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Judgments of the Court in Joined Cases C-662/22 | Airbnb Ireland and C-667/22 | Amazon Services Europe, Case C-663/22 | Expedia, Joined Cases C-664/22 | Google Ireland and C-666/22 | Eg Vacation Rentals Ireland, and Case C-665/22 | Amazon Services Europe

E-commerce: a Member State may not impose additional obligations on an online service provider established in another Member State

In Italy, providers of online intermediation services and search engines, such as Airbnb, Expedia, Google, Amazon and Vacation Rentals, are subject to certain obligations under national provisions. They were adopted in 2020 and 2021, with the stated aim of ensuring the adequate and effective enforcement of the regulation on promoting fairness and transparency for business users of online intermediation services ¹. Providers of those services must, inter alia, be entered in a register held by an administrative authority (AGCOM), periodically forward to it a document on their economic situation, provide it with a series of detailed information and pay it a financial contribution. Penalties are provided for in the event of failure to comply with those obligations.

The above-mentioned companies are challenging those obligations before an Italian court, on the grounds that the resulting increase in administrative charges is contrary to EU law ². All those companies – except for Expedia, which is established in the United States – invoke the principle of freedom to provide services and argue that they are mainly subject to the legal system of the Member State in which they are established (in this case, Ireland or Luxembourg). Therefore, they consider that Italian law cannot impose on them other requirements relating to access to the activity of information society services. In that context, the Italian court decided to refer the matter to the Court of Justice.

The Court of Justice holds that EU law precludes measures such as those adopted by Italy.

Under the Directive on electronic commerce, it is the home Member State of the company providing information society services that regulates the provision of those services. Member States of destination, bound by the principle of mutual recognition, are required, save in exceptional circumstances, not to restrict the freedom to provide those services. **Thus, Italy cannot impose on providers of those services established in other Member States additional obligations which, although required for the provision of those services in that country, are not imposed in their Member State of establishment.**

According to the Court of Justice, those obligations do not fall within the exceptions permitted by the Directive on electronic commerce. First, they are, subject to verification by the Italian court, of general and abstract application. Secondly, they are not necessary in order to protect one of the objectives of general interest referred to in that directive. Moreover, the establishment of those obligations is not justified by the intention, invoked by the Italian authorities, to ensure the adequate and effective enforcement of the above-mentioned regulation.

NOTE: A reference for a preliminary ruling allows the courts and tribunals of the Member States, in disputes which have been brought before them, to refer questions to the Court of Justice about the interpretation of EU law or the validity of an EU act. The Court of Justice does not decide the dispute itself. It is for the national court or tribunal to dispose of the case in accordance with the Court's decision, which is similarly binding on other national courts or tribunals before which a similar issue is raised.

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The full text and, as the case may be, an abstract of the judgments (<u>C-662/22 and C-667/22</u>, <u>C-663/22</u>, <u>C-664/22 and</u> <u>C-666/22</u>, <u>C-665/22</u>) are published on the CURIA website on the day of delivery.

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Images of the delivery of the judgment are available on '<u>Europe by Satellite</u>' @ (+32) 2 2964106.

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¹ <u>Regulation (EU) 2019/1150</u> of the European Parliament and of the Council of 20 June 2019 on promoting fairness and transparency for business users of online intermediation services.

² To <u>Regulation 2019/1150</u> and, except in Case C-663/22 *Expedia*, to several directives, in particular <u>Directive 2000/31/EC</u> of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market ('Directive on electronic commerce').