EUROPE’S TECH VISION
FIVE YEARS FROM NOW
1. Involve the wider tech community in policy creation.

2. Promote a tech sector that is responsible and ethical

3. Create financial and investment conditions that can scale the next generation of EU tech champions

4. Account for the diversity of data uses and business models when creating data legislation

5. Continue to examine the changing dynamics of technology on competition issues

6. Ensure much-needed political focus and financial support for Artificial Intelligence (AI)

7. Take a targeted approach in refining the e-Commerce Directive

8. Make taxation fair for all at the global level
Europe has a vibrant tech ecosystem. As the European Tech Alliance (EUTA) we firmly believe in Europe’s potential to be a global tech leader and want to play our part.

We represent the digital innovators born and bred in Europe, including established champions, scaleups, and leading start-ups. Under the banner of the Alliance, we strive to:

Give voice to European digital champions from across the region and provide policymakers with our collective experience of scaling tech companies in Europe.

Provide a better understanding of the variety of digital business models that Europe has produced, from music services to next-generation search and information management, online advertising, mobile games, file sync and sharing, and platforms for dating, e-commerce, and mobility.

Support the creation of a political and legislative landscape that can grow the European tech ecosystem, and thus works for citizens, businesses, consumers, employees, and investors.
While the new legislative mandate means a reassessment of the EU's political priorities and policy approaches, the EUTA encourages policymakers to maintain their commitment to seizing the opportunities provided by the digital economy and to construct a supportive regulatory framework. While Europe has established itself as a first-mover in digital regulation, looking ahead the challenge is how to translate this into tangible growth for our economy. Striking the right balance will help Europe to become globally competitive in more sectors, all underscored by our shared European values.

The Digital Single Market (DSM) must remain a political priority, as it can remove barriers, reduce fragmentation, and allow companies to scale-up and compete globally. Strong internal and external coordination is a prerequisite for the EU in delivering on these objectives.

To complete the DSM, the EUTA would like to highlight its members’ key recommendations:
All legislative proposals must be proportionate, evidence-based, and tailored for incubating the EU’s digital industry.

We recommend that a proposal’s impact on European growth be factored, to a much larger degree, into all impact assessments, public hearings also taking into account the differences between SME and startup growth models.

Additionally, such companies should be proactively engaged earlier on in the legislative process, being mindful that the reality is many lack dedicated resource in the form of a Government Affairs team.

Without their inclusion, legislation may be designed with only a handful of specific business models in mind and this will fail to adequately consider the needs of Europe’s varied tech sector.

As European companies, we have scaled with an EU regulatory approach at our core.

Our members believe in a sustainable, accountable and cooperative tech agenda. The European Commission should ensure that all companies comply with legislation, for example VAT or consumer rules.

Such legislation should be effectively applied, regardless of whether or not the respective company has a physical presence for its operations in the EU market. By doing so, we believe that the EU can help to foster - and in some cases regain - consumers’ trust in technology.
A variety of measures will be essential to boost the critical mass of investment needed in Europe to have a thriving tech sector that is able to compete on a global scale. This includes doubling down on investing in Europe’s digital future, for example through Europe’s university and R&D facilities, connections to the peripheral and neighbouring regions, and the adoption of EU tech by public administrations, which requires the creation of more innovation-friendly public procurement rules. In tandem with such public investment, we want to ensure suitable fiscal conditions for public and private investment in equity. This should include the fair taxation of profits and shares and an ambitious revision of additional remuneration, for example the greater development of employee share ownerships and pension rights portability, which can be a key way for emerging tech companies to hire and retain the best talent. Beyond immediate investments, we need to ensure appropriate IP protection and wider education so that the benefits of our collective investments are retained in the European ecosystem.

