



Live



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INTERVIEWS

Interview with Ambassador Goran Štefanić, Deputy Permanent Representative at the Permanent Representation of the Croatia to the EU



Ambassador Goran Štefanić is the Deputy Permanent Representative at the Permanent Representation of the Republic of Croatia to the EU. We asked him to share with us his thoughts on future challenges for the European hospitality sector and the EU Institutions and on his vision for HOTREC during 2020 and beyond.

1. What are the main priorities of the Croatian Presidency with regard to tourism?

According to the Programme of the Croatian Presidency of the Council of Europe, we will advocate policies for responsible and sustainable tourism development – with a particular focus on fostering the diversity of tourism supply – in order to encourage the development of less developed tourist areas.

Furthermore, the focus will be on the synergy of local communities and tourists, reducing the seasonality of tourist demand and encouraging the use of information and communication technologies and digitalisation within the tourism system.

Given the integrative and cohesive dimension of tourism for the EU, Croatia believes that tourism should be better recognized in European policies and institutions. Croatia will propose the establishment of a European tourism brand for joint promotion of Member States on third markets.

2. As you know, sustainable tourism has become a major issue for the tourism sector at large. How is the Croatian Presidency approaching this issue?

Taking into account these priorities, Croatia will continue organising meetings of Tourism Working Party in the Council of EU, during which we will propose draft texts of Council Conclusions on sustainable and responsible tourism development for Europe, the world's n°1 tourist destination.

During our Presidency, we will organise two events, during which our priorities will be discussed. First, there will be a workshop dedicated to experts in Osijek on 26 and 27 March 2020 and the main theme will be in line with our Council Conclusions: "Sustainable and responsible tourism development".

The second event will be a high-level ministerial conference in Dubrovnik on 27 and 28 April 2020, where sustainability and tourism responsibility will be discussed – especially in light of The European Green Deal and the possibility of including the tourism sector in its implementation.

The plan is also to discuss climate change and its effect on tourism.

3. In your opinion, what are the main policy measures impacting sustainable tourism that the tourism and hospitality sector should expect from the EU over the next years?

As already mentioned in the answer to the first question, the Croatian Presidency will advocate policies for responsible and sustainable tourism development, with a particular focus on fostering the diversity of tourism supply in order to encourage the development of less

developed tourist areas. Furthermore, the focus will be on the synergy of local communities and tourists, reducing the seasonality of tourist demand, and encouraging the use of information and communication technologies and digitalization within the tourism system.

We believe to be of crucial importance for SMEs and micro-entrepreneurship to lead the promotion and development of tourism in underdeveloped areas as main factors that could contribute to a more balanced regional development.

Sustainable and responsible actions mitigate the negative effects of tourism as well as enriching destinations.

We also believe that tourism should be better recognized in European policies and institutions, – especially in light of the importance for sustainable and responsible tourism development for Europe – world's tourism destination n°1 – and given the integrative and cohesive dimension of tourism for the EU. The new policy for EU tourism will be more than welcome.

Please note that the interview to Ambassador Štefanić was conducted before the coronavirus crisis and might, therefore, refer to a few events that are now either being cancelled or rescheduled to later dates.

Interview with Mr. Kilian Gross, Head of Unit Technologies and Systems for Digitising Industry at DG CNECT, European Commission



Since 16 of January 2020, Kilian Gross is Head of Unit A/2 in DG CNECT responsible for Technologies and Systems for Digitising Industry. His Unit is responsible for the implementation and development of the Digitising European Industry Strategy including the setting up of a network of Digital Innovation Hubs in the EU. The Unit manages a number of important research projects under H2020. It developed the Coordinated Plan on Artificial Intelligence and is currently preparing the proposal for a European

Approach to Artificial Intelligence. We asked him to give us an insight into SMEs' approach and future dealing with advanced technologies.

1. On 18-19 February 2020, you were a speaker at the high-level conference "A European perspective on Artificial Intelligence (AI)" organised in Brussels by DG GROW and EASME and focusing on AI's high potential for European SMEs. Could you explain to us what, in your opinion, are the main findings of the conference regarding the use of AI by SMEs?

The European Commission has defined the AI as one of the most strategically important technologies of the 21st century because of its significant economic, environmental and social impact. AI industrial applications help reduce operating costs; they allow for better use of resources and create more meaningful work tailored to employees' skills. However, the expected positive impact for Europe and its industry will be considerably lower if SMEs fail to adopt the technology. Within this context, the conference displayed AI innovations, shared success stories, and looked at what policy measures we need to facilitate the uptake of AI applications by European SMEs.

SMEs are struggling more than large companies to keep up with the complexity of digital transformation. Often they are unaware of the benefits the new technology will bring to them in terms of exponential growth. They lack a technological infrastructure and have low expectations for return on investments in such. One of the main challenges for SMEs, however, is the lack of in-house skill training due to constrained financial resources, while the 'war for talent' with big companies drives up the wages.

