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**FIRST REPORT: GOVERNMENT AND PRIVATE SECTOR INITIATIVES TO PROMOTE AND  
IMPLEMENT THE OECD  
GUIDELINES FOR CONSUMER PROTECTION IN THE CONTEXT OF ELECTRONIC  
COMMERCE**

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## FOREWORD

At the 58<sup>th</sup> Session of the Committee on Consumer Policy (CCP) in March 2000, delegates agreed that promoting the effective implementation of the recently adopted OECD *Guidelines for Consumer Protection in the Context of Electronic Commerce* (the *Guidelines*) would continue to be the Committee's top priority in year 2000. The Committee also recognised the invaluable input and assistance to be derived through its continued co-operation with business and "civil society" and made a commitment to foster these relationships in follow-up work on the *Guidelines*. During the March meeting, the CCP held a *tour de table* on activities and initiatives to implement the *Guidelines*. The session comprised brief presentations made by delegates from all OECD Member countries, BIAC, Consumers International and non-member observers.

At the 59<sup>th</sup> session of the CCP in September 2000, delegates agreed to provide additional information to update this report in preparation for its declassification and public release in March 2001, at its workshop, *Consumers in the Online Marketplace: The Guidelines – One Year Later*. Delegates also agreed that this report should be regularly updated and made available on the OECD Web site.

The attached is a synthesis of the proceedings of the *tour de table* and information submitted by national delegations in response to Annex I of DSTI/CP(2000)2 – Member country input for a "Survey of government and private sector initiatives to promote and implement the *OECD Guidelines for Consumer Protection in the Context of Electronic Commerce*" and 1999 Annual Reports. Annexed to this report are summaries of each Member country's activities to implement and promote the *Guidelines* and a chart that provides Member country implementation activities at a glance.

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## **GOVERNMENT AND PRIVATE SECTOR INITIATIVES TO PROMOTE AND IMPLEMENT THE OECD GUIDELINES FOR CONSUMER PROTECTION IN THE CONTEXT OF ELECTRONIC COMMERCE**

### **Introduction**

On 9 December 1999, the OECD Council adopted the *Guidelines for Consumer Protection in the Context of Electronic Commerce* (the *Guidelines*). This represented the culmination of more than 18 months of work by the Committee on Consumer Policy (CCP) and its partners in the business and consumer communities to provide practical guidance to help build consumer confidence in electronic commerce. While the successful completion and adoption of the *Guidelines* represented a significant step forward in the Committee's efforts to provide transparent and effective protection for online consumers, follow-up work by the Committee and its partners to promote the *Guidelines* and ensure their practical implementation is essential.

This paper provides an overview of the activities and initiatives of government and the private sector to promote and implement the OECD *Guidelines* in the year since their adoption.

### **Summary of Government and Private Sector Initiatives to promote and implement the Guidelines**

Since adoption in 1999, the *Guidelines* continue to remain in the forefront of public and private sector activities on business-to-consumer electronic commerce. A variety of initiatives to publicise and implement the *Guidelines* either are in the planning stage or are already under way.

#### ***Guidelines available in native languages of the OECD***

To date, the *Guidelines* have been translated into most native languages of the OECD, including Danish, Dutch, English, Finnish, French, German, Greek, Hungarian, Italian, Japanese, Korean, Norwegian, Polish, Portuguese, Spanish, and Slovak. These translations are available on the OECD Web site.<sup>1</sup>

#### ***Public education and information initiatives***

Upon adoption of the *Guidelines*, many countries issued press releases and distributed the *Guidelines* to small and large businesses, business associations and consumer groups. Some countries held workshops to educate businesses and consumers on the principles of the *Guidelines*. In Norway and Switzerland, the government expanded its education initiatives into the school systems in an effort to teach teenagers and children about their responsibilities as consumers, even in the electronic marketplace.<sup>2</sup>

Australia, Austria, Canada, Finland, Hungary, Ireland, Japan, Korea, Mexico, New Zealand, Norway, Portugal, Spain, Switzerland and the United States developed consumer and business information and education materials based on the *Guidelines*. Most of these materials are available on the respective country's Web sites and the OECD Web site.<sup>3</sup> The materials include online shopping tips for consumers

and checklists for businesses. Most of these educational materials were widely distributed to small and large businesses, business associations and consumer groups, posted on consumer agency Web sites, and used as the basis for news stories by the media.

In several countries, Web sites were developed and dedicated resources to educate consumers and businesses on effective consumer protection, with links to other related information. For example, in Australia, Finland, France and Portugal, Web sites were created to provide consumers with up-to-date information, references, and hyperlinks on a wide range of consumer issues, including tips for better and safer online shopping.<sup>4</sup>

In Canada, a consumer portal – the Canadian Consumer Information Gateway – was created to provide easy access for consumers to comprehensive consumer information from 25 government of Canada departments and agencies.<sup>5</sup> It includes information on childcare, consumer products, safety and health, contacts for recourse and alerts to scams and product recalls. In Norway, a national online portal for electronic commerce was created to serve as an information resource for businesses engaged in e-commerce.<sup>6</sup> The portal provides relevant information on the legal framework, responses to FAQs, and guidance on what it takes to satisfy consumer needs. In the United States, a similar consumer information Web site is maintained by the Federal Trade Commission.<sup>7</sup> In Korea, the newly-created Cyber Consumer Center's home page will serve as a hub-site for electronic commerce and consumer protection.<sup>8</sup> The site will include tips for online shoppers, academic articles for researchers, education materials for businesses, and updates on new policy trends for government officials.

Business associations, individual companies, and consumer groups also developed public education and information materials and campaigns, which included providing information through traditional media sources, banner advertisements and links, and posting tips for consumers on their own company and consumer association Web sites. For example, the United Kingdom's Consumer Association disseminated online shopping tips in its *Which? Magazine* both on and offline.<sup>9</sup> And Netcoalition.com, a coalition of then-ten Internet companies (Amazon.com, America Online, Doubleclick, eBay, Excite@Home, Inktomi, Lycos, theglobe.com, Yahoo!, and Emusic.com) used banner ads, links and e-mail responses to provide tips on privacy and consumer protection during the winter holiday season.<sup>10</sup>

In some countries, business and consumer groups worked together to develop joint education and information campaigns. For example, in the United States, Mastercard and the National Consumers League launched a joint education initiative, "Be e-Wise!" which included a printed and online brochure that presents the benefits and risks of online shopping, online shopping tips, and other resources for similar information.<sup>11</sup>

In other countries, the government and private sector have joined forces to provide education and information. In Canada, for example, the Office of Consumer Affairs, in collaboration with the provinces and the Internet Providers Association, are working on an education initiative to provide guidance on safe Internet shopping. The initiative will include addressing the issues of online auctions and marketing to children.<sup>12</sup> In Finland, the Finnish Information Technology Development Center has in co-operation with Consumer Ombudsman developed both consumer and business information, which refers to the *Guidelines*. The information is available on the Center's Web sites and on the Web sites of the Consumer Agency and Ombudsman.<sup>13</sup>

The *Guidelines* have been highlighted in domestic and international speeches given by senior government officials from many of the OECD Member countries.<sup>14</sup>

Another innovative means of public education is through the use of notices sent directly to Web sites as a result of national and international Web sweeps.<sup>15</sup> For example, in Canada the Fair Business Practices

Branch of the Competition Bureau conducted a domestic sweep of 292 Canadian Web sites to verify conformity with the *Guidelines*. Sites found to be in derogation of the *Guidelines*' principles were informed by e-mail that their Web site had been reviewed during the sweep and were furnished information on the *Guidelines* and the Canadian Principles for Consumer Protection in Electronic Commerce. The Ministry of International Trade and Industry (MITI) in Japan provided similar notices in conjunction with its domestic sweeps.

### ***Self-regulation, codes of conduct, and Trustmark programmes***

In many countries, the *Guidelines* served as a basis for governmental and private sector development of business-to-consumer codes of conduct, Trustmark, and self-regulatory programmes. For example, in the United Kingdom, the government worked with the Electronic Business Alliance and Consumers Association to develop a non-profit organisation, TrustUK, to accredit codes of conduct for electronic commerce, which meet minimum standards and offer consumers good protection.<sup>16</sup> To date, three such codes have been accredited, including Web Trader, a code program developed and administered by the consumers organisations of Belgium, France, Italy, the Netherlands, Portugal, Spain and the United Kingdom.<sup>17</sup> Similarly, in Norway, the National Consumer Council and representatives of business established a voluntary and independent label, N-safe.<sup>18</sup> Businesses allowed to display the N-safe label are subject to the principles defined by the label requirements and consumers are ensured a certain level of protection. Current efforts include expansion of the label to other Nordic countries.

In Canada, Australia, Denmark, Germany, Korea, Japan, New Zealand and the United States, government agencies worked with industry and consumer organisations to develop and update business-to-consumer codes of conduct, that in some instances include a complementary trustmark, based on the *Guidelines*.

