

EU to unveil tough measures to curb tech giants

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The EU is seeking new powers to use against tech giants 'in the event of serious and repeated breaches of law which endanger the security of European citizens'

The European Union on Tuesday will unveil tough draft rules targeting tech giants like Google, Amazon and Facebook, whose power Brussels sees as a threat to competition and even democracy.

The landmark proposals—which come as Silicon Valley faces increasing scrutiny around the world—could shake up the way Big Tech does business by menacing some of the globe's biggest firms with mammoth fines or bans from the European market.

EU sources told AFP the long-trailed legislation would see the internet behemoths facing fines of up to 10 percent of their EU turnover for breaking some of the most serious competition rules and risk being broken up.

It also proposes fining them six percent of revenues or banning them from the EU market "in the event of serious and repeated breaches of law which endanger the security of European citizens",

one of the sources said.

The Digital Services Act and its accompanying Digital Markets Act will lay out strict conditions for doing business in the EU's 27 member countries as authorities aim to rein in the spread of disinformation and hate speech online, and Big Tech's business dominance.

Some of the largest companies—including Google, Facebook, Apple, Amazon and Microsoft—would be designated as internet "gatekeepers" under the legislation and subjected to specific regulations to limit their power over the market.

But the proposals will go through a long and complex ratification process, with the EU's 27 states, the European Parliament, and a lobbying frenzy of companies and trade associations, influencing the final law.

"The idea is not to do away with the large platforms, but to impose rules on them to prevent them from posing risks to our democracy," the EU's industry commissioner Thierry Breton said.

Illegal content

The Digital Services Act is being touted as a way to give the commission sharper teeth in pursuing social media platforms when they allow illegal content online, such as extremist propaganda, hate speech, disinformation and child pornography.

Under the Digital Markets Act, the EU is seeking to give Brussels new powers to enforce competition laws more quickly and to push for greater transparency in their algorithms and use of personal data.

The details of the proposals have until now been carefully guarded by the European Commission, the EU's executive arm, even though a few have leaked.

The rules are designed to update legislation that dates back to 2004, when many of today's internet giants either did not exist or were in their infancy.

A Facebook spokesperson said the proposed regulations "are on the right track to help preserve what is good about the internet" and insisted it looked forward "to engaging" with EU lawmakers.

The social network took aim at fellow tech giant Apple, insisting it wanted the rules to "set boundaries" for the iPhone maker, with which it has tussled over privacy.

Activist group Avaaz called the legislation a "bold and brave move" and insisted Brussels must make sure it is fully enforced.

"This is a strong framework and the EU has the heft and democratic values to hold the platforms to account, regulate the reach of disinformation and protect the free speech of the users," Avaaz legal director Sarah Andrew said.

For the past decade the EU has taken the lead worldwide in trying to grapple with the power of big tech, for example slapping billions in antitrust fines on Google, but critics believe the method has been too cumbersome and done little to change behaviour.

The EU has also ordered Apple to pay billions of euros in back taxes to Ireland but that decision was quashed by the EU's highest court.

The EU's moves comes as regulators around the world have increasingly become concerned about the financial and social power of big tech.

US authorities have taken up the call, with several major antitrust cases putting Google under the gun in addition to a legal bid to strip Facebook of its Instagram and Whatsapp products.

Britain's government was on Tuesday also expected to announce proposed legislation to tackle "online harms" by introducing the threat of fines for internet giants.

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