



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 20 March 2012

7923/12

**Interinstitutional File:
2003/0162 (COD)**

**CONSUM 35
MI 190**

COVER NOTE

from: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 12 March 2012

to: Mr Pierre de BOISSIEU, Secretary-General of the Council of the European
Union

No Cion doc.: COM(2012) 100 final

Subject: REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT
AND THE COUNCIL on the application of Regulation (EC) 2006/2004 of the
European Parliament and of the Council of 27 October 2004 on cooperation
between national authorities responsible for the enforcement of consumer
protection laws (the Regulation on consumer protection cooperation)

Delegations will find attached Commission document COM(2012) 100 final.

Encl.: COM(2012) 100 final



EUROPEAN COMMISSION

Brussels, 12.3.2012
COM(2012) 100 final

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

**on the application of Regulation (EC) 2006/2004 of the European Parliament and of the
Council of 27 October 2004 on cooperation between national authorities responsible for
the enforcement of consumer protection laws (the Regulation on consumer protection
cooperation)**

TABLE OF CONTENTS

1.	Introduction	3
2.	The CPC Network: recent developments in the legal and institutional framework.....	4
2.1.	The legal framework	4
2.2.	Recent developments in the institutional framework.....	4
2.3.	The CPC-System.....	5
2.4.	Resources allocated to the CPC Network	6
2.5.	The CPC Committee	6
3.	The CPC Network: many improvements but still a long way ahead	7
3.1.	Statistical trends during the reference period	7
3.2.	General assessment	8
3.3.	The CPC-Network: further efforts needed	9
4.	Other areas of cooperation: Common activities and the exchange of officials.....	11
4.1.	Common activities and the exchange of officials	11
4.2.	International cooperation.....	11
5.	Conclusions and the way forward	11
5.1.	Conclusions	11
5.2.	The way forward	13
	ANNEX.....	15

REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

on the application of Regulation (EC) 2006/2004 of the European Parliament and of the Council of 27 October 2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws (the Regulation on consumer protection cooperation)

1. INTRODUCTION

The internal market has become part of consumers' everyday life whenever they buy goods and services. In order to fully unlock the potential benefits and new opportunities it offers in terms of choice, quality and price, European consumers must feel confident that their rights are protected wherever they chose to buy. This is particularly true for the on-line dimension of the internal market.

The Regulation on consumer protection cooperation¹ ('the Regulation') was adopted in 2004 with that purpose. It lays down a framework enabling enforcers in the Member States to work closely together in order to swiftly and effectively stop commercial practices breaching consumer laws whenever consumers and traders are established in different countries. To businesses, the Regulation guarantees a level playing field and offers the assurance that rogue traders will be driven from the market.

The present report is required by Article 21 of the Regulation which provides for an assessment of its application on a biennial basis. The present report covers the years 2009 and 2010. It is the second biennial report established by the Commission².

The report combines both the Commission's appraisal of developments and the feedback received from Member States in the form of national reports submitted to the Commission during the first quarter of 2011. It focuses on the operations of the CPC Network set up by the Regulation and examines in particular, whether the shortcomings identified in the Commission biennial report of 2009 were successfully addressed.

The report is also to be read in the context of an ongoing reflection on the Regulation's success in meeting its objective of enhancing the protection of consumers' economic interests³.

¹ Regulation (EC) No 2006/2004 of the European Parliament and of the Council of 27 October 2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws (the Regulation on consumer protection cooperation); OJ L 364, 9.12.2004, p. 1.

² COM(2009) 336 final of 2.7.2009.

³ Article 1 of the Regulation.

2. THE CPC NETWORK: RECENT DEVELOPMENTS IN THE LEGAL AND INSTITUTIONAL FRAMEWORK

2.1. The legal framework

The Regulation's cooperation mechanisms only apply to the enforcement of the legal acts listed in its annex.

Since the Regulation was adopted in 2004, several legislative proposals have resulted in changes to the annex, mainly to expand the list of legal acts (e.g. inclusion in November 2009 of Article 13 of the Directive on privacy and electronic communications⁴). Further changes were introduced by the change in scope of Directive on misleading and comparative advertising⁵ and the repeal of the Directive 87/102/EEC on consumer credits.

To eliminate any potential ambiguity on the scope of the Regulation, the Commission tabled in 2010 a legislative proposal⁶ that was adopted on 14 September 2011 and that modified the Regulation's annex in order to reflect all the changes occurred since 2004. It will in particular bring legal clarity regarding the inclusion of the new Directive 2008/48/EC⁷ on credit agreements for consumers⁸.

2.2. Recent developments in the institutional framework

The CPC Network comprises of national enforcement authorities that are notified by Member States to the Commission. The list of these authorities is published every year in the Official Journal⁹.

Since 2009, the Network has in general terms entered a more stable phase in terms of its institutional framework, whereas the first two years of operations had been marked by the efforts undertaken by Member States to fully set up the CPC Network.

Some of the changes in the Regulation's annex described above have had an impact on the Network: (1) the authorities responsible for the enforcement of the Directive 2008/48/EC on credit agreements for consumers were temporarily excluded until the amendment to the Regulation is adopted and (2) new authorities responsible for the enforcement of Article 13 of the Directive on privacy and electronic communications are being connected as notified to the Commission.

