

CMS Expert Guide to E-commerce in CEE

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Introduction

Dynamic growth in e-commerce

Since the beginning of the century, we have witnessed the dynamically growing role of the internet in the way modern societies are now defined. It has had a major impact not only on shaping the lifestyles of individuals, redefining the forms in which they interact socially and the way they perceive reality, but is also having an increasing influence on global trade.

Common worldwide access to the global network, the continuous increase in services provided online, the reduction in costs and delivery times, ongoing innovations in payment services, and many other factors have all contributed to the recent growth in the e-commerce market across the world never seen before.

According to Statista, in 2014 online retail sales generated approx. USD 1,336 billion, while this figure was approx. USD 3,535 billion in 2019 (14.1% of total retail sales): an increase of 264% in that period. This change of pace is also visible in shifts in consumers' shopping habits. As reported by Eurostat, in 2009 only 50% of EU internet users in the 16-24 age group bought a product or service online within a 12-month period. By 2019, this number had grown to 78%. In the 25-54 age group, these figures were 57% (2009) and 76% (2019) respectively. Growth is, therefore, very dynamic and visible in all age groups.

Online shopping has allowed businesses to bypass territorial barriers and encouraged them to target entirely new customer bases that had otherwise been unreachable, e.g. because of distance customers had not been able to travel to the actual shop. The internet makes it possible to overcome these limitations and to offer goods and services beyond borders. European customers seem to share this point of view. According to Eurostat, between 2014 and 2019 the number of EU customers who ordered goods or services online from different Member States grew from 29% to 35%, and respectively from 17% to 27% in the case of external EU purchases.

The outbreak of the COVID-19 pandemic has also played an important role in strengthening the e-commerce market: consumers have begun to shop online in greater numbers and frequency. It has demonstrated the full potential of online sales. In many cases, the internet has become the most effective platform (if not, indeed, the only one) on which both sellers and their customers can meet and do business. E-commerce sales have several advantages over brick-and-mortar stores, such as 24/7 shopping, the ability to compare prices, time saved by not having to physically visit stores, a greater diversity of products, etc. The COVID-19 pandemic has reshaped our world and accelerated the shift away from physical stores to digital shopping, pushing consumers to buy products online, including due to other factors, such as avoiding crowds and checkout queues.

It is hard to imagine a better time to go digital with your business. Economic trends and consumer needs have created the overwhelming impression that in many industries, only those businesses which can build a strong online presence will be able to develop further, effectively reach potential customers, and grow their business. Let us help you in taking this giant step into the future.

The Expert Guide brings together key considerations from legal experts across our CEE network on the legal requirements that must be observed when establishing and running an e-commerce business. It provides an overview of key specifics that need to be considered in online sales of goods compared to brick-and-mortar sales in the different jurisdictions covered by the Expert Guide.

We hope you find the CMS Expert Guide to e-commerce to be a helpful and valuable resource for your business.

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How we can help

At CMS, we have a market-leading CEE-wide team with extensive experience in advising businesses in the e-commerce sector. This means we can support clients on the full range of legal issues that might arise when running an online store, and we can provide support on a multi-jurisdictional basis.

Our support consists not only in advising on how to start running an e-store, but we also advise on all legal and tax aspects of doing e-business, in particular:

- Consumer protection
- Regulatory issues, product safety and labelling
- Competition
- Commercial contracts
- IT & Outsourcing
- Data protection
- IP & Advertising
- Insurance
- Pensions & Employment
- Real estate
- TAX
- M&A
- Banking & Insolvency

Please get in touch if you would like more details on how we can help your business.





Albania

I. E-commerce sector – facts and figures

1. Recent growth and trends in e-commerce

The e-commerce sector in Albania benefits from rapid development that boosts different sectors of the economy, from retail trade to services. The general population's increasing access via the internet has objectively facilitated and amplified the level of electronic transactions, even more so during the pandemic.

According to a survey carried out by the Albanian Institute of Statistics during 2018–2019 for the purpose of studying the usage of information and communication technology in households and by individuals, 68.6% of the population aged from 16–74 years used the internet in the “last quarter” of 2019, out of which 87.1% used it on a daily basis. Online purchases of clothes had the largest percentage of transactions (82.6%), with growth of 4.0% from 2018.

The impact of the COVID-19 pandemic on e-commerce during 2020 was very high. Many people were compelled by circumstances to purchase necessary goods and services online. As a consequence, requests for activating bank cards (credit cards, debit cards, prepaid cards) significantly increased during the previous year.

II. Setting-up e-commerce business

1. Is the established local presence of a foreign company required to start selling online?

According to Albanian e-commerce law, individual persons and legal entities are free to offer “information society services” not conditioned on an authorisation or other legal requirement. There are no provisions restricting businesses from running an online shopping platform. However, foreign entities wishing to sell their goods/services online in Albania may perform such activity through a local subsidiary or branch.

It should be noted that regardless of whether a foreign company establishes a local presence or not, consumer protection requirements should be adhered to on online platforms directed to Albanian consumers. Such requirements refer to consumers’ rights, language, and restrictions related to advertisement, online contracts, etc.

2. Are there any licence/permit requirements applicable to e-commerce businesses?

There are no authorisation, licence, permit or similar requirements envisaged by Albanian law as a prerequisite to conduct e-commerce business. Businesses are free to engage in e-commerce without being subject to general regulatory requirements applicable to traditional retail activities. Nevertheless, the service provider is required to provide the relevant authorities and customers with certain general information, including its commercial name, company headquarters, website, email address and company’s registration data.

3. What e-commerce specific contracts must be concluded before starting an e-business?

Although there are no specific provisions regulating this topic compared to the traditional retail sector, there are some specifics for setting up an e-commerce platform that should be taken into account:

- logistic services;
- IT and hosting services;
- the domain;
- app development and maintenance contract services;
- marketing and creative services;
- payment and bank services.

III. Key considerations for running e-commerce

1. Defining the audience: does the business need to decide upfront if the e-commerce website addresses consumers and/or professionals?

An e-commerce website directed to individual consumers should enforce service quality and respect all consumer rights. This means that the website’s T&C or other form of online contract should contain all the mandatory information and observe consumer rights before and after the conclusion of a contract by avoiding any clauses deemed abusive. In the event of a breach of quality and logistic service, the consumer is entitled to complain to the competent consumer authority.

Conversely, if a website is dedicated to businesses/professionals only, consumer regulations will not apply provided that the online store is accessible only by professionals. B2B relations (partnerships, contracts) should comply with competition regulations.

2. What are the mandatory elements of an e-commerce business website?

Albanian law does not explicitly regulate an e-commerce website or the mandatory elements it should contain. However, the following information and data are required to be provided by the service provider:

- a. trade name of the service provider or its legal name;
- b. head office address;
- c. email address or any other detail that allows fast and efficient communication;
- d. business registration number;
- e. data concerning the competent supervisory authority if the service provider operates in a regulated industry;
- f. data concerning the competent regulatory body, professional title and country of issuance, and applicable rules governing the profession for regulated professions;
- g. the unique identification number of the entity or NUIS (for entities established in Albania).

This information should be provided clearly, accurately and easily understood concerning the offered goods and services with a special focus on the prices. Information related to the price of goods and services should be clear and easily understood, including the fact that the price is final includes all applicable taxes and delivery costs.

3. Is it mandatory that the website information be provided in the local language?

According to consumer protection regulations, the obligation to use the Albanian language with Albanian consumers is wide and quite general. It requires businesses to use the Albanian language in all such communication, including information about products and services and the respective advertising, with only certain exceptions (logos, proper names, trademarks, etc.) which may be used in the original language. It should be noted that in practice, this requirement is deemed a general one and usually referred to conventional advertisements, not online ones. The contract as well as warranties should also be provided to Albanian customers in the local language.

There are no specific provisions regulating B2B relations regarding language.

4. Are there specific restrictions that impact on the selection of products offered for online purchase?

There are no general restrictions limited to online purchases. Similar restrictions applicable to traditional sales on product selection apply to online sales as well. Businesses engaged in e-commerce should consider local restrictions applicable to their specific product.

5. Do special rules apply to product returns and defective goods?

The main difference compared to traditional sales is that, as a rule, consumers are entitled to withdraw from a contract made on-line within 14 days as of the date of delivery or the contract's conclusion for the provision of services, without providing any reasons or cause. Businesses must inform consumers of their right to do this, e.g. by providing them with the appropriate form of such statement. If the business does not inform the consumer of this right, the consumer may withdraw from the contract within 12 months as of the delivery date.

If the consumer decides to withdraw from the contract, she/he is entitled to the reimbursement of the delivery cost but not exceeding the least expensive type of standard delivery offered by the seller.

There are no differences between traditional and online sales regarding the standard 'warranty' (i.e. the seller's liability for physical and legal defects) or the manufacturer's 'guarantee'.

6. Is explicit consent required for marketing communications?

This information, and details of the goods or services offered, should be provided in a clear and precise manner that can be easily understood by the wider public.

The service provider should ensure that commercial communications include, at a minimum:

- a clear indication of the commercial nature of the communication;
- sufficient information to identify the subject on whose behalf the communication is being sent;
- clear instructions on the terms and conditions of any benefits offered in the communication;
- clear instructions for participating in competitions or promotional games, where permitted by law.

7. What are the main competition risks regarding online selling?

Albanian law does not provide specific rules and regulations applicable to online selling in particular, hence the general competition rules and principles apply. Online selling is directly related to the consumers when providing them with various competitive offers; the competition authority must ensure that the online market (as any other retail or wholesale traditional market) works well for consumers. In this aspect, the manufacturer or supplier must not impose unjustified restrictions of competition to or between retailers, similar to the “classic” price-fixing arrangement restricting the ability of the retailer to set the price at which it will resell the suppliers’ products. However, there are circumstances when manufacturers or suppliers may impose the respective standards, such as the quality standards for online distribution in certain justified circumstances of selective distribution systems.

Albania is a candidate for EU membership and has partly transposed EU competition rules and regulations. In addition, the *acquis communautaire* applies in Albania as well, meaning that any new EU regulation or practice would also have an impact on the Albanian competition rules and regulations.

8. Are there specific legal considerations relevant to the financial services provided to e-store customers (e.g. payment processing services)?

Generally, regular e-commerce stores do not fall under financial services regulations. However, the processing of customer payments constitutes a regulated activity. There are no particular provisions, while in practice the usual banking and financial payments services apply to e-store customers.

9. What are the relevant authorities responsible for legal enforcement with regard to e-commerce businesses?

The main competent public authority is the Consumer Protection Commission as well as other government authorities, such as the Market Surveillance Inspectorate and Data Protection Commissioner. The e-commerce regulations set out the penalties applicable in the event of infringements.

10. What is the landscape for private enforcement of consumer rights in the context of e-commerce?

In Albania, consumers can seek to enforce their rights in one of the following ways:

- demanding the trader, as appropriate, repair, replace, proportionally reduce the price or cancel the contract;
- filing a complaint with the Consumer Protection Commission, which in return can impose a fine on the trader as well decide on damage compensation;
- filing a claim with the arbitration tribunal or local courts.

11. Are there legal developments on the horizon with relevance for e-commerce businesses?

Although there are no anticipated legal developments on the horizon regarding this issue, given that the e-commerce business is a contemporary and innovative sector, it is expected that Albanian legislation will adapt its current legal framework according to EU initiatives.

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Bosnia and Herzegovina

I. E-commerce sector – facts and figures

1. Recent growth and trends in e-commerce

With a population of 3.5 million, Bosnia and Herzegovina (B&H) is an emerging consumer market with a growing e-commerce sector. Unlike the global market, there is no accurate data on the volume of e-commerce in B&H, but based on the balance sheets of all companies registered in this industry, it is possible to see the development of this industry as a whole. Business performance trends are analysed through the largest e-commerce companies in the country (olx.ba, ekupi.ba, ebay.com, amazon.com, aliexpress.com) and according to this data, B&H is no exception regarding dynamic growth in e-commerce. Local and regional companies are experiencing growth in the ecommerce sector, and in addition to pure ecommerce companies, many brick-and-mortar retailers have introduced online sales channels.

This growth has been driven by several factors. Firstly, growth comes from a low base. Secondly, there is a growing increase in internet activity in B&H. There are **2.37 million** internet users in Bosnia and Herzegovina and internet penetration is **72%**. Thirdly, growth has been further boosted by the COVID-19 pandemic.

According to relevant data, the top products and categories for Bosnian e-commerce buyers include clothes/footwear/accessories, computers/mobiles, cosmetics, books and food. In addition, internet users in B&H are more willing to purchase goods/services not only in local e-stores but also in e-stores outside the country.

According to Euromonitor's data, internationally recognised third-party merchants are a big factor in the e-commerce market in B&H, and in aside from the benefits of being internationally recognised and proven vendors, these players carry the most extensive product range, offering products that are otherwise not carried by other retailers in the local market.

Given this, entering the Bosnia and Herzegovina market is worth considering for many local and international e-commerce merchants.

II. Setting-up e-commerce business

1. Is the established local presence of a foreign company required to start selling online?

According to the applicable laws, a foreign company is not required to have a local presence to start selling online. However, products intended (active sales) for local customers must have a declaration in accordance with the law and technical and other regulations, or standards, written in one of the languages in official use in B&H. Foreign companies that do not actively sell into the country are not obliged to provide documentation in accordance with local laws.

2. Are there any licence/permit requirements applicable to e-commerce businesses?

E-commerce businesses are treated the same as a brick-and-mortar store when it comes to licences and permits, which means licence/permit requirements are not needed for a business entity to participate in e-commerce. However, specific rules may apply in the case of certain product categories, but these rules apply to all sales channels.

3. What e-commerce specific contracts must be concluded before starting an e-business?

In today's competitive market, running an online store can broaden the overall range of products and services, but in order to do so, some specifics must be addressed before starting an e-commerce business.

Domain name and extension

A suitable domain name and domain extension will help a brand to transform brick and mortar sales to online. A good domain name is a valuable marketing and search tool that should successfully lead customers to the website. The most common domain extensions in B&H are: .ba, .com, .net, and .co.

Hosting services

Web hosting is the process of renting or buying space to house a website on the internet and is the backbone of websites running in today's competitive business world online. There are four main types of web hosting in B&H: shared hosting, VPS (virtual private server) hosting, dedicated hosting and cloud hosting.

IT and Creative services

IT services assist business entities in the creation, management and optimisation of the e-commerce website. This also includes designing the ordering process, which is the time a customer places an order online, right through to fulfilling that order and delivering the product to the customer. The whole process needs to be smooth, fast and simple, and to achieve this, the e-commerce business needs to ensure quality IT services.

Creative services will further develop the e-commerce website and help attract and retain customers on the website. Creative services develop and design applications and functionalities such as invoicing, accounting, marketing tools and customer relationship management.

Mobile e-commerce:

Mobile e-commerce makes up a significant proportion of the Bosnia and Herzegovina e-commerce market and e-commerce merchants should bear this in mind when setting up their online stores. Mobile optimisation and mobile buying must be core to the e-commerce strategy.

Logistics

Providing or delivering products on time has always been a challenge in e-commerce but by perfecting the logistics, it can be made possible. The logistics processes include inventory management, warehousing and storage and order fulfilment (picking, packing and shipping orders).

A new alternative to the traditional logistic process is dropshipping. Dropshipping is a retail fulfilment method where a store does not keep the products it sells in stock. Instead, when a store sells a product using the dropshipping model, it purchases the item from a third party and has it shipped directly to the customer.

Payments

To operate a fully functional ecommerce website, an e-commerce merchant needs to be able to accept payments from customers. It's important to provide the (potential) customers with payment methods of their preference. Not supporting common payment methods in a given market will immediately exclude a certain proportion of that market. The top online payment methods in B&H include mobile payment, credit cards and e-wallets.

III. Key considerations for running e-commerce

1. Defining the audience: does the business need to decide upfront if the e-commerce website addresses consumers and/or professionals?

The difference between B2B and B2C should be clear before the e-commerce merchant steps into the digital commerce business in B&H, and thus it should be defined. The e-commerce merchant needs to consider the target audience's needs, preferences, and interests to attract their attention, and these considerations differ for B2B and B2C as the target audience changes.

According to the laws applicable in B&H, if an e-commerce website is a B2C website, all consumer rights that also apply to brick-and-mortar sale must be fulfilled (e.g. product returns, liability for defective goods, etc.). If the website is a B2B website (sales to professionals only), consumer regulations will not apply.

Understanding the differences between B2B and B2C e-commerce websites/apps is imperative before designing and instigating the digital experience.

2. What are the mandatory elements of an e-commerce business website?

Companies wishing to establish an ecommerce business in B&H must comply with certain rules under applicable B&H laws. Although there is a certain level of freedom, the website must notify customers of a series of important aspects:

General information

An e-commerce website is obliged to contain general information about the business entity/e-commerce merchant, such as name or business name, place and address of its registered premise, contact information, registration number, VAT number, etc. An online store must provide unambiguous information so that the average user can be fully protected from any form of fraud. The website should contain a prominent rulebook on pricing, terms of sale and other important information for users.

Pre-contractual information

An e-commerce website must contain contractual provisions, product information and T&Cs which must be available to the customer, so that the customer can preserve and reproduce them.

Data protection information

An e-commerce website must contain a statement that the customer data will not be disclosed to a third party, nor to a party acting as a legal entity or individual person within the same group of companies (concern) to which the business entity belongs, unless the customer approves in writing.

Withdrawal period information

Customers are entitled to withdraw from a contract made online (distance selling) within 15 days of the date of its conclusion, without giving a reason. In the case of withdrawal, the customer reimburses only the cost of returning the product. The seller must inform consumers of their right to do this. If the seller does not inform the customer of this right, the customer may withdraw from the contract within three months of delivery.

3. Is it mandatory that the website information be provided in the local language?

Products intended for customers (active sales) in B&H must have a declaration in accordance with the law, technical and other regulations, or standards, written in one of the languages in official use in Bosnia and Herzegovina. However, there is no obligation for foreign e-commerce platforms to provide the documentation in the local language.

In B2B relations, there is no obligation for the website information to be provided in the local language. The e-commerce website and communication may be in a foreign language.

4. Are there specific restrictions that impact on the selection of products offered for online purchase?

According to the applicable laws, there are no such restrictions. However, in general product-specific restrictions may apply that apply to all sales channels. In this regard, there is no difference between e-commerce and brick-and-mortar sales.

5. Do special rules apply to product returns and defective goods?

Regarding product returns, please refer to the answer to question number 2 (withdrawal period information).

Regarding defective goods, the same rules apply to brick-and-mortar sales and online sales.

6. Is explicit consent required for marketing communications?

The Law on the Protection of Personal Data specifies a general opt-out regime for direct marketing. It makes no differentiation between different forms of direct marketing (email, regular mail, and phone).

Data subjects have the right to oppose the data controller's future use or transfer of their personal data for the purpose of direct marketing, and to be notified before their personal data is transferred for the first time to a third party for direct marketing purposes.

7. What are the main competition risks regarding online selling?

As a rule, B&H competition law is substantively equal to and modelled after EU competition rules, although it may lag behind some recent developments. The general approach is that, in principle, every distributor must be allowed to use the internet to sell products and must not be restricted in doing so, unless there are compelling reasons, e.g. health and safety concerns always assessed on a case-by-case basis. However, manufacturers are permitted to impose quality standards for online distribution in certain justified circumstances of selective distribution systems. In addition, as in other distribution channels, suppliers are not permitted to control resale prices.

What is important is that the current B&H rules covering the vertical aspect of online sales (supplier-distributor) were adopted in 2006 and were based on the EU legislative framework from 1999, i.e. the Commission Regulation (EC) No. 2790/1999 of 22 December 1999 on the application of Article 81(3) of the Treaty to categories of vertical agreements and concerted practices.

8. Are there specific legal considerations relevant to the financial services provided to e-store customers (e.g. payment processing services)?

There are no specific legal considerations relevant to the financial services provided to e-store customers.

9. What are the relevant authorities responsible for legal enforcement with regard to e-commerce businesses?

Bosnia and Herzegovina has no specialised authorities responsible for legal enforcement regarding e-commerce businesses.

However, regarding consumer protection (which also applies to e-commerce), the key authority is the Ombudsman for Consumer Protection in Bosnia and Herzegovina. The Ombudsman for Consumer Protection is an independent institution established with the aim of promoting the good and efficient implementation of the consumer protection policy in Bosnia and Herzegovina.

Regarding data protection, the responsible body is the Personal Data Protection Agency, which is an independent administrative organisation established to ensure the protection of personal data.

10. What is the landscape for private enforcement of consumer rights in the context of e-commerce?

There are no special procedures for private enforcement of consumer rights in the context of e-commerce in Bosnia and Herzegovina.

In general, consumers may seek to enforce their rights before a civil court, either individually or with several claimants.

A special procedure for claims for the protection of collective interests also exists, whereby associations, bodies, institutions and other organisations established in accordance with the law, which, as part of their registered or regulated activity, protect the statutory collective interests and rights of citizens, may, when such authorisation is expressly provided by a special law and under the conditions provided by law, file a lawsuit (claim for the protection of collective interests and rights) against an individual person or legal entity that, by performing a certain activity or work, or in general by acts or omissions, materially breaches or endangers such collective interests and rights. The interests may be related to the human environment or the general environment, and moral, ethnic, consumer, anti-discrimination and other interests guaranteed by law, and must be materially breached or endangered by the activity or treatment of persons against which the lawsuit is filed.

11. Are there legal developments on the horizon with relevance for e-commerce businesses?

As e-commerce in Bosnia and Herzegovina is growing, so is the need for legal development. Policymakers should take this into account and strive to create a favourable economic and legal environment for the development of this type of trade. Some of the legal developments on the horizon with relevance to e-commerce businesses are:

- **The Law on E-commerce B&H:** B&H is the only country in the region which still does not have a major law regulating e-commerce. According to publicly available information, the draft on the new Law on e-commerce exists and the Law should be adopted in the future.
- **The Law on Protection of Personal Data B&H:** The Law on Protection of Personal Data (Official Gazette of BIH, Nos. 49/06, 76/11 and 89/11) is the governing law regulating data protection issues in Bosnia and Herzegovina. As part of its effort to join the EU, B&H is obliged to harmonise its legislation with EU legislation. This includes the GDPR. Due to deficiencies and non-alignment of the Law with the GDPR, in 2018 the competent authorities initiated the procedure for adopting a new GDPR compliant data protection law in B&H. The draft of the new Law is expected to be adopted in its current text this year.

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Bulgaria

I. E-commerce sector – facts and figures

1. Recent growth and trends in e-commerce

For the last five years, the annual growth in the e-commerce sector in Bulgaria is between 21% and 35%. The Bulgarian E-commerce Association reports over 1,530,000 customers shopped online in 2019. The share of e-commerce in GDP grew from 0.48% in 2014 to 1.53% in 2019. The trend of rapid development in the e-commerce sector has continued in 2020 and 2021.

II. Setting-up e-commerce business

1. Is the established local presence of a foreign company required to start selling online?

There is no general requirement that prevents foreign companies from conducting e-commerce business in Bulgaria. There is no need for a business entity to establish a local presence: products and services can be sold from abroad. However, foreign entities wishing to sell their goods/ services online in Bulgaria can do so through a subsidiary or a local branch. Selling from abroad may require tax registration even without an established presence.

