



ETSY CONTRIBUTION TO THE PUBLIC CONSULTATION ON THE REGULATORY ENVIRONMENT FOR PLATFORMS, ONLINE INTERMEDIARIES, DATA AND CLOUD COMPUTING AND THE COLLABORATIVE ECONOMY

ABOUT ETSY

Etsy (www.etsy.com) is a marketplace where people around the world connect, both online and offline, to make, sell and buy unique goods. Handmade goods are the foundation of the Etsy marketplace, where artists, designers, and collectors sell their wares to buyers around the world. Etsy was founded in 2005 in the US, and has offices in Dublin, London, Paris and Berlin, as well as Canada and Australia.

Etsy hosts over 1.5 million online sellers around the world, who sell both digital and tangible goods. Together, our sellers grossed over €1.59 billion in 2014. Most Etsy sellers are women (84%-91% in major European markets), and the vast majority are sole traders operating their businesses out of their homes. Many are parents with children at home and a substantial minority are low income. By making it easy to buy and sell goods, Etsy makes entrepreneurship lower-risk and accessible for these populations - roughly half of Etsy sellers in major EU markets sold their goods for the first time on Etsy.

Most of the money earned on Etsy stays with local artisans - Etsy charges just 20 cents to list an item, and takes only 3.5% of every transaction. In this way, the Etsy platform drives local micro-business growth and sustainable economic development. In fact, 23-34% of EU sellers describe their creative business as their full-time occupation.

Etsy welcomes the opportunity to respond to the European Commission's public consultation on the regulatory environment for platforms, online intermediaries, data and cloud computing and the collaborative economy. We are supportive of the European Commission's Digital Single Market Strategy for Europe in its aim to open up digital opportunities for European consumers and businesses and to address the existing online barriers to cross-border trade.

Please find below our answers to the relevant questions. For further information please contact Angela Steen, EU Policy Director, Etsy, 66-67 Great Strand Street, Dublin 1, Ireland. Email : asteen@etsy.com.

SOCIAL AND ECONOMIC ROLE OF ONLINE PLATFORMS

- *Do you agree with the definition of "online platform" as provided below? No*
- *Please explain how you would change the definition?*

We believe the proposed definition of online platform is overly broad, particularly if it is intended as a basis for future regulations. The platforms outlined play very different roles vis-a-vis their users, and operate under diverse business models. We urge the European Commission to ensure any new proposals are sufficiently flexible and targeted to accommodate the existing diversity of business models in this space, and those that have yet to be developed. The appropriate regulatory approach for a social network and an online marketplace will necessarily



differ. Proposing a single set of regulations for all online platforms will unnecessarily burden or harm some platforms, for whom the regulations were not intended. If such platforms cannot operate in Europe as a result of such regulations, the startup economy will suffer, as will the consumers and micro-businesses who stand to benefit the most from their services.

- *What do you consider to be the key advantages to using online platforms?*
 - increase choice of products and services
 - create more transparent prices and the possibility to compare offers
 - increase trust between peers by providing trust mechanisms
 - lower the cost of reaching customers for suppliers
 - help with matching supply and demand
 - create new markets or business opportunities
 - help to share resources and improve resource collaboration
 - other : enable new business models that balance social good and economic development at a global scale
- *Have you encountered, or are you aware of problems faced by consumers or suppliers dealing with online platforms? Yes*
- *Please list the problems you are aware of:*

The fragmentation of regulation across Europe is challenging for our seller community, leading to legal uncertainty and additional complexity in their day to day business transactions. We believe that increased harmonisation and targeted information campaigns directed to micro and small businesses would enable our sellers to operate their businesses successfully across Europe.

- *How could these problems be best addressed?*

By a combination of market dynamics, regulatory measures, and self-regulatory measures.

