

Legal barriers to the adoption of e-business by SMEs A bottom-up approach

Workshop Legal issues for e-business: www.lexelerator.eu
A Web 2.0 Experience

Yolanda Ursa (INMARK)
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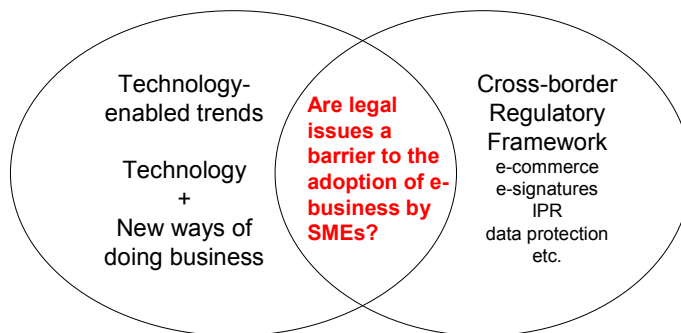
Lektor deals with legal issues for SMEs in e-business including digital business ecosystems

- A Specific Support Action, supported by the IST programme of FP6.
- 24 months duration (from 1 June 2006 to 31 May 2008)
- 6 Partners from EU, India, Chile and US
- Objectives
 - ✓ Identify legal e-business issues from the **user side**
 - ✓ **Raise awareness of legal issues** in e-business
 - ✓ Provide practical **solutions for legal knowledge sharing** that supports SMEs and helps overcoming legal insecurities
- Output: www.lexelerator.eu >>> Legal Information for SMEs in e-Business

- For background information and underlying documents:
www.ubique.org/lektor



E-business does not know any boundaries,
the law does!



Lektor Ten e-business Technology Trends

Technology side

1. Increasing deployment of ICT infrastructures and applications (broadband Internet connectivity, WIFI, open source, etc.)
2. Digital Rights Management (DRM) tools
3. Cross border e-Authentication and e-Identification

Supply side

4. Adopting online sales and purchasing (e-procurement)
5. Using collaborative commerce technologies
6. Higher standardisation and interoperability
7. Increasing transaction security levels

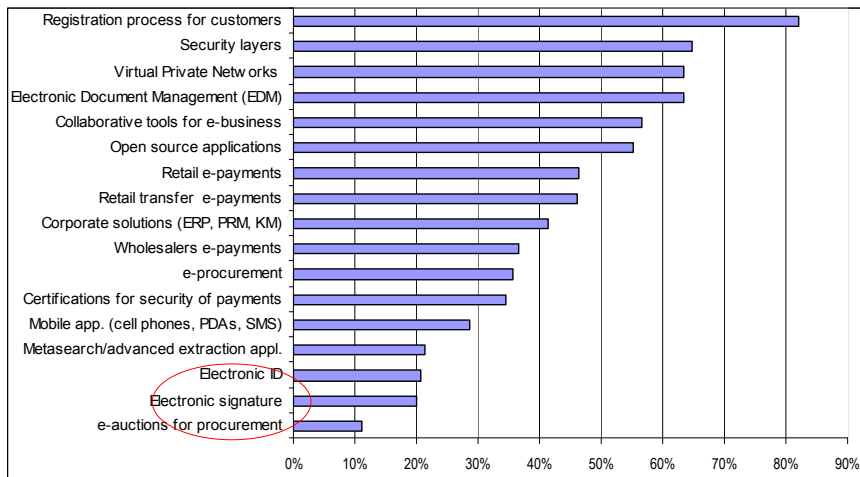
Demand side

8. Increasing mobility of digital generation
9. Using e-signature and e-payments
10. Using interactive and collaborative technologies – Web 2.0

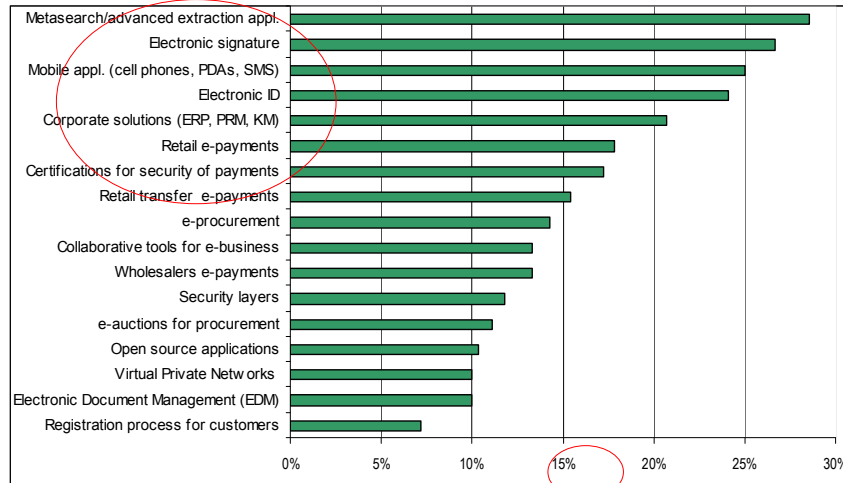


Lektor Technology adoption by SMEs (1)

What information systems application does your company use currently?



