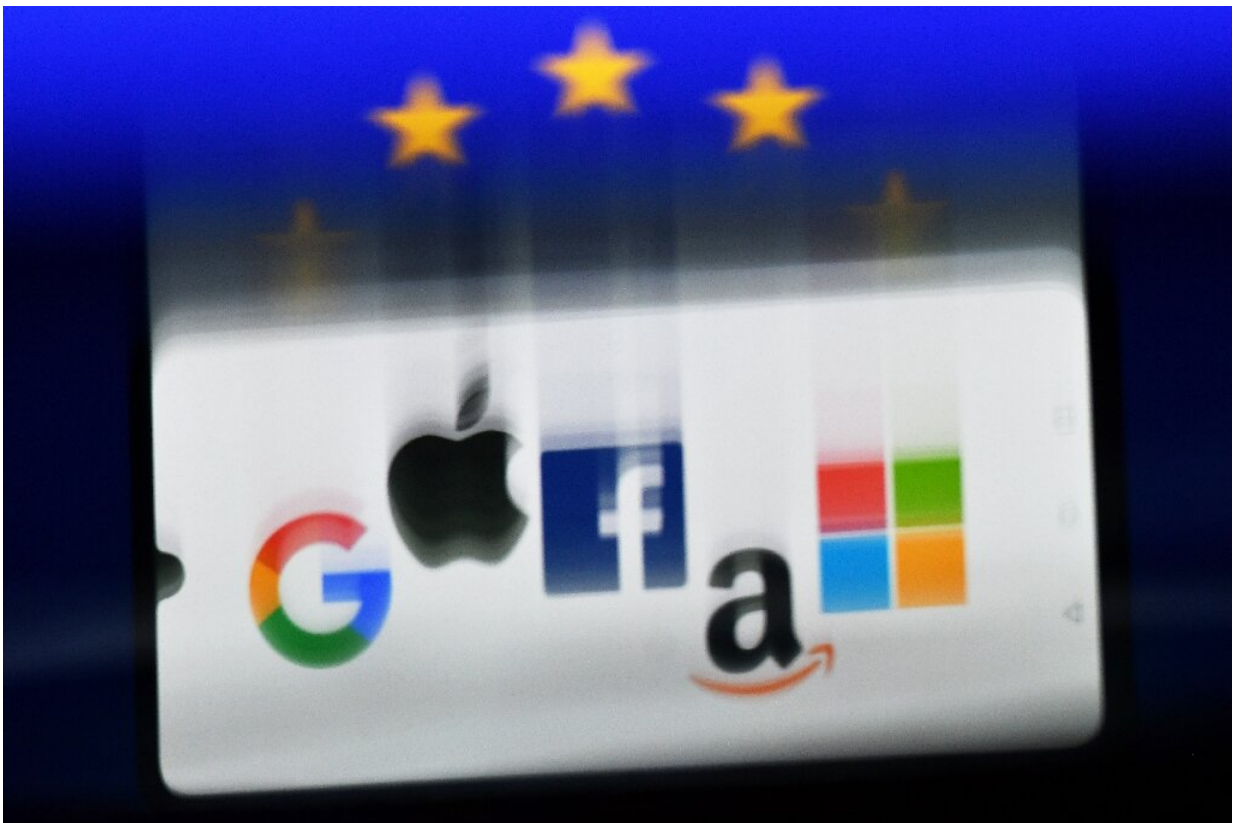


# Italy hits Amazon, Apple with 200 mn euro antitrust fine

November 23 2021, by Ella Ide

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US big tech firms have faced a slew of antitrust challenges and fines in Europe.

Italy's competition watchdog imposed fines totalling over 200 million euros (\$225 million) on Amazon and Apple Tuesday in the latest action taken against US tech giants in Europe over their business practices.

The watchdog ordered Apple to pay 134.5 million euros and e-commerce firm Amazon 68.7 million euros for infringing EU laws through restrictions which penalised sellers of Apple and Beats products.

Both Amazon and Apple said they intended to appeal.

Meanwhile in Strasbourg, EU legislation to impose unprecedented restrictions on how US tech giants do business passed a first and significant hurdle.

A key committee of the European Parliament overwhelmingly approved their version of the Digital Markets Act, legislation that will slap far-reaching rules on Facebook, Google, Amazon, Apple and Microsoft.

US regulators are closely watching Europe's approach to big tech firms, after Washington pledged to intensify scrutiny of the technology industry.

## **Unjustified**

The Italian watchdog said a 2018 deal between Amazon and Apple had "barred official and unofficial resellers of Apple and Beats products from using Amazon.it, allowing the sale of those products in that marketplace only to Amazon and to selected parties in a discriminatory manner".

The aim had been to restrict the number of retailers and limit cross-border sales, it said.

The agreement was bad news for consumers, because at least 70 percent of electronics goods bought in Italy were purchased on Amazon.

"We strongly disagree with the decision.... and we intend to appeal,"

Amazon said in a statement, adding that the fine was "disproportionate and unjustified".

It said it made no sense to suggest Amazon benefitted "by excluding sellers" because its business model "relies on their success".

In its statement, Apple said it believed "we have done nothing wrong" and the agreement was part of efforts to ensure only genuine products were being sold through reseller partners.

The watchdog said its probe has inspired Germany and Spain antitrust authorities to "launch similar procedures".

## **Fines and taxes**

A crackdown on Big Tech firms could lead to the breakup of the largest platforms, with Europe powering ahead with antitrust litigation and US lawmakers eyeing moves to make antitrust enforcement easier.

The Italy fine comes just two weeks after a European Union court rejected a Google appeal against a 2.4-billion-euro antitrust fine.

Giants Google, Apple, Facebook, Amazon and Microsoft have been accused of stifling competition, not paying enough taxes, stealing media content and threatening democracy by spreading fake news.

Big Tech critics want Apple and Google to loosen the grip of their online app marketplaces; more competition in a digital advertising market dominated by Google and Facebook; and better access to Amazon's e-commerce platform by third-party sellers.

In terms of taxation, Italy, France, Germany and Spain won a major victory in June when the G7 richest nations agreed to a minimum global

corporate tax rate for the world's biggest companies, which include the US tech giants.

Nearly 140 countries have since backed the 15-percent tax.

The reform seeks to end the practice of big firms such as Apple and Google of sheltering profits in low-tax countries.

The EU has also unveiled plans for mammoth fines of up to 10 percent of sales on tech firms that break competition rules, which could even lead to them being broken up.

Italy's consumer association Codacons was quick to welcome the fine against Apple and Amazon, saying that "any limitation of access to operators on e-commerce platforms represents damage to consumers".

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