

## Designated Gatekeepers Must Now Comply with All Obligations Under the Digital Markets Act



Apple, Alphabet, Meta, Amazon, Microsoft and ByteDance, the six gatekeepers designated by the Commission in September 2023, have to fully comply with all obligations in the Digital Markets Act (DMA).

The DMA aims to make digital markets in the EU more contestable and fairer. It establishes new rules for 10 defined core platform services, such as search engines, online marketplaces, app stores, online advertising and messaging, and gives new rights to European businesses and end-users.

**Business users** established in the EU that depend on services offered by the six gatekeepers to reach their customers will enjoy new opportunities as of today. For instance, business users will be able to:

- · Benefit from fair treatment and a level playing field when in competition with gatekeeper services on their platforms.
- Request interoperability with gatekeepers' services to offer new innovative services.
- Sell their apps through alternative channels other than the gatekeeper's app stores.
- Access data generated by their activities on gatekeepers' platforms.
- Promote offers and conclude contracts with customers outside the gatekeeper's platform.

End-users will benefit from more choice and innovation in the digital space in Europe. They will be able to:

- Reclaim their power to choose and not be locked in to gatekeepers' default choices, for example by choosing alternative app stores and services, to those offered by the gatekeepers.
- Gain better control over their data by being able to decide whether the gatekeeper can link their accounts, and thereby track and combine
  their personal data across different services.
- Easily obtain, transfer and use data from one service or app to another one, allowing for seamless data backups and moving between different services.
- Use alternative electronic identification or in-app payment services.

Gatekeepers started testing measures to comply with the DMA ahead of the deadline, triggering feedback from third parties. As of today, gatekeepers are required to prove their effective compliance with the DMA and outline the measures undertaken in **compliance reports**. The public version of these reports is accessible on the Commission's dedicated DMA webpage. Today, the designated gatekeepers also have to submit to the Commission an independently audited description of any techniques used for profiling consumers, along with a non-confidential version of the report.

The Commission will now carefully analyse the compliance reports and assess whether the implemented measures are effective in achieving the objectives of the relevant obligations under the DMA. The Commission's assessment will also be based on the input of interested stakeholders, including in the context of the <u>compliance workshops</u>, where gatekeepers are invited to present their solutions.

The Commission will not hesitate to take formal enforcement action, using the entire toolbox at its disposal to fully enforce the DMA.

Should the Commission suspect an infringement of the DMA, it can open proceedings to investigate the potential breach. In case of an infringement, the Commission can impose fines of up to 10% of the company's total worldwide turnover, which can go up to 20% in case of repeated infringement. Moreover, in case of systematic infringements, the Commission is also empowered to adopt additional remedies such as obliging a gatekeeper to sell a business or parts of it or banning the gatekeeper from acquisitions of additional services related to the systemic non-compliance.

## **Background**

The DMA, together with the <u>Digital Services Act</u>, form a single set of rules that apply across the whole EU to create a safer digital space where the fundamental rights of users are protected and to establish a level playing field for businesses.

The DMA aims to ensure contestable and fair markets in the digital sector. It regulates gatekeepers, which are large digital platforms that provide an important gateway between business users and consumers, whose position can grant them the power to create a bottleneck in the digital economy.

On <u>5 September 2023</u>, the Commission designated six gatekeepers - Alphabet, Amazon, Apple, ByteDance, Meta, Microsoft – and 22 of their core platform services. Following their designation, gatekeepers had six months to comply with the full list of obligations under the DMA, offering more choice and more freedom to end users and business users of the gatekeepers' services. The Commission has published an <u>annual</u> report on the implementation of the DMA in 2023 and the progress made towards achieving its objectives.

On <u>12 February 2024</u>, the Commission closed four market investigations after finding that Apple and Microsoft should not be designated as gatekeepers for the following core platform services: Apple's messaging service iMessage, Microsoft's online search engine Bing, web browser Edge and online advertising service Microsoft Advertising.

On <u>1 March 2024</u>, the Commission received notifications from **Booking**, **ByteDance** and **X** about their services potentially meeting the DMA thresholds, which could make them subject to the new EU rules on gatekeeper platforms. The Commission will take a decision on these notifications within 45 working days, i.e. by 13 May 2024 at the latest.

## Quote(s)

Today, the Digital Markets Act kicks in for all the gatekeepers we have designated half-a-year ago. Our new set of rules will now make online markets more open and contestable for small, innovative businesses to also get a fair chance of making it. And as consumers we will have more affordable options online. This will deeply change how online markets work and open up the digital marketplace, for the benefit of all European players, and users.

Margrethe Vestager, Executive Vice-President in charge of competition policy



Today marks a turning point for our European digital space. The DMA sets precise obligations and the possibility to sanction large online platforms should they not comply. We have been in discussions with gatekeepers for months to help them adapt. And we can already see changes happening on the market: competitors can set up alternative app stores, European users have more control over their data and are now empowered to make choices they did not have before due to default settings. Any company found to be non-compliant will face severe sanctions, including as last resort a breakup.

Thierry Breton, Commissioner for Internal Market

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