It is important to note that where the law of a Member State of the European Union applies to a distance contract, the consumers may not waive the rights conferred on them by the Bulgarian Consumer Protection Act. Consumers will also not lose the protection granted by the consumer protection legislation of a Member State, transposing the requirements of Directive 2011/83/EU, where the distance contract is closely related with that Member State. The contract is closely linked to a Member State, e.g. where the trader directs its commercial activities to the Member State, e.g. the website offers the respective Member State language version, or advertising or marketing is directed to consumers in the Member State.

2. Are there any licence/permit requirements applicable to e-commerce businesses?

As a general rule, Bulgarian law allows business entities to freely participate in e-commerce business. Starting such activity does not involve any additional obligations in terms of licencing requirements compared to traditional retail activity. In practice, there is no need to obtain a licence or permit to run an online store.

Specific rules may apply in the case of certain product categories, including an obligation to obtain a relevant authorisation (e.g. in the case of foodstuffs) or licence. However, these are product-specific requirements and apply to all sales channels. It is expressly prohibited to offer and sell medicinal products available on medical prescription by means of distance contracts.

3. What e-commerce specific contracts must be concluded before starting an e-business?

Apart from the number of supply and logistic contracts in place, there are some specifics for setting up an e-commerce platform that must be addressed.

Domain name

The domain name serves as an address for the e-commerce business. A wide choice of domain extensions is available, both national (.bg), and international, more suitable for cross-border activity (such as .eu or .com). It is also possible to offer goods via marketplaces.

Hosting services

Hosting services may be acquired as cloud servers, shared webhosting, virtual private servers and dedicated servers.

IT-related services

A smooth ordering process is one of the key elements of creating a good customer experience. To achieve this, the e-commerce business has to ensure an appropriate level of IT services.

Creative services

Sourcing creative services is required to set up a website, including both design and technical aspects of various applications and functionalities, such as invoicing, accounting, marketing tools and customer relationship management.

Logistics

Logistics is the backbone of a successful e-commerce business. The logistics processes include product sourcing, stock (inventory) management, order management, packaging, and delivery, as well as the management of (and sometimes picking up) product returns.

E-commerce logistics may also be outsourced to a third-party logistics provider. A new alternative to the traditional logistics chain is dropshipping. In this model, the e-commerce entity forwards customers' orders to another company, which fulfils the orders by shipping the items directly to the customer on behalf of the e-commerce entity.

Payments

Cash on delivery remains a popular payment method; however, a wide array of electronic and non-cash payments are also available to e-commerce businesses. These include payments by various types of credit and debit cards, quick online transfers, electronic wallets, mobile money, and alternative currency payment processors.

III. Key considerations for running e-commerce

1. Defining the audience: does the business need to decide upfront if the e-commerce website addresses consumers and/or professionals?

If the e-commerce website is directed to consumers, the key is to ensure that all consumer rights are observed. Under the Bulgarian Consumer Protection Act (the "CPA"), consumers are natural persons who acquire products or use services for purposes that do not fall within their commercial or professional activity, and any natural persons who, as a party to a contract under the CPA, act outside their commercial or professional activity.

There are significant differences compared to B2B relations.

In particular, the CPA contains specific requirements on the information that must be provided to the consumer before the consumer is bound by a distance contract. The information must be provided in Bulgarian, in a clear and comprehensible manner. The information includes:

1. the main characteristics of the goods or services, to the extent appropriate to the medium and to the goods or services;
2. the name of the trader;
3. the registered head office and address of the trader; its telephone number, email address and website, where available, to enable the consumer to contact the trader; and if different from the registered address, the address of the place of business of the trader;
4. the total price of the goods or services including taxes, or where the nature of the goods or services is such that the price cannot reasonably be calculated in advance, the manner in which the price is to be calculated, as well as information on all additional freight, delivery or postal charges and any other costs; the distance communication cost for the conclusion of the contract where that cost is calculated other than at the basic rate;
5. the arrangements for payment, delivery, performance, the trader's complaint handling policy;
6. the conditions, time limit and procedures for exercising that right of withdrawal and the conditions on bearing the withdrawal costs, as well as a model withdrawal form;
7. a reminder of the existence of a legal guarantee of conformity for goods with the sales contract;
8. where applicable, the existence and the conditions of after sale customer assistance or services and commercial guarantees;
9. where applicable, the existence of relevant codes of conduct, where such codes are available and how copies of them can be obtained;
10. duration of the contract, where applicable, if the contract is of indeterminate duration or is to be extended automatically, the conditions for terminating the contract;
11. where applicable, the minimum duration of the consumer's obligations under the contract;
12. where applicable, the existence and the conditions of deposits or other financial guarantees to be paid or provided by the consumer at the request of the trader;
13. where applicable, the functionality, including applicable technical protection measures, of digital content;
14. where applicable, any relevant interoperability of digital content with hardware and software of which the trader is aware or can reasonably be expected to have been aware;
15. where applicable, the possibility of having recourse to an out-of-court complaint and redress mechanism to which the trader is subject, and the methods for having access to it.

This information is an integral part of the distance contract and cannot be altered unless both parties expressly agree.

It is also crucial that all consumer rights be observed before and after concluding a contract (regarding product returns, liability for defective goods, etc.).

On the other hand, if a website is dedicated to businesses only, e.g. sales of equipment to professionals only, consumer regulations will not apply, but in such case it should be ensured that the online store is accessible to professionals only.

In all cases (including for B2B services) in its capacity as an information society services provider, the trader will have to render, easily and directly accessible to the recipients of the service, at least information on: (i) its name; (ii) registered head office and registered address or and if different from the registered address, the address of its place of business; (iii) phone number and email address; (iv) information on the registration in a commercial or similar public register; (v) prices, whether they are inclusive of tax, and delivery costs; (vi) the relevant regulatory body where the activity is subject to notification, permission or licence and other information required by law.

2. What are the mandatory elements of an e-commerce business website?

Bulgarian legislation imposes certain obligations that translate into the mandatory elements of an e-commerce website. Such mandatory elements differ depending on whether a website is directed to consumers or to businesses only.

Obligation	What is required?	How to comply?
Providing services by electronic means	Each e-commerce website needs to stipulate Terms and Conditions for electronically supplied services . Such services not only make it possible to make purchases via the website, but also display the website's content, enabling the customer to create and use the account and all the other features of the website.	Creating Terms and Conditions for providing services by electronic means. These may be part of wider general T&Cs for the website.
Information obligation	<p>As explained above, in B2C distance contracts the seller is obliged to fulfil various information obligations before the consumer is bound by a contract.</p> <p>Certain specific information must be displayed just before consumer clicks the 'buy' button. Such information must refer clearly to the characteristics of the goods or services, pricing and costs, the contract term and termination. The trader must ensure that the consumer, when placing the order, explicitly acknowledges that the order implies an obligation to pay. The button for placing an order must be labelled with the words "Order with obligation to pay" or similar wording, clearly indicating that placing the order entails an obligation to pay the trader.</p> <p>In B2B contracts, certain information must also be provided, but its scope is significantly smaller.</p>	<p>Creating T&Cs is the most common way to provide all the mandatory information.</p> <p>It is also crucial that the customer journey complies with the law, i.e. the right information is displayed at the right moment.</p>
Cookies	If an e-commerce website uses cookies or similar technologies, it must fulfil information obligations and obtain consent to use the cookies or similar technologies that are not necessary for the transmission of communication or provision of a telecommunications service or a requested service supplied electronically.	<p>Creating a cookie policy is the most common way to provide all required information.</p> <p>Opt-in for non-necessary cookies or similar technologies is commonly obtained through cookie banners.</p>
Privacy	An e-commerce website must fulfil information obligations under the GDPR and ensure that the processing of personal data complies with the GDPR rules, e.g. that processing is based on a relevant legal basis.	Creating a privacy policy is the most common way to provide all required information. It should be easily available and visible on the website.
Product information	As indicated above, the law provides for certain requirements as to what information must be provided (displayed) before the customer makes the purchase. The scope of information on the product may vary depending on the product category.	The product page should be construed in a way that reflects the legal requirements applicable to a specific category. For example, for food products it would be required to display (among others) a list of the ingredients, whereas for electronics it is required to display (among others) the energy efficiency class.

3. Is it mandatory that the website information be provided in the local language?

The information provided to consumers must be in Bulgarian. This obligation is set forth in the Bulgarian CPA Act and concerns all documents and information that are mandatory. In practice, a consumer-website addressed to Bulgarian consumers would need to be mostly in Bulgarian. The aftersales service should also be available in Bulgarian.

In B2B relations, there is no analogical obligation. The website and communication can be in a foreign language.

4. Are there specific restrictions that impact on the selection of products offered for online purchase?

These may be product-specific restrictions that apply in all sales channels, such as general foodstuff production and sales regulation. It is expressly prohibited to offer and sell medicinal products available on medical prescription by distance contracts.

It is important to consider all the requirements in place concerning online sales of particular products.

5. Do special rules apply to product returns and defective goods?

The main difference compared to traditional sales is that, as a rule, consumers are entitled to withdraw from a distance contract without giving a reason within 14 days from: (i) the date the contract to provide services is concluded; (ii) in the case of sales contracts, the day on which the consumer or a third party indicated by the consumer acquires physical possession of the goods.

Traders must inform consumers of their right of withdrawal, the conditions, time limit and procedures for exercising that right before the consumer is bound by the distance contract. If the trader does not provide the consumer with the relevant information on the right of withdrawal, the withdrawal period expires one year from the end of the initial withdrawal period.

The consumer bears the direct cost of returning the goods unless the trader has agreed to bear them or unless the trader has failed to inform the consumer that the consumer has to bear such costs.

The provisions related to legal guarantees and the commercial guarantees undertaken by the trader or the producer to the consumer apply to both traditional and online sales.

6. Is explicit consent required for marketing communications?

The marketing communications that present directly or indirectly the goods, services or image of the trader represent commercial communications. Sending unsolicited commercial communications to consumers requires the prior consent (opt-in) of the consumer. The marketing opt-in should meet the GDPR-consent standard. This means that it should be a freely given, specific, informed, and unambiguous statement or clear affirmative action. Where the consumer objects to processing for direct marketing purposes, the personal data must no longer be processed for those purposes. A clear affirmative action means that a deliberate and specific action must be taken to opt in or to agree to the processing. This can be done, e.g. by ticking a box when visiting a website, choosing technical settings for information society services or signing a consent statement.

The Bulgarian Commission for Consumer Protection keeps an electronic register of the email addresses of the legal persons that do not wish to receive unsolicited commercial communications (opt-out register).

7. What are the main competition risks regarding online selling?

As a rule, Bulgarian competition law mirrors EU legislation. Every distributor is allowed to use the internet to sell products and must not be restricted in doing so, unless there are compelling reasons, e.g. health and safety concerns always assessed on a case-by-case basis. However, manufacturers are permitted to impose quality standards for online distribution in certain justified circumstances regarding each selective distribution system. In addition, as in other distribution channels, suppliers are not permitted to impose resale prices.

The current competition rules applicable in Bulgaria, covering the vertical aspect of online sales (supplier-distributor), are based on the EU legislative framework of 2010. The forthcoming revision of the EU framework will most probably impact corresponding Bulgarian competition regulation and case law.

8. Are there specific legal considerations relevant to the financial services provided to e-store customers (e.g. payment processing services)?

Generally, regular e-commerce stores do not fall under financial services regulations. The Act on the Distance Marketing of Financial Services stipulates the requirements for the distance marketing of financial services and in particular on the distance contracts, the provision of information to the consumers, the right of withdrawal, and commercial communications.

The processing of customer payments constitutes a regulated activity.

9. What are the relevant authorities responsible for legal enforcement with regard to e-commerce businesses?

In Bulgaria, no authority specialises in e-commerce only. As in the case of brick-and-mortar sales, the relevant authority is the Commission for Consumer Protection (the “**CCP**”) for the public enforcement of consumer rights. CCP monitors and controls the compliance of the e-commerce businesses with the provisions of the Bulgarian Electronic Commerce Act (ECA) and the CPA. Regarding the general safety of products and services, the CCP is the controlling authority for the safety of non-food products and of services. The authority responsible for the safety of food products as per the CPA and the Foodstuff Act is the Bulgarian Food Safety Agency (the “**BFSA**”). The safety of cosmetic products is monitored and controlled by the Minister of Health and the State Health Control authorities. Market surveillances authorities are also included in the Technical Requirements for Products Act for different categories of products that fall within the scope of the Act.

Regarding personal data protection issues, the Commission for Personal Data Protection (the “**CPDP**”) is the authority entitled to provide expert advice and issue opinions on data protection, as well as to enforce and issue fines for non-compliance with data protection law.

10. What is the landscape for private enforcement of consumer rights in the context of e-commerce?

In Bulgaria, consumers can seek to enforce their rights before a civil court, either individually or in a class action. In Bulgaria, a significant role in the private enforcement of consumer rights is played by consumer organisations. The most active consumer organisation in Bulgaria is the Bulgarian National Association Active Consumers.

Note that arbitration clauses for resolving disputes with consumers are void.

Alternative dispute resolution (ADR) in Bulgaria is regulated by the CPA. The resolution of a dispute between a consumer and a trader will be binding if the parties were informed of its binding nature in advance and specifically accepted this. Specific acceptance by the trader is not required if the rules of procedure of the ADR entity state that the solutions bind traders. The Minister of the Economy is the competent authority for the recognition of ADR entities and lists them publicly. The CCP carries out alternative dispute resolution activities for consumer disputes through conciliation committees.

All online traders must provide a link on their websites to the Online Dispute Resolution platform.

11. Are there legal developments on the horizon with relevance for e-commerce businesses?

The legal developments relevant for e-commerce business in Bulgaria derive mostly from changes at the EU level.

Member States should implement the Omnibus Directive by November 2021. The EU Directive introduces several amendments to the consumer-related Directives. For example, it includes new rules concerning price reductions, and restricts the marketing of “dual quality” products (items marketed as being identical, where in fact their quality is different between the respective Member States). There is no draft bill in Bulgaria yet.

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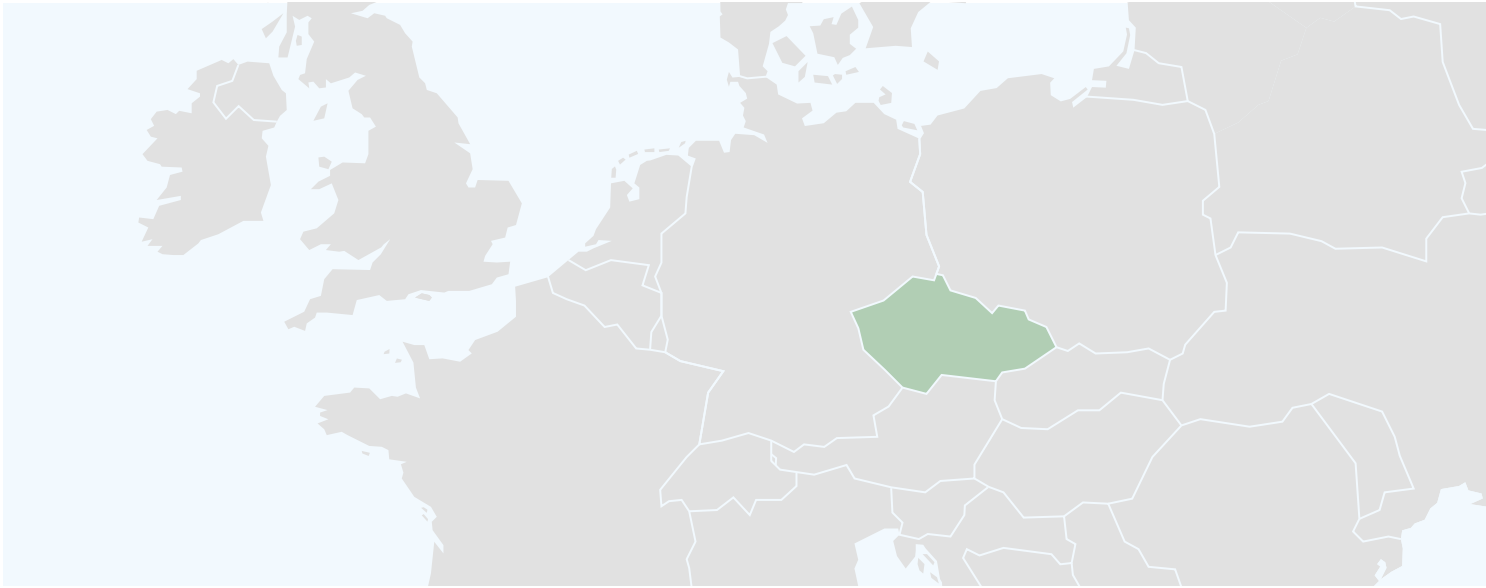
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НАРОДЕН ТЕАТЪР



Czech Republic

I. E-commerce sector – facts and figures

1. Recent growth and trends in e-commerce

The Czech Republic is a leading country regarding e-commerce and its importance to the Czech economy is steadily growing. The number of e-shops per citizen is the highest in Europe. As was the case in many countries, the COVID-19 pandemic caused a significant boost in e-commerce. In the first half of 2020, the turnover of the e-commerce sector increased by nearly one-third. In some cases, the monthly turnover of the e-commerce sector increased by as much as 40% as a result of the pandemic.

In 2020, e-commerce accounted for around 13.5% of total retail turnover. The total turnover of e-commerce reached CZK 196bn (approx. EUR 7.5bn) the same year, which represented a 26% increase on 2019.

While electronics is still the predominant commodity of e-commerce (mainly mobile phones), people also purchased groceries, pharmacy products and clothing online. The sale of groceries and clothing via e-commerce platforms increased by 8% and 19% respectively in the last year.

Currently, there are more than 40,000 e-shops in the Czech Republic and the number is rising. Some economists believe that there will be more than 50,000 e-shops within two years.

II. Setting-up e-commerce business

1. Is the established local presence of a foreign company required to start selling online?

A foreign company is not required to establish a local presence to conduct an e-commerce business in the Czech Republic. Products and services can be sold from abroad. However, foreign entities wishing to sell their goods and services online in the Czech Republic may undertake such activity through a subsidiary or local branch.

2. Are there any licence/permit requirements applicable to e-commerce businesses?

To operate an online or brick-and-mortar business in the Czech Republic, an entity needs a trade licence granted by Trade Licensing Office (the "TLO"). In most cases, a simple notification to the TLO is all that is required to obtain a licence; no other licence/permit is required to operate an e-commerce business.

Note that there are specific product categories which require special authorisation to be sold by a business. However, such special authorisations are product-specific and apply to all sales channels.

3. What e-commerce specific contracts must be concluded before starting an e-business?

To create a working e-shop, the business will need to set up a website, payment system and logistics network.

Domain name

The domain name serves as an address for the e-commerce business. A wide choice of domain extensions are available, both nationally (.cz) and internationally. International domain extensions are more suitable for cross-border activity (such as .eu or .com). It is also possible to offer goods via online marketplaces.

Hosting services

Sourcing hosting services is a more complex process as there are various options. Hosting services may be acquired as cloud servers, shared webhosting, virtual private servers and dedicated servers.

IT-related services

A smooth ordering process is important in creating a positive customer experience. To achieve this, the e-commerce business must ensure an appropriate level of IT services.

Creative services

Sourcing creative services is needed to set up a website, including both design and technical aspects of various applications and functionalities, such as invoicing, accounting, marketing tools and customer relationship management.

Logistics

Logistics is the backbone of a successful e-commerce business. The logistics process includes product sourcing, stock (inventory) management, order management, packaging and delivery, as well as management of (and in some cases collection) product returns.

E-commerce logistics may also be outsourced to a third-party logistics provider. A new alternative to the traditional logistics chain is "dropshipping". In this model, the e-commerce entity forwards customer orders to a third-party company, which fulfils the orders by shipping the items directly to the customer on behalf of the e-commerce entity.

In the Czech Republic, the most widely used option is the Czech Post Office (Česká pošta), whose customers deem to be reliable. Other logistic providers include PPL, DHL and Zásilkovna.cz.

Payments

Cash on delivery remains a popular payment method in the Czech Republic. However, a wide array of electronic and non-cash payments are also available to e-commerce businesses. These include payments by various types of credit and debit cards, quick online transfers, electronic wallets, mobile money, and alternative currency payment processors.

III. Key considerations for running e-commerce

1. Defining the audience: does the business need to decide upfront if the e-commerce website addresses consumers and/or professionals?

There are significant differences between tailoring a website to accommodate consumers (B2C) and professionals (other businesses; B2B). There are several statutory protections in place to protect consumers which impose obligations businesses must meet in their dealings with consumers that do not apply to B2B transactions. Such obligations include the obligation to inform customers of the product and their rights as consumers, which is usually covered by the Terms and Conditions of the business.

If a company decides to target its business to professionals only, Czech consumer protection rules do not apply. Both parties to the transaction have greater commercial freedom on the basis that the law presumes professionals have, or should have, greater knowledge of trading rules than consumers. If a business is dedicated to professionals only, care should be taken to ensure that the online store is not accessible to consumers.

2. What are the mandatory elements of an e-commerce business website?

Generally, there is a significant level of freedom regarding the content and layout of a website which is limited only by the creativity of the site's creator. However, there are certain mandatory obligations imposed by law on e-commerce websites. These mandatory obligations differ depending on whether a website is directed towards consumers or businesses.

Site feature	What is required?	How to comply?
Providing services by electronic means	Each e-commerce website needs to stipulate T&Cs for electronically supplied services. Such services not only make it possible to make purchases via the website, but also display the website's content, enabling the customer to create and use an account and all the other features of the website.	Creating T&Cs for providing services by electronic means. These may be part of the seller's wider general T&Cs.
Information disclosure obligation	<p>In B2C contracts, the seller is obliged to fulfil various information obligations before the consumer is bound by a contract.</p> <p>In addition, specific information must be displayed to the consumer before the consumer is able to click the "buy" button.</p> <p>In B2B contracts, specific information must also be displayed, although the scope of this obligation is much narrower.</p>	<p>Creating T&Cs is the most common way to provide all the mandatory information.</p> <p>It is also crucial that the customer's journey complies with the law, i.e. the right information is displayed at the right moment.</p>

Site feature	What is required?	How to comply?
Cookies	If an e-commerce website uses cookies or similar technologies, it must fulfil information obligations and obtain consent regarding the use of cookies or similar technologies that are not necessary for the transmission of communications, the provision of telecommunication services, or the specific requested service provided electronically.	Creating a cookie policy is the most common way to provide all required information. An opt-in for non-essential cookies or similar technologies is commonly obtained through cookie banners.
Privacy	Each e-commerce website must fulfil the information obligations prescribed under the GDPR and ensure that the processing of personal data on the website complies with the GDPR rules.	Creating a privacy policy is the most common way to provide all of the required information. Such policy should be readily available and visible on the website.
Product information	There are certain requirements under Czech law regarding the kind of information which must be provided (displayed) before a customer makes a purchase. The scope of information provided to the client may vary depending on the product being purchased.	The product page should be designed in accordance with Czech legal requirements for the specific product being purchased. For example, a list of ingredients for all food products must be displayed on the website (among other things), whereas with electronic products the website must display the applicable energy efficiency class (among other things).