A set of policy measures to address the above challenges have been discussed during the event. They range from defining the regulatory framework in order to reduce fragmentation and clarify the rules related to the use of AI, to strengthening the AI-centred ecosystem and the access to finance. Industrial B2B platforms have been identified as a key instrument for SMEs to benefit from the opportunities offered by the digital economy. They bring stakeholders and resources together in one dedicated place by providing easy access to data, infrastructure, applications and partners.

2. Could you explain to us how do you think these findings could take shape in the tourism sector – where SMEs play a crucial role?

The tourism sector is high on the political agenda. In his commitments to the European Parliament, Commissioner Breton said he would focus on tourism, a sector representing 10% of EU's GDP. Supporting its transformation will contribute to our continent remaining the first touristic destination in the world.

The European Commission is taking actions to support the tourism sector. For example, [TOURISMLink](#) is a European Commission-funded B2B platform that links travel agencies and

tour operators with tourism businesses throughout Europe. The final aim is to facilitate the speedy, low-cost integration of smaller suppliers. In other words, such platforms enable the uptake of new technologies by SMEs in the tourism sector so that tourism companies become more competitive.

Using B2B platforms ensure more reliable operational data, fewer transcription errors, and reduced time for package composition, which in turn guarantees greater customer satisfaction and possibly wider market.

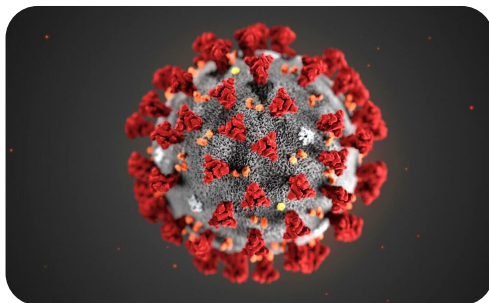
3. In your view, what is missing for tourism and hospitality SMEs to fully embrace advanced technologies?

Industrial value-chains are becoming more and more sophisticated and globalised. The competitiveness of smaller players depends increasingly on their capacity to connect to larger enterprises and become part of global value chains. The issues of mass tourism, the emergence of new big actors with market power, and the necessity to have a skilled workforce represent yet another level of challenges for tourism and hospitality SMEs.

AI will be a game-changer by providing smart applications and efficiency in the business processes through optimal utilization of data. Huge corporations have already inculcated AI into their systems and are quite satisfied with the improvements. However, what is missing are SMEs which are convinced that new technologies, such as AI, will really bring a change in their business processes. Most SMEs are struggling because of their belief that AI requires considerable investment.

GENERAL POLICY ISSUES

COVID-19: impact on the hospitality sector and measures to be taken by public authorities



Coronaviruses are a family of viruses that cause infection in humans and various animals, including birds and mammals such as camels, cats and bats. When animal coronaviruses evolve, infect humans and spread between humans, this can lead to outbreaks such as MERS-CoV and SARS. The coronavirus outbreak is having a devastating economic impact in the hospitality sector. Before the week of the lockdown of the country, for instance, Italy reported 2,5 billion euros loss and 80%

cancellations. In Austria hotels on average have suffered losses of around 100.000€ per hotel (double in Vienna). There has also been a strong decline in cancellations and new bookings (around 70%). In France, the sector has conveyed a loss of turnover of 30 to 40% for hotels, 25% for restaurants and 60% for catering. At present, cafés, restaurants, bars and sometimes even hotels are closed in several countries across Europe. Some companies are accessing the need for closing down completely.

HOTREC position:

- *HOTREC, together with its trade union counterpart EFFAT recommends companies and employees to act responsibly;*
- *Social partners encourage all citizens to wash hands regularly; use alcohol hand rub; cough and sneeze into your elbow; avoid handshakes and hugs; regularly clean surfaces which are touched often;*
- *Workers to contact remotely health care services and employers (e.g. by phone), if they suspect they might be infected, and that they stay at home until the situation is cleared;*
- *Social partners to work together to find employment solutions;*
- *Public authorities to deploy urgent measures to help businesses overcome the crisis (e.g. tax relief; short-or medium-term liquidity loans, temporary short-time work, financial help to companies for employees to go on temporary leave);*
- *The EU to facilitate national state aid deployment immediately.*

Temporary restriction on non-essential traveling to the EU

On 16 March 2020, the European Commission issued a Communication recommending Member States to decide on a temporary restriction on non-essential travel to the EU (COM (2020)215 final) due to the COVID-19 outbreak. The temporary travel restriction should apply for 30 days.

The measures set out principles for an effective border management approach, that protects health while preserving the integrity of the internal market. But free circulation of goods is maintained. More generally, control measures should not cause serious disruption of supply chains, essential services of general interest and of national economies and the EU economy as a whole. The guidelines include some exemptions, such as for all nationals of all EU Member States and the Schengen Associated States; healthcare professionals, frontier workers; transport personnel engaged in haulage of goods, passengers in transit; passengers who need to travel for imperative family reasons; humanitarian reasons.



HOTREC position:

- Given the spread of COVID-19 around Europe and the effects it has on the population, HOTREC supports the temporary measure proposed by the European Commission;
- Nevertheless, it is important to avoid single market distortions, including bans and export restrictions and especially for export of medical equipment, medicines and goods.

