



2020 Global Transparency Report

ebay

May 2021



INTRODUCTION



eBay Empowers People and Creates Economic Opportunity for All

Since its founding in 1995, eBay's core purpose has been to create economic opportunity for all, connecting buyers and sellers through its marketplace, and empowering entrepreneurs and small businesses to reach millions of buyers all over the world. As a global ecommerce platform that enables people to sell their inventory and buyers to find and purchase it at virtually anytime and anywhere, eBay is committed to the safety of its users and to protecting the integrity of the products that are sold on its platform. The content within eBay's 2020 Global Transparency Report demonstrates the responsibility eBay has taken to ensure a safe and trusted user experience on its marketplace. All data included covers the year 2020.

eBay's work to maintain the safety of its marketplace is a top priority and is always evolving. New technologies are constantly being reviewed, developed and deployed, and eBay continuously works to enhance its operations through improved policies, tools and partnerships.

eBay "By the Numbers" as of Q1 2021



187 million global buyers
in over **190 markets**



Approximately **1.7 billion**
live listings on the platform
at any given time



20 million global sellers



57 Percent of revenue
from international (non-US)
operations



eBay Policies and Procedures

User Agreement and Tools

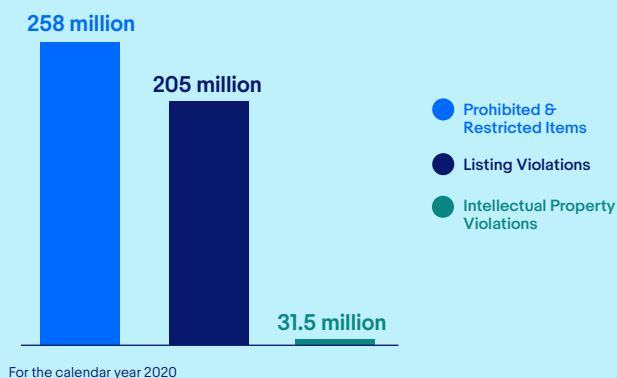
Prior to engaging eBay's services, each user must read and accept eBay's [User Agreement](#) and acknowledge eBay's [User Privacy Notice](#). The User Agreement explicitly requires that users refrain from violating any laws, including third party rights and/or eBay policies. Additional policies that are integrated in the extended sections are terms that constitute an integral part of the User Agreement and are likewise binding on eBay users. By integrating laws and third parties' rights in the User Agreement in this way, eBay has discretion to impose contractual sanctions (e.g. block or cancel listings, restrict or suspend accounts, etc.) in cases where eBay determines users may have violated those laws or third parties' rights. In addition to the User Agreement, eBay has developed issue-specific policies to deal with [Prohibited and Restricted Items](#), [Counterfeit Goods](#), [Price Gouging](#), and [International Trading](#). For example, eBay's price gouging policy was deployed in early 2020 to keep its marketplace safe from bad actors seeking to exploit the COVID-19 pandemic. Due to its efforts to date, eBay has blocked over 50 million COVID-related products listed by bad actors from being sold on the platform.

eBay invests heavily in teams and technology around the world that work to ensure the trust and safety of its platform and facilitate eBay's proactive monitoring and removals. In addition, eBay allows its community of users to report suspected counterfeits directly. Each listing page on eBay contains a "[Report Item](#)" button that every registered eBay user can use to report a potentially counterfeit or otherwise non-compliant item. Community access to this reporting form has been in place for years.