TRANSPARENCY OF ONLINE PLATFORMS

- *Do you find reputation systems and other trust mechanisms operated by online platforms are generally reliable? Yes*
- *What are the main benefits and drawbacks of reputation systems and other trust mechanisms operated by online platforms? Please describe their main benefits and drawbacks.*

Reputation systems are an essential tool for building trust online, particularly in the context of two-sided marketplaces. Etsy is an intermediary. It helps buyers and sellers find each other and facilitates transactions, but it does not make any products, hold any inventory, or ship any goods to consumers. Yet Etsy and its sellers will only succeed if our users trust the integrity of the marketplace. Given this context, Etsy uses several tools to help build trust between buyers and sellers who transact through our platform.



Consumer reviews provide an important and transparent feedback mechanism for potential buyers. After making a purchase on Etsy, buyers are encouraged to leave a review about their experience with the seller, delivery time, and the quality of the products they received. Sellers know that buyer reviews impact their sales, and so work hard to maintain positive ratings, devoting considerable time to customer service.

Like all such systems, these tools can be abused by sellers who attempt to thwart competition or by buyers who leave abusive comments and unfair ratings. We have a number of systems in place to address such abuses to ensure that these systems remain robust and reliable.

We believe that existing EU regulation for consumer protection combined with self-regulatory measures from industry provide a clear and sound legal framework for digital players when building trust online, forms, for whom the regulations were not intended. If such platforms cannot operate in Europe as a result of such regulations, the startup economy will suffer, as will the consumers and micro-businesses who stand to benefit the most from their services.

USE OF INFORMATION BY ONLINE PLATFORMS

- *In your view, do online platforms provide sufficient and accessible information with regard to*
 - a) personal and non-personal data they collect : Yes*
 - b) what use is being made of personal and non-personal data collected, including trading of the data to other platforms and actors in the Internet economy : Yes*
 - c) adapting prices, for instance dynamic pricing and conditions in function of data gathered on the buyer? (both consumer and buyer) : Yes*
- *Please explain your choice and share any best practice you are aware of*

Etsy does not sell user data, nor allow outside advertising on our site. We use and manipulate datasets to develop innovative new products and improve the user experience for our sellers and buyers. Examples include the personalisation of our homepage for buyers based on their browsing history, understanding market trends and consumer behaviour to optimise the buyer experience and connecting sellers and buyers geographically to promote a buy local experience.

We make it a priority to help members understand how we will and won't use their personal data. For example, we recently relaunched our "[House Rules](https://blog.etsy.com/news/2015/our-house-rules-important-updates-to-etsys-terms-policies/)" (<https://blog.etsy.com/news/2015/our-house-rules-important-updates-to-etsys-terms-policies/>) which make our policies and Terms of Use available to members in plain language, a simple, user-friendly format, and in multiple languages. We also released a Transparency Report (<https://blog.etsy.com/news/2015/etsy-releases-2014-transparency-report/>) in 2014, which explains when and under what circumstances we have shared data with local law enforcement and other entities.

- *Please share your comments or ideas regarding the use of information by online platforms*

It is important that any proposed regulation balance the need to ensure a high level of protection of personal data and an innovation-friendly environment that supports the objective of strengthening the digital economy



in Europe. This is of particular importance when considering that sellers or buyers could be left disadvantaged if platforms are unable or forbidden to use local user data to develop products or services in a given region due to prohibitive regulation or if the cost of compliance with such regulation is unduly onerous.

RELATIONS BETWEEN PLATFORMS AND SUPPLIERS/TRADERS/APPLICATION DEVELOPERS OR HOLDERS OF RIGHTS IN DIGITAL CONTENT

- *Are you a holder of rights in digital content that is protected by copyright, which is used on an online platform? No*
- *Platforms (including hosting service providers) or any other interested party are invited to express their positions with regard to relations of platforms with holders of rights in digital content.*

Etsy is an online marketplace that provides a platform for our members to sell handmade and vintage goods online. Among these sellers are artists, designers and makers, many of whom are rights holders themselves, and need appropriate tools to protect themselves and their intellectual property online.

