

EU's competition czar warns tech giants on new rulebook

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The European Union's competition czar Margrethe Vestager on Friday said US tech giants will have to strictly abide by the bloc's new rules on how they do business when they come into force in two months.



EU competition commissioner Vestager was on a visit to Silicon Valley where she met with Apple CEO Tim Cook, Google CEO Sundar Pichai and other big tech executives.

They discussed the EU's Digital Markets Act, a first-of-its-kind legislation that comes into force on March 7.

Under its <u>provisions</u>, six tech titans—US groups Alphabet, Amazon, Apple, Meta and Microsoft, and China-based TikTok owner ByteDance—have been labeled "gatekeepers" that run the internet's core services.

"Gatekeepers have been designated and March 7 is compliance day," Vestager told reporters after her meetings.

"It means that those who are designated gatekeepers will have to live up to the obligations that are relevant to these core platform services that have been designated. And this is not trivial," she added.

Those core services include Apple's App Store; Meta's Facebook, Instagram and WhatsApp; Google's YouTube video platform and Chrome browser, as well as Apple's Safari.

One of the DMA's main aims is to stop larger players crushing the progression of smaller companies that threaten to become rivals by gobbling them up through takeovers.

The EU believes past examples of this are Facebook's buyouts of Instagram and WhatsApp as well as Google's purchase of YouTube and Waze.

There will be fines of up to 10 percent of a firm's global revenues for breaking some of the most serious competition rules, and authorities will



break up the companies of repeat offenders.

Tech giants Meta and TikTok are contesting the scope of the EU law and Apple is rejecting the notion that its app stores across all devices amounts to one store.

"The regulations that it can be challenged. We respect that," Vestager said, while pointing out that any challenge would not suspend the DMA's implementation.

"We've been working with Apple as with the other gatekeepers with a principle of open door," she added.

"So far I have no reason to believe that they will not do their utmost to be compliant by March 7," she said.

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