

Principal guidelines

Market access for taxis and hire-cars with driver

1. Real sharing economy versus bogus commercial transport intermediaries (CTIs)

A distinction must be made between real sharing economy players (real car-sharing and car-pooling platforms) and a new category of commercial transport intermediaries (CTIs) offering or facilitating commercial services, directly competing with taxi and hire-car with driver companies, but masquerading as sharing economy players.

Two cumulative criteria can be used to identify commercial transport intermediaries and distinguish them from real sharing economy players:

- Transport services are organised solely based on the needs of the passenger, who decides on the destination and time of the service.
- Both commercial transport intermediaries and drivers make profit out of each transport service.

2. “Same service, same rules” principle

The lines and the functional distinctions between the different market segments and players (taxi, hire-car with driver, commercial transport intermediaries) are blurring. In particular, there is no longer any distinction between the services and functionalities of taxi booking apps and the booking platforms of the so-called transportation network companies (TNCs). They effectively act as commercial transport intermediaries. Therefore, there are no grounds to apply different regulatory frameworks to these essentially identical transport service providers.

It is therefore recommended to have one single legal framework applicable to commercial transport intermediaries and their affiliated drivers and vehicles. This framework should contain at least the following:

- In addition to the two criteria identified above, it is recommended to define commercial transport intermediaries in a consistent way across the board. This definition might be worded as follows: “*digital intermediaries or marketplaces that canvass or solicit for a passenger to connect with a licensed professional driver, meeting the requirements of the relevant jurisdiction and operating a validly registered vehicle under the laws of the relevant jurisdiction*”.
- They must be a registered entity under the laws of the jurisdiction in which they operate and obtain the required agent’s licence when applicable in the relevant jurisdiction.
- They must use licensed professional drivers with professional civil liability insurance (training must be mandatory for issues, such as safety and professional competence) and licensed vehicles (complying with the

relevant safety, roadworthiness and emission standards), when applicable in the relevant jurisdiction.

3. A taxi and hire-car with driver regulatory framework to guarantee safety and security of customers and fair competition

As a minimum, the regulatory framework for taxi, hire-cars with driver and ride-sharing service providers must cover licensing, registration, manager's and driver's good repute, training and exams, insurance, vehicle safety, social conditions and taxation, to ensure that all businesses in transport and mobility compete fairly in an innovative, socially acceptable and environmentally-friendly manner.

4. Rules must be set at the most appropriate level

With taxi services in particular being part of the public transport chain, rules applicable to taxis must be set at the level closest to the customer, be they national or local. Existing local and national level regulatory frameworks, which ensure a properly functioning market from a performance and competitive perspective, must be preserved.

However, in order to remedy market failures caused by the unfair competitive playing field on the market, recommended guidelines for managers' access to profession could be developed at the EU level, yet established and implemented at the appropriate national/local level.