

Position paper

Short-Term Rentals: Establishing a European Framework that Works for Public Authorities, Hosts and Online Platforms

December 2022

The STR market needs an EU framework

eu travel tech welcomes the European Commission's proposal on short-term rentals (STRs). We see great value in an EU-wide framework regulating STRs. While STRs are loved by travellers and hosts, we recognise that the market growth in recent years has created challenges for local authorities, especially in popular tourism destinations. At the same time, the measures put in place by Member States across Europe to address these challenges as well as the data sharing requests to platforms have been extremely fragmented and sometimes disproportionate, necessitating an EU tool to ensure greater harmonisation and proportionality.

In this regard, we share the proposal's ambition to harmonise rules on registration for hosts and data sharing requirements for STR platforms across Europe. The rules will complement legislation such as the Digital Services Act (DSA), the Data Act and the Directive on administrative cooperation in the field of taxation (DAC7). Ensuring an alignment between these rules will be essential to design a coherent and well-functioning legislative framework that helps public authorities better manage the STR sector and allows STR platforms to operate smoothly.

The proposal ensures a balanced approach for all stakeholders

In our view the proposal takes a balanced approach with regard to the different roles and responsibilities of hosts, platforms and public authorities. Preserving this balance will be important for the success of this instrument.

In particular, the set-up of registration schemes and digital infrastructure by Member States (so called "Single Digital Entry Points") will be essential for the effective implementation of obligations on online platforms both with regard to the sharing of activity data and for the performance of random checks. At the same time, in this paper, we provide further details regarding why we would see an EU-wide register and digital infrastructure as more effective to achieve the proposal's goals and highlight other areas for improvement, consideration or clarification.

In particular, we feel that the proposal should have gone further and contributed to providing some clarity regarding the proportionality and compliance with EU law of local market access rules adopted to address the challenges related to STRs. We would therefore encourage negotiators to consider adding some clarifications in this regard in the current text or to ensure that further guidance is provided as soon as possible following the adoption and implementation of the STR framework.

Certain aspects of the proposal will require improvement or clarification

In view of the ongoing negotiations on the STR proposal, we have the following recommendations with regard to areas where the proposal should be improved or where provisions should be further clarified as well as where alignment should be ensured with other relevant legislation:

- **Consider the merits of an EU-wide registration scheme and central digital infrastructure**

The proposal's provisions ensuring harmonisation of registration and verification procedures across the EU are a welcome step forward vis-à-vis the diverging standards currently implemented in the

Member States.¹ At the same time, in line with our [position](#) shared earlier in 2022, we continue to believe that an EU-wide registration scheme and digital infrastructure for data sharing would be a more efficient solution and ensure greater simplification and clarity for Member States, platforms and hosts. While we understand that it will be important that Member States agree on the system that would more adequately meet their needs, we do see the value of a swift implementation of a well-functioning technical infrastructure as this will be key to making the rules operational and to ensuring national measures on STRs are more easily enforceable.

As mentioned above, registries and digital infrastructure such as the proposed Single Digital Entry Points will be essential to:

- Ensure that platforms can fulfil their obligations with regard to listing the properties that obtain such registration numbers, for the performance of random checks against an existing database or register as well as for the sharing of activity data.
 - Ensure that hosts can easily submit all the information online without additional administrative burden. When properly regulated, the STR market can provide great value to hosts and local communities, but it is important that this market remains agile especially with regard to the services offered by “peer” hosts (private individuals offering STR services on an occasional basis).
- **Provide guidance and secondary acts to ensure a standardised approach to the Single Digital Entry Points**

Should the intention be to keep the current approach of national registries and Single Digital Entry Points, we recommend ensuring greater guidance with regard to the technical specifications and procedures to ensure interoperability of solutions for the functioning of this infrastructure at national level and the seamless exchange of data. As the proposal currently stands, the Commission *may* adopt implementing acts while we would like to stress the importance of having this secondary legislation in place to provide a coherent approach. It will also be essential that the European Commission and Member States work with online platforms to ensure that any technical solution is compatible with platforms’ data sharing tools and infrastructure.