What information systems application are planned to be used in the near future?



legal issues have a high impact on e-business: >>>> 3,5 on 5-point scale

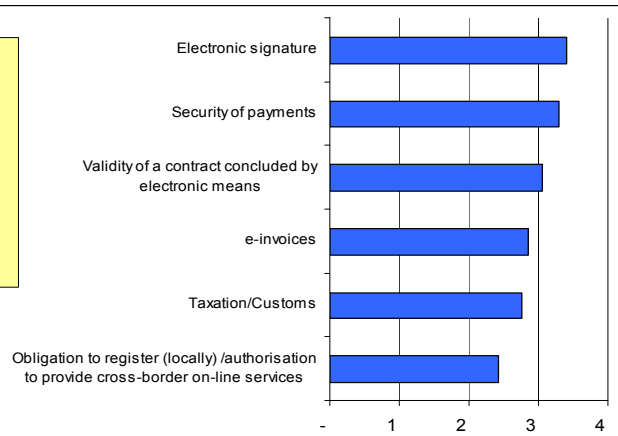
What are the main barriers to e-business?

- Lack of awareness of the legal framework (94%)
- Lack of trust and security (of SMEs & consumers) in e-commerce (e.g. digital payments, privacy and data protection)
- Difficult access to legal and regulatory information >> insecurity
- Lack of standards for e-commerce and electronic signature
- Differences in legislation implementation among EU countries
 - Contracts enforcement
 - Copyright
 - e-invoicing
 - VAT
 - etc

How important are legal issues

Barriers:

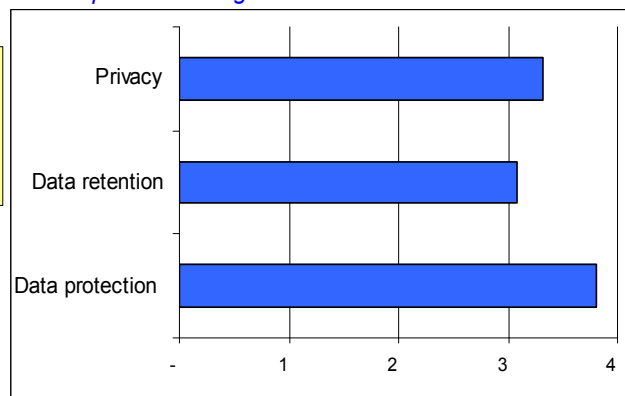
- Lack of standards for e-signature & e-invoices
- SMEs are not familiar with online payments
- Consumers do not trust in e-payments



How important are legal issues

Barriers:

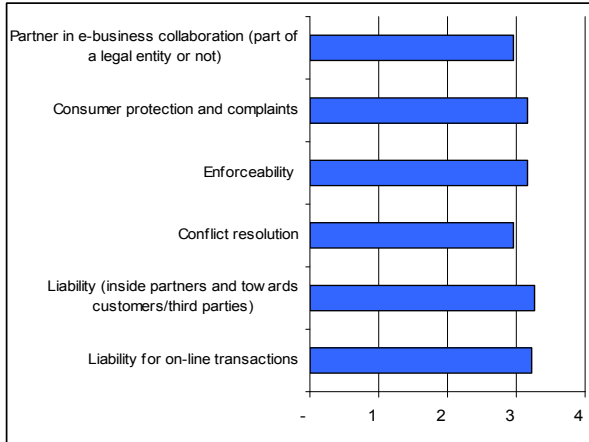
- Different interpretation about data protection rules in EU countries



Barriers:

