

Adopting the digital services act

In December 2020, the European Commission published a proposal for a digital services act (DSA) designed to revamp EU content moderation rules and promote a transparent and safer online environment. Parliament is set to vote during its July 2022 plenary session on the political agreement reached with the Council.

Background

The rules governing the provision of digital services in the EU have remained largely unchanged since the adoption of the <u>e-Commerce Directive</u> in 2000. However, in the last 20 years, online platforms have become major players in the <u>'attention economy'</u>, as they match users with the most relevant information for them and often attempt to monetise the process by means of advertising or transactions. Furthermore, new societal challenges have arisen, such as the spread of counterfeit goods, hate speech and <u>disinformation</u> online. Against this backdrop, in December 2020 the Commission put forward a <u>proposal</u> for a digital services act setting out new 'horizontal rules'.

Political agreement

Following protracted interinstitutional negotiations, Parliament and Council reached a <u>provisional political agreement</u> on the DSA in April 2022. Parliament's Internal Market and Consumer Protection Committee (IMCO) <u>endorsed</u> the provisional agreement (36 votes in favour, five against and one abstention) on 16 June 2022. The main provisions of the DSA are the following:

- > Online platforms (e.g. social media and marketplaces) and online search engines must take measures to protect their users from harmful and illegal content, goods and services.
- Online platforms must be more transparent and more accountable (e.g. on how their content is recommended to their users) and put in place special measures to ensure their users' safety online. They cannot target advertising based on minors' personal data or on sensitive data (e.g. sexual orientation, religion and ethnicity). They should also not use their online interface to influence users' behaviour, i.e. 'dark patterns'. Online marketplaces are required to make more effort to ensure the information provided by the online traders using their platforms is reliable, including through random checks.
- Very large online platforms (VLOPs) and very large online search engines (VLOSE) will have to comply with stricter obligations under the DSA, given the significant societal risks they pose when disseminating illegal and harmful content, including disinformation. They will have to conduct an annual risk assessment of their services and adapt their design or algorithms to limit their impact. Furthermore, they must take action to limit public security or health threats that their operation may pose in times of crisis (e.g. Covid disinformation).
- Micro- and small enterprises are exempted from some obligations and have more time than other businesses to implement others. The Commission will assess the impact of new rules on small businesses.
- **Enforcement** is shared between national authorities, who supervise smaller platforms, and the Commission, which has exclusive competence for VLOPS and VLOSE.

First-reading report: <u>2020/0361(COD)</u>; Committee responsible: IMCO; Rapporteur: Christel Schaldemose (S&D, Denmark). For further information, see our 'EU legislation in progress' <u>briefing</u>.



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