Furthering these efforts, many countries are participating in the OECD project on Codes of Conduct, which currently is focused on creating an inventory of codes of conduct related to the Internet.<sup>19</sup> Information and contact details for many of these codes and most of the above-mentioned ones will be available in the inventory.

At an international level, the European Commission is working with a group of consumer and industry organisations to identify key principles for business-to-consumer electronic commerce codes. The principles are intended to reflect best practice as expressed in codes of conduct and various government and industry sponsored codes from around the world. The principles also are intended to help guide code-writers and the bodies being set up in many countries to approve and monitor codes of conduct, by identifying criteria for these 'approval and monitoring' bodies. To provide transparency and to encourage public comment and participation, the Commission has set up a Web site, which includes a draft of the principles and related meeting reports.<sup>20</sup>

### ***Laws and regulations***

Beyond encouraging self-regulatory initiatives, the *Guidelines* also recognise the need for Member countries to review and, if necessary, adopt and adapt laws to ensure consumers are protected in the online environment. To this end, in the European Union, member states have been taking steps to introduce, adopt and implement EU Directives related to the *Guidelines*.<sup>21</sup> The European Commission also is continuing its examination of whether, and the degree to which, existing consumer protection rules provide sufficient protection in the context of the information society.

In Canada, the national and provincial governments have agreed to work towards harmonised and modernised consumer protection laws related to electronic commerce.<sup>22</sup> During the drafting of the

*Guidelines*, the United States explored, through a workshop, how its own Federal Trade Commission rules and guides apply to electronic media, including the Internet, e-mail and CD-ROMs.<sup>23</sup> It also issued a report on consumer protection in the global electronic marketplace, including Internet jurisdiction.<sup>24</sup> In Mexico, the Federal Consumer Protection Law, which takes into account the principles of the *Guidelines*, was modified in May 2000.<sup>25</sup>

In Japan, where most of the principles of the *Guidelines* are already covered by existing laws or voluntary private sector rules, the government continues to gather information and explore necessary governmental measures. In Australia, the development of legislative amendments, arising from the audit of the consumer protection laws continues.

### ***Global co-operation***

Global co-operation among nations is an area of significant importance in implementing the *Guidelines*. Several countries are working on bi-lateral and multi-lateral levels to ensure consumers receive effective protection no matter from where they shop, or from whom they buy. For example, in September 2000, the governments of Japan and Korea agreed to co-operate further on empowering consumers' confidence and developing electronic commerce through various efforts, including a project aimed at mutual recognition of Internet trustmarks.

On the law enforcement front, there has been significant global co-operation among several countries. For example, Australia and the United States worked together to break a global page-jacking and mouse-trapping Internet scam.<sup>26</sup>

Another global effort towards law enforcement co-operation that is becoming an annual event is international Internet sweep days. Since 1997, the consumer affairs enforcement authorities from the international community have engaged in several international Internet sweep days. In 1997, 1998 and 2000, the sweeps focused on particular scams, and in 1999 they evaluated sites according to a number of key consumer protection principles based on the draft *Guidelines*.

International sweeps crossed the borders of about 30 countries and involved more than 70 different national consumer affairs enforcement agencies. The March 2000 "GetRichQuick.Con" sweep, for example, involved 150 organisations from 28 countries on five continents. The OECD countries that participated in the March 2000 effort included Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Finland, France, Germany, Hungary, Japan, Mexico, New Zealand, Norway, Poland, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States.<sup>27</sup>

Information sharing is also an integral area of global co-operation for both law enforcement efforts and policy development to ensure the protection of consumers in the global marketplace. Since the adoption of the *Guidelines*, governments continue to work together to develop agreements that will allow information sharing. For example, on 20 July 2000, the Australian Competition and Consumer Commission (ACCC) announced that it entered into two agreements with the United States Federal Trade Commission to enhance co-operation on consumer protection law enforcement.<sup>28</sup> Australia also is negotiating with the European Commission on an administrative arrangement to share information on consumer policy. The United Kingdom's Department of Trade and Industry recently signed a similar agreement with the United States that will allow enhanced law enforcement co-operation in the consumer protection area between the two nations.<sup>29</sup> Canada, Australia and New Zealand also recently signed a co-operation agreement relating to the application of their competition and consumer laws.

Beyond the work among Member countries, there also has been work, in other fora, related to the *Guidelines*. For example, Mexico hosted a workshop on electronic commerce for Latin America and

continues to work with these non-Member countries on electronic commerce issues. Prior to the adoption of the *Guidelines*, the Free Trade Area of the Americas (FTAA) Joint Government-Private Sector Committee of Experts on E-Commerce issued a report with specific consumer protection recommendations for Ministers that included several key principles from the then draft *Guidelines*.<sup>30</sup> The International Organisation for Standardization (ISO) Committee on Consumer Policy (COPOLCO) held a workshop on consumer protection in May 2000, where a session on electronic commerce included a presentation on the *Guidelines*.<sup>31</sup> And the Asian-Pacific Economic Co-operation (APEC) hosted a consumer protection workshop in June 2000 in Bangkok, Thailand, where a session was dedicated to the discussion of the *Guidelines* and other international efforts.<sup>32</sup> Most recently, the G8 recognised the *Guidelines* in its Okinawa Charter on Global Information Society.<sup>33</sup>

Recognising the importance of global co-operation among the public and private sectors to ensure that the protections and benefits of nationally oriented codes of conduct and other self-regulatory programmes do not end at the borders of single nations, many code and trustmark developers are working together across national borders. In Japan, for example, trustmark accreditors like the Japan Direct Marketing Association (JADMA) are exchanging information with foreign seal programs like the BBBOnLine in the United States, the Consumer Protection Board in Korea, TrustUK in the United Kingdom.

### ***Alternative Dispute Resolution***

Recognising that the global network environment challenges the ability for consumers to obtain effective redress for transactions that occur across national borders, the *Guidelines* raise alternative dispute resolution (ADR) as a means to provide effective redress and thus encourage continued work. Beyond the OECD Conference in the Hague on 11-12 December 2000, hosted by the Dutch government and co-organised with the Hague Conference on Private International Law and the International Chamber of Commerce,<sup>34</sup> OECD Member countries, other international bodies, and the private sector have been busy holding workshops and conferences, exploring principles for fair and effective online ADR, and developing online ADR mechanisms. As of December 2000, more than 40 online ADR mechanisms had been identified.<sup>35</sup>

Since the adoption of the *Guidelines*, the European Commission and the United States hosted workshops to explore ADR.<sup>36</sup> The Trans-Atlantic Consumer Dialogue (TACD) issued a recommendation on ADR in the context of electronic commerce<sup>37</sup> and the Global Business Dialogue on electronic commerce released a paper that provides recommendations for Internet merchants, ADR service providers, and governments.<sup>38</sup> Consumers International released a report that assessed, based on principles outlined in their report, all ADR mechanisms available online as of August 2000.<sup>39</sup> In Canada, the Office of Consumer Affairs is forming a working group to develop a guide on Market-Driven Consumer Redress. The guide will include redress mechanisms and ADR both on-line and in the traditional marketplace. Key industry, consumer and government representatives participated in a two-day workshop in January 2001, to share information prior to establishing the working group.

In Ireland, the government is considering a pilot project to bring its small claims procedure online. The project is a partnership between the Minister for Labour, Trade and Consumer Affairs and the Minister for Justice, Equality and Law Reform under the Irish Government's Information Society Action Plan. In Korea, a committee of experts in the field of electronic business transactions was formed to study dispute resolution.

With regard to compliance and enforcement, many of the public and private sector codes, as discussed above in paragraph 15, require businesses and organisations to provide dispute resolution mechanisms as an element for them to receive accreditation, a trustmark or the relevant approval.

Moreover, to complement the variety of out-of-court settlement bodies, the European Commission created EEJ-Net, which was formally announced at a conference on 5-6 May 2000 in Lisbon, Portugal.<sup>40</sup> The EEJ-Net will serve as a clearinghouse of information on out-of-court dispute resolution bodies available in each European jurisdiction; provide information and assistance to consumers formatting and filing complaints; and serve as a primary point for the communication of complaints to out-of-court bodies.

Another more common form of consumer dispute resolution assistance from the offline world – ombuds services – also has moved online. For example, in Austria, an Internet Ombudsman was established as part of the Austrian consumer organisation and is responsible for settling disputes that arise online between consumers and business.<sup>41</sup>

## CONCLUSION

There is much to be learned from these public and private sector efforts, and for these reasons it is important for the Committee to continue to collect and share information and experiences. Information about both the successes and the struggles that result from these initiatives will be invaluable for the Committee as it works to facilitate the effective implementation of the *Guidelines*.