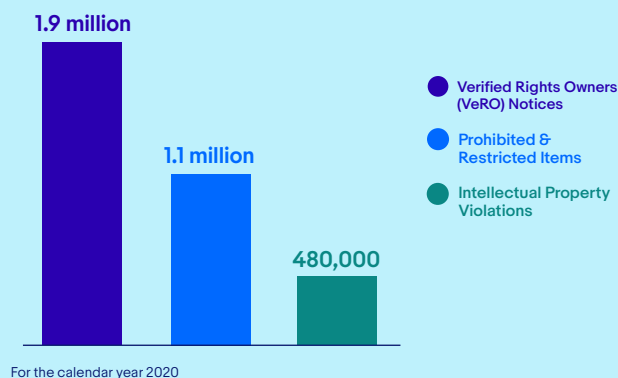
eBay's proactive efforts to tackle intellectual property violations far outstrip our reactive work in actioning the reports we receive from third parties. In 2020, eBay proactively blocked or removed 31.5 million listings for intellectual property violations. Over the same period, we reactively removed a further 1.9 million listings for the same reason following reports from third parties. And we permanently suspended 53,000 users for violations of our policies on intellectual property.

eBay supplements its proactive human review of listings with advanced technology tools and mechanisms to ensure that eBay users follow its policies and only legal products are offered and sold through its services. eBay's tools focus on proactively identifying and addressing any generally suspicious or potentially harmful seller behavior, in addition to detecting potentially problematic items. This includes the use of proprietary technology, including image detection and machine learning, to flag and stop potentially suspicious seller behavior. eBay uses sophisticated algorithms that identify items potentially prohibited under its policies during the listing creation process. These algorithms can either block a listing from going live to the site (along with a message to the seller about eBay's policy) or flag a listing for review by the eBay customer service team to determine if it is in violation and needs to be removed. If the flagged listing is in violation, it is removed, at which time the seller is notified of the listing removal, the relevant policy is shared, and a further explanation of why the listing was removed is communicated. In addition, eBay has a robust system of measures in place to deter repeat offender sellers.

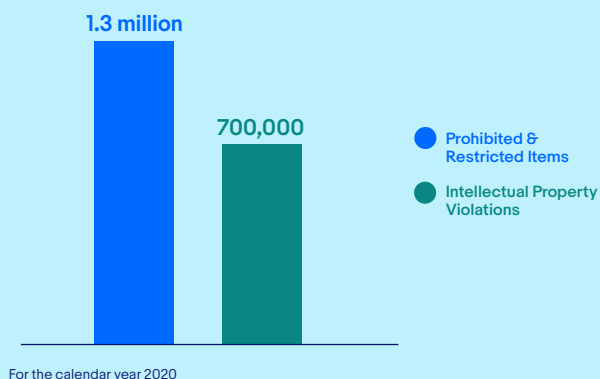
Proactive Listing Blocks from Filtering Algorithms by Policy



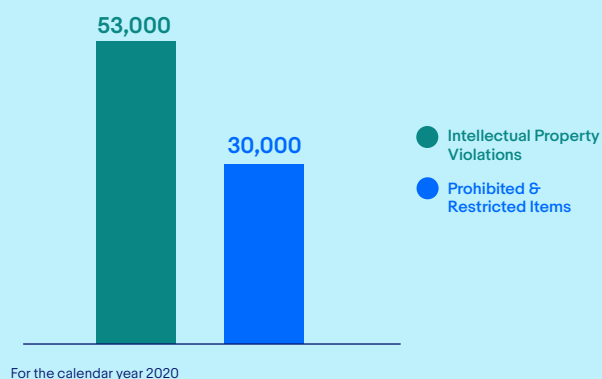
Listings Reactively Removed Based on flags from eBay Community and Rights Owners



Listings Proactively Removed by eBay



Permanent Account Suspensions



Consumer Protection

eBay takes a comprehensive approach to protecting its buyers and sellers, through a robust combination of people, policies, and tools. The eBay [feedback system](#) is a cornerstone of a trusted eBay buying experience. eBay continuously seeks to create a safe and streamlined buying experience for its users, including increasing buyer awareness of product listings and seller information. To promote transparency in the buying process, eBay prominently displays next to the product description of every listing: who is selling the product, the item listing location, a way to contact the seller directly, the seller's feedback and detailed seller ratings, and other products listed for sale by the seller. This formatting and availability of information allow users to clearly understand from whom they are making a purchase. eBay's [Money Back Guarantee](#) also helps protect buyers when an item was not received or the item they received is different from what was described in the listing, and the parties are unable to resolve the dispute themselves.