Other adjustments to the Network notified to the Commission following for instance shifts in ministerial portfolios at national level could all be implemented without adversely affecting the Network, with the exception of one Member State that reports significant difficulties and delays at national level for one authority.

The absence of any connection to the common IT-tool used by the Network has now become marginal and is generally situated in areas where cooperation remains

⁴ OJ L 201, 31.7.2002, p. 37.

⁵ OJ L 376, 27.12.2006, p. 21.

⁶ OJ L259, 4.10.2011, p1

⁷ OJ L133, 22.5.2008, p. 66.

⁸ The CPC Regulation's annex may be changed further in future years due to the adoption of new legislative texts in the area of consumer protection

⁹ Last publication: Full list - OJ C 206, 2.9.2011 and Addendum – OJ 356, 6.12.2011.

occasional (e.g. enforcement of Articles 86–100 of Directive 2001/83/EC). The Commission continues to closely monitor these situations.

2.3. The CPC-System

One central element of the CPC Network is the CPC-System, the common IT-tool used by the authorities for the exchange of information.

During the reference period, the Commission has pursued its efforts to improve the tool and enhance its user-friendliness with the assistance of the group of key users established in 2006.

The extensive preparatory work that precedes the development of new IT-features was finalised for Article 9 of the Regulation. The implementation of this article in the IT-tool had been delayed in agreement with Member States in order to gain sufficient practical experience in the framework of the sweeps, the first concerted market surveillance and enforcement activities carried out by the CPC Network. The implementation in 2012 of these new functionalities will facilitate the coordination of enforcement activities involving several authorities.

Other improvements in the pipeline suggested by users include the enhancement of the search functionality and the development of the CPC-System into a multilingual tool. Users also noted it was relatively slow in responding. This matter has been investigated by the Commission's IT-services and is being addressed.

Data protection considerations have also marked the reference period. The main priority of the Commission has been to implement most of the recommendations made in September 2007 by the Article 29 Working Party, which comprises the national data protection authorities. The relevant Commission decision¹⁰ and Recommendation¹¹ were drafted and discussed with Member States in 2010 and formally adopted on 1 March 2011. Additional data protection safeguards in the CPC-System, for instance in the form of warnings to users in pop-up messages at key stages of the workflow, had previously been implemented in 2009.

The Commission also worked closely with the European Data Protection Supervisor (EDPS) during this period to finalise the prior checking procedure. In his opinion¹² the EDPS confirms that Regulation provides a solid legal basis for the exchange of information and welcomes the efforts undertaken by the Commission to integrate data protection in the design of the IT-tool as well as in the common handling procedures established for the Network. But the EDPS recommends considering further improvements.

The most urgent issue that needs to be addressed is to find a workable mechanism for the handling of incoming requests from data subjects concerning access rights and replies to such requests. The establishment of such a coordination mechanism is proving particularly complex. The main challenge will be to strike a fair balance between the right to privacy and protection of personal data and the need to exchange

¹⁰ OJ L 59, 4.3.2011, p. 63.

¹¹ OJ L 57, 2.3.2011, p. 44.

¹² Opinion of the EDPS on Commission Decision 2011/141/EU and on Commission Recommendation 2011/136/EU on guidelines for the implementation of data protection rules in the CPCS dated 5 May 2011.

information in the framework of enforcement and investigative cooperation under the Regulation in order to stop breaches to EU consumer legislation. The fact that national consumer and data protection legislation varies significantly between Member States complicates the matter further.

The implementation of the other steps recommended by the EDPS, such as the development of new IT-features, will be assessed in a second phase once the principles of a common coordination mechanisms is agreed between Network authorities and the Commission.

2.4. Resources allocated to the CPC Network

As in 2009, the national biennial reports provide limited data on the resources allocated by national authorities to the application of the Regulation. In most cases Member States report that the CPC activities are embedded in the general activities and budget of the authorities; collecting CPC specific data thus seems to be impracticable.

Several reports highlight, whilst not providing concrete figures on resources, that authorities would be interested in stepping up their involvement in CPC activities but are often constrained in their decisions by the resources available to them. This concerns in particular, but not only, the common activities of the Network as well the exchanges of officials, which are both projects co-funded by the EU budget.

On the grounds of the data presently available to the Commission, it is not possible to robustly assess whether Member States are fully complying with their obligation under Article 4 (7) of the Regulation which calls for authorities to be adequately resourced.

The national reports however give some evidence that the efficiency (and thus also the effectiveness) of the Network may be suffering from resource constraints in authorities. In some cases, this concerns the Single Liaison Offices which, as coordinators at national level, have a critical role to play in the application of the Regulation, especially in countries where the enforcement tasks under the Regulation are shared by several authorities. The issue will be analysed in more detail in the framework of the ongoing overall evaluation of the CPC Network.

2.5. The CPC Committee

The Regulation establishes a Committee of Member States' representatives, the CPC Committee, to assist the Commission in its implementing tasks.

During the reference period the Committee met between 3 and 4 times per year. On 6 December 2010 it issued a favourable opinion on a draft amendment to the Commission decision¹³ implementing the Regulation, which was adopted by the Commission on 1 March 2011. The amendment established new rules for the implementation of Article 9 of the Regulation and closed gaps by clarifying the grounds for the deletion of information in the CPC System.

