very limited economic evidence (for instance, the evidence from the study suggest that only a fraction of business users have problems that justify legislative intervention. Moreover, problems businesses identified, such as technical issues and lack of human resources support, do not require an introduction of a platform regulation). The Confederation of Industry has not encountered substantive concerns in areas that were identified as problematic. Our members have not pointed out to any specific problems.

**Regulation would negatively affect the whole online ecosystem:** The Commission struggled to find a legally exclusive definition of online platforms during the [previous 2015 public consultation on online platforms](#). The Confederation of Industry is concerned that any legislation aiming at platforms may risk impacting the entire online ecosystem, creating barrier for all kinds of online businesses and their users. European SMEs and startups that seek to become platforms would be hurt disproportionately hard by overburdensome regulation and new regulatory burdens (enhanced monitoring and reporting obligations to the newly established EU platform regulator, requirement to negotiate each and every contract and service change with every business users, additional data access and portability obligations).

**Horizontal regulation will not be effective:** The European Commission in its [communication on online platforms](#) previously concluded that horizontal ex ante regulation of online platforms is not necessary nor will it be effective to grow the European platform economy. We share the view of many businesses that a problem-driven approach, enforcement of existing regulation as well as self- and co-regulation, when necessary, offer effective measures to address most of the concerns. Creating one prescriptive legislative instrument for every platform, which have different business models and ways of interacting with business and individual users, risks hitting them disproportionately and without an evidence of a broader market failure.

**Market solutions and self-regulation work:** The Confederation of Industry observed that online platforms have developed effective solutions to address the concerns raised through the P2B review - for instance internal redress procedures, public information on how businesses can use platforms to their advantage, clear rules etc.. The Commission's own Better Regulation Principles call for the enforcement of the existing regulation (in this case predominantly the EU competition law), development of self-/co-regulatory regimes before the introduction of new legislation. The Commission should maintain that approach. Therefore in our opinion any

intervention in this area should at a maximum be a EU soft law action (option 1 in the Commission's inception assessment) spurring industry-led intervention would be acceptable given that platforms are best placed to effectively and speedily establish solutions (for instance on-platform dispute resolution and appeal processes, information about how to ensure best ranking, monetization, access to data etc).