European Commission announces deployment of State aid

On 13 March 2020, the European Commission has presented a package of measures to mitigate the negative economic impact of the Coronavirus crisis. Amongst the measures, it is to highlight:

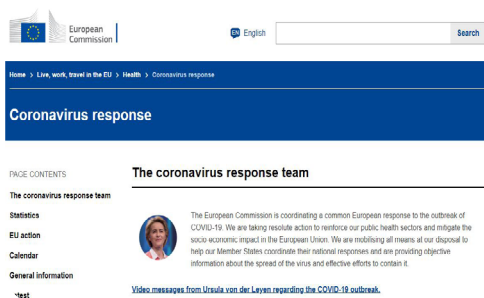


- State aid Framework Flexibility, which will allow Member States to take swift and effective action to support citizens and companies, in particular SMEs, facing economic difficulties due to the COVID-19 outbreak. For instance, Member States will be clearly allowed to take measures such as wage subsidies, suspension of payments of corporate and value-added taxes or social contributions, financial support directly to consumers, for example for cancelled services or tickets that are not reimbursed by the operators concerned. or help to companies to cope with liquidity shortages and needing urgent rescue aid;
- European Fiscal Framework Flexibility: this will allow Member States to have more fiscal/budget flexibility to adopt support measures to their economy, while the Commission says it is ready to propose to the Council to activate the general escape clause to accommodate more general fiscal policy support;
- In the coming weeks, EUR1 billion will be redirected from the EU budget to incentivise banks to provide liquidity to SMEs and midcaps. This will help at least 100,000 European SMEs and small mid-caps with about EUR 8 billion of financing;
- EU Support to alleviate the impact on employment and protect workers from unemployment and loss of income resulting from the crisis;
- Further measures are also foreseen to launch an accelerated joint procurement procedure for urgent medical equipment to help face any shortage.

HOTREC position:

- HOTREC had been advocating in the past weeks for state aid to be deployed. HOTREC mostly welcomes the package announced by the European Commission and hopes that immediate help will be provided to the companies of the hospitality sector, hit hard by the COVID-19 outbreak.

New EU webpage with key information and guidance on the coronavirus



In response to the Coronavirus outbreak and spread in Europe, the European Commission has created a new [Coronavirus information page](#) which gathers various information and guidance concerning [medical](#), [mobility](#) and [economy](#) aspects (related to transport and tourism). As part of the package of document, the European Commission also published a [specific information on the Package Travel Directive](#) in connection with the Coronavirus.

European Commission Working Programme launched!



On 29 January 2020, the European Commission published its [Work Programme for 2020](#). The Programme builds on the Political Guidelines issued by President von Der Leyen and aims at leading to the transition to a fair, climate-neutral, digital Europe.

The main new initiatives with an impact on the hospitality sector are the following:

- The European Green Deal (e.g. Strategy; Farm to Fork; Circular Economy Action Plan);
- A Europe fit for the digital age (e.g. strategy; Digital Services Act; SME strategy);
- Social Europe (fair minimum wages; skills agenda for Europe; binding pay transparency rules);
- A new consumer agenda for Europe;
- Report on the General Data Protection Regulation.

Other relevant priorities pending proposals include the Regulation establishing the Programme for single market; Regulation on Privacy and Electronic Communication; Council Directive on rates of value-added tax; Directive for the protection of the collective interest of consumers, amongst others.

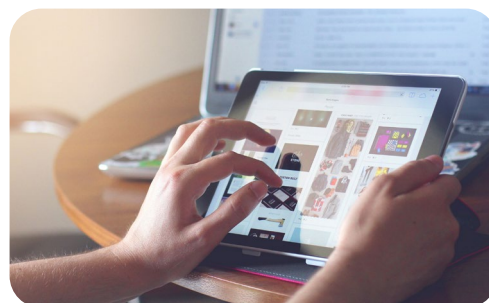
HOTREC position:

- *HOTREC fully supports initiatives that aim at leading the transition to a fair, climate-neutral and digital Europe;*
- *Nevertheless, it is to note that 90% of the companies' part of the hospitality sector are micro-enterprises. Therefore red tape and financial burdens should be cut, to help the sector continue being competitive.*

ONLINE DISTRIBUTION

European Commission unveils digital strategy – ‘Shaping Europe’s Digital Future’

On 19 February, the European Commission unveiled a series of proposals laying out the EU’s approach to data, artificial intelligence and platform regulation over the next five years and beyond in its policy communication entitled “Shaping Europe’s Digital Future: EU sets out plan for digital, data and artificial intelligence”. The digital plan is a key priority for the current Commission.



Three key documents flesh out the EU’s digital plan:

- [Communication: Shaping Europe’s digital future](#);
- [Communication: A European strategy for data](#);
- [White Paper on Artificial Intelligence: a European approach to excellence and trust](#).

The European Commission has opened **public consultations on the Data Strategy and the Artificial Intelligence White Paper**. A third consultation based on the Digital Future Communication is expected to be launched by late March.