Moreover, these activities and initiatives show the breadth and depth of the principles of the *Guidelines*. With no set method of implementation, Member countries and the private sector were free to develop and engage in activities and initiatives to further consumer protection in the electronic marketplace in ways that fit within their own cultural, legal and regulatory parameters. Finally, while the *Guidelines* are not restricted to one norm or action for implementation, many of the activities undertaken by the public and private sectors were very similar around the globe.

From the numerous activities and initiatives undertaken and the attention being paid to the consumer electronic commerce marketplace, it is apparent that the OECD Committee on Consumer Policy must maintain its leading role in the global policy and enforcement arena to ensure the protection of consumers participating in electronic commerce. The Committee's work with the private sector to implement the *Guidelines* must therefore continue. The effective implementation of the *Guidelines* is an integral part of the protection of consumers engaged in electronic commerce and, thus, necessary for consumers to realise the full benefits of the global marketplace.

**ANNEX I**  
**AT A GLANCE – GOVERNMENT AND PRIVATE SECTOR INITIATIVES**  
**TO PROMOTE AND IMPLEMENT THE OECD GUIDELINES FOR**  
**CONSUMER PROTECTION IN THE CONTEXT OF ELECTRONIC COMMERCE**

Countries/ Organisations	Available in Nation's Language	Posted on Web	Created Education Materials/Web site	Distributed to Private Sector	Private Sector/ Government Issued GLs/ Code	Work on ADR or Related Topics	International Sweep Days	Updated Legal Framework
Australia	X	X	X	X	X	X	X	
Austria	X		X		X	X	X	X
Belgium	X	X		X	X	X	X	
BIAC	X			X		X	N/A	
Canada	X	X	X	X	X		X	X
CI	N/A			X	X	X	N/A	
Czech Republic							X	X
Denmark	X			X	X		X	
EC	N/A				X	X	N/A	
Finland	X	X	X	X			X	
France	X	X		X	X		X	
Germany	X			X	X		X	
Greece	X			X				X
Hungary	X	X	X	X			X	X
Ireland	X		X	X		X		X
Italy	X				X			X
Japan	X	X	X		X		X	
Korea	X	X	X	X	X	X		X
Luxembourg	X			X				X
Mexico	X	X	X	X			X	X
Netherlands					X	X		
New Zealand	X		X	X	X		X	
Norway	X	X	X	X	X		X	

Countries/ Organisations	Available in Nation's Language	Posted on Web	Created Education Materials/Web site	Distributed to Private Sector	Private Sector/ Government Issued GLs/ Code	Work on ADR or Related Topics	International Sweep Days	Updated Legal Framework
<b>Poland</b>	X	X		X			X	X
<b>Portugal</b>	X	X	X	X	X		X	
<b>Slovak Republic</b>	X			X				
<b>Spain</b>	X		X		X		X	X
<b>Sweden</b>							X	
<b>Switzerland</b>	X		X	X	X		X	X
<b>Turkey</b>								X
<b>United Kingdom</b>	X			X	X		X	
<b>United States</b>	X	X	X	X	X	X	X	

Source: OECD.

**ANNEX II**  
**SURVEY OF GOVERNMENT AND PRIVATE SECTOR INITIATIVES**  
**TO PROMOTE AND IMPLEMENT THE OECD GUIDELINES FOR**  
**CONSUMER PROTECTION IN THE CONTEXT OF ELECTRONIC COMMERCE**

The following summaries were prepared by the Secretariat based on information provided by delegates to the 58<sup>th</sup> Session of the CCP (21 March 2000) as part of the *tour de table* on activities and initiatives to implement the *OECD Guidelines for Consumer Protection in the Context of Electronic Commerce* (the *Guidelines*). Additional information submitted by national delegations based on responses to Annex I of DSTI/CP(2000)2 and 1999 Annual Reports on Consumer Issues have been incorporated.

### **Australia**

In Australia, the Minister for Financial Services and Regulation, the Honorable Joe Hockey MP, as well as the Competition and Consumer Commission issued press releases announcing the adoption of the *Guidelines*. The *Guidelines* were welcomed by major heads of consumer organisations and the head of the Australian Chamber of Commerce and Industry. The *Guidelines* form the basis for the Australian E-commerce Best Practice Model *Building Consumer Sovereignty in Electronic Commerce: A Best Practice Model for Business*. The Best Practice Model was launched on 18 May 2000 and is to be reviewed after one year. The *Guidelines* and the Australian E-commerce Best Practice Model are both promoted through a new Web site ([www.ecommerce.treasury.gov.au](http://www.ecommerce.treasury.gov.au)), which also includes links to consumer information and other e-commerce resources.

### **Austria**

Electronic commerce in Austria is at an early stage. An inter-ministerial discussion group, which meets every two months, discusses subjects relating to electronic commerce, including consumer protection. As a member of the European Union, Austria has implemented the Directive on distant selling in the *Fernabsatz-Gesetz*, BGBl. I 185/1999 (Distant Selling Act). The main part of the Act went into force on 1 June 2000 and covers parts of the *Guidelines*, especially those dealing with pre-contractual information. Austria also is working on implementation of the E-commerce Directive. A distance-selling brochure, which was produced prior to the adoption of the *Guidelines*, will be updated to include the *Guidelines*. The current yearbook (published every second year) includes an article on the directive for electronic commerce and the *Guidelines*. Last autumn, a non-profit institute for applied telecommunications developed an Internet ombudsman at [www.ombudsmann.at](http://www.ombudsmann.at) to settle disputes between consumers and business that arise in the context of electronic commerce. Consumers can file complaints online. The Ombudsman is closely linked with the main Austrian consumer organisation, *Verein für Konsumenteninformation* (VKI). The project is supported by several ministries. The *Gütezeichen* was also created and requires businesses that display its label to adhere to a set of consumer-friendly business practices which are closely related to the *Guidelines* and the E-commerce directive.<sup>42</sup> Submission to an ADR mechanisms is a requirement for the right to carry the label.

The Austrian Chamber of Labour and the Austrian Internet Service Provider Organisation (ISPA) provide information concerning e-business on their Web sites at [www.akwien.or.at/internet](http://www.akwien.or.at/internet) and [www.ispa.at](http://www.ispa.at) (or the user organisation VIBE [www.vibe.at](http://www.vibe.at)), respectively.

## Belgium

Belgium provided all major stakeholders in both the public and private sectors with copies of the *Guidelines*. Belgium intends to submit a draft law on electronic commerce and distance selling. In addition, the Belgian consumer group Testes Achats is participating in the Which? WebTrader international code program.<sup>43</sup>

## Canada

The Electronic Commerce and Consumers Working Group, a multi-stakeholder group representing consumers, businesses and government (including the Office of Consumer Affairs (OCA)) used the *Guidelines* as a reference to assist in developing the *Principles for Consumer Protection in Electronic Commerce: A Canadian Framework*. Recognising the importance of the *Guidelines*, the OCA ensured that the Canadian principles contained similar elements. During the drafting of the *Guidelines*, the OCA frequently consulted with business and consumer representatives and provincial and territorial governments. Upon release of the *Guidelines*, the OCA circulated them to these stakeholders. The *Guidelines* have been highlighted in speeches by the Honourable John Manley, the Canadian Minister of Industry and in media contacts related to the Canadian Principles. OCA and the Fair Business Practices Branch of the Competition Bureau continue to publicise the *Guidelines* in their presentations to stakeholder groups and conferences.

The Electronic Commerce and Consumers Working Group has developed *A Code of Practice for Business to Consumer Electronic Commerce* based on the Canadian Principles and the *Guidelines*. The working group is currently examining methods of operationalising this code. These options deal with the questions of promoting the Code to businesses, consumers and governments; assuring and monitoring compliance; and developing opportunities for international co-operation. One qualification for receipt of the trustmark is adherence to the *Guidelines*.

The Fair Business Practices Branch of the Competition Bureau conducted a domestic sweep of 292 Canadian Web sites to verify conformity with the *Guidelines*. The sweep provided an opportunity to promote the *Guidelines*, as well as the Canadian Guidelines, and to educate online traders and consumers. A consumer portal – the *Canadian Consumer Information Gateway* (<http://ConsumerInformation.ca>) – was created to provide easy access for consumers to comprehensive consumer information from 25 Government of Canada departments and agencies, including information on child care, consumer products, safety and health, contacts for recourse, and alerts to scams and product recalls. Consumer and business education materials were also developed, made available on the relevant ministry Web sites, and disseminated to business and consumer groups. In collaboration with the provinces and the Internet Providers Association, OCA is working on an educational initiative to provide guidance on safe Internet shopping, including addressing the issues of online auctions and marketing to children.

