

Meta fined record \$1.3 billion and ordered to stop sending European user data to US

May 22 2023, by Kelvin Chan



Facebook's Meta logo sign is seen at the company headquarters in Menlo Park, Calif., Oct. 28, 2021. European Union hits Facebook parent Meta with record \$1.3 billion fine over transfers of user data to US. Credit: AP Photo/Tony Avelar, File

The European Union slapped Meta with a record \$1.3 billion privacy

fine Monday and ordered it to stop transferring users personal information across the Atlantic by October, the latest salvo in a decadelong case sparked by U.S. cybersnooping fears.

The penalty of 1.2 billion euros is the biggest since the EU's strict data privacy regime took effect five years ago, surpassing Amazon's 746 million euro fine in 2021 for data protection violations.

Meta, which had previously warned that services for its users in Europe could be cut off, vowed to appeal and ask courts to immediately put the decision on hold.

The company said "there is no immediate disruption to Facebook in Europe." The decision applies to user data like names, email and IP addresses, messages, viewing history, geolocation data and other information that Meta—and other tech giants like Google—use for targeted online ads.

"This decision is flawed, unjustified and sets a dangerous precedent for the countless other companies transferring data between the EU and U.S.," Nick Clegg, Meta's president of global affairs, and chief legal officer Jennifer Newstead said in a statement.

It's yet another twist in a legal battle that began in 2013 when Austrian lawyer and privacy activist Max Schrems filed a complaint about Facebook's handling of his data following former National Security Agency contractor Edward Snowden's revelations of electronic surveillance by U.S. security agencies. That included the disclosure that Facebook gave the agencies access to the personal data of Europeans.



Mark Zuckerberg speaks at Georgetown University, on Oct. 17, 2019, in Washington. European Union hits Facebook parent Meta with record \$1.3 billion fine over transfers of user data to US. Credit: AP Photo/Nick Wass, File

The saga has highlighted the clash between Washington and Brussels over the differences between Europe's strict view on data privacy and the comparatively lax regime in the U.S., which lacks a federal privacy law. The EU has been a global leader in reining in the power of Big Tech with a series of regulations forcing them police their platforms more strictly and protect users' personal information.

An agreement covering EU-U.S. data transfers known as the Privacy Shield was struck down in 2020 by the EU's top court, which said it didn't do enough to protect residents from the U.S. government's

electronic prying. Monday's decision confirmed that another tool to govern data transfers—stock legal contracts—was also invalid.

Brussels and Washington signed a deal last year on a reworked Privacy Shield that Meta could use, but the pact is awaiting a decision from European officials on whether it adequately protects data privacy.

EU institutions have been reviewing the agreement, and the bloc's lawmakers this month called for improvements, saying the safeguards aren't strong enough.

The Ireland's Data Protection Commission handed down the fine as Meta's lead privacy regulator in the 27-nation bloc because the Silicon Valley tech giant's European headquarters is based in Dublin.

The Irish watchdog said it gave Meta five months to stop sending European user data to the U.S. and six months to bring its data operations into compliance "by ceasing the unlawful processing, including storage, in the U.S." of European users' personal data transferred in violation of the bloc's privacy rules.



Attendees visit the Meta booth at the Game Developers Conference 2023 in San Francisco, Wednesday, March 22, 2023. European Union hits Facebook parent Meta with record \$1.3 billion fine over transfers of user data to US. Credit: AP Photo/Jeff Chiu, File

If the new transatlantic privacy agreement takes effect before these deadlines, "our services can continue as they do today without any disruption or impact on users," Meta said.

Schrems predicted that Meta has "no real chance" of getting the decision materially overturned. And a new privacy pact might not mean the end of Meta's troubles, because there's a good chance it could be tossed out by the EU's top court, he said.

"Meta plans to rely on the new deal for transfers going forward, but this is likely not a permanent fix," Schrems said in a statement. "Unless U.S. surveillance laws gets fixed, Meta will likely have to keep EU data in the EU."

Meta warned in its latest earnings report that without a legal basis for data transfers, it will be forced to stop offering its products and services in Europe, "which would materially and adversely affect our business, financial condition, and results of operations."

The social media company might have to carry out a costly and complex revamp of its operations if it's forced to stop shipping user data across the Atlantic. Meta has a fleet of 21 data centers, according to its website, but 17 of them are in the United States. Three others are in the European nations of Denmark, Ireland and Sweden. Another is in Singapore.

Other social media giants are facing pressure over their data practices. [TikTok has tried to soothe Western fears](#) about the Chinese-owned short video sharing app's potential cybersecurity risks with a \$1.5 billion project to store U.S. user data on Oracle servers.

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