

Commentary on the E-Commerce Directive

The advantage of the e-commerce directives clearly are that they create a common standard within the E.U. and a regulatory framework for everyone participating in e-commerce. It is to be viewed positive that the country of residence determines the competent legislation for businesses, not other local laws in other countries where goods are purchased from.

The negative side is that this will result in a lot of implementation and adjustment work to comply with the requirements for publishing information during a transaction, thus affecting web sites and business practises that could be very costly, especially for smaller and medium-size enterprises.

For element 5 the e-commerce directive will have little effect as element 5 is already conform to the directives's requirements because German law is close to the directive.

However, the e-commerce directive leaves a lot of gaps, for instance VAT and other tax issues surrounding e-commerce and specifically the tools in order to support a successful implementation for corporations. An example would be the current lack of an online, real-time check for the validity of VAT IDs. Another gap is a clear E.U. wide guidance on classification of digital goods and services.

The e-commerce directive is one small step, however, it does not solve a lot of the real-world issues companies have with e-commerce in the E.U. today. It is good to have, but a rather minor side track in the succesful standardization of digital business processes and e-commerce.

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