

# LEGAL ASPECTS OF TRANSBORDER E-COMMERCE

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# E-COMMERCE AND LAW



- ▶ B2B and B2C
- ▶ Who is B and who is C?
- ▶ Governing law
- ▶ Consumer protection
- ▶ VAT

# B2B AND B2C



<b>Business to Business</b>	<b>Business to Consumer</b>
<ul style="list-style-type: none"><li>- Flexibility</li><li>- Contracts shaped freely by the parties</li><li>- Might involve UN Treaties, eg. Vienna Convention on International Sales of 1980, New York Convention on Limitation Period of 1974</li></ul>	<ul style="list-style-type: none"><li>- The weaker party</li><li>- Restrictions on the contract conditions</li><li>- Strict obligations towards the customer</li></ul>

# WHO IS B AND WHO IS C?



<b>B = Entrepreneur</b>	<b>C = Consumer</b>
<ul style="list-style-type: none"><li>- Natural person, legal person or other entity which <b>conducts business or professional activity in their own name</b></li><li>- Commercial companies</li><li>- Institutions</li><li>- Sole traders*</li></ul>	<ul style="list-style-type: none"><li>- Natural person who enters into contracts, which are <b>not directly connected to their business or professional activity</b>, with entrepreneurs</li><li>- <b>*SOLE TRADER:</b> when the contract is directly connected to their activity but doesn't match their registered business activity class</li></ul>

# GOVERNING LAW



- ▶ Parties having their residence or registered seat in different countries = different law orders
- ▶ Collision rules: Rome I Regulation (EU), bilateral agreements between the countries
- ▶ Rome I:
  - ▶ choice of law by the parties always possible (but in practice not always and can be declared abusive in some cases)
  - ▶ Sales agreement: the law of the seller's residence/seat country, BUT
  - ▶ In contracts with consumers – the law of the consumer's residence country.
  - ▶ B2B: UN Conventions

# CONSUMER PROTECTION



- ▶ Information in national languages
- ▶ Confirmation of contract in permanent form
- ▶ Statutory warranty for physical or legal flaws – 2 years
- ▶ Complaints – 14 days deadline to reply
- ▶ 14 days for withdrawal from the agreement without justification
- ▶ Abusive clauses
- ▶ Special ways of dispute resolution – UOKIK (PL), NFH (HU), ODR Portal (EU)
- ▶ GDPR

# TRANSBORDER SALES AND VAT



- ▶ B2B – reversed charge
- ▶ B2C – taxation in the country of consumer's residence
- ▶ Registering in each country as VAT payer separately after surpassing certain threshold (in PL: 207 k PLN/year, in HU: 12 mln HUF/year)
- ▶ SINCE JULY 2021: One stop shop (one threshold: 10 k EUR/year)

# HUNGARY POLAND LEGAL



## LEGAL AND ADVISORY SERVICES

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