The creative entrepreneurs on Etsy also provide a unique marketing opportunity for larger brands and businesses. However, gaining access to these companies and obtaining licenses to sell official merchandise can be challenging for small sellers. Last year, Etsy ran a pilot partnership programme with Lionsgate's Summit Entertainment label, in order to facilitate just that. You can read more about the partnership at <https://blog.etsy.com/news/2015/etsy-sellers-create-officially-licensed-insurgent-merchandise/>.

This is just one example of how partnerships between online platforms and rightsholders support an ecosystem of entrepreneurs and foster constructive collaboration to ensure fair remuneration for all parties.

We have robust policies in place around removing infringing content on our site. Etsy receives communications challenging seller's intellectual property rights to items listed or content posted by our members. Sometimes these communications come from a popular brand, other times from a burgeoning company, another Etsy seller, a trademark enforcement agency, or an attorney. Often the communications ask us to take down seller content based on an allegation of IP infringement. We have a designated agent to receive these notices, as described in our Copyright and Intellectual Property Policy, and remove such content when given notice, as required by the E-Commerce Directive. Further details can be found in our 2014 [Transparency Report](https://blog.etsy.com/news/2015/etsy-releases-2014-transparency-report/). (<https://blog.etsy.com/news/2015/etsy-releases-2014-transparency-report/>)

- *If you own/develop an online platform, what the main constraints that negatively affect the development of your online platform and prevent you from extending your activities to new markets in the EU?*

The regulatory landscape in Europe poses challenges for businesses looking to grow their products and services in the EU. The fragmented environment means that smaller businesses may not be able to roll out new innovations to all markets because of concerns around compliance and a lack of knowledge of local law. New rules and regulations are often burdensome on smaller platforms who do not have the resources to implement compliance systems or tools.



For example, the new rules requiring online platforms to collect and remit VAT on behalf of their users disproportionately burdened small platforms who do not have the engineering resources to devote to building the new tools required by law. As a result, some startups chose to pay the VAT on behalf of their users, rather than build the compliance infrastructure to collect and remit it from buyers.

Smaller platforms who did build the tool were forced to divert precious engineering resources from planned product and service innovation. It is this innovation that provides a better, safer and more dynamic service for platform users across the EU.

Overall, a lack of harmonisation is a barrier for growth and entry into new European markets. We support moves to harmonise regulations and welcome the European Commission's strategy to complete the Digital Single Market to address these issues.

- *How do you ensure that suppliers of your platform are treated fairly?*

The e-commerce market is very competitive. Both buyers and sellers can take their business to other marketplaces at any time. As a result, it is in our interest to ensure that both our buyers and sellers are protected, informed and secure.

Etsy's Trust and Safety team mediates any disputes that may arise between Etsy buyers and sellers. These usually come in the form of non-delivery of goods or not-as-described cases filed by buyers through Etsy's Case System. For example, if a buyer does not receive an item or believes the item they received is not as described based on the listing, the buyer can open a case. If they do not reach a resolution with the seller, the case can be escalated for Etsy to review. Depending on the circumstances, Etsy may issue a refund on the seller's behalf. You can read more about both our [Buyer and Seller protection](#) programs at <https://www.etsy.com/trust>.

Etsy has published a Transparency Report outlining our approach to these issues and summarizing 2014 statistics regarding actions taken by our Trust and Safety and Legal Support teams, who are responsible for maintaining the integrity of the Etsy marketplace. The report is available [here](https://blog.etsy.com/news/2015/etsy-releases-2014-transparency-report/). (<https://blog.etsy.com/news/2015/etsy-releases-2014-transparency-report/>)

- *Can a supplier personalise its offer of products/services on the platform you represent? Yes*
- *How?*

Etsy sellers open a shop online and can customise that landing page with their own branding, identity and style. As handmade goods are the foundation of our marketplace, most products sold on our site are personalised and unique. Etsy does not make any products, hold any inventory, or ship any goods to consumers. We provide further information, tips and tools for sellers on customisation and how to differentiate their products through our [Seller Handbook](#) available at <https://www.etsy.com/seller-handbook/>.