The Committee plays a central role for the CPC Network. It provides in particular, a platform for discussion of trends in consumer protection; contributes to developing a

¹³ Commission Decision 2007/76/EC; OJ L 32, 6.2.2007, p.192.

common approach in enforcement within the CPC Network through the endorsement of common standards and guidelines (e.g. the Manual for internet investigations, the CPC operating guidelines) and gives operational orientations to the CPC Network in the form of annual Enforcement Action Plans. The Enforcement Action Plans focuses on the common activities carried out by the Network, such as its annual internet checks, the "sweeps".

The CPC Network's success depends to a great extent on the Committee giving impetus and support needed to meet the Network's objectives.

The Commission is further exploring whether the Consumer Policy Network (CPN), which brings together the Directors General of national consumer ministries, could also have a role to play.

3. THE CPC NETWORK: MANY IMPROVEMENTS BUT STILL A LONG WAY AHEAD

3.1. Statistical trends during the reference period

Overall the Network has handled an amount of cases that is comparable to the previous reference period, i.e. roughly 540 requests for either information or to take enforcement measures in order to stop a detected infringement¹⁴. The number of alerts however significantly decreased, i.e. the number of unilateral messages that are sent by one authority to other concerned authorities to warn about an infringement to consumer laws that was detected or which it has reasonable grounds to suspect.

In terms of the directives infringed, breaches to the provisions on misleading and/or other deceptive advertising practices, covered by Directive 2005/29/EC on unfair commercial practices¹⁵ are the most common type of breaches handled by the Network, followed by breaches to the provisions of the e-commerce Directive¹⁶.

Since the beginning, most of cases handled by the Network relate to practices that use on-line means of advertising: in 2010 45% of the information requests referred to messages targeting consumers by e-mail, text messages or the internet. The equivalent figure for enforcement requests increases to 77%. This is partially due to the annual "sweeps" carried out by the CPC-Network. In these "sweeps" authorities simultaneously check on-line sites of a chosen sector for compliance with legal requirements. The follow-up of the cross-border breaches detected in the framework of these concerted exercises naturally leads to increased exchanges between authorities. Moreover new technologies (e.g. the internet) offer opportunities for easily reaching a potentially important number of consumers and are, in this sense, more likely to produce a typical "CPC infringement" to collective interests.

Since the second half of 2009, there is a relative decline of the case-handling activities of the Network in terms of the number of new cases created by the authorities. (Please refer to the annex of this report for 2009 - 2010 statistical data).

¹⁴ It is worth noting in this context, that the Network only deals with breaches to collective consumers' interests in cross-border situations and not with individual complaints (Article 1 and 3 of the CPC Regulation).

¹⁵ OJ L 149, 11.6.2005, p.22

¹⁶ OJ L 178, 17.7.2000, p. 1.

So far the trend has spared the enforcement requests which have remained fairly stable with 120 new cases recorded in the CPC-System end of 2010.

The precise causes for this trend have not yet been identified and it is likely that several factors play a role. Authorities have not reported a reduction of the number of cross-border breaches to consumer laws, but they have highlighted in their reports the need to better agree enforcement priorities. To note too in this context, that the most recent sweeps have detected fewer cross-border issues than the first. Another factor that should be born in mind is that authorities have become more familiar with the cooperation rules under the CPC Regulation. This has led to fewer but better prepared cases and a more rational use of the cooperation mechanisms under the Regulation. The improved handling of cases is also reflected in the decrease of the average handling time of requests for mutual assistance which for the enforcement requests for instance has dropped from 177 days in 2008 to 92 days in 2010. Finally, there are some technical aspects to consider: the database now allows the handling of cases with multiple infringements, whereas in the first year several parallel cases had to be created by the authorities, i.e. one per infringement.

3.2. General assessment

The reference period of the present report can be summarised as one of stabilisation and consolidation of the Network's activities, despite the constraints reported by authorities due to the difficult economic and financial environment in which they had to operate. This is the general conclusion that derives from the Member States' Biennial reports and the Commission's own experience in monitoring the Network.

A majority of authorities considers that the Network has overcome the "teething problems" that characterised the first two years of operations. The lower average duration (please refer to table 4 in the annex) of cases shows that competent officials in the authorities are becoming more comfortable handling mutual assistance requests referred to them through the Network.

The CPC Network has moreover developed a solid core of joint activities in addition to the bilateral enforcement cooperation. This joint work aims at giving a new EU-wide dimension to enforcement and ultimately at enhancing consumer protection in the internal market. In the past two years, this common enforcement work has become an integral part of the Network's activities. The internet inquiries the Network carries out every year, i.e. the "sweeps", are the central element of this work. They produce concrete results for consumers through the common enforcement phase during which the authorities follow up on detected breaches to ensure compliance. At the end of 2010, a group of authorities engaged in a new project (co-funded by the Commission) that explores options for further enhancing the Network's online enforcement capabilities through improved techniques and a more systematic sharing of knowledge and expertise.

The Network's recent evolution can partly be explained by the fact that authorities have learnt in the past two years to cooperate through the Network, i.e. become (more) familiar with the cooperation mechanisms introduced by the CPC Regulation and the IT-tool developed by the Commission for the information exchanges of the Network.