3. Is it mandatory that the website information be provided in the local language?

According to Civil Code of the Czech Republic, any contracts concluded between a business and a consumer must be in Czech. This requirement also applies to a business's T&Cs and any other information that a business is obliged to communicate to customers. Non-mandatory information provided to customers does not need to be in Czech, although such information must not be misleading.

In B2B relations, this obligation does not apply and websites and contracts addressed to professionals do not need to be in Czech.

4. Are there specific restrictions that impact on the selection of products offered for online purchase?

In the Czech Republic, there are restrictions which may impact product selection including certain restrictions provided under EU law. For example, in accordance with a 2018 decision of the Court of Justice of the European Union, it is forbidden to sell luxury clothes via online market places such as e-Bay.

In addition, there are also product-specific restrictions under Czech law which in some cases require the seller to obtain the relevant authorisation to sell certain products. A list of products which require such authorisations is set out in the Trade Act.

5. Do special rules apply to product returns and defective goods?

Under Czech law, the same rules governing product returns and defective goods apply to both traditional and online sales. Under these laws, the consumer has a right to withdraw from the contract without stating a reason within 14 days from concluding the contract.

6. Is explicit consent required for marketing communications?

Generally, marketing messages can only be sent to consumers with their prior consent. However, there are exceptions to this rule. Marketing messages may be sent to consumers without prior consent if: a) the consumer volunteered his/her email address (or phone number) to the business, and b) the marketing communication is related to goods or services previously provided to that consumer.

Regarding non-consensual marketing messages, the consumer must have the ability to opt-out (e.g., through a hyperlink) without any difficulties.

7. What are the main competition risks regarding online selling?

Competition law in the Czech Republic, as a Member State of EU, is heavily regulated by legislation. Most of the applicable EU legislation is based on a framework from 2010. Since then, the e-commerce sector has experienced rapid growth and as such the European Commission decided to re-evaluate the framework. In 2017, the European Commission published the results of an e-commerce survey, which identified two main business practices which may in some cases breach competition law.

The first such business practice relates to price restrictions imposed by suppliers on distributors. Generally, suppliers are able to provide recommendations or set maximum prices for their products, although it is forbidden for suppliers to set fixed or minimum prices. The second such practice relates to restrictions on cross-border sales. Markets for certain products may be different in various EU member states and as such some products may be sold for higher prices in some states than in others. To sell for higher prices, companies are known to use geo-blocking measures which prevent customers from specific states accessing their websites and thereby forcing them to buy the product in a different market for a higher price.

The European Commission also considers reselling products via internet marketplaces (such as e-Bay or Aukro.cz) problematic.

8. Are there specific legal considerations relevant to the financial services provided to e-store customers (e.g. payment processing services)?

The operation of an e-store itself does not fall under the regulations governing financial services. However, it is becoming more common to accept payments through online payment gates rather than accepting cash on delivery, which is regulated. Online payments are predominately governed by Directive (EU) 2015/2366 (Payment Services Directive 2) and all payment processing must be carried out in accordance with this directive.

9. What are the relevant authorities responsible for legal enforcement with regard to e-commerce businesses?

In the Czech Republic, legal enforcement regarding e-commerce is carried out by multiple authorities. The Czech Trade Inspection Authority performs an important role by monitoring and inspecting businesses and individuals that: (i) supply or sell goods on the Czech market; (ii) provide services or similar activities on the Czech market; (iii) provide consumer credit; or (iv) operate marketplaces in the Czech Republic. The Office for the Protection of Competition is another important authority, which monitors compliance with competition law. Other authorities include the Trade Licensing Office, which issues licences to sell specific products, and the Office for Personal Data Protection, which monitors compliance with data protection laws.

10. What is the landscape for private enforcement of consumer rights in the context of e-commerce?

Consumer rights may be enforced individually before a civil court. Unlike several other European countries, it is not yet possible to file class actions in the Czech Republic, although there have been several attempts to introduce this form of action, so it may be possible to do so in the coming years.

Court proceedings are, however, a last resort and thus out-of-court settlement is preferable. Such settlements are called Alternative Dispute Resolutions (ADRs) and take place before the Czech Trade Inspection Authority (CTIA) with the aim of the parties reaching a consensus. The CTIA cannot make binding decisions and or force parties to negotiate. Only disputes between consumers and vendors can be resolved this way, and only consumers are able to initiate such proceedings.

11. Are there legal developments on the horizon with relevance for e-commerce businesses?

The legal regulation of the e-commerce sector in the Czech Republic derives mostly from EU legislation. Apart from the aforementioned initiatives of the European Commission that focus on competition law, the following initiatives may have some relevance to e-commerce businesses in the Czech Republic:

- **Omnibus Directive:** In 2018, the EC adopted an initiative called New Deal for Consumers, which aimed to modernise EU consumer law. As a result of this initiative, the Omnibus Directive came into force in early 2020. The Omnibus Directive focuses on increasing penalties for breaches of consumer law, broadening the obligation to inform consumers about products being purchased, restrictions regarding “dual quality” products, and strengthening consumers’ individual rights. Member States should implement the directive by November 2021. The Czech legislature is already working on implementing some of the rules set out in the Omnibus Directive;
- **Digital Services Act and Digital Markets Act:** these are EU initiatives that will provide, in particular, new rules concerning online platforms. Work on these acts is still ongoing.

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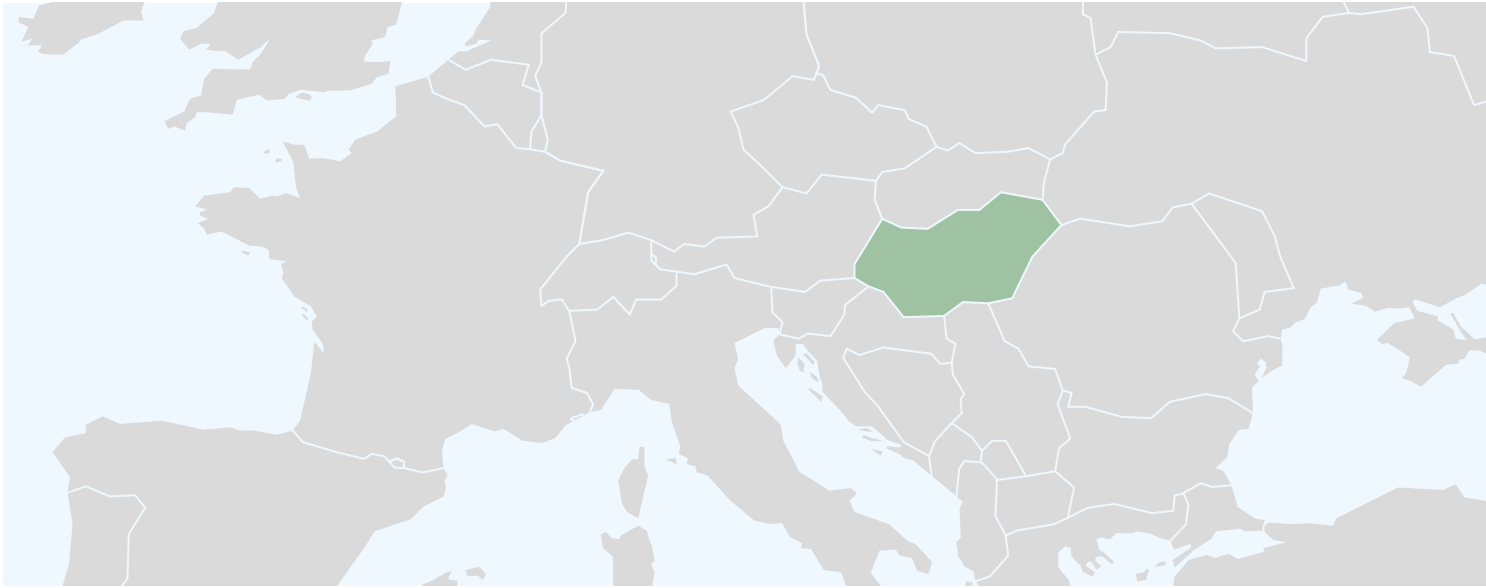


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Hungary

I. E-commerce sector – facts and figures

1. Recent growth and trends in e-commerce

Pandemic-induced changes in shopping behaviour have transformed markets permanently, and this is true for Hungary as well. According to Reacty Digital's forecast, Hungary's domestic online retail turnover will be worth around EUR 2.7bn at the end of 2020, compared to EUR 2.2bn in 2019. By 2024, it may increase 2.2 times and exceed EUR 4.9bn. A further expectation is that the market will experience about 25% growth in 2020, compared to a 16% increase in 2019, as GKI Digital forecasts.

Currently, nine out of ten Hungarians aged between 18 and 79 have already bought something online. According to Growww Digital's data, segments such as Groceries, Sport, Entertainment and Health are booming, seeing a 200–300% increase in Hungary at the beginning of 2020.

According to trade.gov, harmonised EU rules on data privacy and security could catalyse the development of the local cloud computing market and create the potential for Hungary to develop into a regional e-commerce hub. Companies in Hungary will have to invest in key IT services and products to compete with EU rivals, with cloud-delivered services expected to perform well. Spending on IT security products is expected to grow rapidly in the next three years.

The pandemic offers a great opportunity to Hungary's e-commerce industry: until now, the market was growing by approximately 20% and attracted a lot of non-Hungarian companies as the number one or two expansion destination in CEE. Expansion in Hungary is very attractive to foreign online shops because operational and online marketing expenses are relatively low in Hungary.

II. Setting-up e-commerce business

1. Is the established local presence of a foreign company required to start selling online?

Based on an interpretation of the relevant laws accepted by the competent authorities, a Hungarian affiliate, branch office or commercial representative office is required to carry out any retail activity in Hungary. This is because one of the mandatory elements of the required notification for such activities is the company's registration number, and the Hungarian authorities can only deal with Hungarian company registration numbers for administrative reasons. Please note that this approach by the Hungarian authorities is debatable under EU law; however, a costly judicial or European procedure would be required to prove this approach wrong.

2. Are there any licence/permit requirements applicable to e-commerce businesses?

There are no special licence or permit requirements for e-commerce businesses, and e-commerce activity is not subject to prior authorisation or any requirement having an equivalent effect.

However, requirements relating to qualifications, training, authorisations and notification prescribed in other specific legislation for information society services not provided by electronic means apply, which, among others, are the following:

- any commercial activity (including e-commerce businesses) must be announced to the competent notary based on the e-commerce company's seat;
- there are specific products which can only be sold in physical shops and not online: dangerous materials and mixtures under the act on chemical safety; paints, lacquers, car glazers/polishers; veterinary medicines and their active agents; weapons, munitions, explosives, exploders, gas-spray; pyrotechnical products; insecticides and their active agents; non-hazardous waste and any highly flammable or explosive materials;
- pets specified in the decree on the keeping and sale of pets, which cannot be sold via mail order houses.

Furthermore, the authorisation and notification requirement prescribed in Act on Electronic Communications and in other legislation adopted under the authorisation of this act also apply.

E-commerce services qualifying as online marketplaces, search engines and cloud-based IT services (services subject to notification) must report to the Government Incident Response Team (the "**Incident Response Team**") designated by the Government in a decree any security incident provided for in other government decrees.

3. What e-commerce specific contracts must be concluded before starting an e-business?

Providers of information society services, including but not limited to electronic commercial services* must make available to the recipient of the service the contract terms and general conditions concerning the information society service they provide in a way that allows him/her to store and reproduce them.

The service provider must give the following information clearly and unambiguously and before the recipient of the service places the order:

- a. the different technical steps to follow to conclude the contract by electronic means;
- b. whether or not the concluded contract is considered made in writing, whether or not it will be filed by the service provider and whether it will be accessible;
- c. the technical means for identifying and correcting input errors before placing the order;
- d. the languages offered in the conclusion of the contract;
- e. the relevant codes of conduct relating to the service activities in question, to which he/she subscribes concerning the services in question and information on how those codes can be consulted by electronic means.

*Information society services: services provided electronically, normally for financial consideration, at a distance and at the individual request of the service recipient.

*Electronic commercial services: any information society service provided in the form of business operations where the purpose is to encourage the sale, purchase or exchange of and access by other means to any goods of a fungible nature that are capable of being delivered, including money and securities and natural resources that can be utilised as capital goods, also including services, immovable property and rights.

III. Key considerations for running e-commerce

1. Defining the audience: does the business need to decide upfront if the e-commerce website addresses consumers and/or professionals?

No. However, if the e-commerce website addresses consumers, the general terms and conditions must contain the mandatory elements listed in Government Decree No. 45/2014 (II. 26.) on the detailed provisions of contracts to be concluded between a consumer and a business entity.

2. What are the mandatory elements of an e-commerce business website?

General terms and conditions with the mandatory elements listed under point I/3 which must be made available in a way that allows the audience to store and reproduce them.

Service providers must render easily, directly and permanently accessible at least the following data and information by electronic means:

- a. the name of the service provider;
- b. the registered office or permanent establishment, or failing this, the home address of the service provider;
- c. the details of the service provider, including its electronic mail address, which allows it to be contacted by recipients of the service rapidly and communicated with in a direct and effective manner;
- d. where the service provider is required to register in a public register as a precondition for coming into existence and/or for engaging in activities, the name of the court of registry or other authority entering the service provider into the register and the registration number;
- e. where the service provider's activity is subject to authorisation by law, an indication of this fact and the name and the particulars of the relevant supervisory authority, and the number of the authorisation;
- f. if the service provider is liable to pay VAT, the relevant tax number;
- g. regarding the exercise of regulated professions:
 - the name of any professional body or similar institution (chamber) with which the service provider is registered, whether under legal requirement or voluntarily,
 - if the service provider is a natural person, an indication of the vocational skills or professional and scientific title, and the Member State where it was granted,
 - a reference to the applicable professional rules for exercising the regulated profession in question in the Member State of establishment and the means to access them;
- h. the registered office, place of business of the service provider who provides data hosting services to the service provider, including its electronic mail address, which allows it to be contacted rapidly and communicated with in a direct and effective manner, unless such details are already accessible given the nature of the data hosting service provided to the service provider.

Any information published by a service provider, which is not recognised as media content, whose content might seriously impair the physical, mental, spiritual and moral development of minors, in particular those that are dominated by graphic scenes of violence and/or sexual content and that depicts nudity, may be published only with warning labels displaying, in advance, on the sub-page that contains the information about the potential harm it may cause to children, and with identifiers incorporated into the source code indicating the content category, and which can be identified by a content-filtering software.

The service provider must insert an electronic hyperlink into the website which redirects the consumer to the online dispute resolution platform (Alternatív/online vitarendezés peren kívül - Your Europe (europa.eu))

The service provider must also publish the data privacy notice on the website/webshop according to the GDPR.

3. Is it mandatory that the website information be provided in the local language?

No. However, the service provider must inform the recipient of the service clearly and unambiguously and before the recipient places the order of the service about the languages offered in the conclusion of the contract.

4. Are there specific restrictions that impact on the selection of products offered for online purchase?

Product selection is an important aspect of e-commerce business that needs to consider specific local and EU restrictions.

These may be product-specific restrictions that apply in all sales channels, e.g. in the case of foodstuffs and medicinal products, or that certain products may only be sold in brick and mortar stores, e.g. hazardous materials, gasoil, pesticides and explosives. In Hungary, however, there are also certain restrictions that apply to online channel only, such as a prohibition on the online sales of prescription medicines and the restriction that over-the-counter medicines can only be sold online by authorised pharmacies.

Thus, it is crucial to properly check all the requirements in place concerning the online sales of the relevant products.

5. Do special rules apply to product returns and defective goods?

The main difference compared to traditional sales is that, as a rule, consumers are entitled to withdraw from a contract made on-line within 14 days of the date of its conclusion, without giving a reason. Business entities must inform consumers of their right to do this, e.g. by providing them with the appropriate form of such statement. If the business entity does not inform the consumer of this right, the withdrawal deadline is extended by 12 months. If the consumer decides to withdraw from the contract, she/he is entitled to the reimbursement of the delivery cost but not exceeding the least expensive type of standard delivery offered by the seller.

Regarding standard 'warranty', i.e. the seller's liability for physical and legal defects, and the producer's 'guarantee', in Hungary the same rules apply to traditional and online sales.

6. Is explicit consent required for marketing communications?

In Hungary sending marketing communications via electronic means, e.g. emails and SMS, requires the opt-in of customers as recipients. Contrary to the opt-out model, the opt-in model means that the sender can only send marketing via the mentioned communication channels if it obtained a prior consent from a designated recipient for the given channel of communication.

Marketing opt-in should meet the GDPR-consent standard. This means that such consent should be a freely given, specific, informed and unambiguous statement or clear affirmative action.

A clear affirmative action means that a deliberate and specific action must be taken to opt in or to agree to the processing. This can be done, e.g. by ticking a box when visiting a website, choosing technical settings for information society services or signing a consent statement.

Non-automated phone calls and sending postal letters is subject opt-out.

7. What are the main competition risks regarding online selling?

Hungarian competition and consumer protection law is completely harmonised with EU regulations similarly applicable to online and brick-and-mortar sales. Given this, the practice and the activity of the relevant Hungarian Competition Authority (*Gazdasági Versenyhivatal*; the “HCA”) signals the main competition law trends in Hungary concerning online selling. As the HCA is competent not only in competition but also in certain consumer protection cases (unfair commercial practices, misleading and unlawful comparative advertising), the following summary covers both issues.

Illustrating the same standards for online and brick-and-mortar selling, the HCA has sanctioned entities for online resale price maintenance. In 2019, the HCA found a garden supplier manufacturer guilty of setting its resale price for online selling. Currently, the HCA pays special attention to online selling, as in late 2020 it launched a new market study into investigating the role of large datasets in e-commerce. The HCA examines what type of data e-commerce companies collect from their consumers, how and for what purpose they use such data, and to what extent consumers are aware of this. If discrepancies are detected in the market, such market study may result in targeted competition control proceedings or proposals for policy changes.

Furthermore, the HCA tends to focus better on online ticket selling, online accommodation services and online payment services in its sector inquiries, consumer awareness publications and control proceedings. In consumer protection cases, the HCA also regularly investigates flash sales (e.g. black Friday sales), online home delivery service of groceries, influencer marketing as potentially concealed advertising, and tends to impose higher and higher fines. The highest fine for a consumer protection breach was approx. EUR 7m.

8. Are there specific legal considerations relevant to the financial services provided to e-store customers (e.g. payment processing services)?

In the case of online payment processing services, strong customer authentication is mandatory according to the PSD2 directive. The merchant must ensure such type of payment service provider on the website which is able to provide and ensure strong customer authentication.

However, the merchant is not obliged to provide any electronic payment solution or other financial services on the website, and the customer can pay in several ways according to the general terms and conditions of the merchant, e.g. with an online bankcard payment, instant wire transfer, cash, etc.

If the merchant provides financial services other than payment processing services, such as payment initiation services, account information services, loan, e-money services, etc, the specific provisions for the given financial services apply, including the specific notification and licence provisions.

9. What are the relevant authorities responsible for legal enforcement with regard to e-commerce businesses?

The HCA deals with competition law and certain consumer protection cases (unfair commercial practices, misleading and unlawful comparative advertising) where competition is affected on its merits. The Hungarian National Bank (Magyar Nemzeti Bank) is competent in financial consumer protection cases. In other consumer protection cases, the general consumer protection authority (fogyasztóvédelmi hatóság) conducts proceedings, and its authority is incorporated into local government offices.

The National Authority for Data Protection and Freedom of Information (Nemzeti Adatvédelmi és Információszabadság Hatóság) is competent in data protection cases.

10. What is the landscape for private enforcement of consumer rights in the context of e-commerce?

The most common enforcement form is alternative dispute resolution proceedings before the conciliation body (békéltető testület). The conciliation body is competent in various consumer complaints. The precondition to initiate proceedings is that consumers have first attempted to resolve their complaints directly with the service provider. Although the service provider must take part in such procedure, the decision of the conciliation body is only binding if the service provider explicitly accepted this to be so in advance. The conciliation body may confirm the settlement between the parties or issue a decision. There is an option of judicial review against the decision of the conciliation body if the conciliation body infringes procedural rules. Apart from general conciliation bodies, the financial conciliation body specialises in disputes between financial service providers and consumers.

As another dispute resolution body, the Commissioner for Media and Communications assists consumers in protecting and asserting their interests as well as facilitates user awareness. Therefore, the Commissioner contributes to the promotion of the interests of users, subscribers and readers of press products, electronic communications and media services, which deserve an appreciation related to electronic communications, media services and press products. The Commissioner, if justified, conducts settlement procedures.

Consumers can also bring an action before the civil court in certain cases, e.g. product damage, product defects, invoicing. There is also a possibility for class actions before the civil court which could be initiated by consumer protection authorities, associations representing consumer rights, or the prosecutor if the alleged infringement affects a wide range of consumers or causes significant disadvantages.

11. Are there legal developments on the horizon with relevance for e-commerce businesses?

Legal developments relevant to e-commerce businesses in Hungary derive mostly from changes at the EU level. There are several such EU initiatives that concern digital businesses, and are thus relevant to online traders. For example:

- **Omnibus Directive:** An EU Act that introduces several amendments to consumer-related EU Directives. For example, it includes new rules concerning price reductions and restricts the marketing of “dual quality” products (items marketed as being identical, where in fact their quality is different between the respective Member States). The Directive is to be implemented by Member States by November 2021 and enforceable by May 2022. The implementation is still ongoing in Hungary.
- **Digital Services Act and Digital Markets Act:** EU initiatives which will provide new rules concerning online platforms. Work on these Acts is still ongoing.
- **Revision of VBER (regulation providing for a competition framework on vertical aspects of trade, including online trade):** The EC is currently evaluating the EU framework, which will be revised to meet the requirements and challenges of the rapidly growing and changing trading landscape. The outcome will most likely be reflected in the corresponding Hungarian legislation as well.

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Montenegro

I. E-commerce sector – facts and figures

1. Recent growth and trends in e-commerce

E-commerce in Montenegro has been steadily on the rise. While the COVID-19 pandemic has wreaked havoc on trade and the business of many stores, others have created an online presence and are thriving.

According to the IPSOS agency in March 2020, a 12% increase in online retail had been noted and that trend is expected to rise.

II. Setting-up e-commerce business

1. Is the established local presence of a foreign company required to start selling online?

There is no need for a business to establish a local presence; products and services may be sold or offered from abroad. Foreign entities that wish to sell their goods/services in Montenegro can do so by establishing a local branch/entity regardless of whether they plan to sell their goods online or in a bricks-and-mortar store.

Even if a company chooses to do so, there is no mandatory requirement for a foreign company with a local presence to sell its goods/services online.

2. Are there any licence/permit requirements applicable to e-commerce businesses?

In general, no licences or permits are required for companies that want to establish an online presence. However, an obligation to abide to the laws of Montenegro exists in certain areas (in particular regarding EU companies), thus, to sell certain products such as dangerous chemicals, a permit must be obtained. In addition, to facilitate online gambling, a permit/concession to organise games of chance is required. Similar requirements may apply to other goods as well.

Furthermore, selling from abroad may require tax registration even without an established presence.

3. What e-commerce specific contracts must be concluded before starting an e-business?

Even if e-commerce is only an extension of the bricks-and-mortar activity, and the business already has various supply and logistic contracts in place, there are some specifics for setting up an e-commerce platform that should be considered.

