COMMERCIAL

newsletter

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Geo-blocking Regulation: A step closer to the end of Geoblocking

On Tuesday, 06 February 2018, the European Parliament voted on the final text of the Geo-blocking regulation addressing geo-blocking and other forms of discrimination based on customers' nationality, place of residence or place of establishment within the internal market and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC. The Geo-blocking regulation is expected to enter into force by the last quarter of 2018.

Under the proposed text of the Geo-blocking regulation, (a) blocking of access to online interfaces and (b) redirecting to other online interfaces for reasons related to the nationality, place of residence or place of establishment of a customer will no longer be allowed. In other words, redirecting a customer to a specific country-website, solely based on the country of residence of the customer, will no longer be permitted.

The new rules define three specific situations where no justification and no objective criteria for a different treatment between customers from different EU Member States should be raised:

- where the trader sells goods, provides services, or seeks to do so, in a Member State other than the Member State in which the customer has the place of residence or the place of establishment;
- where the trader sells goods, provides services, or seeks to do so, in the same Member State as
 the one in which the customer has the place of residence or place of establishment, but the
 customer is a national of another Member State;
- where the trader sells goods or provides services, or seeks to do so, in a Member State in which
 the customer is temporarily located without residing in that Member State or having the place of
 establishment in that Member State.

Furthermore, the Geo-blocking Regulation provides that traders shall not apply different general conditions of access to their goods or services for reasons related to the nationality, place of residence or place of establishment of the consumer and they must not apply different conditions of payment for any sales of goods or provision of services.

Article 6 provides that agreements with traders containing passive sales restrictions which would lead to violations of the rules set out in this Regulation are automatically void. It is designed to avoid circumvention of those rules by contractual means.

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As regards sanctions for non-compliance with the above obligations, the regulation does not indicate specific sanctions. Pursuant to the regulation, each EU member state may decide on appropriate measures in case of non-compliance by traders.

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