

## Press Release

### **Independent Retail Europe supports the European Commission's investigation into Temu's compliance with the Digital Services Act (DSA) and calls for strict enforcement for fair competition**

The European independent retail sector has long advocated for fair competition and transparency within online marketplaces. The Commission's request for information (RFI) seeks clarification from Temu on the measures it has taken to prevent the sale of illegal products and to safeguard consumer protection, public health, and users' wellbeing. **Upholding high standards is critical for consumer protection, product safety, and data privacy.** The investigation into Temu marks a pivotal moment in the effort to ensure that marketplaces intermediating sales from outside Europe adhere to EU regulations. In regard of this, we highlight:

#### **Call for fair competition**

Temu's compliance or lack thereof - with the DSA directly impacts market fairness and EU retailers' competitiveness. There are clear evidences that platforms like Temu are building a competitive advantage over EU traders by allowing the sale of illegal, counterfeit, or unsafe products from outside of Europe, practices that compliant EU-based businesses do not engage in. These practices are often combined with massive online advertising campaigns which fail to prevent consumers from being exposed to such products. The Commission's investigation is therefore crucial in levelling the playing field for all retailers operating within the European Union.

#### **Consumer protection is non-negotiable**

Temu's failure to provide accurate product information and to mitigate the risk of dissemination of illegal products lead to consumer harm, as customers are often unaware of the characteristics, origin, safety standards, or quality of the products they are purchasing. This is clearly demonstrated by various reports from consumer organisations, which we support. This lack of transparency and due diligence undermines EU consumer rights and safety, which require clear, comprehensible, and truthful information for safe and informed purchasing decisions.

#### **Stricter enforcement of the Digital Services Act**


We fully support the Commission's efforts to enforce the DSA, particularly on the **traceability of traders**, the implementation of a 'notice and action' mechanism to **flag and remove illegal products**, and the **transparency of online advertisement**. Since platforms like Temu gain traction through massive online advertisement campaigns purchased from other VLOPs, we call on the Commission to ensure that all VLOPs integrate in their mandatory systemic risks assessments and mitigation measures the risk of sales of illegal products resulting from these online advertisement campaigns. The Commission investigation offers therefore an opportunity to bring much-needed accountability

to global e-commerce platforms through a very strict enforcement of the DSA rules applicable to VLOPs.

*The European Commission's investigation into Temu is a first step toward ensuring transparency and a level playing field in the online market," said Alexis Waravka, Director of Digital and Competitiveness at Independent Retail Europe. "By holding all platforms intermediating sales from outside Europe accountable to the same standards applicable to EU economic operators, we can promote a fairer competitive environment that benefits both consumers and compliant businesses within the European Union."*

As the European Commission continues its investigation, groups of independent retailers reiterate their commitment to delivering high-quality, fully compliant products that meet EU standards, positioning themselves as a reliable and trusted choice for consumers across the EU.

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#### **About Independent Retail Europe:**

Independent Retail Europe is the European association that acts as an umbrella organisation for groups of independent retailers in the food and non-food sectors. Our members are groups of independent retailers, associations representing them as well as wider service organizations built to support independent retailers. Independent Retail Europe represents 23 groups and their over 462.000 independent retailers, who manage more than 737.000 sales outlets, with a combined retail turnover of more than 1,385 billion euros and generating a combined wholesale turnover of 604 billion euros. This represents a total employment of more than 6.390.000 persons.