Domain name

The domain name serves as an address for the e-commerce business. A wide choice of domain extensions is available, both national (.me), and international, more suitable for cross-border activity (such as .com). It is also possible to offer goods via marketplaces.

Hosting services

Sourcing hosting services is a more complex process as there are various options. Hosting services may be acquired in particular as cloud servers, shared webhosting, virtual private servers and dedicated servers.

IT-related services

A smooth ordering process is one of the key elements of creating a good customer experience. To achieve this, the e-commerce business has to ensure an appropriate level of IT services.

Creative services

Sourcing creative services is required to set up a website, including both the design and technical aspects of various applications and functionalities, such as invoicing, accounting, marketing tools and customer relationship management.

Logistics

Logistics is the backbone of a successful e-commerce business. The logistics processes include product sourcing, stock (inventory) management, order management, packaging and delivery, as well as the management of (and sometimes picking up) product returns.

E-commerce logistics may also be outsourced to a third-party logistics provider. A new alternative to the traditional logistics chain is drop shipping. In this model, the e-commerce entity forwards customers' orders to another company, which fulfils the orders by shipping the items directly to the customer on behalf of the e-commerce entity.

Payments

Cash on delivery remains a popular payment method; however, a wide array of electronic and non-cash payments are also available to e-commerce businesses. These include payments by various types of credit and debit cards, quick online transfers, electronic wallets, mobile money, and alternative currency payment processors.

III. Key considerations for running e-commerce

1. Defining the audience: does the business need to decide upfront if the e-commerce website addresses consumers and/or professionals?

There is no such obligation, but if the e-commerce website is directed to consumers, the key is to ensure that all consumer rights are observed. This translates into significant differences compared to B2B relations, in every part of the transaction, so that crucial information and all consumer rights are observed before and after the conclusion of a contract, especially regarding product returns, liability for defective goods, etc.

On the other hand, if a website is dedicated to businesses only (e.g. sale of equipment to professionals only) – consumer regulations will not apply, but in this case it should be ensured that an online store is accessible only to professionals which might prove difficult, especially in cases where the e-commerce website is set up as an entity abroad and such barriers may clash or add difficulty with respect to personal data protection laws.

2. What are the mandatory elements of an e-commerce business website?

The law does not stipulate any restrictions on the content and the layout of an e-commerce website.

However, the law does set out several requirements regarding the items of information which must be provided to the buyer before the purchase contract is concluded. Those items of information are:

1. the procedures to follow when concluding the contract;
2. contractual provisions;
3. general business terms/conditions, if they are an integral part of the contract;
4. languages offered in which to conclude the contract;
5. codes of conduct in accordance with which service providers act and how these codes can be reviewed electronically;
6. keeping the concluded contract and information on whether that contract will remain available.

Thus, despite nearly complete freedom in website design, it is necessary for a website to provide the stated information to the consumer as well as any other potentially relevant information when making a purchase.

3. Is it mandatory that the website information be provided in the local language?

There is no such requirement in Montenegro; however, the website must display the languages it offers to conclude the contract and the buyer/user must understand what he/she is buying/requesting.

4. Are there specific restrictions that impact on the selection of products offered for online purchase?

Specific restrictions do apply and relate to products/services which are restricted or banned for sale in Montenegro, most notably the sale of dangerous chemicals which can only be done with a licence and only to buyers with adequate licences/credentials, or organising gambling, which requires a concession. Other such restrictions apply to alcohol and cigarettes, which require confirmation that a buyer is older than 18. This may prove problematic to enforce in practice.

5. Do special rules apply regarding product returns and defective goods?

To the best of our knowledge, no. The regular rules of the Consumer Protection Act apply, and as in the case of bricks-and-mortar sales, all consumers/users have the rights to make returns and protection from defective goods under this Act.

6. Is explicit consent required for marketing communications?

Explicit consent is required for marketing communications through email or equivalent means, which is obtained through registration or other means when the user uses the e-commerce website.

7. What are the main competition risks regarding online selling?

There are no specific risks associated with competition laws in Montenegro.

Montenegrin laws follow EU trends and restrict business practices which restrict competition or provide grounds for the abuse of a dominant position in the Montenegrin market. Therefore, notwithstanding restrictions regarding the sale of certain items which are prohibited or require a licence, there are no restrictions on the sale or offering of services.

8. Are there specific legal considerations relevant to the financial services provided to e-store customers (e.g. payment processing services)?

In Montenegro, payment and financial services are governed by the laws and bylaws issued by the Ministry of Finance and the Central Bank of Montenegro, and the law that regulates this legal area is the Law on Payment Transactions. There are no specific requirements for e-commerce.

9. What are the relevant authorities responsible for legal enforcement with regard to e-commerce businesses?

In Montenegro, no special body is responsible for legal enforcement regarding e-commerce businesses. The Ministry of Public Administration has electronic communications as well as e-commerce in its jurisdiction, and the Ministry of Economic Development is responsible for all commerce-related questions which deal with issues non-specific to e-commerce.

The Inspector for IT service companies is the relevant inspector responsible for activity in the e-commerce sector. However, the Trade Inspector is also relevant for certain day-to-day issues, such as packaging, labelling, general product quality and consumer communication and information.

The Personal Data Protection Agency is responsible for all matters regarding personal data and is responsible for enforcing and monitoring data safety.

10. What is the landscape for private enforcement of consumer rights in the context of e-commerce?

Consumers may seek to enforce their rights before a civil court. Proceedings should be handled expeditiously.

In cases involving e-commerce with the EU, Montenegrin authorities will contact and cooperate with EU authorities to exchange information and assist with dispute resolution.

Another option given by the law is alternative dispute resolution as Arbitration.

11. Are there legal developments on the horizon with relevance for e-commerce businesses?

No changes/amendments to the Law on electronic commerce of Montenegro or other relevant laws have been announced.

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North Macedonia

I. E-commerce sector – facts and figures

1. Recent growth and trends in e-commerce

North Macedonia is no exception regarding the dynamic growth in e-commerce, which growth has been further boosted by the COVID-19 pandemic. According to the Annual Report of the Association for E-commerce for 2020 for North Macedonia, the value of online transactions in 2020 was up 56% compared to 2017 and the number of online transactions in 2020 was up 56.4% compared to 2017. According to the same report, the number of internet selling points based in North Macedonia (“e-selling points”) in September 2020 was 1,342, up from only in 2018.

The growing role of the e-commerce market had also triggered some actions by many authorities and associations, which aimed to recognise the value and importance of e-commerce, such as the recently launched platform “Ecommerce4all”, co-funded by the United States Agency for International Development (“**USAID**”). Among other activities, this platform included the development of a free educational web platform which aggregates the necessary information for starting and steering an e-business (www.ecommerce4all.mk).

II. Setting-up e-commerce business

1. Is the established local presence of a foreign company required to start selling online?

There are no significant barriers preventing foreign companies from conducting e-business in North Macedonia. There is no strict legal need for a business entity to establish a local presence: products and services can be sold from abroad. However, foreign entities also may undertake such activity through a subsidiary or local branch.

According to the Macedonian Law on electronic commerce (the "**Law on E-commerce**"), each trade company that acts in North Macedonia should render its services in compliance with the laws and other relevant regulations in North Macedonia.

If the commercial activity specifically targets Macedonian consumers or advertising (marketing) is directed specifically to consumers in North Macedonia, the commercial, advertising and marketing activity must comply with Macedonian consumer legislation, and if relevant the Macedonian audio-visual and media regulations, even if the business entity does not have an established presence in North Macedonia.

2. Are there any licence/permit requirements applicable to e-commerce businesses?

According to the Law on e-commerce, no special authorisation, approval or concession is required for e-businesses. However, each e-business must obtain (if applicable) the approvals that should be obtained in accordance with other regulations to commence a bricks-and-mortar business.

3. What e-commerce specific contracts must be concluded before starting an e-business?

The Law on E-commerce does not stipulate specific contracts that must be concluded before starting an e-business in North Macedonia that differ from the regulations that apply to starting a bricks-and-mortar business.

However, even if e-commerce is only an extension of the bricks-and-mortar activity, and the business already has various contracts in place, there are some specifics for setting up an own e-commerce platform that must be addressed.

Domain name

The domain name serves as an address for the e-commerce business. A wide choice of national domain extensions is available (.mk/мкд).

IT-related services

A smooth ordering process is one of the key elements of creating a good customer experience. To achieve this, the e-commerce business has to ensure an appropriate level of IT services.

Payments

Cash on delivery remains a popular payment method; however, a wide array of electronic and non-cash payments are also available to e-commerce businesses. These include payments by various types of credit and debit cards, electronic wallets, mobile money, and alternative currency payment processors.

III. Key considerations for running e-commerce

1. Defining the audience: does the business need to decide upfront if the e-commerce website addresses consumers and/or professionals?

The Law on E-commerce does not specify an obligation for defining the audience upfront in cases of addressing consumers and/or professionals. However, Macedonian consumer protection law and Macedonian audio-visual and media law could also apply.

2. What are the mandatory elements of an e-commerce business website?

According to the Law on E-commerce, offering, acceptance and contracts (“**e-contracts**”) can be made by electronic means, i.e. in an electronic form. However, there are exemptions for some types of contracts that cannot be made in electronic form, such as contracts that: (i) are regulated by family and/or inheritance law; (ii) are made for establishing or transferring real estate rights, except for rights to rent; (iii) include courts, notaries, and similar professionals; and (iv) are made for guarantees and additional securities that are granted by individuals that act outside their commercial, work or professional engagement.

Before entering into an e-contract, the provider of goods/services by electronic means (the “**e-provider**”) should provide the following information to the end-user: (i) technical procedures to be followed to enter into the contract; (ii) contents of the contract; (iii) general conditions of the operation, if those constitute an integral part of the agreement; (iv) whether the contract will be archived by the e-provider and whether it will be available; (v) the technical means for recognising and correcting incorrectly entered data before the order is placed; and (vi) the languages in which the contract is offered. In addition, the contractual relations resulting from or related to e-contracts in North Macedonia are subject to the Macedonian Law on Contracts and Torts.

Macedonian law does not stipulate the mandatory elements of an e-commerce website. However, general rules of Law on Contracts and Torts could be relevant.

3. Is it mandatory that the website information be provided in the local language?

In general, Macedonian legislation requires that any business communication with Macedonian consumers must be in the national and official language of North Macedonia (Macedonian). However, under certain conditions the Albanian language can also be treated as an official language in North Macedonia. This also applies to the advertising practices.

4. Are there specific restrictions that impact on the selection of products offered for online purchase?

Product selection is an important aspect of e-commerce that needs to consider specific national restrictions. These may be product-specific restrictions that apply in all sales channels, such as the obligation to obtain a relevant authorisation in the case of selling or distributing certain products.

On a separate note, at the request of an entity whose rights have been infringed by a certain e-service, the Ministry of the Economy, the Ministry of Administration and Electronic Communications, the Agency for Electronic Communications, or a competent court (“**relevant responsible authorities**”) should take measures to limit the freedom to provide e-services to e-providers who cause or may cause damage, if the measures are necessary to protect:

- the public interest, especially the protection, investigation, and identification of a crime and initiating criminal proceedings, including the protection of minors and fighting against any type of race, sex, religion or nationality-based hatred, and infringement of human dignity regarding individuals;
- public health;
- public safety, including the protection of national security and defence; and
- consumers, including investors.

Before taking measures to limit the freedom to provide information services for e-providers with their registered seat in an EU-member-state, and without prejudice to court procedures, including investigative actions and acts implemented in a criminal investigation, the relevant responsible authorities should: (i) request that the other country takes measures, if it failed to take such measures or if they were inappropriate; and (ii) inform the competent bodies of other EU member states and the European Commission regarding the intention to take such measures.

In an urgent case, the relevant responsible authorities may make an exception from such obligations and take measures to limit the freedom to provide e-services and the e-providers with their registered seat in an EU member state. In such case, the relevant responsible authority should as soon as possible notify such measure and its reasons to: (i) the relevant responsible authority of the EU member state where the registered seat of the e-providers is located; and (ii) the European Commission. However, this does not apply to courts and court decisions.

Thus, it is crucial to check that all of the requirements are in place concerning the online sale of the relevant products on a case-by-case basis.

5. Do special rules apply to product returns and defective goods?

There are no special rules that apply to e-businesses regarding product returns and defective goods that differ from the general customer protection rules in North Macedonia.

6. Is explicit consent required for marketing communications?

As a rule, “commercial communication” is a form of communication created for the direct or indirect promotion of products, services or reputation of a company or a person engaged in trading or craftsmen activity.

As an exception, according to the relevant Macedonian law, the following does not constitute a commercial communication: (i) a communication that makes available direct access to the activity of the legal entity that communicates it, in particular the name, address and electronic mail address; and (ii) a product-, service-, or reputation-related communication that is carried out in a way that is different than electronic, in particular when this does not include financial compensation.

According to the relevant Macedonian law, in the case of commercial (marketing) communications, the e-businesses should ensure that the commercial communication complies with the following conditions: (i) it is easily identifiable that it is for commercial (marketing) purposes; (ii) it is easily identifiable on whose behalf the commercial communication is made; and (iii) any promotional offer in the commercial communication (including discount and gifts) may be identifiable, available and clearly and unambiguously presented.

7. What are the main competition risks regarding online selling?

According to the Law on e-commerce, there are no additional provisions for online selling that would apply apart from the provisions of Macedonian Law on the Protection of Competition and Law against Unfair Competition.

8. Are there specific legal considerations relevant to the financial services provided to e-store customers (e.g. payment processing services)?

According to the Law on e-commerce, no specific legal considerations are relevant to the financial services provided to e-store customers.

9. What are the relevant authorities responsible for legal enforcement with regard to e-commerce businesses?

As stated above, the relevant authorities that are responsible for legal enforcement regarding e-commerce businesses are the Ministry of the Economy, the Ministry of Administration and Electronic Communications, and the Agency for Electronic Communications, each within their competencies as defined in law.

The State Market Inspectorate, acting through its competent inspectors, can also conduct inspection supervision in accordance with the Law on the State Market Inspectorate and the Law on E-commerce.

The fines stipulated in the Law on E-commerce vary between EUR 300 and 5,000.

10. What is the landscape for private enforcement of consumer rights in the context of e-commerce?

According to Macedonian Customer Protection Law, any authorised body may propose that the State inspectorate initiate court proceedings against an entity that breaches the Customer Protection Law.

The authorised bodies that can propose such proceedings are determined by the Government of North Macedonia, on the proposal of the Minister of the Economy, and may be initiated against a sole proprietor, group of traders, chambers, or other trade associations from the same economic activity that have acted against the provisions of: (i) the Customer Protection Law; (ii) the Law on Contracts and Torts; and (iii) rules for misleading market conduct according to Customer Protection Law.

A significant role in the private enforcement of consumer rights in North Macedonia is played by the consumer organisations who support consumers in asserting their rights. The most active consumer organisation in North Macedonia is the Organisation of Consumers.

Additionally, if the conduct of certain traders based in North Macedonia is contrary to the provisions of the Customer Protection Law or affects or may affect the position of consumers in a member-state of the European Union, the commencement of proceedings may be proposed by an association for the protection of consumers from such EU-member-state or other independent body which, according to the regulations of that state, is established to protect the common interests of consumers.

On a separate note, class actions are not specifically regulated in North Macedonia yet. However, draft-legislation which regulates the class actions as specific type of action is being drawn up.

Finally, an e-provider and its users may agree on arbitration as an alternative dispute settlement method. Such arbitration procedure would be governed by the relevant Macedonian arbitration regulation.

11. Are there legal developments on the horizon with relevance for e-commerce businesses?

There is no publicly available information regarding legal developments in the near future affecting e-commerce businesses, apart from the constant harmonisation of Macedonian Law with the European acquis.

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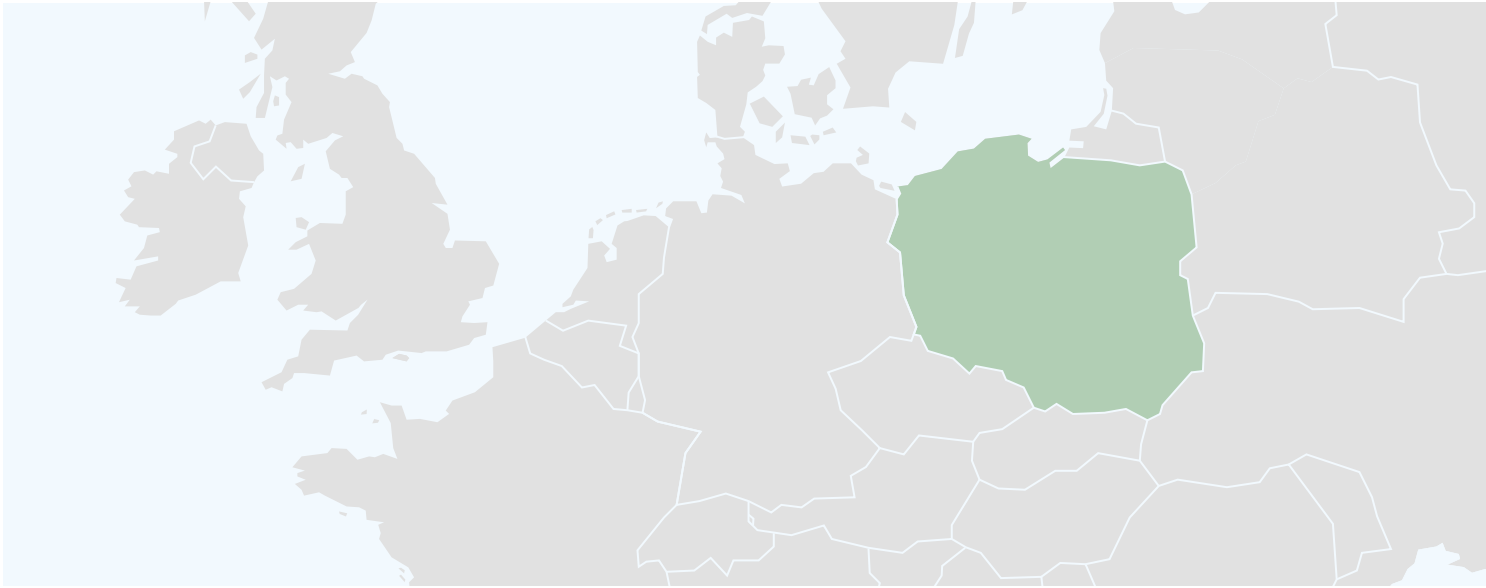
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Poland

I. E-commerce sector – facts and figures

1. Recent growth and trends in e-commerce

Poland is no exception regarding the dynamic growth in e-commerce in retail trade, which growth has been further boosted by the pandemic. According to recent estimates, online sales will account for approx. **8%** of all retail trade in Poland in 2020, compared to **5.4%** in 2019.

According to Euromonitor's data, the size of the Polish market for electronic transactions was estimated at only EUR 0.3 billion in 2004. By 2018, the market had grown to EUR 6.8 billion (the average annual growth rate in the 2004-2018 period was 22.5%), although some estimates indicate that the e-commerce market could be worth over EUR 11.4 billion this year.

Polish internet users are more willing to purchase goods/services not only in local e-stores (72% of Polish internet users covered by the Gemius e-commerce report for 2020 declared that they were customers of local e-stores, compared to 60% in 2019) but also in e-stores outside Poland (30% in 2020 vs. 26% in 2019).

The growing role of the e-commerce market has also led to actions by certain authorities aimed at adapting to this changing retail landscape. For example, the President of the Office for Competition and Consumer Protection has recently launched a new project called 'Artificial Intelligence for Consumer Protection Empowerment', co-funded by the European Commission. The project explores the possibilities of using AI to create tools that will help detect infringements of consumer law and which could be used by consumer protection authorities, e.g. detecting abusive clauses in T&Cs.

II. Setting-up e-commerce business

1. Is the established local presence of a foreign company required to start selling online?

There are no significant barriers preventing foreign companies from conducting e-commerce business in Poland. There is no need for a business entity to establish a local presence: products and services may be sold from abroad. However, foreign entities wishing to sell their goods/services online in Poland may perform such activity through a **subsidiary** or **local branch**.

Selling from abroad may require tax registration even without an established presence.

What is also important is that where commercial activity specifically targets Polish consumers, e.g. the website offers a Polish language version, or advertising or marketing is directed to consumers in Poland, the activity must comply with Polish consumer regulations, even if the business entity does not have an established presence in Poland.

2. Are there any licence/permit requirements applicable to e-commerce businesses?

As a rule, Polish law allows business entities to freely participate in e-commerce business. Starting such activity does not involve any additional obligations in terms of licencing requirements compared to traditional retail activity. In practice, there is no need to obtain a licence or permit to run an online store.

Of course, specific rules may apply in the case of certain product categories, including an obligation to obtain a relevant authorisation (e.g. in the case of foodstuffs) or licence. However, these are product-specific requirements and apply to all sales channels.

3. What e-commerce specific contracts must be concluded before starting an e-business?

Even if e-commerce is only an extension of brick-and-mortar activity and the business already has various supply and logistic contracts in place, there are some specifics for setting up an e-commerce platform that must be addressed.

Domain name A domain name serves as an address for the e-commerce business. A wide choice of domain extensions is available, both national (.pl), and international, more suitable for cross-border activity (such as .eu or .com). It is also possible to offer goods via marketplaces.

Hosting services

Sourcing hosting services is a more complex process as there are various options. Hosting services can be acquired in particular as cloud servers, shared webhosting, virtual private servers and dedicated servers.

IT-related services

A smooth ordering process is one of the key elements of creating a good customer experience. To achieve this, an e-commerce business has to ensure an appropriate level of IT services.

Creative services

Sourcing creative services is required to set up a website, including both design and technical aspects of various applications and functionalities (such as invoicing, accounting, marketing tools and customer relationship management).

Logistics

Logistics is the backbone of a successful e-commerce business. The logistics processes include in particular product sourcing, stock (inventory) management, order management, packaging and delivery, as well as management of (and sometimes picking up) product returns.

E-commerce logistics can also be outsourced to a third-party logistics provider. A new alternative to the traditional logistics chain is drop shipping. In this model, the e-commerce entity forwards customers' orders to another company, which fulfils the orders by shipping the items directly to the customer on behalf of the e-commerce entity.

Payments

Cash-on-delivery remains a popular payment method; however, a wide array of electronic and non-cash payments are also available to e-commerce businesses. These include payments by various types of credit and debit cards, quick online transfers, electronic wallets, mobile money, and alternative currency payment processors.

III. Key considerations for running e-commerce

1. Defining the audience: does the business need to decide upfront if the e-commerce website addresses consumers and/or professionals?

If the e-commerce website is directed to consumers, the key is to ensure that all consumer rights are observed. This translates into significant differences compared to B2B relations, in particular ones which create: T&Cs (which must not contain abusive clauses) and the customer journey (that all mandatory information is presented at the right moment), but it is also crucial that all consumer rights be observed before and after concluding a contract, e.g. regarding product returns, liability for defective goods, etc.

On the other hand, if a website is dedicated to businesses only, e.g. sales of equipment to professionals only, consumer regulations will not apply, but in such case it should be ensured that to online store is accessible to professionals only.

On 1 January 2021, a new law entered into force in Poland which will give certain quasi-consumer protection to sole traders (in the case of contracts of a non-professional nature). This should be reflected in respective policies, help pages, T&Cs, etc., even if the website is dedicated to businesses only.