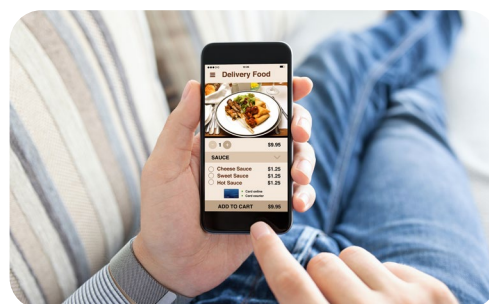
The Communication on Europe’s digital future, in particular, announces the launch the Digital Services Act – a package of legislative proposals to be published in late 2020 – which will address the responsibility of online platform for illegal and harmful content as well as the impact on competition of large platforms acting as gatekeepers.

Meanwhile, the Data strategy is likely to lead to a legislative framework proposal for data governance in 2020 and a possible Data Act in 2021. These new rules could enhance data sharing among business and public authorities and in turn, facilitate the local oversight and management of short-term rental activities and other collaborative economy services.

HOTREC welcomed the European Commission’s announcement in a press release: “EU Digital Strategy can tip the scales in favour of European municipalities and SMEs”.

Digital Services Act to increase and harmonise the responsibilities of online platforms

The Communication Communication on ‘Shaping Europe’s Digital Future’ first and foremost announces the launch of the Digital Services Act legislative proposal in late 2020, pitched by the European Commission as an ‘ambitious reform for the EU to re-structure its informational space and set global standard for Internet regulation’.



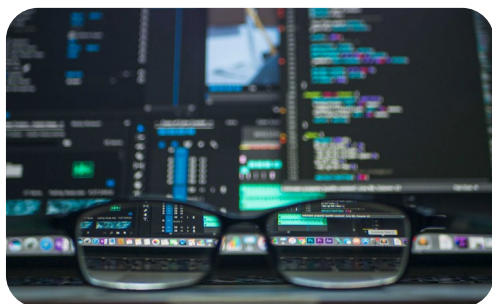
The central issue in this proposal will most likely be a review of the EU’s E-Commerce Directive of 2000: harmonising and increasing the ‘responsibility’ – a term preferred by the European Commission over ‘liability’ – of online platforms for content will be a key part of the policy discussion. This may encompass a classification of different type of platforms to set out different



levels of responsibility for content. The establishment of a clear and consistent governance framework for digital services, covering trust and exchange of cross-border information between national competent authorities in the EU, will, in turn, aim to improve the enforcement of new digital rules. Public consultation on this subject is likely to be launched in late March 2020.

COLLABORATIVE ECONOMY

European Data Strategy: towards improved destination management of short-stay accommodations?



As part of the 'Shaping Europe's Digital Future' strategy, the European Commission's data strategy has the overarching aim of creating a single market for data, with more data available for use in the economy and society. This will rest upon fair, practical and clear rules for access, use and re-use of data and giving users rights, tools and skills to stay in full control of their data.

Recent policy discussions in Brussels show that access to data for national and local authorities is a key question for the regulation and management of the collaborative economy and STR accommodation activities. However local authorities also lack means and know-how to utilise data appropriately. Furthermore, the emphasis on business-to-business data sharing may offer an opportunity for hospitality establishment to obtain clear information on bookings and requests made via online platforms.

The Commission is gathering feedback on its data strategy. The questionnaire is available on the HOTREC website or via this [link](#).

EU think tank CEPS to develop report on collaborative economy regulation

With the new European Commission reviewing its options on how to address the challenges and opportunities of the collaborative economy, the Centre for European Policy Studies (CEPS) has [launched a task force to provide input](#). It will propose how best to move forward with proposals that could reduce the current regulatory fragmentation, allowing companies to build services across the entire continent, while protecting workers and minimizing urban disruption.



The task force brings together various stakeholders - private companies, local authorities, communities or consumers - to debate how to move forward, including some suggestions on specific regulatory proposals that could be considered for the sector. Work will focus on the upcoming proposal for a Digital Services Act which is expected to update the all-important liability rules for the content that new digital platforms host. A final report is expected in May 2020.

COMPETITION

MFN/parity clauses part of the assessment of the EU Vertical Block Exemption Regulation

In order to prepare the revision of the Vertical Block Exemption Regulation (VBER), the European Commission tasked the consultancy Valdani Vicari & Associati (VVA) to perform a large market study on the VBER. The study focuses on 6 countries (Germany, France, Hungary, Italy, Poland and Sweden) and seeks to obtain direct business feedback and data on the effect of the VBER and to identify policy options for the revision of the VBER. MFN / parity clauses and their impact on competition are part of the study, together with other VBER aspects (such as Resale Price Maintenance, Selective Distribution, Exclusive Distribution). The policy options identified by VVA through this study will largely shape the European Commission's impact assessment for the revision of the VBER.



As announced in its recent Communication on Shaping Europe's digital future, the revision of the VBER is part of the European Commission plan to review the fitness of the EU Competition rules for the digital age and to ensure that large platforms with significant network effects acting as gatekeepers will remain fair and contestable for innovators, businesses, and new market entrants.

