

# Key Recommendations to the Swedish EU Presidency

Sweden holds the Presidency of the Council of the European Union during the first half of 2023, leading negotiations on issues that will impact Europe for years to come. The Computer & Communications Industry Association (CCIA Europe) respectfully offers these recommendations, and looks forward to supporting the Swedish Council Presidency.

I

## A strong Europe is open to the world & cooperates with like-minded partners

The global rise of authoritarianism, the further erosion of the rule-based world order, and the risk of the Internet turning into a fragmented Splinternet are just a few of the major challenges facing Europe. More than ever the EU needs to take a leadership role in enhancing international cooperation with its key partners.

### Recommendations:

1. Work with partners to remove trade barriers and advance shared interests
2. Ensure safe international data flows
3. Keep access to the cloud market open and non-discriminatory
4. Support proportionate data sharing that fosters innovation
5. Lead on the implementation of global tax reform, replace unilateral measures

II

## Smart rules need to protect & benefit Europeans

Harmonised EU rules are important to businesses and consumers alike. Europe should now focus on the effective implementation and enforcement of its recently-adopted landmark digital rules. Europeans need to see tangible results and benefits.

### Recommendations:

6. Protect the privacy of users, and children in particular
7. Increase transparency of political ads, protect media independence
8. Strengthen consumer protection without holding back e-commerce
9. Ensure the European liability framework is fit for purpose

III

## Innovation will allow Europe to prosper

Consumer habits and needs are changing fast, that is why the EU should take a consumer-focused approach in its digital policies in order to deliver the innovation, openness, and flexibility that Europeans expect and demand.

### Recommendations:

10. Protect the open Internet, oppose network usage fees
11. Reap the benefits of AI through a risk-based approach
12. Adapt social and work policies to a changing world
13. Ensure effective enforcement of the Digital Markets Act
14. Promote innovative and instant pan-European payments

# Key Recommendations to the Swedish EU Presidency

## I A strong Europe is open to the world & cooperates with like-minded partners

### 1. Work with partners to remove trade barriers and advance shared interests

Given the volatile geopolitical landscape, now more than ever transatlantic partners need to protect shared values and the principles of the rule-based international trading system. Common principles such as non-discrimination, mutual consultation, and dialogue must not be neglected in Europe's pursuit of digital sovereignty. The EU-US Trade and Technology Council (TTC) should serve as a forum to systematically identify and address transatlantic issues, with a view to ensuring close alignment. The EU, and its partners, should remove global barriers to digital trade and the free flow of information. This includes accelerating progress in fora like the WTO's Joint Statement Initiative on e-commerce and making the customs duties moratorium on electronic transmissions permanent. Likewise, Europe needs to provide more legal certainty to attract investments that can resolve supply-chain issues and secure access to critical (raw) materials and components.

### 2. Ensure safe international data flows

Commercial data flows underpin Europe's commerce and economic success around the world. To that end, the EU should promote safe international data transfers, while avoiding the creation of new barriers. CCIA Europe believes that the new binding safeguards and independent redress mechanisms under US law – introduced by President Biden's recent Executive Order – provide the foundations for a robust and durable EU-US Data Privacy Framework enabling transatlantic data flows. A new EU adequacy decision, in this respect, can strengthen data protection and provide legal clarity for all companies transferring data between the EU and the United States.

### 3. Keep access to the cloud market open and non-discriminatory

A thriving data-driven economy requires a competitive European market for cloud computing services. Certifications, standards, or other specifications which exclude global and European cloud vendors subject to foreign laws from the market, steer Europe towards digital isolationism. This would significantly reduce cloud competition and resilience in the EU. If the EU is serious about wanting "75% of Union enterprises" to take up "cloud computing services, big data, and artificial intelligence" by 2030, it should seek to expand – not decrease – the offer of cloud technologies in Europe. Where there are concerns about government access to non-personal data, the EU should seek convergence with like-minded partners, including through a transatlantic agreement on law enforcement access to electronic evidence.

### 4. Support proportionate data sharing that fosters innovation

The EU Data Act should provide meaningful incentives to increase supply and demand for data and data-driven solutions in Europe. Undue restrictions and prohibitions – for example, new data transfer restrictions, mandatory data-sharing conditions, and rules conflicting with other EU laws such as the GDPR and DMA – risk hampering the EU's aspiration to become a global leader in the data economy. Instead, the Data Act should remain technology-neutral and non-discriminatory, while also respecting trade secrets, contractual freedom, and the protection of personal data and security. And the same applies for any future sector-specific EU proposals on data sharing.

## 5. **Lead on the implementation of global tax reform, replace unilateral measures**

Europe should lead efforts towards the coordinated and consistent implementation of global tax reform, replacing today's jumble of unilateral tax measures. CCIA has been a long-time supporter of the OECD/G20-led tax agreement. The technical implementation of this tax reform should be profit-based, administrable, and respect the US global intangible low-taxed income regime. The EU should refrain from introducing any new discriminatory infrastructure levy or internet traffic tax to avoid derailling global tax reform.

## II **Smart rules need to protect & benefit Europeans**

### 6. **Protect the privacy of users, and children in particular**

CCIA Europe reiterates its steadfast commitment to the fight against online child sexual abuse. The European Commission proposal that is currently on the table should strive for harmonisation across the EU, providing greater legal clarity and bringing a halt to the growing compliance complexity created by divergence among Member States. Tackling the spread of child sexual abuse material is of paramount importance, but at the same time the new rules also need to respect the EU ban on general monitoring and support secure end-to-end encryption for communications services. CCIA also encourages the Council to ensure consistency with the broader legislative framework – such as the Digital Services Act (DSA) – and to provide the necessary legal basis that would allow providers of private communication services to develop and deploy effective risk-mitigation measures.