- *Is there room for improvement in the relation between platforms and suppliers using the services of platforms?*



Yes, through market dynamics.

- *Are you aware of any dispute resolution mechanisms operated by online platforms, or independent third parties on the B2B level operating between businesses and their suppliers? Yes*
- *Please share your experiences on the key elements of a well functioning dispute resolution mechanism on platforms*

Etsy has programs and guidelines in place to help buyers and sellers protect themselves, and our Trust and Safety team is standing by to assist when needed. You can read more about both our [Buyer and Seller protection](https://www.etsy.com/trust) at <https://www.etsy.com/trust>. Our Case System is one way that Trust and Safety supports buyers and sellers. If a buyer does not receive an item or believes the item they received is not as described based on the listing, the buyer can open a case. The Case System is a platform designed for buyers and sellers to work together to resolve disputes. If they do not reach a resolution, the case can be escalated for Etsy to review. In 2014, 0.25% of orders resulted in a case. 0.73% of buyers who made a purchase in 2014 filed a case. 6.5% of sellers who made at least one sale in 2014 received a case. This system is effective because it is customized to the specific circumstances of Etsy transactions, policies and systems, and is administered by people who have deep experience and expertise in these types of disputes and the best processes to resolve them, resources and skills that would not be available to a third party working in isolation of our platform and systems.

Etsy is just one example of a platform that has developed its own on-platform resolution mechanism where the platform acts as the third party to resolve conflicts between users efficiently and effectively. Any regulation that obliges sellers to include information or links to dispute resolution platforms should allow users to link to platform-based dispute resolution systems.

CONSTRAINTS ON THE ABILITY OF CONSUMERS AND TRADERS TO MOVE FROM ONE PLATFORM TO THE OTHER

- *Do you see the need to strengthen the technical capability of online platforms and address possible other constraints on switching freely and easily from one platform to another and to move user data (e.g. emails, messages, search and order history or customer reviews)? No*
- *Should there be a mandatory requirement allowing non-personal data to be easily extracted and moved between comparable online services? No*
- *Please share your general comments and ideas regarding the ability of consumers and traders to move from one platform to another*

A seller or buyer on the Etsy platform may choose to close their shop at any time. We believe that market forces will determine the need and functionality for consumers and traders to move across platforms, beyond what currently exists. Requiring all platforms to manage their data in the same way in order to ensure data portability would be technically challenging and in some instances thwart innovation for more dynamic platforms. The challenge with a one size fits all solution is that it does not take into consideration the differing ways in which platforms build and store data.



Etsy is largely built on open source technology, and this openness is a key facet of our values. Our open source philosophy not only allows us to iterate more efficiently, but also allows us to give back to the open source community. Additionally, Etsy's open API allows third parties to develop new tools and resources for Etsy sellers that leverage data from the Etsy platform. These open data protocols enable collaborative innovation. Rather than establishing new top-down regulations that could have the unintended consequence of stifling innovation, the EU Commission should support and promote open source technology as a means to accomplish the goals of data portability.

ACCESS TO DATA

- *Please share your general comments or ideas regarding access to data on online platforms*

Our members trust us with important private information in order to shop and do business in the Etsy marketplace. At times, Etsy receives legal requests to disclose private member information. Our Legal Team thoughtfully reviews each and every request we receive, weighing our privacy commitment with our responsibility to follow the law and to protect the integrity of our marketplace. We take these responsibilities seriously: we push back when a request is overly broad. We ask for clarification when a request is unclear. We comply when required by law or when the request is in keeping with our [Privacy Policy](https://www.etsy.com/legal/privacy/). (<https://www.etsy.com/legal/privacy/>)

