

Community Statement: Making ePrivacy An Opportunity for Startups in Europe

Startups are the main drivers of the European Data Economy, creating jobs three times faster than the rest of the economy. Only by enabling the growth of today's and tomorrow's companies will we be able to achieve the projected goal of €415 billion by 2020. Entrepreneurs work hard to make their vision a reality, and simultaneously comply with a growing number of laws. For startups, **privacy safeguards and confidentiality of communications is key for maintaining users' trust.**

To be clear, as founders we welcome the overhaul of outdated laws, making them fit for the digital age and harmonising the European single market. We want to protect our users' privacy and create innovative products, services and experiences at the same time. However, we are concerned that this balance could be undercut with the **ePrivacy Regulation**. It impedes with and flatly disallows what has proven to be best for the user and for the startups as well - being user centric, data driven and innovative businesses.

Every day startups come up with new products and business models; reimagining what we thought of as normal and testing what is possible. Starting small and on uncharted territory, they also feel the effects of regulation first. That is why we encourage you to truly **'think small and digital first'** when designing rules for the Digital Single Market. We urge you to consider the effects of the following ePrivacy provisions on the great stories many startups in the EU are writing:

- **Unnecessarily limiting the processing of data**, as permitted in the GDPR via legitimate interest and further compatible processing;
- **Mandating immediate erasure of data** to an extent that is neither user nor innovation friendly;
- **Restricting web analytics services** to large players who can afford an in-house solution, thereby cutting many startups off from critical user-feedback;
- Monopolising the management of cookies to software providers, thereby **making browsers gatekeepers** and relegating startups into an inherently inferior position;
- **Making Machine-to-Machine communication subject to consent**, thereby curtailing the growth aspirations of many young startups;
- **Overlapping/contradicting with provisions of the GDPR**, causing uncertainty and doubling regulatory load on startups.

A dynamic, innovative and competitive startup ecosystem is a key component of a European Data Economy. **Enabling startups founders to innovate** is at the heart of this growing success story. With ePrivacy, established players stand to gain while the development of innovative and creative startups in Europe would be hampered.

We call European and national policy makers to **review the substance of the e-Privacy draft regulation with a 'think small and digital first' principle**. Considering the impact of new legislative proposals on startups gives entrepreneurs the certainty and trust to build the next unicorn in Europe.