Next steps:

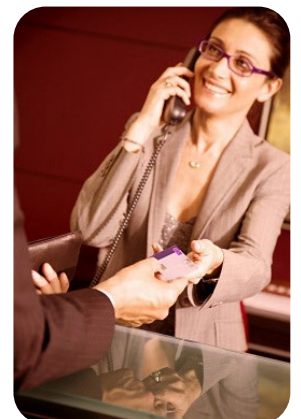
The VVA market study will be finalised in March 2020, in order to allow the European Commission to start its impact assessment in spring 2020.

HOTREC position:

- *The rapid development of major players in the online distribution markets raises strong competition issues that should be better apprehended by the Vertical Block Exemption Regulation;*
- *In particular, HOTREC considers that MFN clauses should be the object of specific rules and restrictions as part of both the VBER and its guidelines. Moreover, the market share test used under the VBER is not the most relevant to assess market dominance in online platform markets, and should rather be replaced by a dominance test.*

New study shows EU Regulation capping interchange fees for payment cards reached its goals

On 11 March 2020, the European Commission published a [major study commissioned to EY to assess the EU Interchange Fees Regulation](#) ("IFR") for card-based payment transactions. The study finds that the main objectives of the Regulation have been achieved, as the interchange fees for consumer cards have decreased by 35% (around EUR 2,6 billion per year) between 2015 and 2017, which resulted in lower charges for retailers as well as benefits to consumers through lower retail prices.



The study also considers that increased cross-border acquiring services and card transactions have led to a higher degree of market integration.

As commercial cards are excluded from the scope of the caps of the IFR, the study looked into the effect of this exemption, as there was a possibility that this exclusion may incentivise schemes and issuers to promote commercial cards and maintain high interchange fee revenues through this channel. The study found that the narrow definition of commercial cards as per the IFR has mitigated the possible effect of the IFR on issuing and use of commercial cards, while there was no evidence of wide circumvention of the IFR through higher fees for commercial cards.

Next steps:

Based on this study, the European Commission will submit a report on the application of the Regulation to the European Parliament and to the Council. This report will assess the need to keep/delete or revise the IFR.

HOTREC position:

- *HOTREC recalls that Interchange Fees are per se anti-competitive and lead to inflated prices for payment cards transactions;*
- *HOTREC welcomes the EY study on the impact of the Interchange Fees Regulation. It shows clearly that the caps on interchange fees for consumer debit and credit cards resulted in major savings for both businesses and consumers;*
- *However, contrary to the findings of the study, the hospitality sector has experienced in some countries important raises of fees for commercial cards following the adoption of the IFR;*
- *HOTREC calls on the Commission to ensure that commercial cards be apprehended by any revision of the IFR.*

FOOD

European Commission publishes its Roadmap for its upcoming Farm to Fork strategy on sustainable and healthy food



On 17 February 2020, the European Commission released a [Roadmap on its upcoming “Farm to Fork” strategy on sustainable food systems](#). The Roadmap is a formal preparatory step before the adoption of the strategy itself and draws the main lines of actions to be included in the strategy. It is open for consultation until 16 March 2020. The upcoming EU Farm to Fork strategy will aim to set out the regulatory and non-regulatory measures needed to create more efficient, climate-smart systems that provide healthy food. It is part of the new European Commission promise to deliver on the United National Sustainable Development Goals.

The Roadmap states that the upcoming EU Farm to Fork strategy will set-out how to:

- Ensure sustainable primary production;
- Stimulate sustainable food processing, retail, hospitality and food services’ practices;
- Promote sustainable food consumption, facilitating the shift towards healthy, sustainable diets;
- Reduce food loss and waste.

It also states that the future strategy will “propose actions to help consumers choose healthy and sustainable diets by providing better food information such as on where the food comes from and its nutritional value.”

Next steps:

The Farm to Fork strategy is expected to be published around the beginning of April 2020.

HOTREC position:

- *HOTREC welcomes the Commission’s intention to launch a broad reflection on healthy and sustainable food systems;*
- *The great majority of hospitality businesses are micro and small businesses that do not produce standardised food and rely on local and/or fresh supplies that change regularly. These specificities must be taken into account when considering the future EU Farm to for strategy and flexible approaches should be favoured when considering how to promote healthy nutrition in the restaurant sector. In this regard, the frequent change of ingredients and supplies when preparing non-standardised food for immediate consumption make it almost impossible to provide information on the exact nutritional status of a given food, while general written information obligation are often impractical. The EU Farm to Fork strategy should, therefore, consider other flexible means.*

STATISTICS

Airbnb, Booking, Expedia Group and Tripadvisor to share short-stay accommodation data with Eurostat



The European Commission has reached an agreement with four major platforms – Airbnb, Booking, Expedia Group and Tripadvisor – on data sharing. This will allow Eurostat to publish data on short-stay accommodation offered via these platforms across the EU.