2. What are the mandatory elements of an e-commerce business website?

There is a significant level of freedom regarding the content and layout of a website. It largely depends on the creativity of the author. However, the law imposes certain obligations that translate into mandatory elements of an e-commerce website. To a certain extent, such mandatory elements would differ, depending on whether a website is directed to consumers or to businesses only.

Obligation	What is required?	How to comply?
Providing services by electronic means	Each e-commerce website needs to stipulate T&Cs for electronically supplied services . Such services not only make it possible to make purchases via the website, but also display the website's content, enabling the customer to create and use the account and all the other features of the website.	Creating T&Cs for providing services by electronic means. These may be part of wider website general T&Cs.
Information obligation	<p>In B2C contracts, the seller is obliged to fulfil various information obligations before the consumer is bound by a contract.</p> <p>In addition, certain specific information must be displayed just before consumer clicks the 'buy' button.</p> <p>In B2B contracts, certain information must also be provided, but its scope is significantly smaller.</p>	<p>Creating T&Cs is the most common way to provide all the mandatory information.</p> <p>It is also crucial that the customer journey complies with the law, i.e. the right information is displayed at the right moment.</p>

Obligation	What is required?	How to comply?
Cookies	If an e-commerce website uses cookies or similar technologies, it must fulfil information obligations and obtain consent to use cookies or similar technologies that are not necessary for the transmission of communication or provision of a telecommunications service or a requested service supplied electronically.	Creating a cookie policy is the most common way to provide all required information.
Privacy	E-commerce websites must fulfil information obligations under the GDPR and ensure that the processing of personal data complies with the GDPR rules, e.g. that processing is based on a relevant legal basis.	Creating a privacy policy is the most common way to provide all required information. It should be easily available and visible on the website.
Product information	The law provides for certain requirements regarding what information must be provided (displayed) before the customer makes the purchase. The scope of information may vary, depending on the product category.	The product page should be construed in a way that reflects the legal requirements applicable to a specific category. For example, for food products it would be required to display (among others) a list of the ingredients, whereas for electronics it is required to display (among others) the energy efficiency class.

3. Is it mandatory that the website information be provided in the local language?

In Poland, as a rule the Polish language must be used in trading with consumers. This obligation is set out in the Act on the Polish Language and concerns all documents and information that are mandatory. Regarding non-mandatory information, the key consideration here is that it must not be misleading. In practice, a consumer-website would need to be mostly in Polish. The aftersales service should also be available in Polish.

In B2B relations, there is no analogical obligation. Website and communication may be in a foreign language.

4. Are there specific restrictions that impact on the selection of products offered for online purchase?

Product selection is an important aspect of e-commerce business that needs to consider specific local and EU restrictions.

These may be product-specific restrictions that apply in all sales channels, such as the obligation to obtain a relevant authorisation in the case of distributing foodstuffs. In Poland, however, there are also certain restrictions that apply to online channel only, such as a prohibition on distance sales of tobacco, e-cigarettes and certain medicines.

Thus, it is crucial to properly check all the requirements in place concerning the online sale of the relevant products, as complying only with those which apply to brick-and-mortar stores could be insufficient.

5. Do special rules apply to product returns and defective goods?

The main difference compared to traditional sales is that, as a rule, consumers are entitled to withdraw from a contract made on-line within 14 days of the date of its conclusion, without giving a reason. Business entities must inform consumers of their right to do this, e.g. by providing them with the appropriate form of such statement. If the business entity does not inform the consumer of this right, the consumer may withdraw from the contract within 12 months of the date of delivery of the product.

If the consumer decides to withdraw from the contract, she/he is entitled to a reimbursement of the delivery cost but not exceeding the least expensive type of standard delivery offered by the seller. Regarding a standard **'warranty'** (i.e. the seller's liability for physical and legal defects) and producer's **'guarantee'**, in Poland the same rules apply to traditional and online sales.

6. Is explicit consent required for marketing communications?

In Poland, sending marketing communications via electronic (e.g. emails) and telephone means (e.g. SMS) requires an opt-in by customers as recipients. Contrary to the opt-out model, the opt-in model means that the sender can only send marketing via the mentioned communication channels if it obtains prior consent from a designated recipient for the given communication channel.

Marketing opt-in should meet the GDPR-consent standard. This means that such consent should be a freely given, specific, informed and unambiguous statement or clear affirmative action. A separate consent is required for telemarketing and for marketing sent via electronic means.

A clear affirmative action means that a deliberate and specific action must be taken to opt in or to agree to the processing. This can be done, e.g. by ticking a box when visiting a website, choosing technical settings for information society services or signing a consent statement.

7. What are the main competition risks regarding online selling?

As a rule, Polish competition law mirrors EU legislation. The general approach is that, in principle, every distributor must be allowed to use the internet to sell products and must not be restricted in doing so, unless there are compelling reasons, e.g. health and safety concerns assessed always on a case-by-case basis. However, manufacturers are permitted to impose quality standards for online distribution in certain justified circumstances of selective distribution systems. In addition, as in other distribution channels, suppliers are not permitted to control resale prices.

What is important is that the current Polish rules covering the vertical aspect of online sales (supplier-distributor) are based on the EU legislative framework from 2010. The market has significantly changed in the last decade, in particular due to the growth in online sales, new market players such as online platforms, increased price transparency and automated pricing software. The EC is currently evaluating the EU framework, and this will most probably also impact the corresponding Polish legislation.

8. Are there specific legal considerations relevant to the financial services provided to e-store customers (e.g. payment processing services)?

Generally, regular e-commerce stores do not fall under financial services regulations. However, the processing of customer payments constitutes a regulated activity. While there are several providers of such services operating on the Polish market, when using the same provider as one operating in other European Union jurisdictions, passporting the providers' services is required in accordance with Directive (EU) 2015/2366 (Payment Services Directive 2).

9. What are the relevant authorities responsible for legal enforcement with regard to e-commerce businesses?

In Poland, no authority is specialised in e-commerce only. As in the case of brick-and-mortar sales, the key actor in the consumer protection system is the President of the Office for Competition and Consumer Protection (the **"OCCP"**), who is the most important authority responsible for the enforcement of consumer rights. The OCCP challenges and penalises: (i) infringements of collective consumer interests; and (ii) the use of abusive clauses in consumer contracts and T&Cs. The OCCP also plays a significant role in the product safety system by carrying out the general product surveillance.

The Trade Inspectorate is the body responsible for consumer protection and product safety, with a focus on retail activity. It acts mainly on day-to-day issues such as packaging, labelling, general product quality or consumer communication and information.

Regarding personal data protection issues, the President of the Polish Data Protection Office is the only authority entitled to provide expert advice and issue opinions on data protection, as well as to enforce and issue fines for non-compliance with data protection law.

10. What is the landscape for private enforcement of consumer rights in the context of e-commerce?

In Poland, consumers can seek to enforce their rights before a civil court, either individually or by a class action. The latter was made possible in 2010 but has only recently gained increased popularity. Poland adopted an opt-in model, where a group of at least ten members can collectively pursue consumer rights.

In terms of alternative dispute resolution (ADR) in Poland, the out-of-court settlement of consumer disputes related to sales requires the consent of both parties to the dispute: the consumer and the business entity. If the seller rejects the consumer's complaint, it must inform the consumer that it does not consent to ADR. The absence of a declaration from the trader is treated as consent to participate in such proceedings. In addition, all online traders must provide a link on their websites to the Online Dispute Resolution platform, regardless of whether they intend to use the platform or not.

In Poland, a significant role in the private enforcement of consumer rights is played by consumer organisations and consumer ombudsmen which, in general terms, support consumers in asserting their rights. The most active consumer organisations in Poland are the Association of Polish Consumers, the European Consumer Centre, and the Consumer Federation. They provide consumers with free legal advice and undertake various educational and information campaigns.

11. Are there legal developments on the horizon with relevance for e-commerce businesses?

Legal developments relevant to e-commerce business in Poland derive mostly from changes at the EU level. There are several such EU initiatives that concern digital business, and are thus relevant to online traders. For example:

- **Omnibus Directive:** An EU Act introducing several amendments to consumer-related EU Directives. For example, it provides for new rules concerning price reductions, and restricts the marketing of "dual quality" products (items marketed as being identical, where in fact their quality is different between the respective Member States). The Member States must implement the Directive by November 2021 (enforceable by May 2022). There is no draft bill in Poland yet.
- **Digital Services Act and Digital Markets Act:** EU initiatives which will provide new rules concerning online platforms. Work on these Acts is ongoing.
- **Revision of VBER (the regulation providing for a competition framework on vertical aspects of trade, including online trade):** The EC is currently evaluating the EU framework, which will be revised to meet the requirements and challenges of the rapidly growing and changing trading landscape. The outcome will most likely be reflected in the corresponding Polish legislation as well.

In addition, work is ongoing in Poland on amendments to the Polish Act on Competition and Consumer Protection, which will give more powers to the Polish Consumer Protection Authority, in particular to carry out searches (dawn raids) in consumer matters, and to block the websites of entities which infringe consumer laws. In addition, the authority's powers concerning "mystery shopping" will be extended, e.g. to use sound and video recording devices without informing the inspected entity of such recording. The draft amendment is connected with the transposition of EU Regulation 2017/2394. There is also another draft bill concerning the amendment of this Act, which is connected with the transposition of EU Directive (EU) 2019/1 (the so-called "ECN+" Directive).

Further, work is ongoing on the implementation of EU Directive 2019/770 concerning contracts for the supply of digital content and digital services; and EU Directive 2019/771 concerning contracts for the sale of goods. Legislation procedure in all these cases is still pending.

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Romania

I. E-commerce sector – facts and figures

1. Recent growth and trends in e-commerce

Romania has seen a tremendous growth in e-commerce sector since 2019. Among the determining factors are expansion in internet connectivity across the country as well as an increase in digital awareness for a significant portion of the population. The growth trend that began in 2019 continued in 2020 driven by the Covid-19 pandemic. In this environment, in 2020 the volume of online sales accounts for approximately 10% of all retail trade in Romania, compared to 7% in 2019.

According to recent statistics, the Romanian e-commerce market increased by over 30% in 2020, exceeding EUR 5bn. According to Euromonitor International, Romania is expected to have the fastest dynamics in online retail in Eastern Europe countries over the next five years.

This accelerated growth in online retail positions Romania as one of the largest e-commerce industries in South-Eastern Europe. This is supported by figures showing that Romania started from an e-commerce market value of EUR 600m in 2013, almost doubled to EUR 1.1bn in 2014 and around EUR 1.4bn in 2015. These figures further doubled in 2017 to EUR 2.8bn only to double again in 2020 to over EUR 5bn.

Romanian online shoppers increased by 13% in 2020 compared to 2019, and the average value spent online increased significantly by 41% compared to 2019. In addition to online purchases from Romanian stores, a third of Romanians prefer to shop online from stores in China (27%), EU member states (23%) and the USA (4%).

The growth trend in e-commerce shopping among consumers has triggered increased attention from the Romanian authorities as well as enhanced legal measures aimed at adapting to the rapidly shifting retail landscape. For example, the Competition Council has launched the Food Price Monitor, an online platform that allows consumers to find out the prices charged by the main food retailers and which displays information about approximately 30,000 products sold in over 1,700 stores. In 2020, 15 October was declared National E-commerce Day.

II. Setting-up e-commerce business

1. Is the established local presence of a foreign company required to start selling online?

Foreign companies can sell their products or services online without setting up a legal entity in Romania. However, if a foreign company carries out certain activities in Romania which are connected to online sales, this could trigger tax obligations such as the registration of a permanent establishment in Romania, as defined under relevant law. A case-by-case analysis should be conducted to determine if the activities to be carried out in Romania would lead to tax obligations for the foreign legal entity engaged in online sales.

However, if the foreign company decided to have a local presence in Romania, the most common type of entity would be a limited liability company.

Even if e-commerce retailers are not obliged to have a local presence, selling online would still require that they comply with local consumer protection legislation, in particular when online sales target Romanian consumers directly, e.g. the online retailer has a Romanian domain webpage.

2. Are there any licence/permit requirements applicable to e-commerce businesses?

As a rule, distant sales of products or services are allowed without a dedicated licence, authorisation or permit, so selling online in Romania is not subject to such conditions.

Nonetheless, Romanian regulations provide special requirements for the sale of particular types of products such as foods, supplements, medicinal products etc., in which case the online selling entities should obtain the relevant authorisations/registrations from the competent Romanian authorities in advance of carrying out sales of the respective types of products. Those requirements are not specific to online sales and apply to all sales channels.

3. What e-commerce specific contracts must be concluded before starting an e-business?

Even if e-commerce is only an extension of the brick-and-mortar activity and the business already has various supply and logistic contracts in place, there are some specifics for setting up an e-commerce business. Please see an outline below.

Domain name

A wide choice of domain extensions are available, both national (.ro), and international, potentially more suitable for cross-border activity (such as .eu or .com). It is also possible to offer goods via marketplaces. Depending on the domain name, specific formalities might be required (such as in the case of .ro, where certain formalities for registration, management etc. are mandatory).

Hosting services

Sourcing hosting services is a more complex process as there are various options to choose from. Hosting services may be acquired in particular as cloud servers, shared webhosting, virtual private servers and dedicated servers.

IT-related services

A smooth ordering process is one of the key elements of creating a good customer experience. To achieve this, the e-commerce business has to ensure an appropriate level of IT services, including strict data privacy standards.

Creative services

Sourcing creative services is required to set up a website, including both the design and technical aspects of various applications and functionalities, such as invoicing, accounting, marketing tools and customer relationship management.

Logistics

Logistics may be seen as the backbone of a successful e-commerce business. The logistics processes include product sourcing, stock (inventory) management, order management, packaging and delivery, as well as management of (and sometimes picking up) product returns. E-commerce logistics can be sourced in-house or outsourced to a logistics provider.

An alternative to the traditional logistics chain is dropshipping. In this model, the e-commerce entity forwards customers' orders to another company, which fulfils the orders by shipping the items directly to the customer on behalf of the e-commerce entity.

Payments

Cash on delivery remains a popular payment method, however a wide array of electronic and non-cash payments are also available to e-commerce businesses. These include payments by various types of credit and debit cards, online transfers, electronic wallets, mobile money, and alternative currency payment processors.

III. Key considerations for running e-commerce

1. Defining the audience: does the business need to decide upfront if the e-commerce website addresses consumers and/or professionals?

If the e-commerce website is available to consumers for B2C sales, all consumer rights provided under local legislation must be observed. This translates into significant differences compared to business-to-business (B2B) relations, in particular regarding the T&Cs applicable to the B2C relation, e.g. so that they do not contain abusive clauses as defined under consumer legislation, and all mandatory information is made available to the customer in advance of placing the order, both in terms of contractual information and data privacy rules. In addition, all mandatory post-contractual consumer rights under local law should be observed, e.g. regarding product returns and liability for defective goods.

On the other hand, if a website is dedicated to businesses only, e.g. equipment sales to professionals, consumer regulations will not apply, but distinct legal issues should be considered such as the avoidance of unfair trading practices. In addition, the business operator should ensure that the online store is actually accessible only to those professionals.

To conclude, the decision regarding the audience of the website impacts the type of legal obligations that the business should comply with. This decision may also impact the technical setup of the website. For those reasons, this matter should be considered and decided at an early stage.

2. What are the mandatory elements of an e-commerce business website?

Romanian law does not regulate a certain look or layout for an e-commerce website. However, the law imposes certain obligations that translate into mandatory elements of an e-commerce website. To some extent, such mandatory elements would differ depending on whether a website is available to consumers or to businesses only.

Obligation	What is required?	How to comply?
Providing services by electronic means	Each e-commerce website needs to stipulate T&Cs for electronically supplied services. Such services not only make it possible to make purchases via the website, but also display the website's content, enabling the customer to create and use an account and all the other features of the website.	Creating T&Cs for providing services by electronic means. These may be part of the T&Cs for online sales.
Information obligation	<p>In B2C contracts, the seller is obliged to fulfil various consumer information obligations before the consumer can be bound by a contract.</p> <p>Moreover, certain specific information must be displayed just before consumer clicks the 'buy' button.</p> <p>In B2B contracts, certain information must also be provided, but its scope is significantly less.</p>	Creating T&Cs is the most common way to provide legally mandatory information. Such T&Cs should be made available to the customer (either a consumer or a professional) in advance of concluding the contract, for a valid consent regarding the terms of the contract. The higher information standards specific to consumer contracts should be observed.
Cookies	If an e-commerce website uses cookies or similar technologies, it must fulfil information obligations and obtain prior consent for the use of cookies or similar technologies that are not necessary for the transmission of communication or provision of a telecommunications service or a customer-requested service supplied electronically.	<p>Creating a cookie policy is the most common way to provide all required information.</p> <p>Opt-in for non-necessary cookies or similar technologies is commonly obtained through cookie banners.</p>
Privacy	E-commerce business operators must fulfil their information obligation under the GDPR and ensure that processing of personal data complies with GDPR rules, e.g. that processing is based on a relevant legal basis.	Creating a privacy policy is the most common way to provide all required information. It should be easily available and visible on the website, in advance of customer personal data being collected.
Product information	The law provides for certain requirements as to what information must be provided (displayed) before the customer makes a purchase. The scope of information may vary depending on the product category.	The product page should be construed in a way that reflects the legal requirements applicable to a specific product type. For example, for food products a mandatory list of ingredients is required (among others), whereas for electronics it is required to display the energy efficiency class (among others).

3. Is it mandatory that the website information be provided in the local language?

Under Romanian law, all information concerning the products provided to consumers in Romania must be provided (also) in Romanian, therefore a Romanian translation should be provided whenever the information concerning the products is provided in a foreign language. The obligation to make available the information in Romanian does not distinguish between mandatory information (the main features of the products) and voluntary information (information that is provided for marketing purposes).

The law does not distinguish between information provided on hard copies or via online channels, therefore the above applies to all sales channels, including online sales.

The above will apply in particular if the e-store is operated by a Romanian entity, or by a foreign entity whose business targets Romanian consumers, e.g. advertises the products on the Romanian market.

The local language requirements apply only to B2C sales as B2B sales do not fall under this obligation as long as they are clearly separated from B2C sales, from the legal and operational perspectives.

4. Are there specific restrictions that impact on the selection of products offered for online purchase?

Product selection may be limited by various types of restrictions, such as legal/regulatory restrictions, e.g. a specific local licence is required to sell medicinal products in Romania, or operational, e.g. supply chain limitations to ship heavy or bulky items.

Regarding legal restrictions, these may consist of product-specific restrictions that apply to all sales channels, such as the obligation to obtain a relevant authorisation in the case of distributing foodstuffs, or restrictions specific to online sales channels, such as the prohibition of distance sales for certain medicines.

It is crucial to properly check all requirements in place applicable to online sales of the relevant products. Complying with those requirements which apply to brick-and-mortar stores could prove insufficient.

5. Do special rules apply to product returns and defective goods?

Special rules do apply to product returns and defective goods in the context of online sales. The consumer may withdraw from the contract within 14 days from the takeover (in the case of products) or from the conclusion of the contract (if services are purchased). If the consumer was not informed before the conclusion of the contract about his/her right to withdraw, such right will be extended for another 12 months after the expiration of the initial period of 14 days.

The consumer should return the products within 14 days from the date the withdrawal was notified to the seller. Within the same timeframe, seller should return the price received and other expenses borne by the consumer (e.g. delivery costs).

Regarding the (minimum) legal warranty which covers the seller's liability for defective products, similar rules apply to traditional sales and online sales. The rule is that consumers have a legal right to a two-year guarantee, free of charge, for products that are faulty or not as advertised. An extended warranty period may be offered by the seller/manufacturer through a commercial warranty, which, once granted, becomes legally binding.

6. Is explicit consent required for marketing communications?

Yes, Romanian law provides the obligation to obtain an explicit consent for "commercial communications" such as marketing communications. For online channels, the requirement of explicit consent would be satisfied by methods such as opt-in (e.g. ticking a box when visiting an internet website) or double opt-in (e.g. after ticking the box, the user is required by email to confirm his/her interest again).

In addition, the legal entity collecting the consents should comply with the legal requirements resulting from personal data protection legislation, e.g. under GDPR, the consent must be freely given by a clear affirmative act and must be specific, informed and unambiguous. In addition, the method for obtaining the consent should enable the entity to demonstrate the existence of the explicit consent, who consented, how and when the consent was obtained (e.g. using identifiers such as ID addresses, time stamp, etc.), and the information provided to the user at the time (e.g. the privacy notice containing the mandatory information under GDPR).

7. What are the main competition risks regarding online selling?

Online selling relates to specific competition risks, both from the viewpoint of anti-competitive agreements as well as potential abuse of dominance. As a rule, Romanian competition law on anti-competitive agreements and abuse of dominance is consistent with EU competition law. The Romanian Competition Council (the “**RCC**”) enforces national competition law in a manner consistent with the practice of the European Commission and the EU courts. For example, EU Regulation 330/2010 and the correspondent guidelines on vertical restraints and online sales are applied also at national level.

The current legal framework on competition law is expected to change, both in the context of the EU legal framework on vertical restraints (currently pending evaluation), as well as due to the rapid development of the digital economy in Romania.

In a recent study on Big Data in Romania, dated November 2020, the RCC concluded that although the Romanian data market increased significantly, there is room for further improvement. At present, Big Data technology favours linear prices and higher prices, data access is restricted by platform operators regarding their competitors, or is subject to cumbersome conditions, and there are objective economic and technological barriers to Big Data solutions. Among the situations which raise competition concerns, the RCC mentioned: (i) creating new market entry barriers; (ii) actions favouring dominant companies; (iii) restricting/refusing access to data; (iv) imposing tied sales (conditional access to data); (v) tacit coordination/collusion practices (by using the same algorithms or a common database).

In 2018, the RCC’s findings following a sectoral investigation on e-commerce in Romania that focused on retail sales of electric and electronic household appliances and IT products showed that the e-commerce market in Romania is an oligopoly, with barriers to entry for the development of electronic infrastructure (which favours dominant companies with market power). The RCC concluded there were significant breaches of consumer protection laws (particularly during promotional campaigns for online sales). More recently, the RCC imposed a fine of EUR 6.7m on a Romania-based online marketplace operator for abuse of dominance as it acted to position and display its own products more favourably than (and to the detriment of) the products of its partners who were selling on the platform and with whom it was directly competing.

The RCC vowed to refine and adapt its enforcement policies and instruments to enable the assessment of anti-competitive conduct in the context of the new digital economy.

8. Are there specific legal considerations relevant to the financial services provided to e-store customers (e.g. payment processing services)?

Legislation was passed in Romania in 2019 in the field of payment services (the “**Payment Services Law**”), which transposed and complemented EU Directive 2015/2366 on payment services in the internal market (the “**Payment Services Directive 2**”). The Payment Services Law imposes specific requirements to payment services providers and regulates the processing of customers payments through electronic means, which is particularly relevant in the context of e-commerce.

When using the same payment services provider as one operating in another European Union jurisdictions, passporting of the providers’ services is required in accordance with the Payment Services Directive 2.