- **Clarify the definition of STRs**

While we understand that all matters pertaining to more specific measures on STRs should be dealt with at the national level, we see the merits of providing an EU-wide definition of STR. As the text currently stands, ‘short-term accommodation rental service’ is defined as the short-term letting of a unit, against remuneration, whether on a professional or non-professional basis, *as further defined by national law*. An EU-wide STR definition would contribute to ensuring greater clarity and less fragmentation in the STR market and support the deepening of the European single market. It will also be important to ensure alignment between definitions in the STR proposal and definitions in the European Commission’s [proposal](#) on VAT for the digital age.

¹ As highlighted in the European Commission’s impact assessment: “An increasing number of national or local authorities have put in place registration schemes. Registration schemes now exist in 22 Member States and at various levels (national, regional and/or locally) and other Member States are considering introducing them too. Some Member States have registration schemes at local level (e.g. the Netherlands, with currently nine local registration schemes, France with over 50 local registration schemes), or both at regional and local levels (e.g., Spain has regional registration schemes in place in 19 regions and at least 6 local registration schemes). Registration requirements differ however significantly both in terms of procedural and substantive requirements. Some authorities impose particularly burdensome requirements (e.g., requirements to submit a variety of documents) or procedures. This, in turn, can have a chilling effect on the number of hosts, and hence on the business opportunities for online platforms.”

- **Ensure the STR regulation becomes the main instrument for B2G data sharing on STRs, in compliance with the GDPR**

It will be important to ensure that regulatory coherence is kept between the Data Act and the STR regulation with regard to B2G data access obligations. In particular, sectoral legislation such as the STR proposal should become the main instrument for access by public authorities to online platforms data on STRs. This would ensure a coherent compliance framework for both data holders and public bodies, preventing the simultaneous use of several legal instruments to attain data regarding the same services provided.

In the same vein, we welcome the proposal's approach aimed at ensuring, for the purposes of harmonisation and coherence, that no additional obligation can be imposed on STR platforms by Member States with regard to data sharing outside the specific regime laid down in the STR regulation. We would, however, recommend that such point is mentioned also in the articles and not only in the recitals (currently recital 4).

Finally, it should be ensured that the data sharing requirements proposed under the STR Proposal are in line with the protections provided under the GDPR. It is critical that the GDPR's integrity be maintained in order to provide the necessary legal certainty that citizens expect.

- **Ensure a swift implementation of the rules**

According to Article 19 of the Commission's proposal, the new rules would start applying from 24 months from the entry into force of the legislation. In this regard, considering that both platforms and public authorities have called on the European Commission to issue such an instrument for some time considering the level of unclarity and fragmentation in the STR market, we would welcome efforts to ensure a swift implementation of the rules.

It could be useful to take into account that the DSA rules will start applying as of February 2024 (and July 2023 for Very Large Online Platforms). While it might be challenging to ensure a complete alignment between the DSA and the STR rules on this aspect, bringing the timelines for implementation closer would help ensure the establishment of a more coherent legal framework.

- **Importance of helping assess proportionality of market conditions for hosts later down the line**

Until now, regulatory efforts on market access for STRs have been extremely fragmented and the approaches have greatly varied from country to country, and from city to city. While it is clear that such rules need to be designed at the national or local level and adapt to the different circumstances and needs of local communities, for online platforms this has meant dealing with a myriad of different requirements.

As highlighted in recent studies on the topic, in regulating STRs most city governments in Europe have sought to find a middle ground to maintain their attractiveness to visitors while attempting to address residents' concerns. They have done so by distinguishing between three types of STRs (professional STR, STR of a primary or secondary residence, STR of part of a primary residence). However, there have been cases where strict approaches have been adopted including stringent quantitative restrictions.

For this reason, we would greatly welcome further work at EU level to provide greater guidance and clarification vis-à-vis the proportionality, effectiveness and compliance with EU law of national measures on STRs.