The agreement, signed between each platform and Eurostat, on behalf of the European Commission, envisages:

- Regular data from the four platforms, including the number of nights booked and the number of guests. Data will be aggregated at the level of municipalities. Platforms agreed to share data on a continuous basis;
- Privacy: data will not allow individual citizens or property owners to be identified;
- Publication of data: all data provided by the platforms will undergo statistical validation and be aggregated by Eurostat. Eurostat will publish data for all Member States as well as many individual regions and cities by combining the information obtained from the platforms. It is expected that the first statistics could be released in the second half of 2020.

SOCIAL AFFAIRS

Gender Equality Strategy is out!



On 5 March 2020, the European Commission launched the [Gender Equality Strategy 2020-2025](#). The main objectives pass by introducing legal measures to criminalise violence against women; proposing binding measures by the end of 2020; adoption of the 2012 proposal for gender balance on corporate boards. The Strategy also aims at including gender perspective in all EU policies and major initiatives. It is to note that a Union of Equality is one of the major priorities of Commissioner Von der Leyen's.

HOTREC position:

- *HOTREC fully supports the idea that men and women developing the same work with the same performance should be paid equally;*
- *But HOTREC objects the introduction of a mandatory piece of legislation related to pay transparency– there is enough national and EU legislation on the topic. Enforcement of the current legislation should prevail;*
- *HOTREC strongly supports the setting up of the necessary childcare infrastructures, after school hour programmes for children, as well as facilities for the elderly, affordable to all users and with flexible opening schedules;*
- *Non-legislative measures are fully welcome: best practices sharing; education programmes; awareness-raising campaigns.*

DATA PROTECTION

New Commission supports “e-Privacy” proposal



On 21 January 2020, the European Commission confirmed during an exchange of views in the Civil Liberties Committee (LIBE) that it had no intention of withdrawing its proposal for a Regulation on the confidentiality of online communication. The text was first presented by the European Commission [COM\(2017\)10](#) final at the beginning of 2017 to revamp Directive 2002 on Privacy and electronic communications and to include online messaging or call services (e.g. WhatsApp). The Parliament adopted its report

and received its mandate to start inter-institutional negotiations in October 2017. The Finish Presidency proposed to include in the text a new database for data linked to the fight against child pornography or further processing compatible with the initial objective for metadata. It also deleted the provisions on privacy settings through the browser. The Croatian Presidency has promised to bring the file to a conclusion in the trilogues.

Next steps:

Trilogue negotiations to continue.

HOTREC position:

- *HOTREC believes that the Commission proposal was balanced and proportional. HOTREC hopes that a new proposal will adopt the same direction;*
- *It is of crucial importance for the hospitality sector that direct market done by e-mail targeting former clients is possible– this is one of the outcomes of the negotiations of the General Data Protection Regulation and should be kept in this way.*

New EDPB guidelines on processing of personal data through video devices

On 29 January 2020, the European Data Protection Board (EDPB) issued its [guidelines on processing of personal data through video devices](#). The EDPB mentions that video surveillance can support several purposes (e.g. protection of property, life or physical integrity of individuals. Data subjects (e.g. clients) must be informed of the purpose of the processing. Video surveillance based on the mere purpose of “safety” is not sufficiently specific. By and large, the EDPB defends that art. 6/1 of the GDPR can provide a legal basis for processing video surveillance data. For example, art. 6/1/c GDPR applies where national law stipulates an obligation to carry out video surveillance. In practice, the provisions most likely to be used are: art. 6/1/f GDPR– legitimate interest and 6/1/e (necessity to perform a task carried out in the public interest or in the exercise of official authority. If the data subject objects to the video surveillance, the controller can only proceed if the legitimate interest overrides the interests, rights and freedoms of the data subjects. The legitimate interest needs to be of real existence (must not be speculative).



HOTREC position:

- *Video surveillance is commonly used by hotels, restaurants, bars and cafés with the ultimate goal of guaranteeing safety for customers and staff, preventing crime and avoiding conflicts. Therefore, they should be used under the legitimate interest of the controllers;*
- *We consider it would be excessive to allow controllers to use video surveillance systems only in case the area is considered problematic;*
- *Premises with video devices display a sign informing customers that there is a video device in the premise. Information should be provided either in a document (if requested by the data subject) or through a digital source (e.g. company website).*



ENTERPRISE POLICY

Support for the green and digital transition at the heart of the new European Commission SME Strategy



On 10 March 2020, the European Commission adopted a [new SME Strategy for a sustainable and digital Europe](#). The strategy builds on three key pillars: capacity-building and support for the transition to sustainability and digitalisation, reducing regulatory burdens and improving market access, improving access to financing.

To boost capacity building on sustainability and digitalisation, the SME Strategy proposes, amongst others, the following actions:

- Introducing dedicated Sustainability Advisors and other sustainability services to provide SMEs with the necessary support;
- Developing Digital Crash Courses for SMEs employees;
- Updating the Skill Agenda for Europe by launching a Pact for Skills with a dedicated component for SMEs;
- Allocating at least 300 million Euros to encourage breakthrough innovations delivering Green Deal objectives;
- Supporting SMEs through a network of 240 Digital Innovation Hubs in each region of Europe;
- Featuring SMEs' needs highly in the upcoming EU Intellectual Property Action Plan;
- Exploring a possible initiative on short-term rental accommodation services in the collaborative economy, in order to create more opportunities for innovative SME platforms.