9. What are the relevant authorities responsible for legal enforcement with regard to e-commerce businesses?

The main authority with competence for legal enforcement regarding e-commerce businesses in Romania is the National Authority for Management and Regulation in Communications (the "ANCOM"). However, specific sanctions regarding e-commerce activities may also be applied by other state authorities, in principal the National Authority for Consumer Protection, the National Supervisory Authority for the Processing of Personal Data, National Police, and the National Authority for Tax Administration. The sanctioning activity or the lack of it by such authorities may be subject to scrutiny by the local Courts of Law, which therefore can also play a role in the legal enforcement relating to e-commerce.

10. What is the landscape for private enforcement of consumer rights in the context of e-commerce?

Private enforcement of consumer rights, i.e. individually initiated litigation, is possible in Romania for harnessing consumer rights stemming from e-commerce. Under Romanian law, consumers are free to raise claims before local Courts regarding e-commerce, such as requesting the performance of or refraining from certain acts, or the payment of damages by the e-commerce operator acting in breach of the law. Such consumer claims are exempted from any Court fees. Private enforcement of consumer rights includes the right to claim interim measures. Though consumer class actions are not regulated as such in Romania, consumer protection associations and ANCOM may petition Romanian Courts to a similar effect. The out-of-court settlement of e-commerce disputes is also possible.

11. Are there legal developments on the horizon with relevance for e-commerce businesses?

- Debates are ongoing in Romania on amending the Romanian Competition Law and implementing Regulation (EU) 2019/1150 regarding promoting fairness and transparency for business users of online intermediation services. The draft bill was submitted for public debate by the Competition Council in 2020 and should be forwarded to the Parliament for adoption this year. The main purpose of such platform-to-business (P2B) EU Regulation is to ensure transparency of commercial relationships between platforms and business users, by regulating matters such as accessibility to clear terms and conditions for providing the platform services, transparent and predictable amendment to the terms and conditions, as well as severe sanctions in the event of a breach.
- The National Authority for Consumer Protection submitted for public debate a draft bill implementing Directive (EU) 2019/771 on certain aspects concerning contracts for the sale of goods which is expected to be forwarded to the Parliament for adoption this year. Directive (EU) 2019/771 provides a two-year minimum guarantee of remedy for defects discovered after the delivery of goods. If the contract is for goods with digital elements, then the guarantee must extend to cover defects discovered during the period in which the digital content or services are supplied under the sale contract.
- As a Member State of the European Union, the legal developments relevant for e-commerce business in Romania mostly derive from related legal developments at the EU level. There are several EU initiatives at the moment relevant to online sales businesses which are expected to impact the Romanian market as well, such as:
- Omnibus Directive: This is a piece of EU legislation introducing several amendments to consumer-related EU Directives. For example, it includes new rules concerning price reductions and restricts the marketing of "dual quality" products (items marketed as being identical, where in fact their quality is different between the respective Member States). The Directive is to be implemented by Member States by November 2021 (enforceable by May 2022). In Romania, a draft bill was proposed in 2019 on the subject of sanctioning "dual quality", however this was not adopted and there have been no recent developments on the topic. Both the Government and an NGO representing business organisations (Coaliția pentru Dezvoltarea României) proposed that this draft be rejected and a new, comprehensive act drafted in accordance with the Directive. Parliament proposed to have a draft bill on the implementation of the Omnibus Directive ready by November 2021.

- Digital Services Act and Digital Markets Act. These are EU initiatives which are intended to provide new rules regulating online platforms. These are at an early stage of development and should be monitored as particularly relevant to the e-commerce sector.
- Revision of VBER (regulation providing for a competition framework on vertical aspects of trade, including online trade). The EC is currently evaluating the EU legal framework on competition, which will be revised to meet the requirements and challenges of rapidly growing online trading. The outcome of such debates at the EU level is expected to be reflected in Romanian legislation as well and should be closely monitored by interested businesses.

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Russia

I. E-commerce sector – facts and figures

1. Recent growth and trends in e-commerce

Online sales and the development of e-commerce in general are key strategic initiatives in Russia. Currently, the share of e-commerce represents around 1.3% of Russian GDP, and Russia's internet penetration index is at 81%.

In 2019, the Russian e-commerce market was ranked ninth in the world by turnover, with a total value of EUR 25bn. In 2020, despite an overall drop in the economy in 2020, the COVID-19 pandemic fuelled a surge in online shopping in the country and put even the most remote of Russian locations on the e-commerce map. According to Data Insight, during the pandemic, the online trading market in Russia grew by 40% and reached 60–65 million people. Experts predict that e-commerce sector in Russia will grow about 16% per year in 2020–2023.

Electronics and small home appliances are among the most popular online purchases in Russia. The Russian e-commerce market is diversified, and companies offering other products will most likely find a niche for their business in Russia.

The growth in the e-commerce market has triggered a series of amendments to Russian legislation in this field, and the process is still ongoing.

II. Setting-up e-commerce business

1. *Is the established local presence of a foreign company required to start selling online?*

Foreign companies are not required to have a local presence in Russia to conduct e-commerce business.

However, it should be noted that foreign online retailers targeting Russian consumers (e.g., owners of websites that have a Russian language version) must comply with certain mandatory provisions of Russian legislation including those in the following areas:

- consumer protection;
- data protection;
- competition;
- advertising;
- anti-money laundering and currency control, etc.

2. *Are there any licence/permit requirements applicable to e-commerce businesses?*

In general, Russian legislation imposes no special registration or licensing requirements on e-commerce businesses.

However, special rules may apply to online sales of certain product categories. For example, the recently legalised online retail sale of over-the-counter drugs is allowed by pharmacy organisations that hold a licence for pharmaceutical activities and a special permit obtained from the Federal Service for Surveillance in Healthcare (*Roszdraznadzor*). The new rules introduced in May 2020 set the conditions for obtaining a special permit, requirements for information to be provided to consumers, the rules for the drugs delivery and return, etc.

Another example is the online sale of jewellery and other products made of precious metals or stones, where special rules also apply.

3. *What e-commerce specific contracts must be concluded before starting an e-business?*

The following aspects should be considered before starting an e-business in Russia:

Personal data processing and storage

Under Russian data protection legislation, any collection, recording, storage and extraction of personal data of Russian citizens must be initially executed with the use of databases (servers) located in Russia ("localisation requirement"). Accordingly, a foreign seller targeting Russian consumers would have to either buy or hire from a hosting services provider a server located in Russia.

Domain name registration

While it is not necessary to have a domain name with a Russian extension to sell goods to Russian customers, such domain names can be obtained via an accredited registrar. There are several accredited registrars of domain names in Russia that have exclusive competence for local top-level domain .ru and those in Cyrillic (e.g. .рф, .москва).

Financial services providers

If an online seller offers an electronic payment method, including payments by various types of credit and debit cards, quick online transfers, electronic wallets, mobile money, and alternative currency payment processors, it must enter into a contract with a payment processing services provider. From 28 April 2020, Russian banks stopped conducting transactions with accounts of foreign payment systems that do not have subsidiaries in Russia and are not listed in the Register of Payment System Operators maintained by the Bank of Russia. Accordingly, to be able to receive payments from Russian customers, an online seller needs to make sure that its payment processing services provider is accredited with the Bank of Russia.

Setting up an e-business may also require entering into agreements with local logistics providers, IT services providers, legal or administrative services providers.

III. Key considerations for running e-commerce

1. Defining the audience: does the business need to decide upfront if the e-commerce website addresses consumers and/or professionals?

If an online seller targets individuals, all consumer rights guaranteed under Russian legislation must be observed. This results in special requirements regarding the provision of extensive information about the product and the terms of the transaction, increased liability for defective goods, and the contents of T&Cs, which must not contain clauses providing fewer rights than those granted to the consumer under Russian law, as well as the need to comply with mandatory provisions of Russian personal data legislation.

If a website targets exclusively professional buyers (e.g., companies and individual entrepreneurs), Russian consumer protection legislation will not apply. However in this case the seller must ensure that its online store is accessible to professionals only.

2. What are the mandatory elements of an e-commerce business website?

Online sellers are generally free in their choice of the content and language of their website. However, to provide its services to Russian customers specifically, an online shop must have the following mandatory elements:

- legal information about the seller, including its name, registration number, address and contact details (aggregators must provide such information regarding themselves and the final seller);
- T&Cs for the products and services offered online. The offer must contain a full description of the offered goods, the place of manufacture, the price and terms of purchase, delivery of the goods, their service or shelf life, warranty period, the order of payment, and the period during which the offer to conclude the contract stands;
- a privacy policy containing information on personal data processing by the seller; and
- an integrated online payment system of an accredited payment processing services provider.

3. Is it mandatory that the website information be provided in the local language?

In general, no requirement as to the language of the website of an online seller is imposed.

However, Russian consumer protection legislation contains mandatory requirements on the provision of information to consumers. Namely, when a contract with a consumer is executed, the seller must provide the consumer, in Russian, the necessary and true information about the manufacturer (contractor, seller), work regime and the goods, including but not limited to a full description of the goods, information about their conformity with the applicable technical regulations, quality, price in the Russian currency, etc.

4. Are there specific restrictions that impact on the selection of products offered for online purchase?

Several types of goods cannot be sold remotely in Russia, including:

- alcoholic beverages;
- prescription drugs;
- tobacco products;
- narcotic or psychotropic substances and poisons;
- occult goods;
- weapons and other types of goods of limited civil circulation.

Furthermore, certain goods are subject to special regulation, in particular over-the-counter drugs, jewellery and other products made of precious metals or stones.

5. Do special rules apply to product returns and defective goods?

The rights of consumers in the case of defects in goods purchased online are similar to the rights of consumers when purchasing goods in person. Consumers are entitled to any of the following:

- gratuitous elimination of defects in the goods or reimbursement for their rectification by the seller;
- a proportionate reduction in the purchase price;
- replacement of the goods of similar brand or the same product of another brand with appropriate recalculation in the price of the goods (with technically complex and expensive products, these requirements are subject to satisfaction of significant deficiencies); or
- withdrawal from the contract and reimbursement of the amounts paid (if demanded, defective goods are to be returned to the seller at its expense).

In addition, the following special rules apply to online transactions:

- the consumer has the right to reject the purchase at any time before the goods are delivered, and within seven days after their delivery;
- the consumer may also reject the purchase within three months after delivery of the goods if on delivery the seller did not provide information in writing about the procedure and terms of returning the goods;
- the consumer does not have the right to return goods of proper quality that have individually defined properties only if such goods can be used by that consumer exclusively; and
- if the consumer rejects the purchase, the seller must refund the consumer all sums paid under the contract, with the deduction of the cost of return shipping of the goods within ten days on the consumer's respective claim.

Finally, the consumer may also request the court to amend or terminate the contract if it contains terms that are unfair or unfavourable to him/her, including if the consumer was not given sufficient opportunity to renegotiate such terms.

6. Is explicit consent required for marketing communications?

In Russia, electronic marketing is subject to the requirements of Federal Law No. 38-FZ "On Advertising" dated 13 March 2006 and Federal Law No. 152-FZ "On Personal Data".

Marketing communications via email, SMS and other means of electronic communication is allowed subject to the consumer's prior consent. Each consent must relate to a particular advertiser, be informative and voluntary. Such consent may be obtained by, e.g. placing a special tick box on the website that should not be pre-checked. Consent for marketing communications must be obtained separately from other consents and may not be included in text of T&C or privacy policy.

7. What are the main competition risks regarding online selling?

Competition issues are governed by Federal Law No. 135-FZ "On the Protection of Competition" (the "**Competition Law**") dated 26 July 2006.

The Competition Law covers the following types of anti-competitive practices and activities that may lead to a restriction of competition:

- abuse of a dominant position;
- cartel agreements and concerted actions;
- vertical agreements;
- economic coordination; and
- unfair competition.

The Competition Law also includes rules on transaction clearance.

In particular, in online selling provisions on vertical agreements must be considered, namely that a seller/purchaser agreement must not contain any provisions that lead to a restriction of competition in general and, specifically, must not establish resale prices for goods/works/services, except for maximum resale prices, or prohibit the purchaser from selling competing products.

Unfair competition on the internet may include:

- the distribution of false or incorrect information which may cause damage to a business entity, or impair its reputation (disparagement);
- the provision of misleading information regarding a commodity's:
 - nature;
 - manner and place of production;
 - consumer characteristics;
 - quality and quantity; or
 - manufacturers;
- the incorrect comparison of the commodities produced by a business entity with those produced or sold by other business entities;
- an unfair acquisition and use of exclusive rights to the means of the individualisation of a legal entity, goods, works or services;
- the sale, exchange or other placement into circulation of a commodity in breach of IP rights, except for the means of individualisation of a competitor;
- the creation of confusion with a competitor's business or products; and
- the unlawful receipt, use and disclosure of commercial secrets, official secrets or other information protected by law.

The above restrictions are closely linked to further restrictions introduced by Federal Law No. 38-FZ "On Advertising" dated 13 March 2006.

8. Are there specific legal considerations relevant to the financial services provided to e-store customers (e.g. payment processing services)?

Payment processing service providers are subject to the requirements of Federal Law No. 161-FZ "On the National Payment System" dated 27 June 2011 (the "**National Payment System Law**").

Financial services providers must be accredited with the Bank of Russia, which maintains a special Register of Payment System Operators (the "**Register**"). From 28 April 2020, Russian banks stopped conducting transactions with accounts of foreign payment systems that do not have subsidiaries in Russia and are not listed in the Register. However, the most popular foreign payment systems, such as Visa, Mastercard and UnionPay, have a legal presence in Russia and are accredited.

9. What are the relevant authorities responsible for legal enforcement with regard to e-commerce businesses?

There is no single specific authority regulating e-commerce in Russia. Several authorities regulate this activity through their spheres of competence:

- personal data protection and Internet, communications: the Federal Service for Supervision of Communications, Information Technology and Mass Media ("**Roskomnadzor**");
- advertising and competition: the Federal Anti-monopoly Service;
- development of legislation in the communications sphere: the Russian Ministry of Digital Development, Communications and Mass Media;
- e-payments and the national payment system: the Bank of Russia;
- consumer protection, including in terms of Internet sales: the Federal Service for the Protection of Consumers' Rights ("**Rospotrebnadzor**"); and
- various regulations related to e-commerce, distance selling, etc.: the Russian Government.

10. What is the landscape for private enforcement of consumer rights in the context of e-commerce?

Even if foreign law applies to the concerned relationship (whether pursuant to the choice of the parties or conflict-of-law rules), Russian consumer protection legislation will still apply to any situation where an online business targets Russian consumers.

Accordingly, Russian courts establish their jurisdiction in all disputes concerning e-contracts where a foreign entity offers goods to Russian customers over the internet, even where such foreign entity does not have a legal presence in Russia or where its website is registered in a foreign domain zone.

For example, Russian courts may assert their jurisdiction when the defendant conducts business in Russia, performance under the contract takes place in Russia, damage to property or an event causing such damage occurs in Russia, or in other cases where the dispute is closely connected with Russia.

Consumers may seek to enforce their rights before civil court either individually or by a class action. Such claims are exempt from state fees.

Regarding the enforcement of foreign arbitral decisions, they are generally enforceable through Russian courts pursuant to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, subject to a few exceptions.

Alternative dispute resolution procedures such as mediation remain rather exceptional in Russia, especially in the field of consumer protection.

Consumers may also initiate an administrative procedure before the Rospotrebnadzor by submitting a written complaint about a breach of their rights.

11. Are there legal developments on the horizon with relevance for e-commerce businesses?

The main ongoing legislative trends in e-commerce in Russia include the following:

- increasing state control over the internet;
- liberalisation of online trade, development of rules on distance selling of goods, including pharmaceuticals, jewellery, etc.;
- developing new state e-services;
- spreading the use of e-signatures both by legal entities and individuals;
- extending control over providers of online services, such as online cinemas, social media, online aggregators; and
- developing the regulation of digital financial assets and digital currency, and strengthening control over cryptocurrency transactions.

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Serbia

I. E-commerce sector – facts and figures

1. Recent growth and trends in e-commerce

E-commerce in Serbia has been steadily on the rise. Now, out of the havoc caused by the global COVID-19 pandemic to the trade and business of many brick-and-mortar stores, e-commerce and online stores have risen and are thriving.

According to the latest report of the on the use of information and communication technologies conducted in 2019 by the Bureau of Statistics of Serbia, the number of online shoppers grew by 33% that year. More than 1,800,000 citizens bought goods and paid for services online in 2019, 600,000 more than in 2018.

The citizens of Serbia most often bought clothes, household products, electronic equipment, books and tickets for cultural events. However, unlike some EU countries, where the process is done online from start to finish, domestic buyers still prefer to avoid modern technologies in payment.

COVID-19 has certainly made a mark in the landscape of e-commerce, both acting as a catalyst for the acceleration of e-commerce growth regarding the number of transactions, as well as changing the habits of consumers, who have also started buying and selling products online that had previously, in the minds of the consumers, been almost exclusively reserved for purchase in brick-and-mortar stores. The latest reports from the Serbia Chamber of commerce suggest that e-commerce doubled from March to July 2020 compared to the same period on 2019. The resistance of Serbian consumers to online payments has also been lifted to a large degree.

Seeing the scale of growth which Serbian e-commerce has experienced, it seems that the amendments to the Serbian Law on electronic commerce (the "**Law**") in 2019 were timely and the effects COVID-19 has had on online trading will only serve to test their quality and provide feedback if further amendments are necessary in the near future.

II. Setting-up e-commerce business

1. Is the established local presence of a foreign company required to start selling online?

There is no need for a business entity to establish a local presence, a foreign entity is free to sell products or services from abroad. This is defined by the Law, however this article of the Law will come into force when Serbia joins the EU and until then, this question is governed by general provisions.

Foreign entities that wish to sell their goods/services in Serbia may do so by establishing a local branch/entity regardless of whether they plan to sell their goods online or in a bricks-and-mortar store.

Even if a company chooses to do so, there is no mandatory requirement for a foreign company with a local presence to sell its goods/services online.

It must be noted that selling from abroad may require tax registration (registration of a VAT attorney or representative is mandatory in some cases) without an established presence.

2. Are there any licence/permit requirements applicable to e-commerce businesses?

In general, no licences or permits are required for companies that want to establish an online presence. However, note that an obligation to abide by the laws of Serbia exists in certain areas, thus, to sell certain products such as dangerous chemicals, a permit must be obtained. Similarly, to conduct online gambling, a permit/concession to organise games of chance is required. Similar requirements may also apply to other goods.

Furthermore, selling from abroad may require tax registration (registration of a VAT attorney or representative is mandatory in some cases) without an established presence.

3. What e-commerce specific contracts must be concluded before starting an e-business?

Even if e-commerce is only an extension of the bricks-and-mortar activity, and the business already has various supply and logistics contracts in place, there are some specifics for setting up an e-commerce platform that should require consideration.

Domain name

The domain name serves as an address for the e-commerce business. A wide choice of domain extensions is available, both national (.rs), and international, more suitable for cross-border activity (such as .com). It is also possible to offer goods via marketplaces.

Hosting services

Sourcing hosting services is a more complex process as there are various options. Hosting services can be acquired in particular as cloud servers, shared webhosting, virtual private servers and dedicated servers.

IT-related services

A smooth ordering process is one of the key elements of creating a good customer experience. To achieve this, the e-commerce business has to ensure an appropriate level of IT services.

Creative services

Sourcing creative services is required to set up a website, including both design and the technical aspects of various applications and functionalities, such as invoicing, accounting, marketing tools and customer relationship management.

Logistics

Logistics is the backbone of a successful e-commerce business. The logistics processes include in particular product sourcing, stock (inventory) management, order management, packaging and delivery, as well as management of (and sometimes picking up) product returns.

E-commerce logistics may also be outsourced to a third-party logistics provider. A new alternative to the traditional logistics chain is dropshipping. In this model, the e-commerce entity forwards customers' orders to another company, which fulfils the orders by shipping the items directly to the customer on behalf of the e-commerce entity.

Payments

Cash on delivery remains a popular payment method; however, a wide array of electronic and non-cash payments are also available to e-commerce businesses. These include payments by various types of credit and debit cards, quick online transfers, electronic wallets, mobile money, and alternative currency payment processors.

III. Key considerations for running e-commerce

1. Defining the audience: does the business need to decide upfront if the e-commerce website addresses consumers and/or professionals?

There is no such obligation, but if the e-commerce website is directed to consumers, the key is to ensure that all consumer rights are observed. This is significantly different from B2B relations, in each part of the transaction, so that crucial information and all consumer rights are observed before and after a contract is concluded, especially regarding product returns, liability for defective goods, etc.

On the other hand, if a website is dedicated to businesses only, e.g. sale of equipment to professionals only, consumer regulations will not apply, but in this case it should be ensured that an online store is accessible only to professionals, which might prove difficult, especially in cases where the e-commerce website is set up as an entity abroad and such barriers may clash or add difficulty regarding personal data protection laws.

2. What are the mandatory elements of an e-commerce business website?

The law does not stipulate any restrictions on the content or the layout of an e-commerce website.

However, the law does envisage several requirements regarding information which must be provided to the buyer before the purchase contract is concluded. That information is:

1. the procedures envisioned when concluding the contract;
2. contractual provisions;
3. general business terms/conditions, if they are an integral part of the contract;
4. languages offered in which to conclude the contract;
5. codes of conduct in accordance with which service providers act and how these codes can be reviewed electronically;

The e-commerce business is also obliged to provide technical means to all potential consumers/users so they are able to view the entered data and correct any errors before it is sent.

Thus, despite nearly complete freedom in website design, it is necessary for a website to provide the stated necessary information to the consumer as well as any other possibly relevant information when making a purchase.

3. Is it mandatory that the website information be provided in the local language?

There is no such requirement in the Law, however, the website must display the languages it offers for concluding the contract and the consumer/user must understand what he/she is buying/requesting. Furthermore, the obligation exists to state the languages in which the contract is offered.

4. Are there specific restrictions that impact on the selection of products offered for online purchase?

Specific restrictions do apply and relate to products/services which are restricted or banned for sale in Serbia, such goods may not be sold (such as illegal drugs and unregistered firearms).

The second set of restrictions exists regarding the sale of certain goods which may be sold and bought only by certain licenced or approved entities (explosives, certain chemicals, radioactive materials, and similar products).

The third category are products which require licencing or inspection such as medicine, supplements or similar products which require prior approval from an inspector or agency before they can be sold in Serbia.

Another form of restriction applies to products such as alcohol and cigarettes, which require confirmation that a buyer is older than 18 and which may prove problematic to enforce in practice.

5. Do special rules apply to product returns and defective goods?

Rules regarding defective goods under the Consumer Protection Law apply to e-commerce and a special provision regarding distance contracts also applies. We would highlight the right of the consumer/user to withdraw from the contract within 14 days of its conclusion as a distance contract specific right of the consumer/user.

6. Is explicit consent required for marketing communications?

Explicit consent is required for sending marketing communications through electronic means (such as emails and SMSes) for which the data is obtained through registration or other means when the user is using the e-commerce website.

7. What are the main competition risks regarding online selling?

There are no specific risks which are associated with competition laws in Serbia.

Serbian laws follow EU trends and limit business practices which restrict competition or provide grounds for the abuse of a dominant position in the Serbian market. Therefore, notwithstanding restrictions regarding the sale of certain items which are prohibited or require a licence, there are no restrictions to sell or offer services.

8. Are there specific legal considerations relevant to the financial services provided to e-store customers (e.g. payment processing services)?