The trend however also shows, as highlighted in many of the national Biennial reports, that the measures undertaken to address the shortcomings identified in 2009 in the first Biennial Report have produced positive results.

Training needs have been met more effectively since a training plan is established every year with the authorities. A network of national trainers was established in 2009 to expand the training capacities of the Commission. The central Help Desk was also re-organised during the reference period to respond more quickly to users' queries.

The planning of common activities (and thus of resources) through the adoption of annual Enforcement Action Plans provides a sound, structured and transparent programming process. These plans contribute to identifying the areas of common interest and comprise all the common activities carried out by the Network in addition to the hard core (generally bilateral) enforcement cooperation.

The production of guidance documents has helped to develop more of a common understanding about how to cooperate within the CPC Network. These documents comprise in particular the "CPC operating guidelines" prepared by the Commission and which provide practical guidance on the application of the CPC cooperation mechanisms based on the common practice that emerged from the discussions with authorities in a workshop on the Network's operations in December 2009.

The workshops that have been regularly organised since 2009 offer an additional opportunity for authorities to exchange views, best practise and so work towards reaching a common understanding and/or approach to enforcement. The topics discussed in these workshops are agreed with the authorities in the framework of the annual Enforcement Action Plan discussions. They range from more legal discussions regarding the enforcement of, or part of, the consumer acquis listed in the Regulation's annex to more operational discussions about how to prepare a request for enforcement measures.

Whilst the CPC Network has undeniably consolidated its activities in the past two years, there is also clear evidence that the network has yet to reach its full potential. There are still a few Member States that have never issued a request for mutual assistance (or only an alert) and a non negligible number that has dealt with fewer than 5 requests all types comprised. As things stand, a maximum of 9 Member States can be considered to have been using the system actively since the beginning.

3.3. The CPC-Network: further efforts needed

During the first years of operations, authorities devoted their efforts primarily to ensuring that the access to the IT-tool was operational and becoming familiar with the new cooperation mechanisms. Attention now has to shift to taking full advantage of the opportunities offered by the Network if it is to deliver as expected.

More work is in particular needed in the areas described below.

The number of authorities that do not actively use the cooperation mechanisms established by the CPC Regulation remains significant. This applies in particular to the enforcement of the sectoral legislation listed in the CPC Regulation's annex but

not exclusively. As highlighted in the first Biennial Report, the existence of parallel networks in these areas¹⁷ may have had an impact on the CPC Network effectiveness but this still needs to be confirmed. Moreover many consumer authorities in Member States seldom use the CPC Network. Further analysis is thus required.

There is no uniform understanding about how to use the cooperation tools established by the Regulation despite the development of commonly agreed rules and guidance documents. Partial knowledge of the rules and a certain lack of discipline in applying them are factors in this context (e.g. few authorities provide regular feedback on the progress made in their investigative and enforcement activities as established) but there are also more fundamental divergences that stand in the way of a more efficient use of the CPC mechanisms. In particular for the alerts, where there no common approach among authorities about how and when to use them, as well as the requests for enforcement measures, for which authorities have (very) different standards of legal analysis and evidence.

There is no common approach to the Network's enforcement priorities. The annual Enforcement Action Plans identify areas of common interest but do not cover all the Network activities. The main challenge will be to continue working towards developing a common understanding of relevant consumer issues and, possibly, to agreeing common standards that ensure that the CPC Network is used in a comparable way by all the authorities without however negating the obligation to respond to a request for assistance.

The Network has not succeeded in developing a "corporate identity" and remains mostly a virtual network linked by a common IT-tool. Contacts between case-handlers if not related to the dealings of a given case remain the exception and could perhaps explain why the Network has never used the forum in the CPC-System. Language barriers are likely to play a role in this context but do not suffice to explain the absence of exchanges between authorities.

Some horizontal issues, many of them already identified in the 2009 Biennial report, also continue to affect the CPC Network:

- The differences in national consumer legislation in the EU contribute to lengthening the proceedings and add complexities to cooperation as authorities must first verify whether cooperation can be envisaged and to what extent.
- The issue of applicable law continues to split the Network; new questions have now arisen in the framework of the workshops dedicated to this topic in terms of the applicable law and the national procedural rules.
- Little is communicated about the Network's successful cases, even inside the Network and this might be generating the perception that the network may not be meeting expectations. At the same time authorities are reluctant to share this type of information: only a couple of national biennial reports include examples of successful cases although this was part of the agreed common structure.

¹⁷ This applies to the Regulation 261/2004 on Air Passenger Rights, articles 86 to 100 of Directive 2001/83/EC on medicinal products for human use and, according to remarks taken in the national biennial reports to the articles from the Audiovisual Media Services Directive.

- Different views have emerged regarding the role the Commission should have in the framework of enforcement cooperation.

4. OTHER AREAS OF COOPERATION: COMMON ACTIVITIES AND THE EXCHANGE OF OFFICIALS

4.1. Common activities and the exchange of officials

The Commission continued during the reference period to provide funding for both common activities and a scheme of officials' exchanges. The main purpose of these activities is to provide the CPC authorities with a framework for the exchange of best practice and common working that helps avoiding duplication of efforts and, more importantly, make it easier to know and learn from each other.