TACKLING ILLEGAL CONTENT ONLINE FOR AND THE LIABILITY OF ONLINE INTERMEDIARIES

- *Please indicate your role in the context of this set of questions : Intermediary*
- *Have you encountered situations suggesting that the liability regime introduced in Section IV of the E-commerce Directive (art 12-15) has proven not fit for purpose or has negatively affected market level playing field? Yes*
- *If yes, please describe the situation?*

The principle of intermediary liability introduced by the E-commerce Directive (ECD) is the basis of our business operations in Europe, underpinning our ability to run a two-sided marketplace that enables European micro-entrepreneurs to start and grow creative micro-businesses on their own terms, while helping buyers find unique products and handmade goods, often from local European merchants.

In this, the ECD provides a sound framework for businesses to operate in Europe and plays an essential role in supporting the growth of European e-commerce.

However, the lack of harmonisation of these rules across different Member States in Europe gives rise to significant legal uncertainty for online platforms. Inconsistencies in the interpretation of the Directive and varying implementations across Members States can be burdensome on smaller platforms and hamper product and service development in given markets.



Additionally, the ECD i) does not provide adequate definition for the term “actual knowledge” ii) does not recognise the right for content creators to serve a counter notice and iii) does not adequately specify what information notices should include. For example, requiring rights holders to include the location of the content and the nature of the illegality in a notice to an intermediary would allow for the more efficient management of the notice proceedings and a better resolution for the claimant.

Etsy supports steps taken by policymakers to implement consistency and harmonisation of the application of the ECD across Member States.

- *Do you think that the concept of a “mere technical, automatic and passive nature” of information transmission by information society service providers provided under recital 42 of the ECD is sufficiently clear to be interpreted and applied in a homogeneous way, having in mind the growing involvement in content distribution by some online intermediaries, e.g.: video sharing websites? Yes*

- *Please explain your answer*

The concept of a “mere technical, automatic and passive nature” of information transmission under the ECD has provided the requisite flexibility to support the growth of online platforms in Europe and underpins our own expansion into new markets. If intermediaries of any type were forced to proactively monitor the content uploaded to their site, they would not be able to scale effectively or achieve the network effects that make online platforms valuable to their users. Enabling users to easily to upload material online is one of the core tenants of the Internet, fostering permission-less innovation by enabling new ideas, products, and services to start and grow.

Unfortunately, judgements such as “L’Oreal v eBay” (C-324/09) have created uncertainty around the liability regime, in particular when it comes to the promotion and curation of content. We urge policymakers to reinforce strong and consistent intermediary liability protections and harmonise of the application of such protections across Member States.

- *Mere conduit/caching/hosting describe the activities that are undertaken by a service provider. However, new business models and services have appeared since the adopting of the E-commerce Directive. For instance, some cloud service providers might also be covered under hosting services e.g. pure data storage. Other cloud-based services, as processing, might fall under a different category or not fit correctly into any of the existing ones. The same can apply to linking services and search engines, where there has been some diverging case-law at national level. Do you think that further categories of intermediary services should be established, besides mere conduit/caching/hosting and/or should the existing categories be clarified? No*

- *Do you consider that different categories of illegal content require different policy approaches as regards notice-and-action procedures, and in particular different requirements as regards the content of the notice? No*

- *Should the content providers be given the opportunity to give their views to the hosting service*



provider on the alleged illegality of the content? Yes

• Please explain your answer

In some instances, claimants use notice systems for abusive reasons and in bad faith, for example, to thwart a competitor. Under the current regime, an Etsy seller has no recourse or right to respond when their content has been removed from our platform. The existing system weighs heavily in favour of the IP claimant, even when this claimant has no grounds to make a complaint. The only option for an abusive complaint is for the seller to hire expensive counsel to dispute a claim and hope that the person making a complaint will withdraw it. The current system does not provide an opportunity for smaller sellers to respond to a takedown request directly to the marketplace. In the US, the DMCA, for example, requires claimants to swear under penalty of perjury that the information set out in the take down notice is correct. Additionally, the DMCA allows for counter notices. This limits the number of abusive or false claims in the US and should be considered as a best practice example in the EU.

