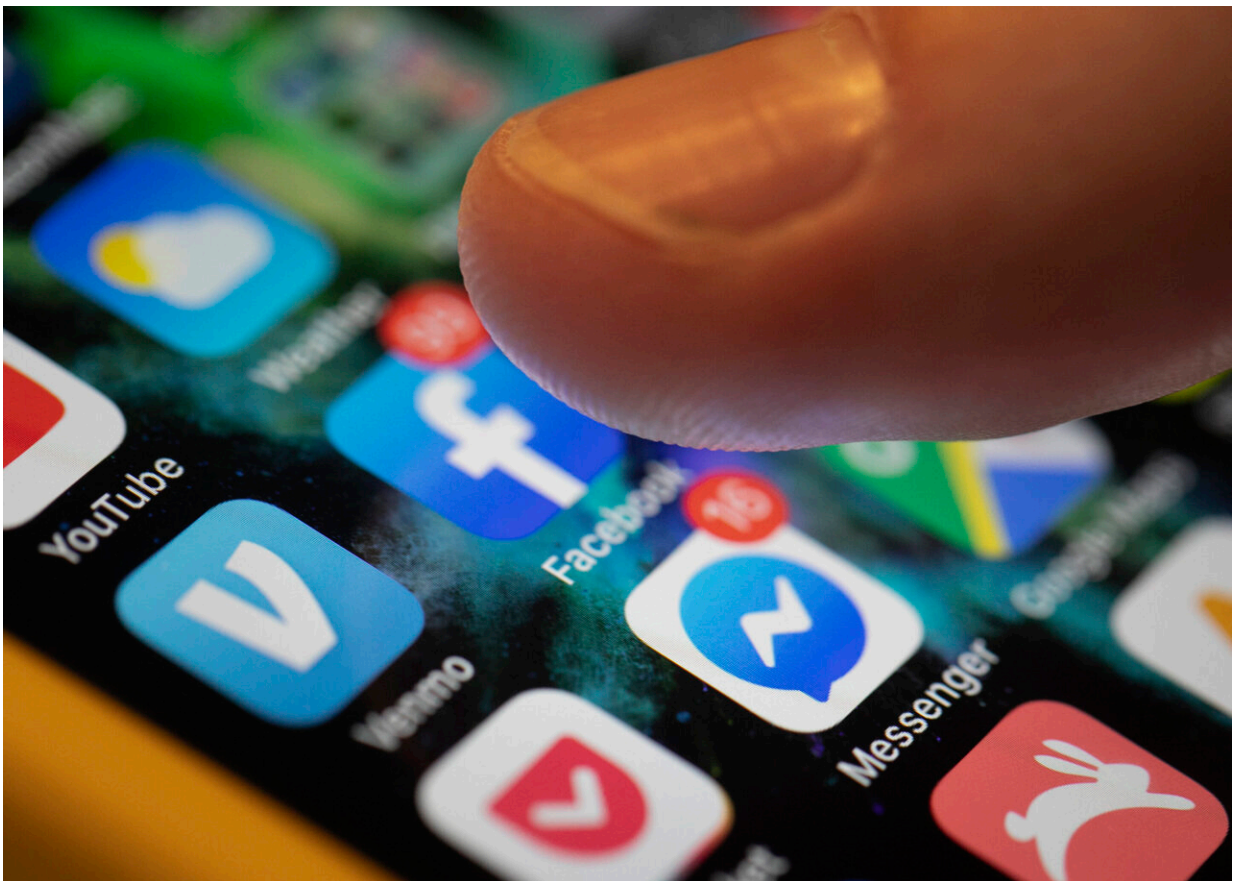


EU targets Apple, Amazon, Meta and other Big Tech in next phase of digital crackdown

September 6 2023, by Kelvin Chan



A smartphone displays the apps for Facebook and Messenger in New Orleans, Aug. 11, 2019. The European Union on Wednesday targeted Apple, Amazon, Microsoft, Google parent Alphabet, Facebook owner Meta and TikTok parent ByteDance under new digital rules aimed at reining in the market power of online companies. Credit: AP Photo/Jenny Kane, File

Six Big Tech companies including Amazon, Apple and Microsoft faced fresh pressure Wednesday from the European Union, which moved to counter their digital dominance with far-reaching rules aimed at giving users more choices and making competition fairer.

