

EU in 'final countdown' to big tech crackdown

March 24 2022, by Alex Pigman



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EU lawmakers wrangled Thursday to put the final touches on an unprecedented rulebook to curb the market dominance of US Big Tech

giants such as Google, Meta, Amazon and Apple.

Meeting in Brussels, negotiators from the EU member states and the European Parliament were nailing down a final list of dos and don'ts that would single out some web giants as internet "gatekeepers" that are subject to special rules.

The "Digital Markets Act" (DMA) has sped through the bloc's legislative procedures and is designed to give rivals a better chance to survive against the world's powerful tech juggernauts.

"It's the final countdown for digital regulation," EU commissioner Thierry Breton tweeted as lawmakers kicked off what they hoped would be a final round of negotiations in Brussels.

The main point of the law is to avert the years of procedures and court battles needed to punish Big Tech's monopolistic behaviour where cases can end with huge fines but little change in how the giants do business.

If passed, the law will give Brussels unprecedented authority to keep a eye on the decisions by the giants, especially when they pull out the chequebook to buy up promising startups.

The law also contains about 20 rules that in many cases target practices by Big Tech that have gone against the bloc's rules on competition, but that Brussels has struggled to enforce.

These myriad obligations include forcing Apple to open up its [app store](#) to alternative payment systems, a practice that the iPhone maker has opposed fiercely, most notably in its feud with Epic games, the maker of Fortnite.

Google would be asked to clearly offer users of Android-run

smartphones alternatives to its [search engine](#), the Google Maps app or its Chrome browser.

Apple would also be forced to loosen its grip on the iPhone, with users allowed to uninstall its Safari web browser and other company-imposed apps that for now users cannot delete.

'Comply or challenge'

If influential MEPs get their way, the law could also force Meta-owned WhatsApp to make itself available to users on other messaging services such as Signal or Apple's iMessage.

Violation of the rules could lead to fines as high as 10 percent of annual global sales with some MEPs calling for even tougher penalties for [repeat offenders](#).

The DMA "will have a profound impact on the way some gatekeepers' operations are currently conducted," said lawyer Katrin Schallenberg, a partner at Clifford Chance.

"Clearly, companies affected... are already working on ways to comply with or even challenge the regulation," she added.

The Big Tech companies have lobbied hard against the new rules and the firms have been defended in Washington, where it is alleged that the new law unfairly targets US companies.

In the latest drafts of the law, non-US giants such as Booking.com or TikTok could also be roped in.

Officials warned that the final round of negotiations could drag on late into the night on Thursday.

Once a deal is reached by negotiators, the DMA would face final votes in a full session of the European Parliament as well as by ministers from the EU's 27 member states.

The rules could then come into place starting on January 1, 2023, though tech companies are asking for more time to implement the law.

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