As in the 2009 reports, the feedback in the national biennial reports regarding these activities is positive: authorities make a modest but consistent use of the funds available to them every year.

Despite efforts undertaken to make the activities more attractive to authorities, the latter highlight in their reports difficulties comparable to those identified in 2009:

Resource constraints prevent many authorities' from participating in exchanges of officials or in joint projects

The complex rules governing the application procedure and subsequent management of the funds dissuade competent authorities from engaging in this type of activities. Language barriers are a further factor that explains the relatively low number of exchanges of officials

The scheme for officials lacks the flexibility required to swiftly respond to short-term needs that arise in the course of investigations

4.2. International cooperation

The Council granted the Commission the authorisation to open negotiations with the United States in order to negotiate a cooperation agreement on enforcement of consumer legislation in May 2009. During the period covered by the report a number of meetings were held with the Federal Trade Commission, the US counterpart, but progress remained difficult due to different approaches to data protection.

5. CONCLUSIONS AND THE WAY FORWARD

5.1. Conclusions

The CPC Network has entered a phase of consolidation and stabilisation of its activities. The main achievements during the period covered by the present report are as follows:

- The teething problems of the first few years (e.g. connection difficulties or other technical issues related to the use of the database) have been addressed.

- Authorities have learnt to use the cooperation tools established by the CPC Regulation more effectively as they have become more familiar with the IT-tool and new procedures.
- The sweeps, coordinated and monitored by the Commission, have become part of the Network's regular activities and have ensured some visibility to the network through the related press activities.
- The Network discusses and plans its concerted activities in annual enforcement activities plans.
- Training courses are organised more efficiently on the basis of annual training plans and through the network of national trainers.
- A common approach to working together in the Network is slowly emerging through discussions in workshops as well as the practical experience gained during the four years of operations.
- Operating guidelines, elaborated by the Commission on the basis of the conclusions of a workshop in December 2009, provide practical guidance to competent officials about how the network works and how to prepare requests for mutual assistance under the CPC Regulation.

The assessment of the past two years of operations however also shows that shortcomings persist and that the Network has yet to reach its full potential. Many authorities rarely or never use the CPC cooperation mechanisms and some of the most active players of the first years have reduced their engagement, which partially explains the relative slowing down of Network activities in terms of new cases since 2010.

The complexities of cross-border enforcement that derive from diverging national consumer legislation and differences in the procedural rules applicable in the Member States have become more apparent compared to the first years of the Network when authorities primarily focussed on learning how to use the system. Lengthy procedures, different approaches to enforcement and levels of experience have further tested authorities' readiness to work through the CPC Network.

In some instances, the difficulties encountered by the authorities could be a first indication that the legislative framework established by the CPC Regulation needs to be adapted in order to enhance cross-border enforcement. It may also suggest that national procedures need to be reviewed further in the light of the CPC cooperation framework to ensure that authorities are able to meet the Regulation's objectives in full.

The technical amendment of the CPC Regulation's annex, adopted in 2011, brought additional legal clarity as regards the list of provisions to which the cooperation mechanisms apply. To date there is however insufficient evidence to engage in a legislative process that would revise the Regulation more substantially. The Commission's evaluation of the years covered by the present report demonstrates on the contrary that many of the difficulties encountered by the Network can be addressed within the existing legal framework.

More experience and information therefore need to be gathered to form a better view of whether the Regulation should be reviewed and if so how. In particular the issue of the Regulation's scope needs to be evaluated in depth, including the question of the possible insertion of additional substantive laws in the Annex. Furthermore, ensuring that adequate resources are allocated to the authorities will remain a major challenge in future years as well as a factor critical to the Network's success.

5.2. The way forward

Against this background, the Commission's first priority will be to work closely with Member States to address the shortcomings identified within the existing legislative framework.

The Commission has identified the following areas where efforts should concentrate in the short and medium term:

- Pursue efforts to consolidate the Network by enhancing the functionalities of the Network's IT-tool, securing training for competent officials through the trainers' network and ensuring that the implementing rules facilitate consistent and quicker handling of mutual assistance requests.
- Maintain the funding of common activities to further encourage the exchange of best practice and experience but re-evaluate the current officials exchange scheme in the light of the experience gained and comments from national authorities.
- Continue working with authorities to develop a common approach to enforcement through discussions in workshops, the common activities and the sweeps. The Network could also benefit from exploring new ways of carrying out concerted enforcement and market monitoring activities as laid down in Article 9 of the Regulation. This was demonstrated by the 2009 and 2010 sweeps where a group of authorities combined the sweep with other enforcement activities to maximise the impact. A discussion on how to make the best use of alerts within the Network is also needed.
- Further enhance the planning of Network activities. The annual Enforcement Action Plans constitute a first step forward to identifying areas of common interest for the Network authorities but this work needs to be taken forward. This has become even more important as authorities are operating in a climate characterised by resources constraints and experience difficulties reconciling national priorities with CPC ones. Authorities had a first discussion on the matter in the framework of a workshop on prioritisation of activities at the end of 2011.
- In the same vein, the Network needs to develop more effective ways of identifying enforcement priorities at European level, bringing together the first hand information from consumers that is available at national level and the data stemming from tools such as the Consumer Markets Scoreboard, the new complaints database or the ECC-Network's database. For the EU sweeps, a group of authorities is currently exploring how to better identify emerging threats on the internet and subsequently ensure that adequate follow-up action can be identified by the Network.