Concerning the goal to reduce regulatory burdens, the Commission proposes, amongst others, a better enforcement of the Late Payments Directive, as well as partnerships with Member States on an EU Start-up Nations Standard to promote best practices for a dynamic start-up and scale-up environment.

Concerning access to finance, the Strategy proposes to simplify the existing State aid framework to enable Member States' targeted support of SMEs and start-ups, to launch a gender-smart financing initiative under InvestEU to stimulate funding for women-led companies or to launch a green tech investment initiative to pool funding from the EU, Member States and the private sector to increase the access to equity finance for innovative SMEs to adopt green tech solutions.

HOTREC Position:

- *As 99% of the hospitality sector is made of SMEs and 91% of micro-enterprises (employing less than 10 people), HOTREC welcomes the focus of the European Commission on a new strategy for SMEs which aims to support them in the green and digital transition;*
- *HOTREC strongly welcomes the measures aiming at upskilling the workforce in SMEs and at providing better access to finance;*
- *HOTREC also welcomes the reflection on a possible initiative on the collaborative economy in short-term accommodation services. As 99% of the 2 million hospitality businesses are SMEs, they are put under a hard unfair competitive pressure from professionals which use the anonymity of intermediation platforms to by-pass applicable legislation. An EU initiative is, therefore, necessary to allow for a level-playing field in the tourism accommodation sector and grant local authorities a clear framework on how they can use their local regulatory powers to organise a fair and sustainable tourism market locally.*

European Commission publishes new Industrial Strategy for Europe

On 10 March 2020, the European Commission published its new [Industrial Strategy for Europe](#). It sets out a range of actions to support all players of European industry, including big and small companies, innovative start-ups, research centres, service providers, suppliers and social partners, with a strong focus on digitalisation and sustainability.



In particular, it proposes to focus on the following key aspects:

- A deeper and more digital single market, through a new SME strategy, an evaluation and revision of the EU Competition rules as of 2021 (including merger control and state aid guidelines), an Intellectual Property action plan, the Digital Services Act, a follow-up to the European Data Strategy or an initiative concerning working conditions of platform workers;
- Upholding a global level playing field, with a focus on strengthening global rules on industrial subsidies, procurement and reinforcement of customs instruments;
- Supporting industry towards climate neutrality, through a Common European Energy data space, a comprehensive strategy for sustainable and smart mobility or a renovation wave and a strategy for the built environment;
- Building a more circular economy, through a circular economy action plan amongst other initiatives (on batteries, textiles and circular electronics);
- Skilling and reskilling, through an update of the Skills Agenda for Europe in 2030, a new European Pact for skills or the implementation of the EU Gender Strategy;
- Investing and financing the transition;
- Reinforcing Europe's industrial and strategic autonomy, with a focus on 5G, cybersecurity, critical raw materials, defence and space industries, etc.

SUSTAINABILITY

New proposed EU climate law aim to sharply reduce greenhouse gas emissions across the economy



On 4 March 2020, the European Commission released its [proposal for a new EU climate law](#). The proposed EU Regulation aims to set the long-term direction of the EU's effort to reduce its greenhouse gas emissions. It sets a binding objective of climate neutrality for the EU by 2050, meaning that, by that date, net emissions (emissions and removals regulated by EU law) should be reduced to zero. Moreover, the proposed Regulation commits the Commission to revise by September 2020 the EU's emission

reductions targets and set a new target of 50 to 55% by 2030. Such ambitious targets will have wide implication across all economic sectors.

The draft Regulation also proposes to empower the European Commission to adopt delegated acts to set-out the trajectory to achieve climate neutrality by 2050, meaning that the Commission would have the power to set more easily more stringent emission reduction targets after 2030 to achieve climate neutrality. Under the proposal, the European Commission would also have to assess every 5 years the progress made by the EU and the Member States to reach-out the objectives set by the Regulation, inducing national measures taken.

Next steps:

The Council and European Parliament will have to agree on the final Regulation. Moreover, the European Commission will propose by September 2020 to revise regulation 2018/1999 to implement a new emissions reduction objective of 50 to 55% by 2030.

New EU circular economy action plan aim to empower consumers with new sustainability information

On 11 March 2020, the European Commission released its new [Circular economy action plan](#). It aims to make the EU economy fit for a green future, strengthen competitiveness while protecting the environment and give new rights to consumers. Amongst others, the circular economy action plan announces that the Commission will consider further strengthening consumer protection against greenwashing and premature obsolescence, as well as setting minimum requirements for sustainability labels/logos and for information tools.



The Commission will also propose a revision of EU consumer law to ensure that consumers receive trustworthy and relevant information on products reparability and durability. Moreover, the Commission will also launch concrete actions on textiles, plastics, packaging, batteries, electronics and ICT. The Commission will explore setting an EU-wide, harmonised model for the separate collection of waste and labelling.