Authenticity Guarantee

eBay's most recent platform improvements include the launch in September 2020 of its "[Authenticity Guarantee](#)" program, a new post-sale authentication service for all [watches](#) sold for \$2,000 or more in the U.S. The program offers inspection and verification by independent experts, which provides an extra layer of trust and confidence for shoppers browsing the nearly 80,000 new, pre-owned and vintage watches marked with the Authenticity Guarantee badge on [eBay.com/LuxuryWatches](https://www.ebay.com/LuxuryWatches). Moreover, the Authenticity Guarantee program was expanded in October 2020 to all new and pre-owned collectible [sneakers](#) sold on eBay for over \$100 in the U.S., which are fully vetted and verified by an independent team of industry experts. Going forward, eBay will continue to seek new ways to apply this inspection and verification system to additional product categories and in key markets across the world in order to further protect its users.



Managed Payments

In 2020, eBay welcomed a new chapter in its user experience by fully taking over the management of the end-to-end payments process on its marketplace platform. Through 2020, over 38% of on-platform volume was processed through [managed payments](#). Going forward, eBay will ramp up its managed payments operations so eventually all on-platform volume will be processed through the program. By managing the payments process, eBay is creating a simpler, more unified experience for its customers, and streamlining operations for sellers with one place to sell and get paid. Through managed payments supported by its regulated payments subsidiaries, eBay is well-positioned to ensure the trust and safety of its platform through enhanced seller identification and vetting efforts as part of Know Your Customer (KYC) and Anti Money Laundering (AML) compliance obligations under applicable laws and regulations.

Privacy

eBay works to protect the privacy of its users' personal information at all times. eBay's [privacy principles](#) guide our employees in providing users with an experience that is safe, secure, and trustworthy. These include the following:

- **Be transparent with the information we collect**
- **Allow users to easily access and update their own data**
- **Be a guardian for user data and user privacy**
- **Be accountable to our privacy commitments**
- **Give users meaningful choices in privacy**
- **Limit the sharing of customer information**
- **Build and maintain safe products & services**

In addition to eBay's privacy principles and the practices described in its [User Privacy Notice](#), eBay has established a set of Corporate Rules (also referred to as Binding Corporate Rules), approved by the Luxembourg National Data Commission in 2009. These [Corporate Rules](#) are a commitment by eBay to adequately protect its users' personal information regardless of where the data resides and, depending upon the user's location, may provide additional privacy rights through the relevant privacy regulator or a court.

eBay Partnerships

eBay recognizes the importance of maintaining strong, collaborative relationships with third-party brands, their representatives, trade associations, regulatory agencies, and law enforcement to help enhance eBay's efforts to provide a safe platform for consumers. Also, since 2011, eBay has been a signatory of the [European Memorandum of Understanding \(MoU\)](#) on the sale of counterfeit goods that brings together online platforms and rights owners to actively collaborate in creating a safe online environment for consumers.

eBay also partners with a number of industry associations, such as INTA, IACC, Unifab and others, that represent rights owners to strategize with them on ways to resolve industrywide counterfeit issues, conduct visits to our site to educate rights owners and industry associations about our efforts to keep consumers safe, and bi-laterally exchange information with rights owners to continually evolve and adapt to the online practices of professional counterfeiters.

Product Safety

eBay also works closely with a range of regulatory agencies across the world to promote product safety and protect consumers from dangerous goods. For example, our [Product Safety policy](#) provides our users with educational information on product safety and advises them to check the manufacturer's website, and public information on databases such as the [EU Safety Gate \(RAPEX\)](#) and the [OECD Global Recalls portal](#) to get information on recalled items.