On the legal front, the national and provincial governments have agreed to work towards harmonised and modernised consumer protection laws related to electronic commerce.<sup>44</sup> In this regard, two provinces have passed legislation on digital signatures. All of the other provinces are

in the process of developing legislation to address this issue. With respect to consumer protection in electronic commerce, most of the provinces will review their existing legislation and regulatory regimes in 2000 or in 2001 to determine whether amendments or additional laws are required. With respect to ADR, the Office of Consumer Affairs is forming a working group to develop a guide on Market-Driven Consumer Redress. The guide will include redress mechanisms and ADR both on-line and in the traditional marketplace. Key industry, consumer and government representatives participated in a two-day workshop in January 2001, to share information prior to establishing the working group.

## **Czech Republic**

While the level of consumer e-business in the Czech Republic is rather low, there is a governmental task group devoted to promoting electronic commerce. The group is in charge, for example, of co-ordination of education projects and of subsidies for electronic commerce for small and medium-sized enterprises. Legislatively, the Czech Republic is working on implementation of the EU directives, with the last to be in force by 31 December 2002.

## **Denmark**

Upon adoption, the *Guidelines* were translated into Danish and circulated to all relevant services in Denmark. A common position paper on good practices for trading and marketing on the Internet, developed by the Nordic Consumer Ombudsman, has been discussed and circulated within the International Marketing Supervision Network (IMSN). This paper has been used in negotiations between Danish businesses and consumer organisations and the Ministry of Trade and Industry and the Ministry of Research in an attempt to adopt guidelines for the Internet. The Danish Consumer Ombudsman conducted a survey of Danish Internet shops in 2000 as a follow-up to the above-mentioned common position paper. The survey revealed that there were a number of common problems regarding e-commerce. Eighteen Danish Web sites were examined, and none of them fully complied with the common position paper, the *Guidelines*, or the legal requirements in that area.

At the end of 2000, an electronic mark system was introduced in Denmark, and the first Danish e-businesses have been assigned an e-mark. The system has been developed through negotiations between a number of Danish business and consumer associations, in co-operation with the Ministry of Trade and Industry and the Ministry of Research. The e-mark system, which is administered by the E-commerce Fund, is expected to launch a campaign in spring 2001 to increase awareness of the e-mark among companies and consumers.

On 1 July 2000, a new provision was adopted in the Danish Marketing Practice Act which prohibits companies from sending electronic mail to a consumer unless the consumer has previously given permission to the enterprise to do so.

In April 2000, the Danish Government announced a strategy for a new consumer policy – “Strengthening Consumer Policy in the EU” – with a number of concrete proposals for new initiatives that will contribute to improving the position of consumers when shopping across borders within the EU, including over the Internet. It is suggested that harmonised regulation of good marketing practice in the EU be introduced, as well as a minimum directive on consumer protection in connection with electronic payments and a strengthening of consumers access to justice in cross-border transactions through the establishment of an out-of-court settlement system of disputes between businesses and consumers.

## European Commission

The Commission welcomed the adoption of the *Guidelines* and fully supports their implementation. To this end, it also welcomes initiatives that could ease implementation of the *Guidelines*, for instance through trust marks. Some community legislation already reflects principles of the *Guidelines*. Efforts by some member states to transpose these community directives on electronic commerce into their national legislation will be of great assistance in achieving implementation of the *Guidelines*. The Commission also is continuing to examine whether, and the degree to which, existing consumer protection rules provide sufficient protection in the context of the information society. Should deficiencies be identified, or additional measures be required, the Commission will make specific additional proposals to resolve such deficiencies.

The European Commission also is working with a group of consumer and industry organisations to identify key principles, through its e-confidence forum, for electronic commerce codes. The principles are intended to reflect best practice as expressed in codes of conduct and various government and industry sponsored codes from around the world. The principles also are intended to help guide code-writers and the bodies being set up in many countries to approve and monitor codes of conduct, by identifying criteria for these 'approval and monitoring' bodies. To provide transparency and to encourage public comment and participation, the Commission has set-up a virtual forum for discussion that includes a draft of the principles and related meeting reports.<sup>45</sup>

## Finland

A press release was issued on Consumer Rights Day titled "Electronic commerce must gain consumers' confidence." The press release referred to the *Guidelines* and the consumer ombudsman's work in the area of consumer questions in electronic commerce. The *Guidelines* have been translated into Finnish and were posted on the Consumer Agency's Web site and discussed in a variety of workshops and seminars. The Finnish Information Technology Development Center has in co-operation with the Consumer Ombudsman developed both consumer and business information, which refers to the *Guidelines*. The information is available on the Center's Web sites and on the Web sites of the Consumer Agency and the Ombudsman.<sup>46</sup> The Consumer Agency and the Ombudsman also have distributed the *Guidelines* by attaching them to letters sent to businesses. In June 2000, Finland adopted a new consumer protection policy that defines the national goals in this area. The *Guidelines* were used as a basis for the development of the Finnish principles related to consumer protection.

## France

The *Guidelines*, which have been translated into French, have been submitted to the National Council for Consumers. This Council plays a consulting role between business and consumer representatives and will transmit the *Guidelines* to its members. The *Guidelines* were posted on the Bureau of Consumer Protection's Web site along with other information for consumers.<sup>47</sup> In addition, the French consumer group *Consommation Logement et Cadre de Vie* is participating in the *Which? WebTrader* international code program.<sup>48</sup>

## Germany

In Germany, the *Guidelines* were translated into German, presented to *The 21* (an organisation consisting of government and large businesses designed to work on electronic commerce issues), and sent to other business organisations for distribution to their members in an effort to reach small businesses. The federal consumer organisation, an umbrella organisation for the consumer groups, created the *Convention*, which identifies online businesses that meet a set of principles based on the *Guidelines*. The German government will host the OECD workshop, *Consumers in the Online Marketplace: The Guidelines - One Year Later*, to be held in Berlin on 13-14 March 2001.

## Greece

In Greece, the Ministry for Development has set up two commissions – a scientific commission composed of academics and a commission of administrative experts. Both include high-level representatives from the public and private sectors, including the Chamber of Commerce and consumer representatives. The purpose of the commissions is to discuss legal and technical issues related to recent developments in electronic commerce and to provide consumers with training. Greece is introducing the *Guidelines* and the community directive on the legal aspects of electronic commerce. The *Guidelines* will be submitted to the National Council for Consumers in an effort to ensure co-operation among all actors of the private sectors. The *Guidelines* have been translated into Greek.

## Hungary

Hungary has no specific legislation on electronic commerce, but does have a law on distance selling and is preparing special rules relating to electronic commerce. The *Guidelines* were translated into Hungarian and transmitted by the Ministry of Economic Affairs to the Ministry of Justice, the General Inspectorate for Consumer Protection (GICP), the Chamber of Commerce, the Hungarian Trade Association, the Hungarian Association for Consumer Protection and to the intergovernmental group working on electronic commerce. The Chamber of Commerce posted the *Guidelines* on its Web site and transmitted them to the independent 19 members and Budapest Chamber of Commerce. The Hungarian Trade Association also sent the *Guidelines* to its membership, which comprises multinational companies and small and medium-sized enterprises. The Association for Consumer Protection distributed the *Guidelines* in its newsletter and posted them at [www.ec-forum.hu](http://www.ec-forum.hu) and on the HACP Web site. The GICP also posted them at its Web site [www.fvf.hu](http://www.fvf.hu). The *Guidelines* have been discussed in a variety of lectures, conferences and workshops. The GICP developed a brochure about consumer protection rules for electronic commerce and has distributed it to consumers.

The GICP took part in the international Sweep Days organised by the IMSN. In addition, the GICP will host a conference, “Consumer protection in electronic commerce -- new challenge of our age,” in Budapest on 19-20 March 2001, with TAIEX assistance. The role and activity of the OECD in the development of e-commerce and the implementation of the *Guidelines* will be discussed.

The Prime Minister’s office is in charge of all work on the information society, and a Commissioner for the information society has been created to manage and co-ordinate the work.

## Ireland

There are a number of initiatives under way in Ireland that will present an opportunity to promote the *Guidelines*. A new bill on electronic commerce was presented to the Parliament that gives the same status to electronic signatures, electronic contracts and electronic writing as their paper-based counterparts. The measure was adopted in the spring of 2000. Another initiative in the legislative area is work to give legal effect to the EU Directive on protection of consumers in distance contracts. Both legislative initiatives will give full opportunity to promote the *Guidelines* to consumers and industry. A final initiative is a pilot project under consideration by the Ministry for Labour, Trade and Consumer Affairs. The project would establish a “virtual” version of the traditional Irish small claims court to provide online consumers access to cheap and efficient redress.

## Italy

Upon adoption, the *Guidelines* were translated into Italian. Legislatively, Italy implemented the EU distance selling directive and the directive on comparative advertising, which integrates the previous directive on deceptive advertising. In addition, the Italian consumer group Altroconsumo is participating in the *Which?* WebTrader international code program.<sup>49</sup>

## Japan

The *Guidelines* have been translated into Japanese. The Ministry of International Trade and Industry (MITI) has posted an explanation of the *Guidelines* on its Web site in an effort to provide information and guidance to business and consumers generally.<sup>50</sup> MITI also has published on its Web site guidance on laws related to B2C electronic commerce, including door-to-door sales and other direct sales.