• Should action taken by hosting service providers remain effective over time (“take down and stay down” principle)? No

• Please explain your answer

Firstly, copyrights can expire but “take down stay down” is for an indefinite or infinite term. It would be challenging to keep track of all copyright agreements in order to reinstate previously removed content over a given timeframe. Secondly, it would be burdensome to ascertain who has gained new rights to previously unlicensed content over time, who has withdrawn a complaint, and, if allowable, who has submitted a counter notice. Third, it could lead to the suppression of legally appropriate work, if, for example, it is used by someone who does not have a legitimate right to the intellectual property or who is not educated in intellectual property law. Additionally, it takes away incentives for the two parties to work out the dispute together. For intermediaries, a “take down and stay down” requirement would be practically impossible to enforce for newly uploaded content and would undermine the rights enshrined in Article 15 of the ECD in placing undue burdens on intermediaries to proactively police and make legal determinations on content

ON DUTIES OF CARE FOR ONLINE INTERMEDIARIES

• Have you put in place voluntary or proactive measures to remove certain categories of illegal content from your system? Yes

• Please describe them

Our platform is dependent upon the trust of our buyers and sellers for success. It is in our interest that our members have a safe, secure and positive experience using Etsy. We have a number of policies in place to ensure that our members do not buy, sell or interact with illegal content, either willingly or unwillingly.

Etsy’s Legal Support team removes items and sellers from the marketplace based on accusations of intellectual



property (IP) infringement. Etsy's Trust and Safety team reviews and removes items and member accounts (including sellers) that should not be in our marketplace for other reasons. For example, the team will remove items that do not meet our criteria for being handmade, and items that are specifically prohibited such as alcohol, certain animal products, and mature content that is not labeled appropriately.

Our Trust and Safety team uses a combination of community-generated flags and reports, human review, machine learning, and automated systems to detect items and accounts that may be in violation of our site policies. The automated systems we use aim to quickly adjust to the changing dynamics of the marketplace and were built on the experience we have developed through years of human review and conversations with our community.

For more information, please refer to our [2014 Transparency Report](#).

- *Could you estimate the financial costs to your undertaking of putting in place and running this system?*

While we cannot share a specific figure for a variety of reasons (some of the costs of building out tools have been subsumed in our historic business costs, etc.) we have a number of teams working to implement our policies. These include, but are not limited to:

- Etsy's Legal Support Team
- Etsy's Trust and Safety Team
- Etsy's Marketplace Integrity Team
- Etsy's Engineering Team
- Etsy's Security Team
- Etsy's Payments Team

- *Do you see a need to impose specific duties of care for certain categories of illegal content?* No

- *Do you see a need for more transparency on the intermediaries' content restriction policies and practices (including the number of notices received as well as their main content and the results of the actions taken following the notices)?* No

- *Please share your general comments or ideas regarding the liability of online intermediaries and the topics addressed in this section of the questionnaire.*

Platforms like Etsy make it easier for Europeans to start micro-businesses and access the global market. Online marketplaces must create a safe and trusted environment for transactions to occur, but should not incur the same legal responsibilities and liabilities as those who use their platforms. Protecting intermediaries from such liability allows startups to build new global platforms without creating compliance infrastructure in every country, and enables these platforms to provide opportunities to micro businesses around the world.

It is this key principle of intermediary immunity (also called "safe harbor") from liability, enshrined in part in the E-commerce Directive, that has allowed Etsy to grow and evolve over the last ten years, enabling thousands of European sellers to generate an income and pursue their passion. These innovative micro-businesses contribute



to the entrepreneurial backbone of Europe. Many have both brick and mortar and online shops alongside multiple distribution channels. Others are generating additional revenue while raising their children, or looking after elderly relatives. For between 30-50% of sellers, Etsy was the first place they ever sold a product.