In Serbia, payment and financial services are governed by the laws and bylaws issued by the Ministry of Finance and the National Bank of Serbia, and the law which regulates this legal area is the Law on Payment Services. There are no specific requirements imposed on e-commerce.

9. What are the relevant authorities responsible for legal enforcement with regard to e-commerce businesses?

In Serbia, there are no special authorities regarding e-commerce, the Ministry of Electronic Communications and IT Companies (the "**Ministry**") is in charge of all e-commerce business.

Inspection supervision over the application of this law is performed by the Ministry through market inspectors and inspectors for IT companies, in accordance with this law and regulations governing inspection supervision.

The Commissioner for Information of Public Importance and Personal Data Protection is in charge of all matters regarding personal data and this body is also responsible for enforcing and monitoring data safety.

10. What is the landscape for private enforcement of consumer rights in the context of e-commerce?

Consumers can seek to enforce their rights before a civil court, and the proceedings are to be held rapidly and without delay.

Another option for the consumer for peaceful resolution is to file a complaint electronically, via the internet portal of the National Register of Consumer Complaints and also to seek means of alternative dispute resolution through government mandated bodies which are able to provide arbitration or mediation.

Furthermore, there is also the “Protection of the collective interests of consumers” which is a procedure led by the Ministry of Trade against a seller/service provider which has:

- breached the rights of at least ten consumers, by the same act/in the same way;
- in the case of conducting an unfair business practice under the Consumer Protection Law.

11. Are there legal developments on the horizon with relevance for e-commerce businesses?

No amendments to the Serbian Law on electronic commerce or other relevant laws have been announced. The recent 2019 amendments made significant changes and we will see if the impact of COVID-19 has revealed any necessities for further changes in the near future.

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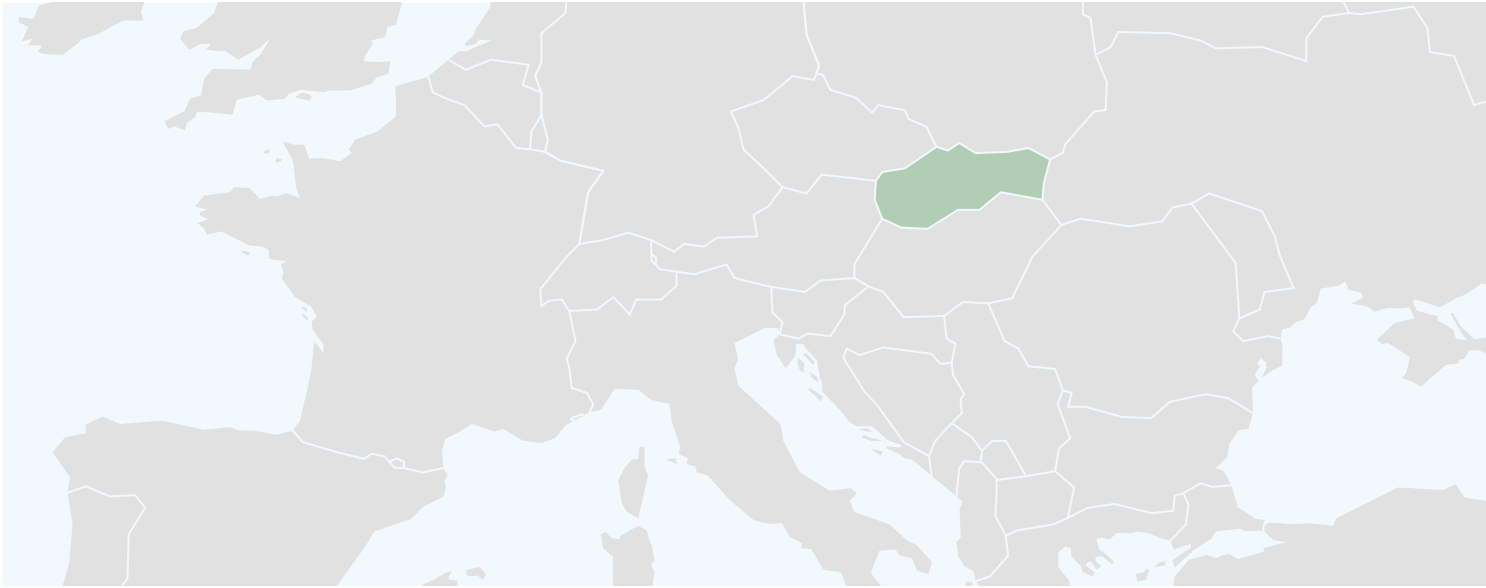
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Slovakia

I. E-commerce sector – facts and figures

1. Recent growth and trends in e-commerce

According to Eurostat statistics, the proportion of individuals in the EU-27 who ordered or bought goods or services over the internet for private use continued to rise: in 2019 it was 60%, an increase of 14 percentage points compared to 2014.

Statistical information published by the Slovak Statistical Office also shows an increased interest among the whole population in online shopping in recent years. In 2019, 23.5% of the Slovak population bought food and groceries online and 67.8% bought clothes and sport goods via the internet. We can see significant increases in some areas, e.g. buying food and groceries online has increased by 13.5 percentage points since 2014, on the other hand we have also noticed a decrease in some sectors, e.g. in 2014, 28.5% of the Slovak population bought books online, however only 17.6% did so in 2019, and some sectors are stable, e.g. online shopping for clothes and sport goods increased from 60.7% in 2014 to 67.8% in 2019. No complete data for 2020 has been published yet, however due to the COVID-19 crisis we can expect a further increase in online shopping.

Regarding enterprises that offer goods and services via the internet, we can see visible annual growth. In 2019 only 15.2% of Slovak companies sold their goods and services online; in 2020 this number increased to 20.4% (in 2014, 14.5% of all Slovak enterprises sold products via the internet).

II. Setting-up e-commerce business

1. Is the established local presence of a foreign company required to start selling online?

Generally, the seller can provide its products and services online to customers in Slovakia without the obligation to establish a local entity. In other words, an online shop from another EU Member State or a third country can offer to sell its products and services to Slovak customers via an e-shop.

Selling from abroad may require tax registration even without an established presence.

Foreign entities wishing to sell their goods/services online in Slovakia on a regular basis may undertake such activity through a subsidiary or local branch. Within the EU, the freedom to provide services is granted. However, such activity may not result in circumventing the rules on establishment by unjustifiably invoking the freedom to provide services. According to European Court of Justice case law, the temporary nature of the provision of services is to be assessed in the light of its duration, regularity, periodicity and continuity.

It is important to assess whether the commercial activity targets Slovak customers: e.g. the website is in Slovak, the website has a Slovak domain, and advertising and marketing is directed to customers in Slovakia. If the seller targets Slovak consumers, its activity must be in line with Slovak regulations (especially with Slovak consumer protection laws), even if the seller does not have an established local presence.

2. Are there any licence/permit requirements applicable to e-commerce businesses?

This depends on several factors. If a branch or subsidiary is established in Slovakia, there is a statutory requirement to obtain a trade licence for performing commercial activity. Should the commercial activity be performed on the basis of the freedom to provide services in the EU, no licence from the Slovak Authorities is required.

Specific rules may apply in the case of certain product categories, including an obligation to obtain a relevant authorisation (e.g. in the case of foodstuffs) or licence. However, these are product-specific requirements and apply to all sales channels.

3. What e-commerce specific contracts must be concluded before starting an e-business?

Usually, an e-shop is only an extension of the brick-and-mortar shop. However, in a situation where the seller establishes a standard contractual relationship to operate its business, there are specific requirements regarding starting a new e-commerce platform.

Domain name

The domain name serves as an address for the e-commerce business. Both national (.sk), and international extensions, more suitable for cross-border activity (such as .eu or .com), are available.

Hosting services

Sourcing hosting services is a more complex process as there are various options. Hosting services can be acquired as cloud servers, shared webhosting, virtual private servers and dedicated servers.

IT-related services

Setting up and maintaining a new e-commerce platform is a crucial part of starting an e-shop. To achieve this, the e-commerce business has to ensure an appropriate level of IT services.

Creative services

The visual appearance and properly working applications and functionalities are a key element when planning to create a new e-commerce platform.

Logistics

Logistics processes include product sourcing, stock (inventory) management, order management, packaging and delivery, as well as the management of (and sometimes picking up) product returns.

In Slovakia, e-shops usually offer various delivery options. The most popular include the Slovak Post Office, various courier services and personal collection from the seller's premises. Many e-shops have recently started offering another delivery option: the seller delivers the package to a company which has a network of delivery points across Slovakia (coffee houses, shops, food markets, newspapers stands, etc.). The customer chooses the nearest delivery point and collects the package there. Such delivery option offers customers flexibility as they do not need wait for a courier and they choose the nearest delivery point.

Payments

Cash on delivery remains one of the payment methods offered by most e-shops; however, a wide array of electronic and non-cash payments are also available to e-commerce businesses. These include payments by various types of credit and debit cards, quick online transfers, electronic wallets, mobile money, and alternative currency payment processors.

III. Key considerations for running e-commerce

1. Defining the audience: does the business need to decide upfront if the e-commerce website addresses consumers and/or professionals?

Yes, this decision should be made in advance. If the e-commerce website will address business only, a B2B relationship will be established, which is covered by Slovak commercial laws. Such relationship is more dynamic and only a few statutory requirements are in place. The vast majority of rights and obligations are subject to an agreement between the parties.

However, an e-commerce website for consumers must be in line with consumer protection regulations, which set out many statutory obligations for the seller regarding information provided before and after concluding contract, Return Policy, etc.

2. What are the mandatory elements of an e-commerce business website?

Slovak law stipulates certain obligations which must be followed when creating and operating an e-commerce platform. To a certain extent, these mandatory elements differ depending on whether a website is directed to consumers or to businesses only.

Obligation	What is required?	How to comply?
Contact information	Each e-commerce website needs to show some basic information on the seller (business name, registered address, information about its registration with some public authority, tax no.), contact information (telephone number and email address) and information on the supervisory authority.	Include such information on a website, where a customer can easily find it.
Information obligation	<p>In B2C contracts, the seller is obliged to fulfil various information obligations before the consumer is bound by a contract.</p> <p>In addition, certain specific information must be displayed just before consumer clicks the 'buy' button.</p> <p>In B2B contracts, certain information must also be provided, but its scope is significantly smaller.</p>	<p>Creating T&Cs is the most common way to provide all the mandatory information, including the Return Policy and information on alternative dispute resolution.</p> <p>It is also crucial that the customer journey complies with the law, i.e. the right information is displayed at the right moment.</p>

Cookies	If an e-commerce website uses cookies or similar technologies, it must fulfil information obligations and obtain consent to use cookies and similar technologies that are not necessary for the transmission of communications, the provision of a telecommunications services, or a requested service supplied electronically.	<p>Creating a cookie policy is the most common way to provide all of the required information.</p> <p>The opt-in for non-essential cookies or similar technologies is commonly obtained through cookie banners.</p>
Privacy	An e-commerce website must fulfil information obligations under the GDPR and ensure that the processing of personal data complies with the GDPR rules, e.g. that processing is based on a relevant legal basis.	Creating a privacy policy is the most common way to provide all required information. It should be easily available and visible on the website.
Product information	The law stipulates certain requirements regarding what information must be provided (displayed) before the customer makes the purchase. The scope of information may vary, depending on the product category.	The product page should be construed in a way that reflects the legal requirements applicable to a specific category. For example, for food products it would be required to display (among others) a list of the ingredients and allergens, whereas for electronics it is required to display (among others) the energy efficiency class.

3. Is it mandatory that the website information be provided in the local language?

In Slovakia, the Slovak language must be used in trading with consumers. The Slovak E-commerce Act also stipulates which information on the website must be translated into Slovak. In B2B relationships, the parties do not have to use Slovak and can agree a foreign language.

Please note that this does not mean that all e-commerce websites available to Slovak customers must automatically be translated into Slovak. For more information about targeting customers and the applicability of the Slovak laws, please see our explanation above.

4. Are there specific restrictions that impact on the selection of products offered for online purchase?

The seller may be obliged to follow various specific requirements depending on the category of products or services. It is therefore very important to: (i) determine the category of offered products/services; and (ii) properly check all requirements which are in place regarding online sales.

Some specific product restrictions may apply to all sales channels (brick-and-mortar shops as well as online sales) such as food distribution, selling alcohol, weapons, drugs, etc., however it is possible that some additional restrictions may apply to online sales only, e.g. cross-border distance selling of cigarettes.

5. Do special rules apply to product returns and defective goods?

The standard 'warranty' (the seller's liability for physical and legal defects) and producer's 'guarantee' apply to brick-and-mortar shops as well as online sales in Slovakia.

Additionally, in online shopping consumers are entitled to withdraw from a contract made on-line within 14 days of its conclusion, without giving a reason. Business entities must inform consumers of their right to do this and provide them with the appropriate form of such statement. If the seller does not inform the consumer of this right, the consumer may withdraw from the contract within 12 months and 14 days as of the date the product is delivered. Statutory exemptions from such right to withdraw are stipulated in the Act on Consumer Protection regarding Sales of Goods or the Provision of Services Based on Distance and Off-premises Contracts, e.g. goods which deteriorate or expire rapidly, and personalised goods.

If the consumer decides to withdraw from the contract, she/he is entitled to the reimbursement of the delivery cost but not exceeding the least expensive type of standard delivery offered by the seller.

6. Is explicit consent required for marketing communications?

Under the Slovak E-commerce Act, the seller may not deliver commercial communications information via electronic means (e.g. email), unless the customer requested so in advance. In other words, it requires the customer's opt-in.

The marketing opt-in should meet the GDPR-consent standard. This means that such consent should be a freely given, specific, informed and unambiguous statement or clear affirmative action. A separate consent is required for telemarketing and for marketing sent via electronic means.

A clear affirmative action means that a deliberate and specific action must be taken to opt in or to agree to the processing. This can be done, e.g. by ticking a box when visiting a website, choosing technical settings for information society services or signing a consent statement.

7. What are the main competition risks regarding online selling?

Slovak competition law follows EU legislation, its developments and case law, and there are no special rules in this respect. In general, every distributor must be allowed to use the internet to sell products and must not be restricted in doing so, unless there are serious justifiable reasons, e.g. health and safety concerns always assessed on a case-by-case basis. Manufacturers are permitted to impose quality standards for online distribution in certain justified circumstances. However, as in other distribution channels, restrictions on competition such as RPMs are prohibited.

8. Are there specific legal considerations relevant to the financial services provided to e-store customers (e.g. payment processing services)?

Generally, the provision of financial services via an e-commerce portal is also regulated by the Slovak E-commerce Act (including categories of various financial products or services provided by licensed financial institutions). Consumers are better protected than business entities, and the obligations of financial institutions when providing financial services based on distance contracts are stipulated in the Act on Consumer Protection in Distance Financial Services. Supervision over compliance with such laws is performed by the National Bank of Slovakia.

In the case of payment processing services which are required when operating a standard e-commerce platform, sellers usually enter into contracts with the special entities which arrange for payments and have a special licence. EU payment services providers usually use passporting when providing their services in Slovakia, which means that they do not need to have a licence issued by the National Bank of Slovakia, however they still must be registered as a passporting entity in the list maintained by the National Bank of Slovakia.

9. What are the relevant authorities responsible for legal enforcement with regard to e-commerce businesses?

Under the Slovak E-commerce Act, supervision over the obligations related to consumer protection is performed by the Slovak Trade Inspectorate. The Slovak Trade Inspectorate reviews and prosecutes all breaches of consumer law. It especially inspects the Terms and Conditions and information obligations of the seller, the process of dealing with complaints, etc. In the case of a minor breach of the obligations, the Slovak Trade Inspectorate may request the seller to refrain from the infringement and take remedial action within a specified period instead of imposing a penalty.

The National Bank of Slovakia is a responsible supervisory authority in the provision of financial services.

Regarding personal data protection issues, the Slovak Data Protection Office is the only authority entitled to enforce and issue fines for non-compliance with data protection law.

10. What is the landscape for private enforcement of consumer rights in the context of e-commerce?

In Slovakia, if a consumer is not happy with the provided goods or services, he/she is entitled to contact the seller with a request for redress. Such right of redress may be used if the consumer is not satisfied with the way that the seller resolves his/her complaint or if he/she is convinced that the seller has infringed his/her rights.

If the seller responds or refuses to respond to the request under the previous sentence within 30 days from the date of dispatch, the consumer has the right to seek a remedy via alternative dispute resolution. The consumer must submit the proposal to the competent authority for alternative dispute resolution. The up-to-date list of ADR entities is available on the Ministry of the Economy's website. If consumers have problems with a foreign e-commerce trader, they can file a motion with the European Consumers Centre in Slovakia, which can help to resolve their issue.

Consumers can always enforce their rights before a civil court, even if they have not used ADR proceedings. They can contact a consumer protection organisation, which can also represent the consumer before a court. Consumer protection organisations provide consumers with free legal advice and undertake various educational or information campaigns. There is no consumer ombudsman in Slovakia. The topic of collective actions is still open and quite discussed, however there is no clear-cut legislation in this regard in Slovakia, as opposed to some other European jurisdictions. There are some legislative changes on the horizon given that the new EU directive dealing with the representative actions entered into force (please see below).

Consumers often mistakenly think that filing a motion with the Slovak Trade Inspectorate will help enforce their civil rights. The Slovak Trade Inspectorate may conduct an inspection of e-commerce website on the basis of such motion, however it is not entitled to help with the enforcement of consumers' civil rights, unless it acts as an ADR subject.

11. Are there legal developments on the horizon with relevance for e-commerce businesses?

Legal developments relevant to e-commerce businesses in Slovakia mostly follow from changes at the EU level. Examples of such EU initiatives relevant to online traders include:

- Omnibus Directive: an EU Act introducing several amendments to consumer-related EU Directives. For example, it provides for new rules concerning price reductions, and restricts the marketing of "dual quality" products (items marketed as being identical, where in fact their quality is different between the respective Member States). The Directive is to be implemented by Member States by November 2021 (enforceable by May 2022).
- Directive on certain aspects concerning contracts for the supply of digital content and digital services: an EU initiative which will provide new rules concerning online platforms. The Directive is to be implemented by Member States by July 2021 (enforceable by January 2022).
- Directive on certain aspects concerning contracts for the sale of goods: an EU directive which aims to ensure the proper functioning of the internal market while providing consumers with a high level of protection. The rules on sales contracts between sellers and consumers cover: (i) conformity of goods with the contract; (ii) remedies if there is no conformity; (iii) ways to exercise these remedies; (iv) commercial guarantees. The Directive is to be implemented by Member States by July 2021 (enforceable by January 2022).

All three of these directives should be transposed into Slovak legislation by an amendment to the Slovak Consumer Act. The Ministry of the Economy is working on this transposition, however no draft bill has been made available yet.

- Directive on representative actions to protect the collective interests of consumers: this directive will introduce a harmonised representative action model in all Member States, which will provide consumers with adequate protection against the mass infringement of their rights and provide sellers with adequate safeguards against the abuse of disputes. The Directive is to be implemented by Member States by December 2022 (enforceable by July 2023).

In addition, Slovak legislators are currently working on amendments to legislation regarding inspections concerning consumer protection. The amendment should clearly set out which public authorities supervise compliance with the different consumer protection-related obligations. The law should also regulate the competences of such supervisory authorities. The legislation process is still ongoing.

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Slovenia

I. E-commerce sector – facts and figures

1. Recent growth and trends in e-commerce

The pandemic opened vast possibilities for e-commerce to flourish in Slovenia. Social distancing and temporal restrictions on the provision of many services and products left consumers with no other option than to adapt to online shopping. One of the advantages of online sales in 2020 was most definitely safety, as consumers were able to make their purchases from home.

According to the Republic of Slovenia Statistical Office, 81% of enterprises with ten or more employees have a website. However, many online stores, especially grocery stores, were not adapted to the increased demand from consumers due to the COVID-19 outbreak.

Slovenian consumers had changed purchasing habits before the COVID-19 pandemic began. While 46% of individuals aged 16–74 years made purchases online in 2017, this number increased to 63% in the same age group in 2020. Half of Slovenian e-buyers purchased physical products, e.g. clothes, shoes and accessories, consumer electronics and household appliances, medicine and dietary supplements, cosmetics, beauty and wellness products, sports goods, desktops, laptops, tablets, mobile phones and accessories and furniture. In addition to physical goods, in 2020 Slovenian e-buyers also purchased digital products/services including streaming services, computer or other software as downloads, games, e-books, online-magazines and online-newspapers and music.

Slovenian consumers do not limit themselves to purchasing exclusively from domestic online sellers, however 87% of online purchases were made at domestic on-line sellers. A substantial number of purchases are also made from online sellers from other EU Member States.

Slovenia is already up to date in terms of shopping habits: businesses entering or already operating in this sector can utilise this to their advantage. We can offer you support and guidance through the regulatory framework for e-commerce and make your endeavours to digitise your business a lot less demanding.

II. Setting-up e-commerce business

1. Is the established local presence of a foreign company required to start selling online?

The established local presence of a foreign company is not required to start selling online as products and services can be sold from abroad. Foreign companies can, however, establish a subsidiary or branch in Slovenia.

If commercial activities are targeted to Slovenian consumers, e.g. if the website is in Slovenian or advertising or marketing is directed to consumers in Slovenia, the activity must comply with Slovenian consumer legislation, even if the business entity does not have an established presence in Slovenia.

2. Are there any licence/permit requirements applicable to e-commerce businesses?

No specific licence or permit requirements apply to e-commerce businesses. However, sales of some products/services require the relevant authorisation or licence (e.g. online pharmacy).

3. What e-commerce specific contracts must be concluded before starting an e-business?

Even if a brick-and-mortar business is already established, the e-commerce business requires several additional agreements to be concluded, e.g. agreements for IT-services, services related to the design and maintenance of the website, agreement with payment services provider. As the logistics of online sales differ from the brick-and-mortar business, adequate logistic agreements should be in place.

III. Key considerations for running e-commerce

1. Defining the audience: does the business need to decide upfront if the e-commerce website addresses consumers and/or professionals?

Yes, the decision whether an e-commerce website addresses consumers and/or professionals/legal entities should be made upfront. If the e-commerce website is intended for consumers, consumers rights' protection legislation should be complied with. For example, consumers should be presented with all mandatory information at every step of the purchase process and should be given a cooling-off period. Should the online store only be intended for legal entities or professionals, access should be restricted to these groups of customers.

2. What are the mandatory elements of an e-commerce business website?

While the layout of the website may be set out freely, mandatory information should be provided to customers.

The following information should be available:

Cookies

If cookies are used on the website, customers should be provided with adequate information on cookies and appropriate consents should be obtained.

Privacy

The processing of personal data should comply with GDPR rules. An easily accessible privacy policy should include all required information regarding the processing of personal data.

Information

Information about the seller and information necessary to decide on the purchase should be provided (required product information, price, information on charges, delivery costs, costs of return, complaint policy, etc.). Usually, general terms and conditions include such mandatory information.

The scope of required information is narrower if the online store is intended for professionals/legal entities as consumer protection legislation does not need to be complied with.

3. Is it mandatory that the website information be provided in the local language?

Companies registered in Slovenia should provide website information to consumers and B2B customers in Slovenian language.