- Develop efforts to raise the public profile of the CPC Network. The press activities related to the sweeps give some visibility to the Network's achievements but too little is still known about the outcome of the (generally) bilateral enforcement cooperation. The national biennial reports indicate that the work in the CPC is producing tangible results for consumers but the information provided remains limited. Again, a group of authorities is currently working on the creation of an internal and external communication strategy that would be implemented in the form of communication plans endorsed by the CPC Committee. The group has already produced first tangible results in the form of a newsletter that is sent to the authorities twice a year.

In a more long term perspective, the Commission is further assessing the cooperation framework and procedures established by the CPC Regulation with a view to evaluating whether some of the difficulties encountered by the Network may require a legislative response.

The findings of the present report constitute a first step in this process and have been the basis for preparing the terms of reference of an external evaluation the Commission is about to launch and that will deliver results in 2012. One issue that needs to be examined in this context is the impact that the fairly broad scope of the CPC Regulation's annex is having on the effectiveness and efficiency of the Network, especially in areas where other cooperative frameworks exist. The Commission's role in the Network's activities also needs to be appraised.

ANNEX

1. Total number of mutual assistance requests

<i>Year</i>	<i>Alerts (Art. 7)</i>	<i>Information Requests (Art. 6)</i>	<i>Enforcement Requests (Art. 8)</i>	<i>TOTAL</i>
2007	71	161	95	327
2008	100	122	170	392
2009	44	150	170	364
2010	37	89	134	260
TOTAL	252	522	569	

2. Mutual assistance requests per directive infringed (2007 – 2010)

	<i>Art. 6 Information</i>				<i>Art. 7 Alerts</i>				<i>Art. 8 Enforcement</i>				<i>TOTAL</i>
	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	
Directive 2005/29/EC on unfair commercial practices	1	86	125	68	0	40	30	29	4	73	112	86	654
Directive 84/450/EEC on misleading advertising	48	0	0	0	34	0	0	0	35	0	0	0	117
Directive 2000/31/EC on electronic commerce	3	9	13	16	7	20	14	8	15	48	54	40	247
Directive 93/13/EC on unfair terms in consumer contracts	21	10	30	6	15	7	6	1	10	14	14	37	171

Directive 97/7/EC on distance contracts	11	4	18	22	4	11	2	4	9	22	35	19	161
Directive 97/55/EC amending Directive 84/450/EEC concerning misleading advertising so as to include comparative advertising	40	0	0	0	4	0	0	0	3	0	0	0	47
Directive 94/47/EC on timesharing	27	0	0	0	1	1	0	0	0	0	0	1	30
Directive 85/577/EC on contracts negotiated away from business premises	1	10	2	3	0	6	0	1	1	0	7	5	36
Directive 2001/83/EC on medicinal products for human use	2	0	3	0	3	2	0	0	6	2	4	7	29
Directive 1999/44/EC on sale of consumer goods and associated guarantees	2	1	2	1	1	3	4	2	3	4	8	8	39
Regulation (EC) N° 261/2004 on denied boarding and cancellation or long delay of flights	1	1	0	0	1	2	0	0	3	4	7	1	20
Directive 98/6/EC on indication of prices	0	0	1	2	0	1	0	0	2	3	5	1	15
Directive 90/314/EC on package travel, package holiday and package tour	2	1	1	1	0	2	1	2	1	0	0	5	16
Directive 2002/65/EC on distance marketing of consumer financial services	0	0	1	0	1	3	0	0	1	0	2	1	9
Directive 87/102 on consumer credit	1	0	1	1	0	1	1	0	0	0	0	0	5
Directive 89/552 on television broadcasting activities	0	0	0	0	1	1	0	0	0	0	0	0	2

3. Mutual assistance requests per sector (2007 – 2010)

	2007			2008			2009			2010			Total
	Art 6	Art 8	Art 7	Art 6	Art 8	Art 7	Art 6	Art 8	Art 7	Art 6	Art 8	Art 7	
Clothing and footwear	1	0	0	0	5	0	1	3	1	2	0	1	14
Communication	0	2	1	4	25	15	9	24	4	3	8	2	97
Education	1	0	0	0	2	0	0	0	0	0	0	0	3
Food and non-alcoholic beverage	1	1	1	2	0	0	4	2	0	2	3	3	19
Furnishing, household equipment and routine household maintenance	0	1	0	1	1	1	9	6	1	5	4	1	30
Health	6	11	6	5	14	6	6	11	1	9	10	2	87
Housing, water, electricity, gas and other fuels	0	0	0	1	0	0	4	0	0	2	0	0	7
Miscellaneous goods and services	30	10	9	8	24	12	24	27	18	17	27	6	212
Outside classification	10	9	4	59	39	35	37	23	5	11	9	6	247
Recreation and culture	35	13	4	15	13	17	23	33	7	26	39	9	234
Restaurants and hotels	5	2	1	19	0	8	6	5	0	7	4	3	60
Transport	72	46	45	8	47	6	26	36	7	5	30	4	332
TOTAL	161	95	71	122	170	100	149	170	44	89	134	37	

