European Commission

ITALY FACTSHEET

DECEMBER 2015

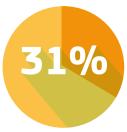
DIGITAL CONTRACTS FOR EUROPE

What is the untapped potential of cross-border e-commerce in Italy?

Businesses

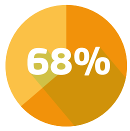
Despite the rapid growth of e-commerce, most businesses in Italy do not yet make the most of the Digital Single Market.

Only 10% of Italian retailers sell online to consumers in other EU countries, while almost **three times** as many (27%) sell online in their own country.



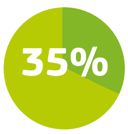
Differences in national contract laws are a significant obstacle for cross-border sales for **three out of ten Italian retailers** (31%) currently selling online.

If the same rules for e-commerce applied across the EU, **68% of Italian businesses** that are either active or interested in online cross-border trade would 'definitely' or 'to some extent' start or increase their online cross-border sales.



Consumers

Consumers in Italy also miss out on the potential of broader choice of products and better prices. Only **9%** of Italian consumers buy online from other EU countries.

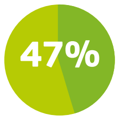


Low confidence plays a key role: **only 35% of Italian consumers feel confident** buying online from another EU country.

Justice and Consumers

Three out of ten consumers' top concerns about buying online from other EU countries are related to key contract law rights, such as non-delivery of their order, delivery of a wrong or damaged product, or repair and replacement of a faulty product.

62 % of Italian consumers who accessed four popular types of **digital content** (music, games, anti-virus software and cloud storage) over the last 12 months **had at least one problem** relating to the quality, access or terms and conditions of the content they had paid for. Moreover, 47 % had at least one problem with content that they did not pay for with money.



What solution is the European Commission proposing?

The Commission is proposing two Directives: one for digital content and another for goods. Together they will ensure that the same key contract law rules apply across the EU for online purchases of goods and the supply of digital content.

Businesses

How will these Directives improve life for businesses in Italy?

Businesses in Italy will be able to supply digital content and sell goods online to consumers throughout the EU, based on the same set of contract law rules. This will increase legal certainty and create a business friendly environment.

When supplying digital content, Italian businesses will avoid the cost of legal fragmentation which is emerging due to the lack of EU wide rules and the fact that some Member States are starting to put into place specific national legislations. When selling goods, businesses will save the costs of adapting to the contract law rules of every Member State they wish to sell in.

Common rules across the EU will reduce contract law-related consumer concerns. More **consumers** will be encouraged **to start buying online from other EU countries**, thus creating a market of up to **70 million** online cross-border buyers. This will open up new markets and will be particularly beneficial for small and medium enterprises (SMEs), who need to build their customer-base and often need to go beyond their home market.

Consumers

How will these Directives improve life for consumers in Italy?

Consumers in Italy will have access to offers from more traders across the EU and will therefore benefit from a **wider choice of products**, at **more competitive prices.**

Consumers will have specific rights with a high level of protection when accessing digital content and buying goods online. For digital content, the rules will apply regardless of whether consumers pay with money or give their personal data to the supplier in order to access the content (e.g. by simply registering).

DIGITAL CONTENT:

Supplier's liability for defects: If the digital content is defective, the consumer can ask for a remedy. There will be no time limit to the supplier's liability for such defects, because – unlike goods – digital content is not subject to wear and tear.

Reversal of burden of proof: If the digital content is defective, it will not be up to the consumer to prove that the defect existed at the time of supply, but rather for the supplier to prove that this is not the case. This is important considering the technical nature of digital content where it can be especially difficult for consumers to prove the cause of a problem.

Right to end a contract: Consumers will have the right to terminate long-term contracts, and contracts to which the supplier makes major changes.

GOODS:

Reversal of the burden of proof for two years: Currently in Italy, for a period of 6 months a consumer asking for a remedy for a defective product does not have to prove that the defect existed at the time of delivery; it is up to the seller to prove the opposite. The time period during which the seller has this burden of proof will now be extended to two years.

No notification duty: Consumers will not lose their rights if they do not inform the seller of a defect within a certain period of time, as is currently the case in Italy.

Minor defects: If the seller is unable or fails to repair or replace a defective product, consumers will have the right to terminate the contract and be reimbursed also in cases of minor defects.

Second-hand goods: For second-hand goods purchased online, consumers will now have the possibility to exercise their rights within a two-year period, as is the case with new goods, instead of the one-year period that currently applies in Italy.

How will these Directives contribute to economic growth?

Removing contract law-related obstacles will facilitate cross-border trade.

The increased economic activity is expected to **increase EU GDP** by **€4 billion** from its current level.

Italy's GDP in particular is expected to increase by about **€484 million**.

Increased competition will drive consumer prices down throughout the EU. This will lead to additional consumer welfare and is estimated to increase household consumption in the EU by **€18 billion** from its current level.

In **Italy**, the decrease of consumer prices is estimated to increase household consumption by €2.7 billion.

SOURCES:

- *Flash Eurobarometer 396 'Retailers' attitudes towards cross-border trade and consumer protection' (2015)*
- *Flash Eurobarometer 413 'Companies engaged in online activities' (2015)*
- *Eurostat Survey on Internet purchases by individuals (2015)*
- *Eurobarometer 397 'Consumer attitudes towards cross-border trade and consumer protection' (2014)*
- *'Consumer surveys identifying the main cross-border obstacles to the Digital Single Market and where they matter most', GfK (2015)*
- *'Economic Study on Consumer Digital Content Products', ICF International (2015)*
- *'The Macro-economic Impact of e-Commerce in the EU Digital Single Market' (2015)*

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#DigitalSingleMarket

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