

2019

# Transparency Report

Etsy

# Welcome to Etsy

Etsy is the global marketplace for unique and creative goods. Since 2005, Etsy has connected sellers with buyers around the globe, all in the spirit of our mission: keep commerce human. Each year, we release our Transparency Report to provide visibility into our content policy enforcement, intellectual property takedowns, member disputes, and requests for information or enforcement. Our sixth Transparency Report reinforces our commitment to being a mindful and transparent organization.

As of December 31, 2019, the Etsy marketplace was made up of 45.7 million active buyers. Our 2.5 million active sellers had approximately 65 million items for sale.<sup>1</sup> All members of our community must follow our policies, which we call [Our House Rules](#). We strive to write our policies as clearly as possible to help members around the world understand their rights and responsibilities when using our marketplace.

## Policy Enforcement

As a marketplace that doesn't hold inventory or ship products, we enforce our policies based on reports from our community, third parties, and our internal Trust and Safety systems.

All Etsy sellers commit to following our [Seller Policy](#), which outlines our marketplace criteria and customer service expectations. Our Trust and Safety team is dedicated to educating the Etsy community about our policies, screening potential content violations, and removing items and member accounts when they violate our policies.

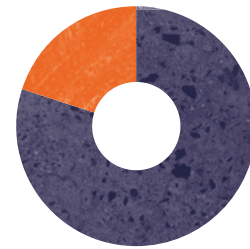
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active buyers

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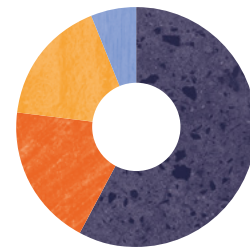
### Content policy enforcement

Shop and listings flags, by source



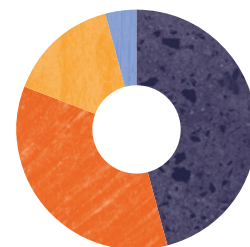
2019	
■ Etsy	80%
■ Community	20%

Accounts actioned for policy violations, by region



2019	
■ North America	58%
■ Europe	19%
■ Asia	17%
■ Rest of world	6%

Accounts actioned for policy violations, by policy type



2019	
■ Handmade	46%
■ Prohibited	35%
■ Terms of Use	15%
■ Buyer/Seller	4%

Policy violations include infractions like listing new commercial items in our handmade category, trying to sell items outlined in our [Prohibited Items Policy](#), or providing a poor customer experience by not shipping orders. Our team employs a combination of automated systems, proactive review by specially trained employees, and flags from our members to alert us of potential policy violations. We strive to consistently enforce our policies to hold all members accountable to the same standards, to build trust in our community, and to maintain the integrity of our platform.

**Insights from 2019**

In 2019, Etsy received a total of 880,015 flags regarding potentially non-compliant listings, a 58% increase in flags from 2018. Our team manually reviewed 60% of flags, including machine-processed flags, to ensure their accuracy. Improved automated systems generated more alerts than ever before, causing the increase in flags, and greater capability to automatically resolve flags led to a decrease in manual review. 77% of flags were reviewed within two working days.

Our team takes a variety of enforcement actions, depending on the nature of the policy violation. We may remove an item from the marketplace, provide a seller with educational content, suspend an account, or permanently refuse service to a member. The most common policy violations were breaches of our [Handmade Policy](#), and our specialized Marketplace Integrity team removes resellers from our platform regularly. In total, Etsy’s policy enforcement teams permanently closed<sup>2</sup> 36,420 accounts for listing not handmade or otherwise prohibited content in 2019.

**Intellectual Property Takedowns**

Etsy requires that sellers represent that they have all necessary intellectual property rights for the content they upload to their Etsy shop. Our [Intellectual Property Policy](#) is based on industry best practices, worldwide intellectual property laws and decisions, and region-specific laws such as the Digital Millennium Copyright Act. The policy reflects a commitment to the expeditious removal of allegedly infringing material with responsible communication of such to our members and third parties. Our Legal Response and Enforcement team reviews allegations and notices of infringement under our policies.

**Insights from 2019**

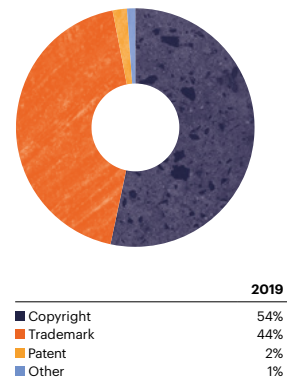
Etsy executed 33,920 properly submitted takedown notices, removing or disabling access to 470,533 listings from 96,876 sellers. We closed 13,906 shops for repeat infringement - more than double the amount of the previous year.

Complaining parties formally [withdrew](#) their notice(s) for 5% of listings with a takedown notice. Overall, we saw a 16% increase in intellectual-property related takedowns compared to 2018, which we attribute to expanded use of our reporting tools by new and existing reporters.

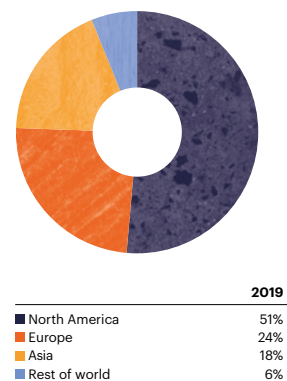
We rejected 15.7% of notices in 2019, a roughly 4% increase from 2018. A notice may be rejected for reasons like Etsy being unable to verify that the person submitting the notice is authorized to act on behalf of the intellectual property owner, if the description of the intellectual property is insufficient, or if the notice fails to comply with Etsy’s policies. Members submitted DMCA [counter notices](#) opposing copyright claims for 4.7% of listings with a takedown notice.