As a service provider and marketplace, Etsy does not and cannot make judgments about whether every Etsy seller has the necessary intellectual property rights for every item listed and all content displayed in the marketplace. When an Etsy seller lists an item for sale, our policies require that they have the necessary intellectual property rights. We do not curate all the items listed on our platform or the content posted, nor do we independently check the intellectual property rights of any listing or post. Each IP owner can decide when and how to enforce its intellectual property rights.

In the competitive online environment, it is in our interest to ensure that our platform is a safe and secure environment for our sellers and buyers. With new items added to our listings every day, it would simply be impossible to pre-screen each item for approval and a barrier to entry for startups and SMEs. Note that Etsy charges a seller only twenty cents USD to list an item for sale. The economic burden of investigating every listed item in exchange for \$0.20 would be devastating; nobody would undertake such a business. Any reform of the E-commerce Directive should look to providing greater assurances for all startups and platforms that responsibility for illegal content lies with the content creator. Additionally, any obligation on platforms to publish data on their content restriction policies and practices should take into account the size and scope of the platform in order not to burden SMEs and smaller platforms for which such a task could be unduly onerous.

Please see our guidelines for more information about how we process takedown notices and counter notices. More detailed information on this can be found in our [Transparency Report](https://blog.etsy.com/news/2015/etsy-releases-2014-transparency-report/). (<https://blog.etsy.com/news/2015/etsy-releases-2014-transparency-report/>)

ON DATA LOCATION RESTRICTIONS

- *In the context of the free flow of data in the Union, do you in practice take measures to make a clear distinction between personal and non-personal data?* Yes
- *Have restrictions on the location of data affected your strategy in doing business (e.g. limiting your choice regarding the use of certain digital technologies and services)?* No
- *Do you think that there are particular reasons in relation to which data location restrictions are or should be justifiable?* No

ON DATA ACCESS AND TRANSFER

- *Do you think that the existing contract law framework and current contractual practices are fit for purpose to facilitate a free flow of data including sufficient and fair access to and use of data in the EU, while safeguarding fundamental interests of parties involved?* Yes



• Please explain your position

We believe that the existing contract law framework and current contractual practices are fit for purpose to facilitate a free flow of data including sufficient and fair access to and use of data in the EU, while safeguarding fundamental interests of parties involved.

• In order to ensure the free flow of data within the European Union, in your opinion, regulating access to, transfer and the use of non-personal data at European level is: not necessary

• When non-personal data is generated by a device in an automated manner, do you think that it should be subject to specific measures (binding or non-binding) at EU level? No

• Please share your general comments or ideas regarding data, cloud computing and the topics addressed in this section of the questionnaire

Our platform depends on facilitating a positive seller and buyer experience, which could be undermined by requirements to locate data in a specific jurisdiction. Our buyers expect a secure, robust and efficient experience online, whether browsing for items or engaging in a discussion with a seller. Should our website be down, or subject to latencies or delays, consumer trust would be eroded and our brand and reputation would be damaged. Furthermore, sellers may miss out on potential sales. Enforcing rules on companies such as ours to localise data geographically opens us up to vulnerabilities if that jurisdiction is subject to data outages or natural disasters.

As more companies of all types embrace cloud computing and move to cloud storage solutions, the cost and administrative burden of storing that data becomes key to fostering a startup environment and a culture of innovation. Forcing companies to store their data locally may incur prohibitive costs for companies at early stage investment and act as a barrier to entry for doing business in the EU.

Finally, we are committed to reducing the carbon footprint of our company, and data storage constitutes a large portion of our annual energy consumption. Requiring Etsy to store user data in specific geographical locations would undermine our efforts to optimize the energy efficiency of our data centers worldwide.