While most of the items in the *Guidelines* are covered by existing laws or voluntary private sector rules in Japan, the government continues to gather information and to explore necessary governmental measures. The government launched a study to explore the development of domestic standards based on the *Guidelines* and also has proposed international standards at the International Standards Organisation (ISO). The government also is working with several countries to explore how governments should co-operate to deal with international disputes. MITI has both participated in IMSN Internet Sweep days and conducted its own sweeps within Japan based on the *Guidelines* and the related domestic consumer protection laws relating to electronic commerce.

The Electronic Commerce Promotion Council of Japan (ECOM), a private sector group, revised its *Guidelines for Transactions between Virtual Merchants and Consumers*, and published education materials on its Web site;<sup>51</sup> the Japanese government participated in the review as an observer. The revised guidelines reflect the principles of the OECD *Guidelines*. The Japan Direct Marketing Association (JADMA) also revised its *Guidelines for Electronic Direct Marketing* to reflect the principles of the OECD *Guidelines*.<sup>52</sup> JADMA and the Japan Chamber of Commerce (JCCI) launched an online shopping trustmark regime in June 2000, and more than 270 shops carry the trustmark. In an effort to ensure that the protections and benefits of its trustmark do not end at the borders of Japan, JADMA also has begun exchanging information with foreign seal programs like the BBBonLine in the United States, the Consumer Protection Board in Korea, TrustUK in the United Kingdom, and L@BELSITE in France.

## Korea

In Korea, the government has been working to prevent online consumer injuries and to promote effective consumer redress mechanisms by encouraging market-driven and private initiatives; harmonisation between self and government regulation; consumer empowerment; and expanding international co-operation. With the adjustment of related laws as a high priority, the Electronic Commerce Act and the Electronic Signature Act were enacted in 1999. The Consumer Protection Guidelines for Electronic Commerce, which were developed based on the *Guidelines*, also has been in effect since January 2000. Model contract terms in the field of electronic commerce and privacy protection guidelines were also enacted in 2000. The government is in the process of enacting new laws related to distance selling and electronic funds transfer in the near future.

A Working Group for e-Commerce and Consumer Protection run by the Ministry of Finance and Economy (MOFE) was created to co-ordinate consumer policy for electronic commerce. The Cyber Consumer Center (CCC) also was established in July 2000 as a part of the Korea Consumer Protection Board (KCPB), a non-profit consumer organisation whose budget is subsidised fully by the central government. The KCPB's role has focused on research, survey, comparative testing, consumer redress, dispute resolution, providing consumer information and education. The KCPB participated in international co-operative projects, such as the Internet Sweep Day organised by the IMSN, and has been running an online consumer redress system for consumers who have complaints or injuries in the process of electronic transactions. The KCPB also translated the *Guidelines* into Korean and distributed them to related consumer organisations, government agencies, mass media and educational bodies.

The CCC was launched to more systematically promote these tasks. While consumers' complaints related to online shopping will continue to be received by the KCPB, the CCC is responsible for studying potential amendments to the Door-to-Door Sales Act; regulation against unsolicited e-mails in electronic commerce; consumer affairs and electronic money; free gifts for promotion by Web retailers and related consumer damage; types of consumer complaints in electronic commerce and their prevention.

The CCC homepage (<http://www.econsumer.or.kr>) was developed as a hub-site for electronic commerce and consumer protection in Korea and includes tips for online shoppers, academic articles for researchers, educational materials for businesses and updates on new policy trends for government officials. Online consumer education programs comparable to teaser sites of the U.S. FTC will also be developed. The Ministry of Trade, Industry and Energy (MOTIE) designated the CCC as one of the 41 Electronic Commerce Resource Centers (ECRC) across the nation. The centres provide training and education to SMEs involved in electronic commerce.

Given the difficulties of participating in the bilateral co-operative projects as a result of the language barrier, the CCC also is exploring practical ways to increase international co-operation with neighbouring countries.

## Luxembourg

The Ministry of Economy organised an information campaign on consumers' rights by circulating the *Guidelines*. The *Union Luxembourgeoise* approved the *Guidelines*. In addition, a draft law is being submitted to the Chamber of Deputies. The law incorporates the transposition of community directives on electronic commerce, including consumer protection, and the law's text specifically mentions the *Guidelines*.

## Mexico

The *Guidelines* were translated into Spanish and distributed to large and small businesses. The businesses were encouraged to adopt the *Guidelines* into their business practices. Other dissemination efforts include participation in national conferences and events, articles in the national consumer magazine, and the posting of the *Guidelines* on national Web sites. For example, the Ministry of Trade and Industrial Development (SECOFI) prepared information on electronic commerce which was posted on the consumer policy section of its Web site and includes the *Guidelines* in English and Spanish, general information on electronic commerce and tips for consumers to assist them in making better purchase decisions online. The Federal Consumer Protection Attorney's Office (PROFECO) sent the Spanish version of the *Guidelines* to all Latin American countries and published articles in its consumer magazine on the legal amendments to several Mexican regulations on electronic commerce matters and on recommendations for consumers to make safer purchases online. Mexico hosted a seminar on electronic commerce for Latin America and continues to work with these non-Member countries on electronic commerce issues, including consumer protection.

The *Guidelines* are also being used as a basis for the reform and amendment of existing laws and the development of new consumer protection policies. For example, the Federal Consumer Protection Law was reformed taking into account the principles of the *Guidelines*. Civil, Commercial, and Federal Civil Procedures Codes were also reformed to recognise the validity of electronic transactions. All these reforms went into effect in May 2000.

## Netherlands

The *Guidelines* were used as a basis in developing the consumer section of Platform Netherlands, a general electronic commerce code of conduct which can be accessed at: <http://www.ecp.nl/800/index.html>. The Dutch consumer group *Consumentenbond* is participating in the *Which?* Web Trader international code program.<sup>53</sup> In addition, the Dutch government hosted the OECD, HCPIL and ICC joint conference on alternative dispute resolution in The Hague on 11-12 December 2000.

## New Zealand

The *Guidelines* received considerable media coverage in New Zealand along with the announcement of New Zealand's Model Code for Consumer Protection in electronic commerce, which is based on both the Australian model code for electronic commerce and the *Guidelines*.<sup>54</sup> The model code has been posted on the Ministry of Consumer Affairs' Web site<sup>55</sup> and was promoted at the November 2000 electronic commerce summit organised by the Ministry of Economic Development.<sup>56</sup> The Ministry of Consumer Affairs has developed a number of other documents based on the *Guidelines*, including checklists for businesses and tips for consumers.<sup>57</sup> An initiative, known as the Electronic Marketing Standards Authority (EMSA), is being developed by the Direct Marketing Association and Advertising Standards Authority, in consultation with the Ministry of Consumer Affairs. This is a self-regulatory regime that involves enhancing current Direct Marketing and Advertising Standards Codes to be consistent with both the New Zealand model code and the *Guidelines*. Members will be required to agree to and comply with this code. An investigation also is underway into an appropriate certification/seal of approval process to accompany EMSA. EMSA will deal with information

disclosure, privacy mechanisms and consumer complaints handling. It will be Internet-based and will allow consumers to make complaints online.

## Norway

In June 2000, the Norwegian Government presented “eNorway,” an Information Society Action Plan.<sup>58</sup> Legislatively, the *Guidelines* are covered mostly by existing laws and where the legal framework has not yet been implemented, actions are underway. The government has submitted a draft bill on electronic signatures to parliament. Another draft bill has been introduced to parliament that will prohibit companies from sending electronic mail to consumers unless the consumer has previously given permission for the enterprise to do so.

The National Consumer Council and representatives of business established a voluntary and independent label, N-safe.<sup>59</sup> Businesses allowed to display the N-safe label are subject to the principles defined by the label requirements. Consumers are thereby ensured a certain level of protection. Current efforts include expansion of the label to other Nordic countries. The Norwegian Consumer Ombudsman participates in the international Sweep days of the IMSN. A common position paper on good practices for trading and marketing on the Internet, developed by the Nordic Consumer Ombudsman, form the basis for the Consumer Ombudsman’s monitoring of the electronic marketplace. Upon adoption of the *Guidelines*, Norway issued press releases and distributed them online and to business associations and consumer groups. The *Guidelines* were translated into Norwegian and posted on the official government Web site.<sup>60</sup> The government is preparing an information campaign directed at business on the use of e-signatures, marketing and trade. Norway has disseminated online shopping tips in its *Forbrukerrapporten Magazine* both online and offline.<sup>61</sup>

With regard to consumer education initiatives, the Consumer Council, in co-operation with the National Centre for Teaching Aids/School-net, introduced consumer information related to the Internet into the school systems in an effort to teach teenagers and children about their responsibilities as consumers in the electronic marketplace. School-net is targeted to teachers and students in the compulsory primary and secondary school as well as secondary education schools at advanced level. Consumer education is treated as a separate subject within Economics and Information Processing.