Our members have world-class engineers and data scientists that work with data in a variety of ways to deliver and drive their innovative services, be this in automated testing, behavioral assessments, or service refinement. As many of us primarily operate within Europe, EU actions around data policy have a substantial impact on our operations. Following the adoption of the General Data Protection Regulation (GDPR), we believe the EU needs to pursue an effective and balanced EU data policy agenda. In the past, legislation has been drafted with a handful of business models in mind. We urge lawmakers to consider the wider data ecosystem when drafting and amending any new policies. We also urge future legislators to avoid heavy-handed regulation of data, as it can have a disproportionate impact on, and heavy cost to, EU tech companies for whom Europe is often the most important market.
The EUTA agrees with the Commission’s vision for AI: making Europe a global leader while preserving the fundamental values of Europe. That is why we welcome the Commission’s ambition for a ‘human-centric’ AI and the ethical guidelines for the development of trustworthy AI. Yet, over-regulation could stifle innovation and harm consumers choice. In this debate for example, the importance of online platforms as a tool facilitating the interaction between businesses and consumers should be recognised. In most cases, this open environment has enabled growth, innovation and competition in the economy. Our members have experience in operating in a competitive landscape both as platforms and their users.

We firmly believe that healthy competition must be on the merits of our services, not on the basis of rules set by a few operators. Anti-competitive actions can create an uneven playing field which can foreclose growth opportunities for European companies, hinder innovation, and limit consumer choice. We urge the EU authorities to provide an open and competitive environment in Europe, and to ensure that dominant global companies, from a variety of sectors, do not misuse their power.

The EU’s competition policy has looked to underpin a fair and competitive European economy. While tech is a particularly fast-moving sector, we understand policymakers’ concerns about killer acquisitions, data concentration, barriers-to-entry, and vertical integration issues; which all have the potential to stifle innovation and harm consumers choice. In this debate for example, the importance of online platforms as a tool facilitating the interaction between businesses and consumers should be recognised. In most cases, this open environment has enabled growth, innovation and competition in the economy. Our members have experience in operating in a competitive landscape both as platforms and their users.

The EUTA agrees with the Commission’s vision for AI: making Europe a global leader while preserving the fundamental values of Europe. That is why we welcome the Commission’s ambition for a ‘human-centric’ AI and the ethical guidelines for the development of trustworthy AI. Yet, over-regulation could stifle AI’s nascent development and unnecessarily restrict innovation and growth opportunities that will benefit citizens and consumers across Europe. AI is a horizontal technology: the diversity of its application will continue to quickly expand and be deployed in many different and unrelated sectors. At this stage, the political direction should prioritise the tools to attract much-needed investment and ensure the best researchers, developers, and engineers stay, and come to, Europe. Additionally, our collective priority should be securing a skilled European workforce through increased investment in Science, Technology, Engineering, Arts and Math (STEAM), soft skills, and encouraging effective training and cooperation between academia and business.
The EUTA supports the policy objectives of ensuring the fair taxation of all businesses, ensuring that resources are not diverted from the European ecosystem. However, we do not support diverging tax regimes for tech companies, which do not reflect the reality of a global economy that is rapidly digitising. Equally, we have grave concerns about efforts to tax companies’ revenues rather than profits. This would have an enormously adverse effect on the ability of European tech companies to scale up, particularly while they are not yet profitable.

The EU, its Member States and the OECD should focus their efforts on agreeing on a workable, predictable and straightforward solution for international corporate tax in a digitalised economy, which ensures only companies’ profits are taxed, and those profits are only taxed once.
The European Tech Alliance was launched in the European Parliament in 2015. We bring together and give a voice to the major European digital champions, scaleups and leading startups that have been successfully built across Europe. With a diverse membership, we seek to represent the variety of European tech voices. The EUTA was born to help Europe become the most innovative, globally competitive and fastest-growing player in the digital economy, whilst upholding our shared European values.

The mission of the EUTA is to share the members’ collective experience of scaling digital tech companies across Europe to help shape the political and legislative landscape that will impact businesses, consumers, employees and investors. The EUTA members provide invaluable expertise and success stories to decision makers and global media in Europe.

Policymakers are faced with the challenge of understanding the diversity of the European tech sector, the business models it has produced, and above all the barriers it faces to scale. The Alliance seeks to become the point of reference and the centre of knowledge for the European digital tech industry.

The EUTA has arrived at a crucial time in terms of changes to the European digital landscape. Decisions made around strengthening the Digital Single Market over the next five years will have an enormous impact on all the sectors of the European industry. We hope that our key recommendations for the next five years will help shape the Digital Single Market, creating a Europe fit for the digital age.
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