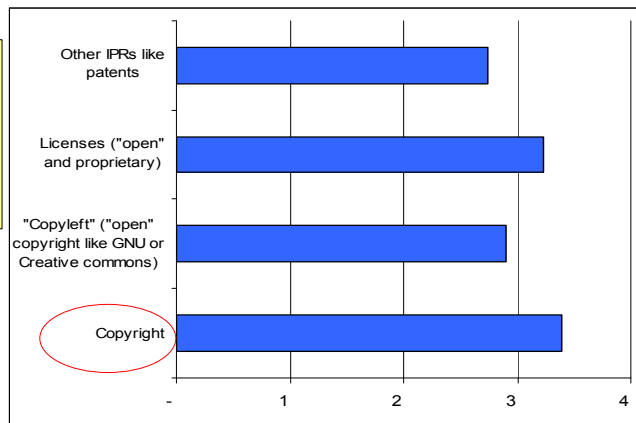
- Differences in legal validity of e-contracts
- Registration requirements
- Lack of appropriate actions for consumer protection & conflict resolution

How important are legal issues



Barrier:
Lack of IP protection (68% of SMEs) or excessive regulation?

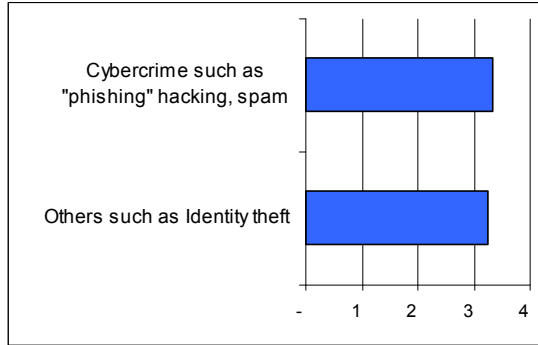
How important are legal issues



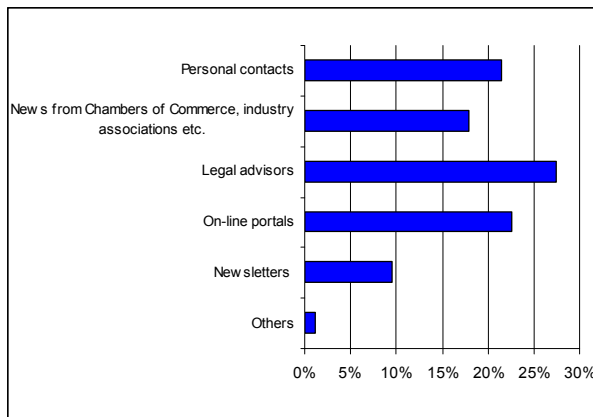
How important are legal issues

Barriers:

- Fighting cybercrime Vs advertising and commercial practices in e-commerce
- Consumer rights Vs advertisement

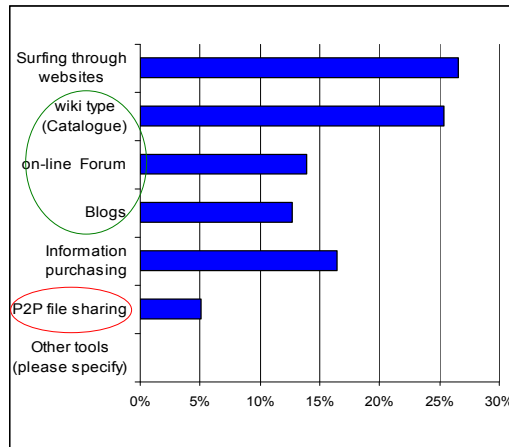


Which sources do you use for being informed about legal issues relevant to your e-business



"There is high complexity in a world without borders. You need a lawyer consultancy to overcome legal issues, using a practical way always with a business in mind but remaining safe."

What type of tool would you use to access legal issues information?



84% of interviewed SMEs would use on-line tools for being informed about legal issues for the e-business

- SMEs are willing to **adopt emerging technologies and ICT applications** driving cross-border e-business
- The e-business **regulatory framework needs to be continuously updated**, due to the technological developments and current business practices
- SMEs perceive that still deeper reengineering work (in commercial methods, policies, laws, and standards) is necessary in order to **reach interoperability** and harmonisation at all required levels.
- EU market regulations and legal framework are **widening e-market opportunities** to e-business
- The **lack of awareness of the legal framework** is perceived as a critical barrier for the growth of e-business towards an international level.
- **Perception of insecurity of e-transactions by SMEs and consumers appears** as a major barrier to cross-border trade.
- **Cultural barriers:** benefits and opportunities of e-business are also limited by language barriers and cultural differences between suppliers and demanders when selling abroad.



THANK YOU

Yolanda Ursa
Tel- +34-914480203
E-mail: yus@inmark.es
www.ubique.org/lektor



www. [Lexelerator](http://Lexelerator.eu) .eu

inmark
ESTUDIOS Y ESTRATEGIAS, S. A.