## Poland

In order to deal with electronic issues, an inter-ministerial group of experts was established. The group -- composed of representatives from several ministries, academics and businesses representatives -- prepared a report, which was approved by the Council of Ministers in July 2000. This document analyses existing legislation and explores possibilities of applying it to electronic commerce transactions. It also includes suggestions for future legislative initiatives and a description of current developments in various international fora and specifically emphasises the role of the *Guidelines* and its principles.

The *Guidelines* were translated into Polish and posted on the Office for Competition and Consumer Protection (OCCP) Web site ([www.uokik.gov.pl](http://www.uokik.gov.pl)). The OCCP continues to educate business about the *Guidelines* and their impact on electronic commerce. Legislatively, certain principles of the *Guidelines* were included in recent legislation. Poland implemented the EU distance selling directive and the directives on misleading advertising (relevant Polish legal acts came into force in the year 2000). Additionally, the governmental draft act on electronic

signature was approved by the Council of Ministers and the draft act on electronic payment tools was elaborated in January 2001. In July 2000 the Parliament approved a resolution on establishing a basis for the information society in Poland. In this resolution, the Parliament obliges the government to continue legislative work aimed at preparing and sending to the Parliament, as soon as possible, draft acts regulating issues connected with the usage of Internet and related consumer protection issues.

### **Portugal**

The *Guidelines* were translated into Portuguese, and the Consumer Institute has created a Web site for consumers that provides information for consultation and downloading. Portugal is planning to disseminate the *Guidelines* among Portuguese electronic commerce sites. A national initiative on the information society has started and will specifically focus on electronic commerce. Within this national initiative, there are plans to introduce consumer protection principles and guidelines. In addition, the consumer group *Deco Pro Teste* is participating in the *Which?* WebTrader international code program.<sup>62</sup>

### **Slovak Republic**

The Slovak Republic translated the *Guidelines* and distributed them to consumer associations.

### **Spain**

The *Guidelines* were translated into Spanish and circulated to the consumer policy authorities and consumer organisations throughout the country. Under Spain's "Information Society for All" initiative, the government will focus on three major areas of consumer protection. First, it will improve general contractual provisions by setting up a decree ruling against unfair contractual practices and introducing more transparency and efficiency in legal actions. Second, Spain will develop a system to be more aware of consumer complaints concerning consumer online transactions and establish an online contact point to inform consumers of their rights and on legal procedures applying to Internet transactions. And third, the government will create an online contact point for consumers to provide education on consumers' rights and the legal procedures applying to Internet transactions. Several governmental departments also are working on a draft electronic commerce law similar to the EU Directive.

### **Sweden**

Legislatively, the *Guidelines* are mostly covered by existing laws in Sweden. There is recognition however, that changes will have to be made in the future, as more is learned about consumer protection in the context of electronic commerce.

### **Switzerland**

The *Commission fédéral de la consommation* adopted the recommendations of the *Guidelines*, and transmitted them to the Federal Council. The Federal Bureau of Consumer Policy together with the Ministry of Economy (SECO) distributed the *Guidelines* – which are available in the three official languages of Switzerland (German, French and Italian) -- to business organisations

and SMEs, consumer organisations and various departments of the federal administration. The Federal Bureau of Consumer Policy participates in the interdepartmental working group on the Swiss Information Society.<sup>63</sup> It also is active in the inter-departmental electronic commerce working group co-ordinated by SECO.<sup>64</sup> The Federal Bureau of Consumer Policy has included an electronic commerce section on its Web site and provides links to informational sites and practical recommendations aimed at building consumer confidence in electronic commerce.<sup>65</sup> The Federal Bureau of Consumer Policy is currently preparing a report on consumer behaviour in e-commerce. This report should be issued in 2001 and will be available on the Web.<sup>66</sup>

On 7 December 1999, the Federal Commission for Consumer Policy issued two recommendations to the Federal Council, one concerning electronic commerce and one concerning distance selling.<sup>67</sup> It also requested action by the Federal Council to strengthen international co-operation in the field of electronic commerce. There also has been work on digital signatures and updating federal laws on unfair competition.

The consumer organisations in Switzerland regularly inform their members about electronic commerce in their magazines and newsletters, which refer to the *Guidelines*. The *Fédération Romande des Consommateurs* (FRC) participated in establishing the *Which? Web Trader* code of good conduct for electronic commerce with six other European consumer organisations.<sup>68</sup> In addition, the firm JurisNET GmbH has also created a code of good conduct in order to strengthen consumer confidence.<sup>69</sup>

## Turkey

The Turkish authorities are adjusting a specific chapter of the current consumer protection law to take into account electronic commerce and the *Guidelines*. The drafting work is expected to be completed by the end of 2000.

## United Kingdom

Upon adoption of the *Guidelines*, there were general publicity efforts, but most of the United Kingdom's work related to the *Guidelines* is exemplified in the TrustUK initiative. The government worked with business and consumer organisations to develop a non-profit organisation, TrustUK, to accredit codes of conduct for electronic commerce, which meet minimum standards and offer consumers good protection. Businesses or business organisations that meet the standard are granted a TrustUK label. To date, three such codes have been accredited – Web Trader, Direct Marketing Association (DMA), and the Association of British Travel Agents (ABTA). The *Which? Web Trader* code program was developed and is administered by the consumers' organisations of Belgium, France, Italy, the Netherlands, Portugal, Spain and the United Kingdom.<sup>70</sup> The United Kingdom Consumer Association disseminated online shopping tips in its *Which? Magazine* both online and offline.<sup>71</sup>

## United States

In the United States, follow-up work on the *Guidelines* focuses on a variety of areas. Upon adoption of the *Guidelines*, press releases were issued by the public and private sectors. The government, with business and consumer representatives, also held a press availability to answer questions about the *Guidelines*. The Federal Trade Commission (FTC) has developed a variety of business and consumer education materials that are available on its Web site and at

[www.consumer.gov](http://www.consumer.gov), a Web site maintained by the Federal Trade Commission that provides consumer information from more than 135 federal and state government agencies. Another innovative technique used by the FTC to educate and inform consumers about safely navigating the Web includes the use of “sting” sites. These sites mimic the characteristics that make a site fraudulent and use metatags embedded in the “sting” sites to make them instantly accessible to consumers who are using major search engines and indexing services as they look for products, services and business opportunities. By then providing a warning that the consumer could have been defrauded, the “sting” site links back to the FTC where consumers can find the practical information they need.

The United States government has also continued to strengthen and expand international co-operation arrangements and engage in multilateral law enforcement co-operation, as called for by the *Guidelines*.<sup>72</sup> The efforts have included conducting Internet investigations training to teach authorities about tools to detect and prevent Internet fraud,<sup>73</sup> sponsoring Internet surf days,<sup>74</sup> and working with colleagues in the IMSN to promote co-operation and information sharing. For example, the FTC coordinated a year-long law enforcement effort targeting the top 10 Internet scams, which involved five federal United States agencies, consumer protection organisations from nine countries and 23 states. Announced in October, the effort involved 251 law enforcement actions against online scammers in "Operation Top Ten Dot Cons." Participants in "Operation Top Ten Dot Cons" included consumer protection agencies from Australia, Canada, Finland, Germany, Ireland, New Zealand, Norway, the United Kingdom and the United States. Domestically, the FTC has brought more than 167 actions involving Internet fraud against more than 562 defendants.

