P2B REGULATION

Inewsletter

1 July 2020

EU Regulation on platform-to-business trading practices

On 20 June 2019 the new European Regulation (EU) 2019/1150 (namely the "P2B Regulation") on promoting fairness and transparency for business users of online intermediation services was issued by the European Parliament and the European Council. The Regulation will be directly applicable in all EU Member States as from 12 July 2020.

The P2B Regulation aims to protect the interests of the **business users** of online intermediation services that offer goods or services to consumers for purposes relating to their trade, business or profession, as well as of **corporate website users** established in the EU, acknowledging the crucial role that the online intermediation services, such as online marketplaces and search engines, play in the current information society.

P2B Regulation applies to all providers of intermediation services regardless of where they are established, as long as the business/corporate website users are established in the EU and their services (or part thereof) are directed to consumers located in the Union.

On the contrary, the Regulation is not applicable to pure b2b online intermediation services not targeted at consumers.

Key provisions

Terms and Conditions

Providers of online intermediation services should ensure that their T&Cs are clear, transparent and easily accessible.

Any proposed changes of their terms and conditions should be notified to business users with a 15-day minimum notice period in order for business users to make the technical or commercial adaptation required, so that they comply with the changes.

Termination

If the online service provider decides to terminate the provision of its services to a certain business user, it shall provide the business user concerned a statement of reasons for the decision on a durable medium at least 30 days prior to the termination taking effect..

Business users must be informed by the online service providers of their right to terminate the contract, as well as about the existence of other available distribution channels.

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Restrictions on fair competition grounds are also introduced by the P2B Regulation, as online service providers may impose barriers to the ability of the business users to offer the same goods and services under different terms through other competitors' means. These restrictions must also be publicly described in their T&Cs.

Ranking

New transparency and clarity obligations are also provisioned, as both the search engines and the intermediaries must maintain a detailed and clear description of the main parameters determining the ranking of their provided links.

Differentiated Treatment

In case online service providers or search engines offer to the consumers same goods or services with business or corporate website users, they must include a detailed description in their T&Cs of any differentiated treatment that may use regarding their own goods and services, which may refer to any commercial, economic or legal considerations.

Internal complaint handling system: Online service providers must ensure that business users have easily access to an internal complaint handling system, which will be offered time-efficiently and free of charge.

Mediation

The P2B Regulation sets the ground for a voluntary mediation procedure, since two or more mediators may be used to settle disputes between the online service providers and the business users. The details of the mediators must be clearly included in the online intermediation services' T&Cs.

As from the application of above said Regulation, companies that fall within the ambit of the application of the Regulation should make sure that their T&Cs are compatible with the provisions of the Regulation.

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