4. Are there specific restrictions that impact on the selection of products offered for online purchase?

Product specific restrictions (national and EU) should be complied with. Some restrictions apply only to online sales of certain products (e.g. the online sale of tobacco products is prohibited), while the sale both in brick-and-mortar stores and online of some products is generally strictly regulated (e.g. medicines and medical devices).

It is important to properly check all the requirements regarding the online sale of the relevant products/services before the online store is launched.

5. Do special rules apply to product returns and defective goods?

Consumers are entitled to withdraw from an agreement made on-line within 14 days from delivery without giving a reason. If the company does not inform the consumer of this right, the consumer may withdraw from the agreement within 12 months of the delivery date. If the consumer decides to withdraw from the agreement, the consumer will bear only the costs of returning the goods, unless those costs are borne by the company or unless the company did not inform the consumer in advance that he/she would bear those costs. Regarding the mandatory guarantee for technical products and sellers' warranty for defects, the same rules apply to both brick and mortar and online sales.

6. Is explicit consent required for marketing communications?

Sending marketing communications via electronic (e.g. emails) and telephonic means (e.g. SMS) requires opt-in consent from customers, meaning the company can only send messages if they obtain a prior consent from a recipient for the specific channel of communication.

GDPR standards should be complied with when drafting marketing opt-in (the consent should in a form of freely given, specific, informed and unambiguous statement or a clear affirmative action). A separate consent is required for telemarketing and for marketing content sent by electronic means.

7. What are the main competition risks regarding online selling?

In general, Slovenian competition law reflects and implements EU legislation. Therefore, the main aspect is to keep the market and access to it as open as possible to promote competition. However, selective distribution represents a valuable mechanism through which manufacturers can arrange the resale of their products to consumers. From an economics standpoint, the application of selective distribution may give rise both to efficiencies and competition risks. The European Commission itself acknowledges that selective distribution may lead to a number of efficiencies, in particular by requiring the same or similar investments and marketing activities from all authorised retailers, and selective distribution agreements, which may help solve free-rider problems and create a brand image for the product in question. Additionally, regardless of the distribution channels, hard-core restrictions, e.g. resale price maintenance, are not permitted.

8. Are there specific legal considerations relevant to the financial services provided to e-store customers (e.g. payment processing services)?

In general, regular e-commerce business does not fall under financial services regulations. However, the processing of customer payments constitutes a regulated activity, and the chosen provider of payment services should have adequate licences to perform the payment services.

9. What are the relevant authorities responsible for legal enforcement with regard to e-commerce businesses?

As with brick-and-mortar stores, e-commerce businesses in general fall under the authority of the Market Inspectorate. Among others, the Market Inspectorate carries out administrative inspection and minor-offence procedures regarding consumer protection, unfair commercial practices involving consumers and the use of the Slovenian language. The Market inspectorate is also responsible for the general safety of products.

The Information Commissioner is the competent authority in the field of data protection. Depending on the services/products sold, other authorities such as Agency for Medicinal Products and Medical Devices and Health inspectorate may have authority over the products/services in an online store. The Slovenian Competition Protection Agency is the competition authority in Slovenia.

10. What is the landscape for private enforcement of consumer rights in the context of e-commerce?

Consumers in Slovenia may enforce their rights before a civil court, either individually or by a class action. Class actions were introduced in 2018 but have not gained popularity.

Alternative dispute resolution (ADR) in Slovenia is used to resolve consumer disputes that have not been resolved based on a prior consumer complaint directly to the seller. The participation of the parties in the proceedings is voluntary. Either party may withdraw consent to participate in the proceedings at any time. A link to an online dispute resolution platform should be provided on a website.

Traditionally, the Slovenian Consumers' Association (Zveza potrošnikov Slovenije) plays an important role in drafting laws regarding consumer protection issues, promoting the interests of consumers regarding providers of goods and services and, in particular, regarding large systems such as banks, insurance companies, healthcare, utilities, etc.

11. Are there legal developments on the horizon with relevance for e-commerce businesses?

Amendments to legislation in Slovenia mostly follow legal developments at the EU level. Some of the EU acts which will be transposed into Slovenian legislation are:

- Omnibus Directive (Directive 2019/2161) on amendments of consumer legislation, which will be transposed into Slovenian Consumer Protection Act. The deadline for transposition is 28 November 2021;
- Directive 2019/771 on certain aspects concerning contracts for the sale of goods, which should be transposed into Slovenian Consumer Protection Act by 1 July 2021;
- Directive 2019/770 on certain aspects concerning contracts for the supply of digital content and digital services, which should be transposed into Slovenian Consumer Protection Act by 1 July 2021.

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No draft bill is yet available.

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Turkey

I. E-commerce sector – facts and figures

1. Recent growth and trends in e-commerce

E-commerce has greatly expanded in Turkey in recent years. According to the latest reports published by the Ministry of Trade, Turkey's e-commerce sector reached TRY 91.7bn trading volume in the first half of 2020, which represents a 64% increase compared to the same period in 2019. Retail purchase rates have gradually decreased while the proportion of e-commerce to total retail sales has greatly increased. Accordingly, e-commerce transactions accounted for 14.2% of trade in Turkey in the first half of 2020. In consideration of the consistent growth of the Turkish e-commerce sector in recent years, trade volume and market share of e-commerce businesses are expected to increase further in the coming years.

II. Setting-up e-commerce business

1. Is the established local presence of a foreign company required to start selling online?

While there is no explicit provision requiring a foreign company to establish a subsidiary or branch in Turkey to carry out e-commerce activities, registration with certain registry systems and the provision of certain information, such as a Central Registry Number ("**MERSİS**"), are compulsory before starting an e-business. This condition implies that in practice Turkey requires an established local presence to carry out such activity.

2. Are there any licence/permit requirements applicable to e-commerce businesses?

There is no licence or permit requirement to engage in e-commerce activities in Turkey. However, companies wishing to carry out e-commerce activities must register with the following registry systems before starting their e-commerce business:

- Electronic Commerce Information System (“**ETBİS**”) providing the relevant information on their e-commerce activities.
- Data Controller’s Registry System (“**VERBİS**”) to comply the processing of personal data with the Data Protection Law.

Companies wishing to comply with the minimum-security standards and service quality may apply for an E-Commerce Trust Certification issued by Trust Certification providers authorised by the Ministry of Trade. This mechanism is, however, not a compulsory measure for e-commerce businesses.

3. What e-commerce specific contracts must be concluded before starting an e-business?

A company may take the following steps to set up an e-commerce business:

- domain name registration and trademark registration for the domain name and brand name;
- entering into contracts with:
 - suppliers;
 - an accountant;
 - a hosting service provider;
 - an online payment provider licenced in Turkey;
 - an IT service provider;
 - storage and shipping providers;
 - digital marketing companies;
 - a legal consultant.

III. Key considerations for running e-commerce

1. Defining the audience: does the business need to decide upfront if the e-commerce website addresses consumers and/or professionals?

If the website is targeted at consumers, it needs to fulfil the obligations under consumer law, but if it is targeted at merchants, consumer law will not apply and the rules governing the website will therefore be less restrictive according to the regulations stipulating transactions between merchants.

Accordingly, if a website is intended only for merchants, the business must ensure that it is accessible only by merchants and not by consumers to avoid any sanction for a breach of consumer law. In these circumstances, if a website initially intended for merchants subsequently becomes accessible to consumers, it must be adapted to the obligations under consumer law and the business must ensure that relevant consumer protection mechanisms are in place. However, as the legal framework governing merchants provides more flexibility compared to consumer law, a website primarily intended for consumers may also be accessible to merchants without breaching law.

In conclusion, it is important to define the business model before starting the business within the framework of whether it is B2B or B2C, to ensure that the website is in full compliance with the applicable laws.

2. What are the mandatory elements of an e-commerce business website?

The e-commerce website must include the following elements:

- information on the service provider including company name, registered office address, email address and phone number, registered email address (“**KEP**”), commercial name and trademarks, and Central Registry Number (“**MERSİS**”). A service provider wishing to sell through an intermediary service provider must provide the above-mentioned information on the website of the intermediary service provider;
- a transaction guide including the following elements:
 - the technical steps that are necessary to enter into a contract such as selecting goods and services, providing delivery and payment information, and confirming the order;

- information on whether the e-commerce contract will be stored by the service provider, whether the recipient will be able to access the contract later in that same environment, and for how long such access will be provided;
 - confidentiality rules related to the processing of personal data in compliance with the Data Protection Law;
 - alternative dispute resolution mechanisms, if any, in the event of a dispute between the seller and the buyer;
- a preliminary information form;
 - a membership agreement;
 - T&C of use and sale;
 - details of the consumer's and service provider's rights;
 - cookies notification in compliance with the Data Protection Law.

3. Is it mandatory that the website information be provided in the local language?

Under Turkish Law, agreements executed between parties resident in Turkey must be in Turkish. Other than that, there are no specific rules requiring the language to be in Turkish. However, consumer law stipulates that the information provided to the consumer must be understandable. Therefore, to be fully compliant with the regulations and ensure that the contents are understandable to Turkish consumers, the website information should be in Turkish.

4. Are there specific restrictions that impact on the selection of products offered for online purchase?

The online purchase of pharmaceuticals, medicine, human medicinal products, medical equipment, healthcare services, food, supplementary foods, cosmetics and hygiene are subject to specific regulations.

The online purchase of prescription medicine and treatments, medicinal food supplements and herbal products, fortune tellers, astrologists and dating services, alcoholic beverages, guns, shares, human organs, counterfeit products, e-cigarettes, tobacco and livestock are completely prohibited.

5. Do special rules apply to product returns and defective goods?

Consumers are entitled to withdraw from an e-commerce contract within 14 days of the conclusion of the contract without giving a reason or being subject to any penalty, except for perishable or expired products and those whose return do not comply with hygiene rules.

To use the withdrawal right, consumers must inform the seller or the provider of their decision to withdraw. The seller or the provider must refund the full purchase price including standard delivery charges, if any, within 14 days on receipt of the notification. Consumers must return the goods to the seller, the provider or the authorised person within ten days on receipt, unless the seller or the provider offers to pick them up.

The seller or the provider must inform costumers of the right of withdrawal and its limitations in accordance with the applicable law. If consumers are not properly informed, the withdrawal period is extended by a year starting from the expiry of the initial 14-day period.

If consumers are informed of their right to withdrawal within a year, the 14-day period starts running from the receipt of the notification.

In the event of the exercise of the withdrawal right, any accessory contract comes to an end without being subject to any compensation or penalty.

Regarding defective goods, the consumer must notify the seller of the defect within 30 days following the date of delivery. The consumer is entitled to refuse the goods and terminate the contract by requesting a full refund, request a replacement of the product with a non-defective one or request a partial refund to compensate for the value of the product due to the defect or request a free repair. The seller must undertake the consumer's choice of remedy. The consumer is also entitled to claim compensation in the event of an injury or damage due to the defective goods.

Unless a longer period is provided by law or agreed in the contract, the limitation period for claims for defective goods is two years following the date of delivery, even if the defect occurs at a later date. This limitation period does not apply in the event of a latent defect resulting from gross negligence or fraud on the part of the seller.

6. Is explicit consent required for marketing communications?

Turkey adopted the opt-in model for marketing communications. Accordingly, electronic commercial messages can only be sent to recipients with their prior consent. This consent may be obtained in writing or via electronic communication channels. The content of the electronic commercial message must be in accordance with the consent obtained from the recipient.

If the recipient voluntarily provides contact information to the service provider, no additional consent is required for electronic commercial messages regarding change, use and maintenance of the goods or services already provided.

Electronic commercial messages may be sent without prior consent, if:

- the recipient voluntarily provides his/her contact information to the service provider;
- the recipient is a merchant or an artisan;
- the message includes the collection of a debt, payment reminders, information update, purchases, delivery or otherwise similar actions related to an ongoing subscription, membership or partnership, without promoting any goods or services;
- the message is sent by an intermediary firm for information purposes only in accordance with Turkish Capital Market Law.

Recipients may refuse to receive or opt-out of receiving electronic commercial messages at any time without giving a reason. Service providers must inform their recipients of their right of refusal and right to opt-out. They are required to provide easy and free electronic communication means of opting out in every commercial electronic message they send. On receipt of the opt-out request, the service provider must stop sending commercial electronic messages to the recipient within three business days.

Opt-in marketing must comply with the provisions of the Turkish Personal Data Protection Law in terms of which personal data cannot be collected or recorded without the explicit consent of the data subject. Service providers may therefore be held responsible for collecting and using the contact information of recipients for marketing purposes as data controllers in the absence of the explicit consent of data subjects obtained in accordance with Turkish Personal Data Protection Law, unless otherwise provided by law.

Service providers must register with the Commercial Electronic Communication System (“**IYS**”). They are required to transfer the consent forms to the system. The system allows recipients to review the services to which they consented and use their right of refusal at any time via e-government system.

7. What are the main competition risks regarding online selling?

Non-compliance with the Competition Law and its secondary legislation may entail the risk of being subject to competition investigations and monetary sanctions.

Given the rapid growth of e-commerce in Turkey, the main competition risks reside in compliance with the legal framework of vertical agreements in terms of which practices, such as limiting online sales by a distributor or applying different prices to distributors based on the channel, are prohibited in Turkey. Additionally, taking the nature of e-commerce business into consideration, different businesses can affect each other regarding pricing as all pricing information is publicly available through their websites. In this respect, while conducting e-commerce business, unfair price determination breaching competition within the framework of concerted practice must be avoided.

8. Are there specific legal considerations relevant to the financial services provided to e-store customers (e.g. payment processing services)?

The provision of electronic payment services is subject to authorisation in Turkey. E-commerce businesses wishing to provide electronic payments to their customers must enter into a contract with a licensed electronic payment service provider or obtain an authorisation licence issued by the Central Bank.

The financial services provided to e-store customers are governed by the Law on Bank Cards, Credit Cards and the Regulation on Banks' Information Systems and Electronic Banking Services and the Law on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions.

Debit and credit card payment processing is regulated by the Law on Bank Cards and Credit Cards. Card holders and e-businesses are subjected to that law in the use of debit and credit cards for online purchases. It should be noted that under the law, the Banking Regulation and Supervision Agency regularly stipulates the number of instalments allowed for the purchase of several consumer products such as electronic appliances and furniture.

The purpose of the Regulation on Banks' Information Systems and Electronic Banking Services is to enhance payment security in e-commerce as it regulates the management of banks' information systems and electronic banking services.

The Law on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions regulates payment security systems, payment services, payment institutions and electronic money institutions.

9. What are the relevant authorities responsible for legal enforcement with regard to e-commerce businesses?

The Ministry of Trade is the main responsible authority for e-commerce and consumer protection. However, as e-commerce trade touches different areas of implementation, the following authorities also have responsibilities:

- The Information and Communication Technologies Authority is the main body for monitoring the content on the internet.
- The Banking Regulation and Supervision Agency and the Central Bank of Turkey regulate online payment systems and money flow.
- The Personal Data Protection Board under the Ministry of Justice is the main body for providing personal data protection, monitoring personal data process, concluding the complaints with regard to personal data protection violations and deciding on the imposition of administrative sanctions.
- The Competition Authority carries out inspections in the e-commerce sector and is authorised to implement sanctions within the framework of the Competition Law.

10. What is the landscape for private enforcement of consumer rights in the context of e-commerce?

Regarding unsolicited or non-compliant electronic commercial messages, recipients are entitled to file complaints within three months of receiving the message, either online through the e-government system and the Ministry of Trade's website, or in writing at the nearest provincial directorate at the complainant's place of residence.

Regarding disputes between businesses and consumers, the law sets monetary limits for applying to arbitration committees or consumer courts. Consumers must apply to mandatory prerequisite mediation before filing a lawsuit. The decisions of the arbitration committee are legally binding. The parties may submit an objection to the latter within 15 days on receipt of the notification.

11. Are there legal developments on the horizon with relevance for e-commerce businesses?

There is currently no proposal for additional e-commerce regulation in Turkey. However, there are likely to be changes to e-commerce legislation as needs arise given the rapid growth of e-commerce in Turkey. In addition, there might be amendments to the legal framework of e-commerce in Turkey in parallel with any future changes in EU Law in the future.

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Ukraine

I. E-commerce sector – facts and figures

1. Recent growth and trends in e-commerce

The e-commerce sector in Ukraine has been growing rapidly over recent years. In 2017, the size of the e-commerce market was around USD 2bn. According to one of the market players, in 2020 Ukrainians made purchases via the internet worth almost USD 4bn. This figure is about 9% of the total retail market.

The 2020 annual growth rate compared to 2019 was 41%. The main catalyst for such rapid dynamic growth was the Covid-19 pandemic. During the quarantine period, Ukrainians started to make purchases online much more often. The recent tendency is that Ukrainian internet users are becoming more willing to purchase day-to-day products like food, household chemicals, and masks online.

The volume of online payments in e-commerce also grew significantly, up 50% compared to 2019. In aggregate, today around 15% of online purchases are paid online. Experts predict that in the next couple of years, cash post-payments for online purchases will become unpopular as they are less safe.

Except for the national marketplaces, online stores and price aggregators, Ukrainians are also widely using foreign platforms (mainly from China, the EU and the US).

II. Setting-up e-commerce business

1. Is the established local presence of a foreign company required to start selling online?

Ukrainian law does not set any express restrictions on the possibility of foreign companies to sell their goods/services online in Ukraine. They can start selling online from abroad without an established presence in Ukraine.

If the commercial activity specifically targets Ukrainian consumers, e.g. the advertising or marketing is directed to consumers in Ukraine, the activity must comply with Ukrainian consumer protection, advertising, language and other regulations, even if the business entity does not have an established presence in Ukraine. In such event, the requirements for a tax presence should be also verified.

2. Are there any licence/permit requirements applicable to e-commerce businesses?

Ukrainian law does not set any additional licensing or permitting requirements for e-commerce compared to the bricks-and-mortar retail. No specific licence or permit is needed to open an online store.

Some licencing/permitting requirements may apply to e-commerce businesses, as to all other retail channels, in cases of selling certain specific types of products, e.g., alcohol.

3. What e-commerce specific contracts must be concluded before starting an e-business?

There are no specific requirements for contracts that must be concluded by e-commerce businesses. In practice, the scope of required contracts depends on the commercial activity in Ukraine. In addition to traditional contracts that are common for any type of retail, e.g., supply and logistic contracts, e-commerce businesses should normally also consider entering into contracts in the following areas:

Domain/web hosting services

If setting up the e-commerce platform with a Ukrainian domain extension (.ua, com.ua), the businesses should arrange for the respective domain registration and secure website hosting.

Data hosting services

The data of the e-commerce platform must be stored somewhere, e.g. in land-based servers or in the cloud.

Other IT-related services

The e-commerce business has to ensure an appropriate level of related IT services, like website support, online customers support, other design and technical aspects of various applications and functionalities

Payments

A modern e-commerce platform should allow the customers to use a wide range of online payment options like bank cards, electronic wallets, mobile money, etc.

III. Key considerations for running e-commerce

1. Defining the audience: does the business need to decide upfront if the e-commerce website addresses consumers and/or professionals?

The businesses should decide and verify upfront if the e-commerce website is accessible to professionals only or consumers as well. In B2C relations, where a website is accessible to consumers, all consumer protection rights must be observed (product returns, liability for defective goods, etc.). If a website is dedicated to professionals only, no consumer protection rules apply.

2. What are the mandatory elements of an e-commerce business website?

Ukrainian e-commerce legislation does not impose any express obligations on the elements of an e-commerce website. Such mandatory elements are commonly triggered by the requirements of other relevant law requirements, such as data privacy (website data protection policy and cookies), consumer protection (information about the products), advertising, etc.

3. Is it mandatory that the website information be provided in the local language?

Under the Law of Ukraine on Ensuring the Functioning of Ukrainian as the National Language, all companies offering products/services to customers in Ukraine, including via the internet, must provide information on such products/services in Ukrainian (but this can be duplicated in any other language).

4. Are there specific restrictions that impact on the selection of products offered for online purchase?

In Ukraine only very limited categories of products are subject to any restrictions of being available for online purchase. For example, medicines are generally available to be sold only in bricks-and-mortar pharmacies.

5. Do special rules apply to product returns and defective goods?

In terms of returns, consumers are entitled to withdraw from a contract made on-line within 14 days of the date of receiving the purchase confirmatory document (e.g., sales receipt) or receipt of the product. The seller must return the money within 30 days of the withdrawal notice. Any logistics expenses relevant to the return of the product must be covered by the seller.

In terms of defective products, the same rules apply to traditional and online sales.

6. Is explicit consent required for marketing communications?

Explicit consent is not always required. The basic rule of Ukrainian law in this respect is that commercial electronic messages may be sent to a recipient only provided such recipient gave his/her consent to the receipt of such communication. The exemption from this rule states that commercial electronic communications may be sent without the consent of a recipient only if the recipient can unsubscribe from such notifications.

7. What are the main competition risks regarding online selling?

The key competition risks in online selling are traditionally the same as in other retail channels. They mainly include the vertical aspects of relations between suppliers and distributors (e.g., selective distribution, competitive restrictions, resale pricing control etc), as well as unfair practices by sellers (false advertising or representation of a good or service, tied selling, etc).

Ukrainian competition law and practice currently does not provide any specific rules or guidance to aspects that are specific to online selling, such as automated pricing software, restricting goods from being sold or advertised online, etc.

8. Are there specific legal considerations relevant to the financial services provided to e-store customers (e.g. payment processing services)?

Payments in the e-commerce field may be made using different payment instruments, including electronic money, by transfer of funds or cash payments. All of these payment methods are subject to the general requirements of the legislation on cash and non-cash payments under Ukrainian laws.

The seller, payment system operator or other person who has received payment for goods/services must provide the consumer with an electronic document (sales receipt, ticket, coupon, etc) confirming the receipt of funds and indicating the date of payment.

9. What are the relevant authorities responsible for legal enforcement with regard to e-commerce businesses?

In Ukraine no specific authority is responsible for legal enforcement in e-commerce only. In terms of relations with consumers, the main Ukrainian consumer protection authority is the State Service of Ukraine on Food Safety and Consumer Protection (www.dpss.gov.ua/en), which is responsible for monitoring and protecting the rights of consumers in all spheres, including online.

Regarding data protection, the regulator in Ukraine is the Ukrainian Parliament Commissioner for Human Rights (<https://www.ombudsman.gov.ua/en/page/zpd/>).

10. What is the landscape for private enforcement of consumer rights in the context of e-commerce?

In Ukraine, consumers can seek to enforce their rights with the regulator, the State Service of Ukraine on Food Safety and Consumer Protection, or the civil courts. The law does not suggest any specific sites or methods for resolving consumers' disputes in the e-commerce sector.

11. Are there legal developments on the horizon with relevance for e-commerce businesses?

The E-commerce Law was adopted in Ukraine in 2015 introducing a new legal framework for online selling businesses. Currently, there are no significant initiatives on the horizon regarding the amendments to the E-commerce Law.

Regarding consumer protection, in December 2020 the Ukrainian Ministry of the Economy published the draft of a new version of the Consumer Protection Law for public discussion. This new draft introduces many new terms and concepts relevant to e-commerce that are not covered by the current regulations. The draft has not been registered with Parliament yet and thus it is too early to make any predictions on the chances and timeline of its adoption.

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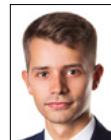


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