In furtherance of the *Guidelines* principle that calls on Member countries to further study the jurisdiction and applicable law issues, the FTC issued a report on consumer protection in the global electronic marketplace, including Internet jurisdiction.<sup>75</sup> During the drafting of the *Guidelines*, the FTC explored, through a workshop, how its own rules and guides apply to electronic media, including the Internet, e-mail and CD-ROMs.<sup>76</sup> With respect to consumer redress, the FTC and Department of Commerce held a workshop on alternative dispute resolution in June 2000. The event was widely attended by business, government, consumer groups, and academics.<sup>77</sup> Staff of the Federal Trade Commission and the Department of Commerce issued a report summarising the key themes that emerged from the workshop.<sup>78</sup> Most recently, in February 2001, the FTC sponsored a public roundtable to explore private sector ADR recommendations and jurisdiction over business-to-consumer contracts in the context of the draft Hague Convention on Jurisdiction and Foreign Judgements.<sup>79</sup> The US private sector also is working to implement the *Guidelines*. Several industry groups, in close consultation with government and consumer representatives, developed business-to-consumer codes of conduct for online commerce. For example, the Better Business Bureau OnLine requires adherence to its newly developed code of business practices as a requirement for its reliability seal program, which already is carried by 4 800 companies.<sup>80</sup> And the Electronic Commerce and Consumer Protection Group, which formed around the completion of the *Guidelines*, developed a business-to-consumer code of conduct that includes principles for dispute resolution.<sup>81</sup> The private sector also has introduced a variety of education initiatives including posting shopping tips on company Web sites, in banner ads and providing information through links and e-mail responses.<sup>82</sup> In addition, the National Consumers League (NCL) launched education initiatives related to e-commerce, including a “Be E-Wise” program, which provides tips for safe online shopping, and a recent campaign on safe ways to pay in online auctions.<sup>83</sup>

## **BIAC**

Upon the adoption of the *Guidelines*, the business community continued to perform a variety of activities to further enhance consumer confidence that directly relate to the *Guidelines* or that are in their spirit. For example, BIAC informed its members, through its newsletter, of the OECD's adoption of the *Guidelines*. Many BIAC members informed their own members, which include individual companies and individual branch organisations. In addition to the work of BIAC, the International Chamber of Commerce (ICC), the Alliance for Global Business and the Global Business Dialogue for electronic commerce continue to give attention to the consumer policy aspects of electronic commerce, with a particular focus on the development of alternative dispute resolution mechanisms.

## **Consumers International**

Consumers International disseminated the *Guidelines* to its members, worldwide, issued press releases, and posted the *Guidelines* on its Web site. Consumer associations continue to work with business to develop codes of conduct and best practices for trading with consumers in the online environment. Consumers International conducted a study and released a report that assessed, based on principles outlined in their report, all ADR mechanisms available online as of August 2000.<sup>84</sup> At its biannual World Congress meeting in 2000, sessions focused on consumers in the electronic marketplace and included discussion of the *Guidelines*.

## NOTES

<sup>1</sup> <http://www.oecd.org/dsti/sti/it/consumer>.

<sup>2</sup> In co-operation with the National Centre for Teaching Aids/School-net, (<http://skolenettnet.nls.no>) the Norwegian Consumer Council introduced consumer information related to the Internet into the school systems. School-net is targeted to teachers and students in the compulsory primary and secondary school (ten-year) as well as secondary education schools at advanced level. Consumer education is treated as a separate subject within Economics and Information Processing.

<sup>3</sup> <http://www.oecd.org/dsti/sti/it/consumer>

<sup>4</sup> For consumer information from Australia, see: <http://www.ecommerce.treasury.gov.au>. For consumer information from Finland, see: <http://www.kuluttajavirasto.fi/englanti/index.html>, <http://www.tieke.fi/kauppa/aapinen>, <http://www.tieke.fi/kauppa/index.htm> and <http://www.kuluttajavirasto.fi>. For consumer information from France, see: <http://www.finances.gouv.fr/cybercommerce>.

<sup>5</sup> <http://ConsumerInformation.ca>

<sup>6</sup> <http://www.handel.no>

<sup>7</sup> <http://www.consumer.gov>

<sup>8</sup> <http://www.econsumer.or.kr>

<sup>9</sup> <http://www.which.net/shopping/guide.html>

<sup>10</sup> <http://www.netcoalition.com>

<sup>11</sup> <http://www.nclnet.org/BeEWISEbroch.html>

<sup>12</sup> <http://ConsumerInformation.ca>

<sup>13</sup> Information from the Centre is at <http://www.tieke.fi/kauppa/aapinen> and <http://www.tieke.fi/kauppa/index.htm>. Information from the Consumer Agency and Ombudsman is at <http://www.kuluttajavirasto.fi>.

<sup>14</sup> The Guidelines were specifically noted in speeches by Canada's Minister of Industry, John Manley (<http://www.ic.gc.ca/cmb/welcomeic.nsf/MinstByDate>) and the United States' former Secretary of Commerce William M. Daley (<http://osecnt13.osec.doc.gov/public.nsf/docs/922A80DCAB721696852568B7006125F8>) and Federal Trade Commission Chairman Robert Pitofsky (<http://www.ftc.gov/speeches/pitofsky/rpwilson2.htm>).

<sup>15</sup> Sweeps occur on a chosen date or over a particular time period when staff of an organisation spend the day(s) looking at Web sites and trying to find sites that appear to raise concerns or fail to meet identified principles. The sites identified are then sent educational e-mail messages that their sites fail to meet the identified principles or the site appears to be engaged in an activity that may be regulated. Where a

possible violation of a law may be at issue, the e-mail message also refers the site to the regulatory body to obtain information on how to comply with the appropriate laws or regulations.

<sup>16</sup> <http://www.trustuk.org.uk>

<sup>17</sup> <http://www.which.net/webtrader>

<sup>18</sup> <http://www.nsafe.no>

<sup>19</sup> The OECD work on Codes of Conduct is being undertaken by the Information, Computer and Communications Policy Committee with the assistance of the Committee on Consumer Policy.

<sup>20</sup> <http://econfidence.jrc.it>.

<sup>21</sup> Official transposition notifications are listed at [http://europa.eu.int/celex/htm/celex\\_en.htm](http://europa.eu.int/celex/htm/celex_en.htm). European Union Directives related to consumer protection in electronic commerce, include the Electronic Commerce Directive (2000/31/EC), Misleading Advertising Directive (97/55/EC), Directive on Unfair Contract Terms (93/13/EC), and the Distance Selling Directive (97/7/EC).

<sup>22</sup> In late 1999, the *Fair Trading Act* came into force in Alberta, representing a consolidation of its consumer statutes into a single piece of legislation. (<http://www.gov.ab.ca/qp/ascii/acts/F01P05.TXT>). A 1995 agreement among provinces and territories to harmonise direct sellers legislation came close to completion in 1999 with the implementation of harmonised legislation in British Columbia, Nova Scotia, Ontario and Northwest Territories. By the end of 1999, all jurisdictions had passed the legislation, though it was not yet proclaimed in force in Ontario or Nova Scotia. (British Columbia's Consumer Protection Act: [http://qp.gov.bc.ca/bcstats/96069\\_01.htm](http://qp.gov.bc.ca/bcstats/96069_01.htm); Nova Scotia's Direct Sellers Regulation Act: [http://www.gov.ns.ca/legi/legc/bills/57th\\_1st/3rd\\_read/b099.htm](http://www.gov.ns.ca/legi/legc/bills/57th_1st/3rd_read/b099.htm); Northwest Territories' Consumer Protection Act: [http://legis.acjnet.org/TNO/Loi/c\\_en.html](http://legis.acjnet.org/TNO/Loi/c_en.html))

<sup>23</sup> Information about the workshop, *Interpretation of Rules and Guides for Electronic Media*, which was held on 14 May 1999, can be found at <http://www.ftc.gov/bcp/rulemaking/elecmedia/index.htm>. The related staff paper *Dot Com Disclosures: Information About Online Advertising* is available at: <http://www.ftc.gov/bcp/online/pubs/buspubs/dotcom/index.html>

<sup>24</sup> The report which can be accessed at <http://www.ftc.gov/bcp/icpw/lookingahead/lookingahead.htm> makes several recommendations for ensuring effective consumer protection online. It recommends against moving to a country of origin or contractual approach to applicable law and jurisdiction because such approaches could undermine consumer protection, and ultimately consumer confidence in e-commerce. It further recommends that stakeholders work together to address flaws in the current system to increase predictability for businesses online.

<sup>25</sup> Not only the Consumer Law was reformed, but also the Civil Code, Commercial Code, and the Federal, Civil Procedures Codes, in general terms to recognise the validity of electronic transactions.

<sup>26</sup> The scam took unsuspecting users to pornographic sites and prevented them from quitting those sites. *FTC v. Carlos Periera d/b/a atariz.com*, No. 99-1367-A (E.D. Va., filed Sept. 14, 1999) (permanent injunction as to defendants W.T.F.R.C. and Nirta entered Feb. 28, 2000). Pleadings available at: <http://www.ftc.gov/os/1999/9909/index.htm#22> and press release at: <http://www.ftc.gov/opa/1999/9909/atariz.htm>.

<sup>27</sup> Sweep days, which in the past have targeted particular scams (e.g. "get rich quick" and "miracle cures") or evaluated sites based on the principles of the draft Guidelines, occur on a chosen date when staff of enforcement agencies spend the day looking at Web sites and trying to find sites that appear to be promoting the chosen scam or fail to meet the identified principles. The sites identified are then sent educational e-mail messages that the activities in which the site appears to be engaged may be regulated in

some countries. The e-mail message also refers the site to the regulatory body in their own country to obtain information on how to comply with the appropriate laws or regulations.

