



The association representing 75,000+ companies selling goods and services online to consumers in Europe.

## Q&A - Regulation on addressing unjustified geo-blocking

### Regulation on Geo-blocking (EU) 2018/302

#### Introduction and disclaimer

The Regulation (EU) 2018/302 of 28 February 2018 will set an end to unjustified geo-blocking. The Regulation will be applicable as of 3 December 2018 in all the European Union. This Q&A factsheet gathers the most relevant rules introduced by the Regulation and focuses, in particular, on online merchants selling goods online to consumers. This factsheet is intended for information purposes only and does not constitute any official interpretation of the Geo-blocking Regulation. Professional legal advice should be sought for any individual case.

#### What is geo-blocking?

It is a practice used by online sellers whereby access to a website from Member State A is denied to a consumer from Member State B or is redirected to another version of the website (i.e. local version) without his prior consent. It also includes situations where access to a website from Member State A is granted, but the consumer from Member State B is unable to finalize the purchase or is asked to pay with a debit or credit card from a certain country (e.g. Member State A). For example, Simone from France wants to buy a dress from a Polish web shop. However, she cannot access the Polish web shop or is being redirected to a French version of the website without her consent. Therefore, Simone is being geo-blocked.

#### What is the purpose of the Geo-blocking Regulation?

It aims at ending unjustified discrimination of the consumer based on his nationality, place of residence or establishment, thus giving consumers and businesses within the EU more opportunities for cross-border purchases.

#### Do online merchants have to harmonize prices of goods across EU countries?

No. For physical goods, online merchants are not required to harmonize prices across their different online shops in different countries. This means that they remain free to offer products with different prices in different states and also in different sales channels.

#### Is an online shop obliged to deliver physical goods from a Member State to other Member States he does not target?

No. Whilst online merchants cannot refuse to sell to a consumer based on his location, they will not necessarily be obliged to deliver their goods cross-border. The Regulation recognizes that there are legitimate reasons for which an online merchant may choose to deliver their goods only domestically or to specific countries. Thus, if an online shop does not deliver to another Member State, the consumer who wishes to buy a product from that online shop must provide an address or pick up the good himself in the country where the online shop conducts business, or he must arrange delivery to his home himself. For example, Simone from France must provide an address in Poland to which the online shop will deliver the dress she purchased, or she must arrange the pickup of the good herself from the trader's premises (if the trader offers that option to Polish consumers as well). In short, the trader is not obliged to deliver the good to her in France.

### **What does geo-blocking mean for access to websites of online web shops?**

The Regulation prevents online merchants from blocking their website for consumers accessing it from another EU country. In addition, it prevents online merchants from redirecting the consumer to a local website without his prior consent. For example, if an online merchant has a Portuguese and Spanish website, and a Portuguese consumer wants to visit the Spanish website instead of the Portuguese one, the online merchant is only allowed to redirect the Portuguese consumer to the Portuguese website if he sought his prior explicit consent, via an opt-in mechanism. Moreover, even if the consumer gives his consent to be redirected to the Portuguese website, the Spanish website must remain easily accessible to the Portuguese consumer.

### **Should explicit consent to be redirected to a local website be given every time a consumer visits a website?**

If a consumer (e.g. from Austria) already gave his consent to be redirected to a local website (e.g. Austrian version of the website), it is not necessary to obtain his consent again if he tries to access the website (e.g. German version of the website) at some other point in time. However, the website the consumer initially sought to access (e.g. German version of the website) must remain easily accessible. The consumer can withdraw his consent to be redirected (e.g. to the Austrian version of the website) at any point in time.

### **What about payments? Do traders have to accept all payment methods from other EU countries?**

Online merchants remain free to offer whatever payment means they want in each EU country. However, the Regulation introduces specific rules on non-discrimination within the range of means of payment they accept. It covers situations where differential treatment is a result of the consumer's nationality, place of residence or place of establishment, the location of the payment account, the place of establishment of the payment services provider or the place of issue of the payment instrument. Differential treatment is prohibited if these three conditions are met:

- Payments are made through electronic transactions by credit transfer, direct debit or card-based payment instrument within the same brand and category;
- Authentication requirements are fulfilled;
- The payments are in a currency that the trader accepts.

### **Will traders have to accept all national debit cards from other EU countries?**

No. The Regulation specifies that online merchants may not discriminate based on the Member State in which a credit or debit card is issued, but only within a specific payment brand and category.

### **To what extent are online marketplaces covered by the obligations of this Regulation?**

This Regulation applies equally to all traders, including online marketplaces, operating within the Union.

### **What does geo-blocking mean for sale of electronically supplied services?**

If a consumer wishes to buy an electronically supplied service (e.g. cloud services, data warehousing services, web hosting) offered to consumers in another Member State, he must be allowed to do so in the same ways local customers are.

### **Does the Regulation apply to the provision of copyright protected content services?**

The provision of (non-audiovisual) copyright protected content services (such as e-books, online music, software and videogames) is not subject to the Regulation's prohibition of applying different general conditions of access for reasons related to the consumer's location. These services, however, remain subject to the Regulation's prohibition to block or limit access to online interfaces on the basis of the consumer's location.

### **What does geo-blocking mean for sale of services provided in a specific physical location?**

If a consumer from one Member State wants to buy a service provided at the physical location of the trader in another Member State, he must be allowed to purchase that service without any discrimination. For example, if a Finnish family wants to rent a summer accommodation in Greece they must be allowed to do so under the same conditions as Greek families.

### Which other sectors are not covered by the Regulation?

Services in the field of transport, retail financial services and audiovisual services (i.e. streaming or downloading movies) are not covered.

### Useful links and extensive documentation

We strongly advise you to carefully read the following documents in order to prepare for the changes that you may have to implement by 3 December 2018, when the Regulation will enter into application:

1. [Geo-blocking Regulation \(EU\) 2018/302 \(in all EU languages\)](#)
2. [Extensive European Commission's Q&A](#)
3. [General information from the European Commission](#)
4. [MEMO European Commission](#)
5. [EuroCommerce's FAQ on the implementation of the Geo-blocking Regulation](#)