**Intellectual property takedowns**

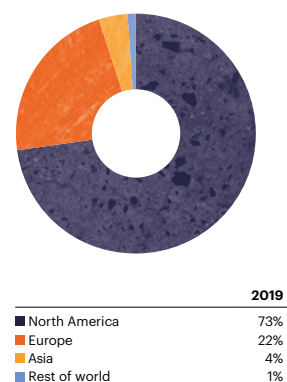
Intellectual property takedowns, by type



Intellectual property takedowns, by account region



Intellectual property takedown requests, by reporter’s region



1 This report, including active buyers, active sellers, and listings, is for the Etsy.com marketplace only, and does not include Reverb, our wholly owned subsidiary. We plan to include figures for Reverb in the future.

2 In previous Transparency Reports, we reported on temporarily suspended accounts. We believe that permanent suspensions are more reflective of our enforcement efforts.

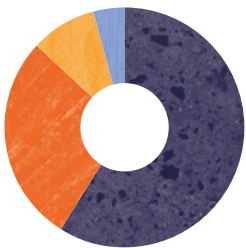
## Resolving Member Disputes

We expect our sellers to provide great customer service. If an order is not delivered or is not as described in the product listing, we ask that the seller and buyer work together to reach an amicable resolution. While Etsy is not directly involved in a transaction between buyers and sellers, we provide a [Case System](#) for members to work together to resolve disputes with the assistance of Etsy's Dispute Resolution team.

### Insights from 2019

About 0.3% of orders placed in 2019 resulted in a case. 1% of buyers with a purchase in 2019 filed a case, and 11% of sellers who made at least one sale in 2019 received a case. Though the buyer and seller figures represent a slight increase in cases, the overall case rate is consistent with the past 3 years.

Cases, by region



2019	
North America	59%
Europe	28%
Asia	9%
Rest of world	4%

## Etsy's Privacy Principles

Etsy's [Privacy Policy](#) details how we handle member information and reflects our commitment to member privacy and transparency. Beyond these policies, Etsy seeks to adopt and maintain appropriate privacy and data security practices, which are reflected in our Privacy Principles.

### 1. Ethical Custodians

We only collect and use data that we reasonably need in order to provide you with our services, for marketing, if legally required, and to provide our community with improved experiences and products.

### 2. It's Your Data

We believe you should have control over your data. We provide you with tools to easily access, download, and edit the data we've collected and allow you the choice, subject to applicable rules, to close your account and even delete your data.

### 3. Choice

We empower you with the choice to decide how to control your data. You can choose whether or not to participate in personalized advertising with third party partners. You can also choose which, if any, marketing communications to receive.

### 4. Safety & Security

Etsy takes your safety and security seriously. We use industry standard technologies, such as TLC encryption, and work hard every day to protect your data. We also ask our partners and vendors to use appropriate security controls and privacy practices.

### 5. Transparency

We will tell you what data we collect, how we use data, and how we share it (including via cookies or SDKs). We will update our privacy policy from time to time, as we build new products and as privacy laws around the world evolve.

### 6. A Continuing Commitment

At Etsy, we understand that privacy is an evolving topic, and we're committed to these principles as we build and grow.

## Requests for Member Information or Action

Under limited circumstances, like preventing fraud and abuse, court orders, subpoenas or to enable us to comply with law or a legal obligation, we may be compelled to provide member information or take certain actions on member accounts. We describe our process for requesting member information in our [Requests for Information Policy](#).

When appropriate, we notify members about legal process requests for information or action from third parties.

### Insights from 2019

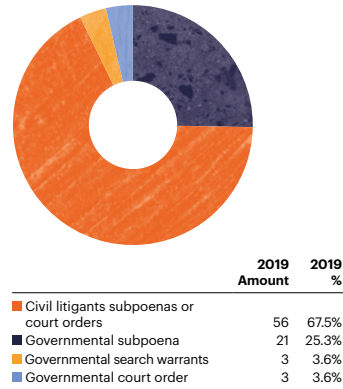
Etsy produced records in response to 198 of the 226 formal legal process requests we received. We disclosed 99 of these requests for information to the affected members. We saw an increase of 96% in valid legal notices from 2018 to 2019. We also handled 17,668 requests from members to permanently close and delete their accounts, a large jump from 8,370 requests in 2018. This increase is likely related to Etsy's extension of user privacy controls to all of its users under our Privacy Principles, along with the General Data Protection Regulation (GDPR) going into effect across the European Union in 2018.

Aside from requests for member information, we also received legal process requests that were administrative. These include requests to freeze or divert funds from a member's payment account to comply with a legal obligation, such as those relating to liens, levies, or garnishments.

Etsy disclosed member account, transaction, or listing information in other limited circumstances as permitted under our Privacy Policy. This allows the release of information when we believe in good faith that disclosure is necessary to comply with the law, prevent imminent physical harm or financial loss, or investigate, prevent, or take action regarding illegal activities, suspected fraud, threats to our property, or violations of Etsy's [Terms of Use](#). In particular, we responded to requests from law enforcement about specific transactions and accounts related to potentially fraudulent activity and reported activity related to imminent risk of harm to members or others. Additionally, we cooperated with requests from government agencies such as the United States Department of Agriculture (USDA).

We did not receive national security letters, Foreign Intelligence Service Act (FISA) orders, or other classified requests for information in 2019.

Requests for member information or action, by type



### A MESSAGE FROM OUR LAWYERS

We are planning to provide transparency reports in the future. As legal frameworks change worldwide, the information we share and the way it's determined may change over time. We think it's important to share this data with the public, but we don't have any obligation to do so or to otherwise update the statements in this report, even if new information becomes available in the future.

**Contact**

[press@etsy.com](mailto:press@etsy.com)

[legal@etsy.com](mailto:legal@etsy.com)

117 Adams Street  
Brooklyn, NY 11201