28 The press releases and copies of the agreement can be found at: <http://www.ftc.gov/opa/200/07/usaccc.htm>  
and [http://203.6.251.7/accc.internet/digest/view\\_media.cfm?RecodID=42](http://203.6.251.7/accc.internet/digest/view_media.cfm?RecodID=42)

29 <http://www.ftc.gov/opa/2000/10/ukimsn.htm>

30 The FTAA report was completed on 4 November 1999 and included recommendations for Ministers.  
<http://www.ftaa-alca.org/spcomm/derdoc/ec1de.doc>

31 <http://www.iso.ch>

32 <http://www.ecommerce.gov/apec/meeting/072000>

33 <http://www.g8kyushu-okinawa.go.jp/e/documents/it1.html>

34 The OECD's participation in the conference was organised by the Committee on Consumer Policy and the Information Computer and Communications Policy Division's Working Party on Information Security and Privacy.

35 Several organisations have conducted inventories of ADR mechanisms, including the OECD, Consumers International, the International Chamber of Commerce and the Global Business Dialogue. The inventories can be found at the following sites:

[http://www.oecd.org/dsti/sti/it/secur/act/online\\_trust/orientation\\_document.pdf](http://www.oecd.org/dsti/sti/it/secur/act/online_trust/orientation_document.pdf);  
<http://www.consumersinternational.org/campaigns/electronic/sumadr-final.html>;  
[http://www.oecd.org/dsti/sti/it/secur/act/online\\_trust/ICCInventory.doc](http://www.oecd.org/dsti/sti/it/secur/act/online_trust/ICCInventory.doc);  
<http://www.gbde.org/library/adr.doc>

36 Information from both workshops can be found at <http://dsa-isis.jrc.it/ADR> for the European Commission and <http://www.ftc.gov/bcp/altdisresolution/index.htm> for the United States.

37 <http://www.tacd.org/ecommercef.htm#adr>

38 <http://www.gbde.org/library/adr.doc>

39 <http://www.consumersinternational.org/campaigns/electronic/sumadr-final.html>

40 [http://europa.eu.int/comm/consumers/policy/developments/acce\\_just/index\\_en.html](http://europa.eu.int/comm/consumers/policy/developments/acce_just/index_en.html)

41 [www.ombudsmann.at](http://www.ombudsmann.at)

42 [www.guetezeichen.at](http://www.guetezeichen.at)

43 [http://www.budget-net.com/bnet/webtradersite/code\\_uk.html](http://www.budget-net.com/bnet/webtradersite/code_uk.html)

44 In late 1999, the *Fair Trading Act* came into force in Alberta, representing a consolidation of its consumer statutes into a single piece of legislation. (<http://www.gov.ab.ca/qp/ascii/acts/F01P05.TXT>). A 1995 agreement among provinces and territories to harmonise direct sellers legislation came close to completion in 1999 with the implementation of harmonised legislation in British Columbia, Nova Scotia, Ontario and Northwest Territories. By the end of 1999, all jurisdictions had passed the legislation, though it was not yet proclaimed in force in Ontario or Nova Scotia. (British Columbia's Consumer Protection Act: [http://qp.gov.bc.ca/bcstats/96069\\_01.htm](http://qp.gov.bc.ca/bcstats/96069_01.htm); Nova Scotia's Direct Sellers Regulation Act: [http://www.gov.ns.ca/legi/legc/bills/57th\\_1st/3rd\\_read/b099.htm](http://www.gov.ns.ca/legi/legc/bills/57th_1st/3rd_read/b099.htm); Northwest Territories' Consumer Protection Act: [http://legis.acjnet.org/TNO/Loi/c\\_en.html](http://legis.acjnet.org/TNO/Loi/c_en.html))

45 <http://econfidence.jrc.it>

46 Information from the Centre is at <http://www.tieke.fi/kauppa/aapinen> and  
<http://www.tieke.fi/kauppa/index.htm>. Information from the Consumer Agency and Ombudsman is at  
<http://www.kuluttajavirasto.fi>.

47 <http://www.finances.gouv.fr/cybercommerce>

48 <http://www.clcv.org/>

49 <http://www.altroconsumo.it/>

50 <http://www.miti.go.jp/kohosys/topics/10000107/>

51 <http://www.ecom.or.jp>.

52 <http://www.jadma.org/index.shtml>

53 <http://www.webtrader.nl/>

54 [http://www.consumer-ministry.govt.nz/Model\\_Code.html](http://www.consumer-ministry.govt.nz/Model_Code.html)

55 <http://www.consumer-ministry.govt.nz>

56 <http://www.ecommerce-summit.govt.nz>

57 [www.consumer-ministry.govt.nz/internet.html](http://www.consumer-ministry.govt.nz/internet.html) and

<http://www.consumer-ministry.govt.nz/internet-traders.html>

58 <http://dep.no/nhd/norsk/p10001865/p10001876/024031-990036/index-dok000-b-n-a.html>

59 <http://www.nsafe.no>

60 <http://oin.dep.no/bfd/norsk/publ/veiledninger/004031-990036/index-dok000-b-n-a.html>

61 [http://www.forbrukerradet.no/engelsk\\_fransk](http://www.forbrukerradet.no/engelsk_fransk)

62 <http://www.deco.proteste.pt/>

63 <http://www.isps.ch>

64 <http://www.seco-admin.ch>

65 <http://www.consommation.admin.ch/frprotection.htm>

66 <http://www.edsb.ch>

67 The first recommendation requested that the Federal Council modify requirements of the Code of  
 Obligations relating to consumer contracts (right to be informed, right to retract and right to return) based  
 on current EC Directive drafts (of 23 December 1998 and 17 August 1999) and the *Guidelines*.

68 <http://frc.ch> and <http://web-trader.ch>

69 <http://www.jurisnet.ch>

70 <http://www.which.net/webtrader>

71 <http://www.which.net/shopping/guide.html>

72 In July 2000, the FTC signed two agreements with the Australian Competition and Consumer Commission (“ACCC”). In the first agreement, the parties agreed to use best efforts to notify each other of cross-border enforcement activities, co-operate and co-ordinate law enforcement activities, and exchange consumer protection information for law enforcement purposes. The second agreement gives the ACCC access to the Consumer Sentinel database of consumer complaints. With 13 Canadian agencies already signed up as members of Consumer Sentinel and the addition of the ACCC, Consumer Sentinel is now truly a multinational law enforcement co-operation tool. The press releases and copies of the agreement can be found at:

<http://www.ftc.gov/opa/200/07/usaccc.htm> and  
[http://203.6.251.7/accc.internet/digest/view\\_media.cfm?RecodID=42](http://203.6.251.7/accc.internet/digest/view_media.cfm?RecodID=42).

73 Over 55 people from 19 countries attended this meeting in Paris in September 2000.

74 The FTC sponsored a “GetRichQuick.com” surf day, in which 150 organizations in 28 countries surfed the Web for fraudulent and deceptive get-rich-quick schemes. Over 1 600 fraudulent or deceptive sites were found. When law enforcers conducted a “compliance surf,” approximately one month after the initial surf, they found that approximately 40% of the sites had either been taken down or changed the representations on their Web sites. Investigators are examining remaining sites and determining whether law enforcement actions are appropriate.

75 The report, which can be accessed at <http://www.ftc.gov/bcp/icpw/lookingahead/lookingahead.htm>, makes several recommendations for ensuring effective consumer protection online. It recommends against moving to a country of origin or contractual approach to applicable law and jurisdiction because such approaches could undermine consumer protection, and ultimately consumer confidence in e-commerce. It further recommends that stakeholders work together to address flaws in the current system to increase predictability for businesses online.

76 Information about the workshop, *Interpretation of Rules and Guides for Electronic Media*, which was held on 14 May 1999, can be found at <http://www.ftc.gov/bcp/rulemaking/electmedia/index.htm>. The related staff paper *Dot Com Disclosures: Information About Online Advertising* is available at: <http://www.ftc.gov/bcp/conline/pubs/buspubs/dotcom/index.html>

77 Information from the workshops can be found at <http://www.ftc.gov/bcp/altdisresolution/index.htm> and <http://www.ecommerce.gov>.

78 Key themes that emerged from the workshop included: 1) finding global solutions to problems arising from international e-commerce transactions; 2) pursuing technological innovation in ADR programs; 3) pursuing multiple ADR programs; 4) ensuring fairness and effectiveness of ADR programs; 5) consumer and business education about ADR; and 6) combating fraud and deceptive practices related to ADR. See <http://www.ftc.gov/bcp/altdisresolution/index.htm> for more information on the workshop.

79 Details can be found at <http://www.ftc.gov/os/2001/01/cbadrfrn.htm>.

80 <http://www.bbbonline.org>

81 <http://www.ecommercegroup.org>

82 US Government Working Group on Electronic Commerce *Second Annual Report* which is accessible at <http://www.ecommerce.gov>.

83 <http://www.nclnet.org/BeEWISBroch.html>

<sup>84</sup>

<http://www.consumersinternational.org/campaigns/electronic/sumadr-final.htm>