4. Days (average) to close a mutual assistance requests in the CPCS

	2008	2009	2010
Information requests (art. 6)	148	208	125
Enforcement Requests (art.8)	177	283	128

5. Mutual assistance requests per selling method (2007 – 2010)

	<i>2007</i>			<i>2008</i>			<i>2009</i>			<i>2010</i>			<i>Total</i>
	<i>Art 6</i>	<i>Art 8</i>	<i>Art 7</i>	<i>Art 6</i>	<i>Art 8</i>	<i>Art 7</i>	<i>Art 6</i>	<i>Art 8</i>	<i>Art 7</i>	<i>Art 6</i>	<i>Art 8</i>	<i>Art 7</i>	
Away from business selling	0	5	0	11	3	8	6	3	0	3	3	3	45
Catalogue	6	4	0	0	2	1	1	3	0	1	0	1	19
Door step selling	0	0	0	4	1	2	0	2	0	0	0	1	10
E-mail	1	3	2	0	0	0	7	2	0	0	1	3	19
Face to face	44	2	0	27	3	12	5	6	3	17	8	4	131
Fax	0	1	0	0	0	0	4	1	1	58	0	1	66
Internet	91	63	54	32	136	72	89	137	34	9	110	25	852
Mail	14	5	6	36	13	3	38	10	4	2	10	5	146
Newspaper	0	2	2	0	0	1	2	2	1	7	0	7	24
Not known	0	1	1	5	3	2	1	1	2	2	0	1	19

Phone	6	11	7	15	8	2	9	10	3	4	5	1	81
Shop	0	4	2	1	6	0	0	0	0	0	0	0	13
Text message	0	1	1	0	2	1	4	7	0	17	0	2	35

6. Mutual assistance requests issued/received (Art. 6-7-8) by Member State in 2007-2010

	2007		2008		2009		2010	
	issued	received	issued	received	issued	received	issued	received
Austria	2	67	3	72	7	44	7	29
Belgium	128	67	119	85	84	51	29	28
Bulgaria	12	57	2	63	1	34	4	21
Cyprus	0	60	0	64	0	34	1	26
Czech Republic	2	59	0	66	4	36	4	27
Deutschland	5	72	12	101	16	64	13	59
Denmark	12	64	14	66	10	37	10	23
Estonia	8	57	12	71	6	40	1	21
Spain	0	72	8	98	23	65	28	50
Finland	5	58	31	75	2	33	2	23
France	40	65	16	88	56	81	60	38
Greece	0	58	0	68	0	31	1	23
Hungary	70	63	30	61	23	32	22	28
Ireland	0	72	0	84	2	48	0	36
Italia	2	59	2	62	4	42	2	33
Lithuania	0	57	0	67	4	33	4	22
Luxembourg	0	62	0	70	1	39	2	27
Latvia	4	63	11	66	6	36	6	24
Malta	0	55	0	55	3	34	8	23
Netherlands	3	102	13	120	28	82	9	61
Poland	1	61	9	65	3	35	5	28
Portugal	0	60	1	68	3	39	0	29
Romania	0	53	0	53	1	35	0	25
Sweden	7	65	33	79	12	44	6	30
Slovenia	0	59	0	67	0	31	1	21
Slovakia	2	65	3	72	11	36	6	28
United Kingdom	14	90	65	84	45	84	27	54
TOTAL	317		384		355		258	

7. Mutual assistance requests issued/received by Member State in 2007

	Information Requests Art. 6		Alerts Art. 7		Enforcement Requests Art. 8		TOTAL	
	issued	received	issued	received	issued	received	issued	received
Austria	1	4	0	56	1	7	2	67
Belgium	42	7	51	54	35	0	128	67
Bulgaria	4	2	0	55	8	0	12	57
Cyprus	0	3	0	56	0	1	0	60
Czech Republic	1	4	0	55	1	0	2	59
Deutschland	1	10	2	55	2	7	5	72
Denmark	12	7	0	55	0	2	12	64
Estonia	1	2	1	53	6	2	8	57
Spain	0	10	0	52	0	10	0	72
Finland	5	3	0	54	0	1	5	58
France	19	6	7	56	14	3	40	65
Greece	0	2	0	55	0	1	0	58
Hungary	68	4	2	55	0	4	70	63
Ireland	0	7	0	56	0	9	0	72
Italia	0	3	2	54	0	2	2	59
Lithuania	0	2	0	54	0	1	0	57
Luxembourg	0	4	0	56	0	2	0	62
Latvia	0	5	1	54	3	4	4	63
Malta	0	1	0	54	0	0	0	55
Netherlands	3	27	0	60	0	15	3	102
Poland	0	3	0	55	1	3	1	61
Portugal	0	5	0	55	0	0	0	60
Romania	0	3	0	49	0	1	0	53
Sweden	3	6	0	54	4	5	7	65
Slovenia	0	2	0	54	0	1	0	59

Slovakia	0	8	0	55	2	2	2	65
United Kingdom	0	18	5	63	9	9	14	90
TOTAL	160	158	71		86	92	317	