### 7. **Increase transparency of political ads, protect media independence**

Citizens must be able to exercise their democratic rights in an informed manner. CCIA Europe therefore supports both the proposal to create a modern EU-wide framework that provides more transparency in political advertising, as well as the introduction of new rules to safeguard the independence and pluralism of Europe's media. To increase the transparency of political ads, lawmakers should clarify the definitions of "political advertising" and "political actors," recognise advertisers' role and assign responsibilities accordingly, and align data-access obligations with the existing EU data protection framework. When it comes to the Media Freedom Act, any special treatment of media by online platforms should be limited to legitimate actors and balanced by robust safeguards to avoid abuse by those trying to spread disinformation or illegal content.

### 8. **Strengthen consumer protection without holding back e-commerce**

With the proposal for a new General Product Safety Regulation, the EU seeks to update existing rules to increase consumer protection against dangerous goods. New specific obligations for online marketplaces should take the intermediary and limited role of marketplaces into account, while acknowledging the sector's existing efforts – such as the EU Product Safety Pledge. Any obligations should be aligned with the Digital Services Act in order to ensure that the new rules are effective and workable, including for European SMEs that use online marketplaces to expand their customer base.

### 9. **Ensure the European liability framework is fit for purpose**

CCIA Europe commends the Commission's efforts to update the EU product liability regime to better protect consumers in the digital era. The proposal for a new Artificial Intelligence (AI) Liability Directive is balanced, as it reflects the progress made on the AI Act. However, the proposed revision of the Product Liability Directive (PLD) risks inadvertently hampering innovation and Europe's digitalisation to the detriment of consumers.

That is why policymakers should carefully consider the consequences of extending the definition of “product” to software, enlarging the scope of damages, and extending strict liability to both online marketplaces and software (including immaterial harm) – as is currently proposed for the PLD.

### III Innovation will allow Europe to prosper

#### 10. Protect the open Internet, oppose network usage fees

Big telecom operators want the EU to introduce network usage fees, which content and application providers would have to pay telcos in order to respond to users’ request for data. This proposal could lead to Europeans having to pay more for cloud and streaming services. It also poses a fundamental threat to the net neutrality principles underpinning the open Internet. This experiment has in fact already failed in South Korea, with users facing higher prices, slower Internet, and less content – while network investment declined. The body of European telecom regulators recently [concluded](#) there is “no evidence that such mechanism is justified” and warned of its “significant harm to the internet ecosystem.” [Digital rights groups](#), [Internet experts](#), and [consumer organisations](#) have voiced similar, strong concerns. EU policy and decision makers should similarly reject network usage fees.

#### 11. Reap the benefits of AI through a risk-based approach

Artificial Intelligence (AI) can help solve many of the major challenges that Europe faces today, such as fighting climate change and improving road safety. CCIA welcomes the risk-based, targeted approach of the proposed EU AI Act. Nevertheless, the proposal would greatly benefit from clearer definitions, as well as more narrow classifications of “high-risk” AI systems and bans based on clear methodology. Moreover, the proposed distribution of responsibilities across the AI value chain requires a better balance between service providers and other actors. The blanket imposition of obligations on all general-purpose AI systems, including open-source ones, should also be avoided. These general-purpose building blocks, similar to a brick in a building, have no intended use yet and can just as well be used for low-risk applications.

#### 12. Adapt social and work policies to a changing world

CCIA Europe encourages an EU regulatory approach preserving independent work that is flexible, accessible, and high-quality in nature. Allowing platforms to provide insurance and protection to improve working conditions, while maintaining quality and price protections for consumers, requires a forward-looking approach to platform work. Policymakers should avoid overly-prescriptive or presumptive rules that risk affecting millions of genuinely self-employed Europeans instead of combatting bogus self-employment. Preserving the flexibility that platform workers value will create jobs and strengthen Europe’s economic resilience.

#### 13. Ensure effective enforcement of the Digital Markets Act

Compliance with the Digital Markets Act (DMA) demands far-reaching and structural changes to the way digital services are designed and delivered in Europe. These obligations must also be applied in diverse and evolving market circumstances. That is why the European Commission should have sufficient resources at its disposal to engage in a meaningful regulatory dialogue and clarify any ambiguities surrounding the DMA’s implementation. This is key to ensuring designated “gatekeepers” have a fair chance to modify their services accordingly, while making sure that negative side effects on the consumer experience remain proportionate.

The Commission should also be encouraged to issue guidance for emerging platform companies so they can adapt their EU services and business models with sufficient lead time.



#### **14. Promote innovative and instant pan-European payments**

The review of the Revised Payment Services Directive (PSD2) that regulates open banking, and European plans for a legislative proposal on instant payments, mark a critical moment in the development of an open EU ecosystem for digital finance. Indeed, the EU should create a policy framework for new financial services that supports the need of merchants and citizens for continued innovation and modernisation. The Commission should use these initiatives to double down on its goals of enhancing efficiency, transparency, and choice of payment instruments. Europe needs to create a level-playing field for service providers and actively foster trust in financial data-sharing among consumers. This will help realise a truly pan-European market for innovative digital financial services.

#### **For more information, please contact:**

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