In 2018, eBay committed to additional voluntary measures aimed at ensuring the safety of products sold through eBay by signing the [EU Product Safety Pledge](#). The EU initiative sets out specific voluntary actions that go beyond what is already established by EU legislation. The objective of the pledge is to improve the detection of unsafe products marketed in the

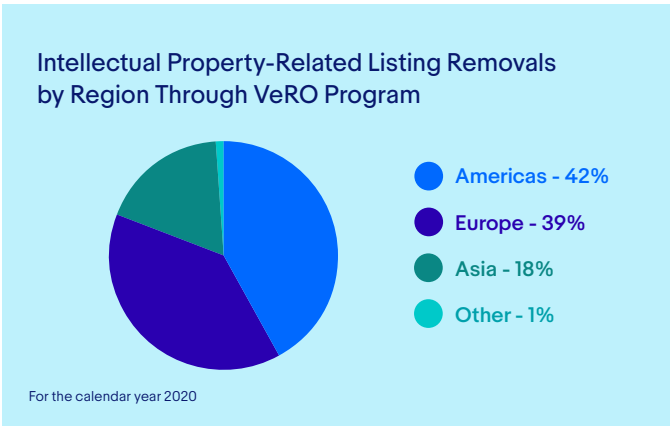
EU before they are sold to consumers or as soon thereafter as possible, and to improve consumer protection. This pledge commits us to the following measures:

- **React expeditiously to authorities' notices made to the companies' contact points to remove listings offering what could be considered unsafe products.**
- **Provide a clear way for customers to notify dangerous product listings.**
- **Consult information on recalled/dangerous products available on various public databases and take appropriate action with respect to the products concerned, when they can be identified.**
- **Provide specific single contact points for market surveillance authorities for the notifications on dangerous products and for the facilitation of communication on product safety issues.**
- **Take measures aimed at preventing the reappearance of dangerous product listings already removed.**
- **Provide information/training to sellers on compliance with relevant product safety legislation, require sellers to comply with the law, and provide sellers with links to relevant product safety legislation.**

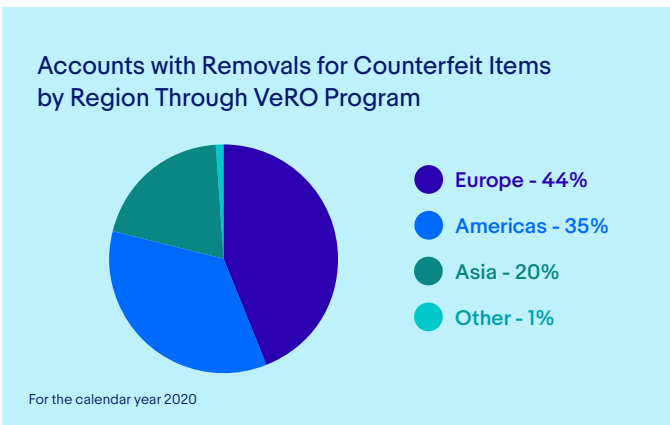
In addition, eBay signed the Australian Product Safety Pledge in 2020 to help safety regulators and online marketplaces work together to identify product safety risks and trends as well as help keep consumers and businesses informed about safety.

Rights Owners

Central to keeping eBay a safe and trusted marketplace is its partnership with over 97,000 intellectual property (IP) rights owners registered through eBay's [Verified Rights Owner \("VeRO"\) Program](#). The VeRO program was launched in 1998 and enables IP rights owners to report potentially counterfeit or otherwise infringing listings to eBay. If the listing is counterfeit or otherwise infringes a rights owner's IP rights, eBay promptly removes the listing after it is reported and notifies the seller and any bidders. eBay recognizes the importance of maintaining strong, collaborative relationships with third-party brands, their representatives, and trade associations to help enhance eBay's proactive efforts to combat counterfeits on its marketplace.



As listings are permanently removed, the associated seller accounts of those listings are reviewed for responsible enforcement action. The VeRO program embodies eBay's commitment to provide a safe place to buy and sell, which respects intellectual property owners' rights.



