



## PRESS RELEASE – 14th june 2022

### Business users associations call for a balanced cloud market: 11 fair principles to unleash Europe's digital potential

*Companies, hospitals, public institutions, universities, etc, deserve a better cloud environment.*

Most organisations highly depend on their cloud solutions. However, the imbalance in the relationships between cloud providers and their business customers leads to unfair practices. The upcoming European regulations offer several possibilities to improve the situation. Based on concrete examples of harmful practices on the market, our four associations propose 11 fair principles in B2B relationships between business users and their cloud providers, to feed the European and national legislators. This document is also for use by user organisations and suppliers wishing to demonstrate responsible practices.

---

*“One of the cloud major promises is transparency and simplicity. Budgeting is said to be easy. However, the reality is quite different.” **Bernard Duverneuil, Vice-President of Cigref in charge of European Affairs***

---

#### A non-competitive environment requires fair principles

The cloud market is characterized by several features that are unfavorable to business users:

1. Once software is implemented, it is strongly entwined with the business processes. There is a **vendor lock in**: it is so **complex and costly to switch** to another provider that organisations are often stuck with their supplier.
2. Business users **do not have bargaining power** vis-à-vis the large software suppliers.
3. Cloud providers can unilaterally change subscription prices and the metrics on which the prices are based. How can organisations build a business case if they cannot predict future costs?

---

*“A company using ticket machines paid a fixed price/month/machine for the software. After some time, the software vendor changed the model to subscriptions based on the number of people using the machines. Not only did the vendor's decision completely change the business case, it was also very complex for the company to get organised, as the machines are being used in different application environments.” **Hans-Joachim Popp, Deputy chairman Voice***

---

4. This is not only true for large software and cloud providers, but also for **niche players**.

5. There is **market concentration and dominance** by a couple of large players, for a significant part of the cloud business market. Strong software providers copy features from smaller competitors and integrate them in their software. This both **reduces competition and customers' choices**, and thus increases their dependence.

---

*“When considering a provider, prices are dropped and features are promised. After signing, hidden costs emerge and features do not come as promised.”*

**Martijn Koning, President of CIO Platform Nederland**

---

6. There is a tendency to **combine vertical offerings**. Software providers can limit the choice of infrastructure which business customers are entitled to use to run their cloud applications.
7. The **costs and complexity to get your data back** from the provider at the end of the contract, can be very unreasonable.

---

*“The cloud market is very heterogeneous. We aren't targeting specific cloud providers. The fair principles described should be respected by all cloud suppliers.”*

**Claude Rapoport, President of Beltug**

---

## **NOW is the time to act**

The upcoming Digital Markets Act, Artificial Intelligence Act and Data Act, as well as the EU cloud rulebook and standard contractual clauses, offer several opportunities to improve the situation.

**We call on the European Commission, the European Parliament, national governments, and European and national regulatory and competition authorities to secure the future of the cloud in Europe. European organizations rely on cloud providers to achieve their digital transformation and deliver their services: it is critical that these cloud providers respect the rules of a fair trade and healthy competition in the European market, so that all players can benefit from the opportunities.**

We invite all these bodies to:

- stop the **abuse of vendor lock-in and unfair practices** by cloud providers, and ensure fair market practice in the digital technology markets.
- ensure that **control over data remains with business users of digital technologies**, without this leading to additional costs or other negative effects.

---

*“Some 30 years ago, the EU broke up the telecom operator monopolies, because Europe saw that competition in the telecom market would create many opportunities. Now, companies face a lock-in at a much higher on cloud services market”*

**Bernard Duverneuil, Vice-President of Cigref in charge of European Affairs**

---



---

## About us - Who we are

We are the Belgian, Dutch, French and German CIO associations; communities of Chief Information Officers (CIOs) and other senior leaders who are responsible for digital technologies and digital transformations within private or public organisations. These are all business users of digital technologies. We do not represent ICT suppliers and consultants.

[Beltug](#) – Belgium

[Cigref](#) – France

[VOICE](#) – Germany

[CIO Platform](#) – The Netherlands

Press contact : Baptiste Chauveau, Communication & PR Officer - Cigref

## 11 fair principles

1. Vendors shall fulfil existing regulatory obligations.
2. Vendors shall not create any technical or commercial lock-in.
3. Customers shall remain in control of their own data and of all the data uploaded or processed by the service/solution.
4. Contractual terms and conditions shall be clear and unambiguous. They shall not be unilaterally changeable.
5. Contractual terms shall not restrict or discriminate for customers' choice of cloud provider, outsourcing partner or hardware platform.
6. Contractual terms for licensing and subscriptions shall be free from geographic and entity restrictions.
7. Contractual terms shall allow customers to use progressive or innovative technologies and deployment models.
8. Service levels and product specifications shall be explicitly listed, and take into account the context of the customer.
9. Commercial models shall not be changed unilaterally, and shall adhere to an active 'opt-in' principle.
10. Commercial models and offerings shall be consistent and reasonable, and shall not combine different models for the benefit of the vendor's revenue.
11. The scope, execution and intended outcome of an audit shall be clearly defined in the contract.