Google parent Alphabet, Facebook owner Meta and TikTok parent ByteDance also were classified as online "gatekeepers" subject to the strictest requirements of the 27-nation EU's Digital Markets Act. The list of do's and don'ts seeks to prevent tech giants from cornering digital markets, with the threat of whopping fines or even forcing companies to sell off parts of their business to operate in Europe.

That means European users of Big Tech social media or chat services could soon be able to send messages to rival platforms, avoid having their data used to show personalized ads and choose which search engine or browser they prefer rather than being stuck with a default version.

It's part of a sweeping update to the EU's digital rulebook taking force this year and comes weeks after a companion package of rules aimed at keeping internet users safe, the [Digital Services Act](#), started [kicking in](#).

"The most impactful online companies will now have to play by our EU rules," European Commissioner Thierry Breton, who's in charge of the bloc's digital policy, said on X, previously known as Twitter. "DMA means more choice for consumers. Fewer obstacles for smaller competitors. Opening the gates to the Internet."

The European Commission, the EU's executive body, said digital platforms can be listed as gatekeepers if they act as key gateways between businesses and consumers by providing "core platform services."

Those services include Google's Chrome browser, Microsoft's Windows

operating systems, chat apps like Meta's WhatsApp, social networks like TikTok, and others playing a middleman role like Amazon's Marketplace and Apple's App Store.

The companies now have six months to start complying with the Digital Markets Act's requirements, which are spurring changes in how Big Tech companies operate.

Google said the new law will require it and other companies "to make various changes to the way their products and services work."

One of the main goals is to break up the "closed environment where you are in a way locked in and you cannot go elsewhere," said Alexandre de Streel, a professor of European law at the University of Namur and an academic director at CERRE, a think tank in Brussels.

"Consumers will be better off because you will pay less and will be able to move more easily from one one platform to another," de Streel said. "So that's the endgame."

For example, under the DMA, tech companies can't stop consumers from connecting with businesses outside their platforms.

That could put pressure on Apple to open its App Store further. Video game maker Epic Games and music streaming service Spotify have both complained that Apple wouldn't let them bypass its Apple Pay system to avoid paying its 30% commission for subscriptions. Apple has since eased some of its longstanding restrictions.

Messaging services will be required to work with one another. That means Telegram or Signal users could exchange texts or video files with WhatsApp users.

Platforms are banned from ranking their own products or services higher than their rivals' in search results. So, Amazon isn't allowed to make its own-brand products easier to find than those from third-party merchants. The ecommerce giant already started giving European buyers more visible choices when it settled an EU antitrust investigation last year by offering a second "buy box" with a different price or delivery option for the same product.

Online services can't combine a user's personal data to build up a profile for targeted advertising. That means Meta can't mix together a user's data from Facebook, Instagram and WhatsApp services without clear consent.

Essential software or apps such as web browsers can't be installed by default along with the operating system, in the way Google's Chrome comes bundled with Android phones. Consumers will instead be given a choice screen for search engines and browsers to use on their devices. Google noted that it's already doing this and said it would remind European users of their choices.

Meta said it's studying the commission's announcement, which had no impact on its services. Amazon said it will work with Brussels on its implementation plans.

Microsoft said it accepted being named as a gatekeeper and welcomed the commission's decision to consider its request to exempt some of its services, including its Bing search engine and Edge browser.

TikTok "fundamentally" disagrees with the commission's decision, EU public policy chief Caroline Greer said on X. The video sharing app, which entered the European market about five years ago, has "brought choice" to an industry largely controlled by incumbents, she said.

Violations could result in fines of up to 10% of a company's annual global revenue and up to 20% for repeat offenders, or even a breakup of the company.

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