The vast majority of eBay's listings and sellers are good and are compliant with laws and eBay policies. Of the 19 million active sellers on the platform, only 2.2% of those sellers had items removed due to a VeRO notice from a rights owner.

eBay's work with rights owners is collaborative, involving frequent interactions between eBay and its partners. eBay encourages rights owners to provide feedback and to share their expertise to enhance eBay's capabilities to address bad actors. Active engagement between eBay and rights owners allows for clarification and improvement of eBay's processes.

Law Enforcement

eBay's [Global Asset Protection Team \(GAP\)](#) works to protect eBay's communities from counterfeits, fraud, child exploitation, and other criminal activities. GAP conducts investigations into possible misuses of the platform and proactively refers cases to law enforcement for prosecution.

Through its Partnering with Retailers Offensively Against Crime and Theft (PROACT) program, eBay collaborates with Retail Loss Prevention departments in North America seeking assistance with investigations related to Organized Retail Crime (ORC). The program allows participants to report evidence of theft to eBay for investigation by GAP.

eBay also maintains a dedicated law enforcement portal to enable law enforcement officers to submit investigation-related requests to the eBay platform quickly and securely. During 2020, eBay received 38,497 subpoenas, warrants, and other forms of requests for user records from law enforcement agencies across the globe. GAP team members review the requests for legal sufficiency before processing or rejecting a request. Any user records produced are done so in accordance with applicable privacy laws. In response to these requests, eBay produced 42,071 user records.

Regulators

eBay works directly with regulators around the world to stay on top of new trends, keep our policies and technology tools up-to-date, and ensure timely removal of any prohibited listings. These partnerships are decades long in some cases and have recently been enhanced through the roll out of [eBay's Regulatory Portal](#). The online portal allows participating authorities to flag and take down a listing, outside of the existing consumer reporting function on the site. Additional features will allow government agencies to contact sellers and buyers directly to communicate important information about consumer safety issues. eBay's commitment to proactively working with regulators is recognized as an industry leading practice.

RECOMMENDATIONS



eBay celebrated its 25th anniversary in 2020. eBay's work to ensure the safety of its platform and its commitment to a trusted experience for its users remains core to what the company does every day.

eBay actively coordinates with its user community, rights holders, consumer groups, law enforcement, government entities, and other relevant stakeholders to ensure the safety of its platform. To address the constantly evolving threats of counterfeits and prohibited items most effectively, eBay values the regulatory and legal flexibility to appropriately respond to bad actors. Throughout the ecommerce ecosystem, each stakeholder must be allowed the flexibility to address threats based on respective business models. As policymakers across the globe seek ways to further protect consumers, rights holders, and ecommerce business models, the following issues should be considered:

- **"One size fits all" regulatory regimes or technological mandates for industry stakeholders to combat bad actors will be minimally effective and will create an unhealthy environment for the continued growth of a robust ecommerce economy.**

- **Information-sharing agreements with law enforcement, structured and unstructured collaboration, and best practices sharing should be pursued by all stakeholders in order to detect, remove and prevent bad actors from conducting criminal activity online.**
- **Increased resources and more efficient use of those resources for relevant government agencies and offices will allow governments across the globe to increase coordination with stakeholders to jointly address bad actors.**

eBay is deeply committed to further ensuring the safety of its platform and looks forward to evolving its current capabilities and partnerships in 2021.

Legal Disclaimer: We are voluntarily providing this transparency report and are not obligated to update the statements in this report if new information becomes available. Data and corresponding statements made within this report are from the calendar year 2020 from January 1, 2020 to December 31, 2020. We intend to provide future transparency reports, but the information presented in the future may be different in substance or presentation. This report is provided on an aggregate basis and reflects actions taken in line with eBay's policies or applicable law, based on information received from third parties, eBay's risk assessments, or other signals.



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