8. Mutual assistance requests issued by Member State in 2008

	Information Requests Art. 6		Alerts Art. 7		Enforcement Requests Art. 8		TOTAL	
	issued	received	issued	received	issued	received	issued	received
Austria	1	3	1	66	1	3	3	72
Belgium	28	9	43	70	48	6	119	85
Bulgaria	0	0	0	63	2	0	2	63
Cyprus	0	0	0	64	0	0	0	64
Czech Republic	0	2	0	63	0	1	0	66
Deutschland	3	13	2	68	7	20	12	101
Denmark	0	1	1	64	13	1	14	66
Estonia	10	0	0	64	2	7	12	71
Spain	0	29	0	59	8	10	8	98
Finland	0	1	20	74	11	0	31	75
France	7	5	0	65	9	18	16	88
Greece	0	5	0	63	0	0	0	68
Hungary	6	3	4	55	20	3	30	61
Ireland	0	2	0	63	0	19	0	84
Italia	1	3	1	51	0	8	2	62
Lithuania	0	1	0	63	0	3	0	67
Luxembourg	0	1	0	68	0	1	0	70
Latvia	0	1	1	63	10	2	11	66
Malta	0	1	0	54	0	0	0	55
Netherlands	2	24	4	59	7	37	13	120
Poland	2	1	0	63	7	1	9	65
Portugal	0	1	1	63	0	4	1	68
Romania	0	0	0	53	0	0	0	53
Sweden	15	2	10	72	8	5	33	79

Slovenia	0	1	0	64	0	2	0	67
Slovakia	0	4	0	63	3	5	3	72
United Kingdom	43	8	12	65	10	11	65	84
TOTAL	118	121	100		166	167	384	

9. Mutual assistance requests issued by Member State in 2009

	Information Requests Art. 6		Alerts Art. 7		Enforcement Requests Art. 8		TOTAL	
	issued	received	issued	received	issued	received	issued	received
Austria	0	7	1	32	6	5	7	44
Belgium	25	11	25	36	34	4	84	51
Bulgaria	1	3	0	31	0	0	1	34
Cyprus	0	3	0	31	0	0	0	34
Czech Republic	0	2	0	31	4	3	4	36
Deutschland	3	14	0	36	13	14	16	64
Denmark	6	1	0	32	4	4	10	37
Estonia	0	3	0	33	6	4	6	40
Spain	7	15	4	37	12	13	23	65
Finland	0	0	1	31	1	2	2	33
France	40	20	1	38	15	23	56	81
Greece	0	0	0	31	0	0	0	31
Hungary	10	1	1	31	12	0	23	32
Ireland	1	2	0	32	1	14	2	48
Italia	1	3	1	35	2	4	4	42
Lithuania	2	1	0	31	2	1	4	33
Luxembourg	0	4	0	31	1	4	1	39
Latvia	0	3	1	31	5	2	6	36
Malta	0	3	0	31	3	0	3	34
Netherlands	26	21	1	32	1	29	28	82
Poland	0	1	0	33	3	1	3	35
Portugal	0	1	0	34	3	4	3	39
Romania	0	0	0	31	1	4	1	35

Sweden	4	4	0	35	8	5	12	44
Slovenia	0	0	0	31	0	0	0	31
Slovakia	2	0	0	31	9	5	11	36
United Kingdom	22	21	8	39	15	24	45	84
TOTAL	150	149	44		161	169	355	

10. Mutual assistance requests issued by Member State in 2010

	Information Requests Art. 6		Alerts Art. 7		Enforcement Requests Art. 8		TOTAL	
	issued	received	issued	received	issued	received	issued	received
Austria	3	5	0	22	4	2	7	29
Belgium	12	2	6	24	11	2	29	28
Bulgaria	0	0	4	21	0	0	4	21
Cyprus	0	2	1	22	0	2	1	26
Czech Republic	2	0	1	22	1	5	4	27
Deutschland	2	12	0	26	11	21	13	59
Denmark	0	0	0	23	10	0	10	23
Estonia	0	0	0	21	1	0	1	21
Spain	1	10	5	31	22	9	28	50
Finland	1	0	1	21	0	2	2	23
France	45	1	1	23	14	14	60	38
Greece	0	1	0	22	1	0	1	23
Hungary	9	2	3	21	10	5	22	28
Ireland	0	3	0	23	0	10	0	36
Italia	1	1	0	26	1	6	2	33
Lithuania	1	0	0	21	3	1	4	22
Luxembourg	2	3	0	23	0	1	2	27
Latvia	0	0	0	21	6	3	6	24
Malta	0	1	0	21	8	1	8	23
Netherlands	1	16	2	24	6	21	9	61
Poland	0	0	0	23	5	5	5	28
Portugal	0	1	0	27	0	1	0	29

Romania	0	1	0	23	0	1	0	25
Sweden	1	4	2	22	3	4	6	30
Slovenia	1	0	0	21	0	0	1	21
Slovakia	1	4	0	23	5	1	6	28
United Kingdom	6	18	11	25	10	11	27	54
TOTAL	89	87	37		132	128	258	

11. CPCS connection and usage check - Number of Competent authorities (December 2010)

<i>CPCS Users</i>	<i>Authorities</i>
<i>Total of 750 active users in 30 countries.</i>	<p><i>Total of 346 authorities and 30 Single Liaison Offices with CPCS access.</i></p> <p><i>30 % of these never issued a request for mutual assistance despite having a password.</i></p>