TAXATION

OECD opens consultation on fiscal reporting rules for collaborative economy suppliers



The OECD is taking forward work at the policy level on the development of model reporting rules that could be adopted by interested jurisdictions on a uniform basis to collect information on transactions and income realised by platform sellers, in order to contain the proliferation of different domestic reporting requirements and to facilitate the development of automatic exchange agreements for interested jurisdictions.

As such, the overall policy framework consists of three building blocks:

- The model rules and commentary that can be transposed into domestic law by interested jurisdictions to collect information from their resident platform operators;
- A framework for the automatic exchange of the information collected under the model rules with interested jurisdictions that have taxation rights over the sellers' income;
- The development of technical solutions to support both the exchange of information, as well as the performance of the due diligence obligations by platform operators.

Further information is available in the [OECD's consultation document](#).

Council adopts simplified VAT rules for small businesses

The Council adopted simplified VAT rules applicable to small businesses on 18 February. The purpose of the new measures is to reduce the administrative burden and compliance costs for small enterprises and create a fiscal environment which will help small enterprises grow and trade across borders more efficiently.

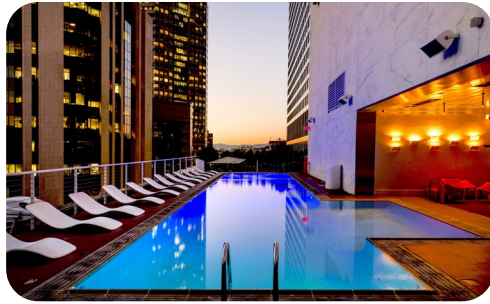


The [final text adopted by the Council](#) foresees that small enterprises will be able to qualify for simplified VAT compliance rules where their annual turnover remains below a threshold set by a Member State concerned, which cannot be higher than 85 000 EUR. Under certain conditions, small enterprises from other member states, which do not exceed this threshold, will also be able to benefit from the simplified scheme, if their total annual turnover in the whole of the EU does not exceed 100 000 EUR. The new rules will apply as of 1 January 2025.

The Council also adopted [a reform on the detection of tax fraud in cross-border e-commerce transactions](#). The new rules will enable member states to collect, in a harmonised way, the records made electronically available by payment service providers, such as banks. In addition, a new central electronic system will be set up for the storage of the payment information and for the further processing of this information by national anti-fraud officials.

STANDARDS

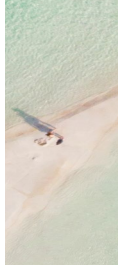
ISO vote approves standard on service requirements for hotels



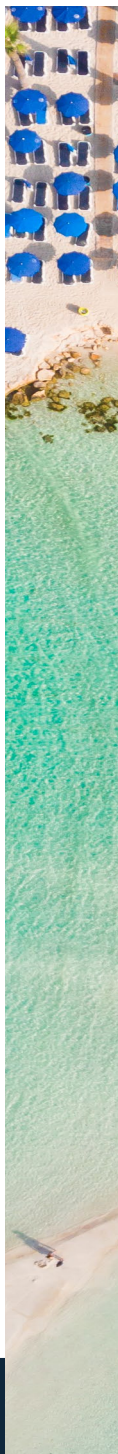
The ISO Technical Committee on Tourism and Related Services has adopted a standard on service requirements for hotels setting out staff and services, events and entertainment, safety and security, maintenance, cleanliness and supply.

38 ISO members voted in favour of the standard – enough to ensure its adoption – despite clear signals from the hotel industry that such a standard is unnecessary. It should also be

noted that several European countries – Austria, Cyprus, Czech Republic, France, Georgia, Italy, Luxembourg, Montenegro, the Netherlands, Portugal, Switzerland, Sweden and the UK – abstained. In addition, Germany, Denmark, Finland and Ireland outright rejected the standard, highlighting the lack of industry support, an unnecessary burden for a heavily regulated sector and a negative impact on innovation.



Tourism



TOURISM

New EU visa rules entered into force!



From 3 February 2020, new EU rules on short-stay visa apply worldwide (2019/1155). They make it easier for legitimate travellers to apply for a visa to come to Europe, facilitating tourism, trade and business, while providing resources for countering irregular migration. The rules are applicable in the 22 EU countries that are part of the Schengen area. The main benefits to travellers are the following: visa applications can be submitted up to 6 months before the intended travel instead of 3 months; multiple-entry visas with long validity (from 1 to 5 years) are easier to obtain, saving the frequent travellers time and

money, as they will have to apply for new visas less often.

HOTREC position:

- *HOTREC welcomes visa facilitation rules, as they stimulate competitiveness, while respecting all safety and security rules;*
- *We would encourage that more third countries negotiate a visa-free agreement with Schengen countries, while making sure that readmission agreements are also taken into account;*
- *A solution should be developed to allow that visa applications are lodged online;*
- *The European Commission shall assess one year after the entry into force of the Regulation the costs incurred by national authorities or providers of medical services for visa holders and the use of medical insurance.*



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