

## **A NEW FRAMEWORK FOR DIGITAL SERVICES IN EUROPE. Fostering Competitiveness, Empowering Users.**

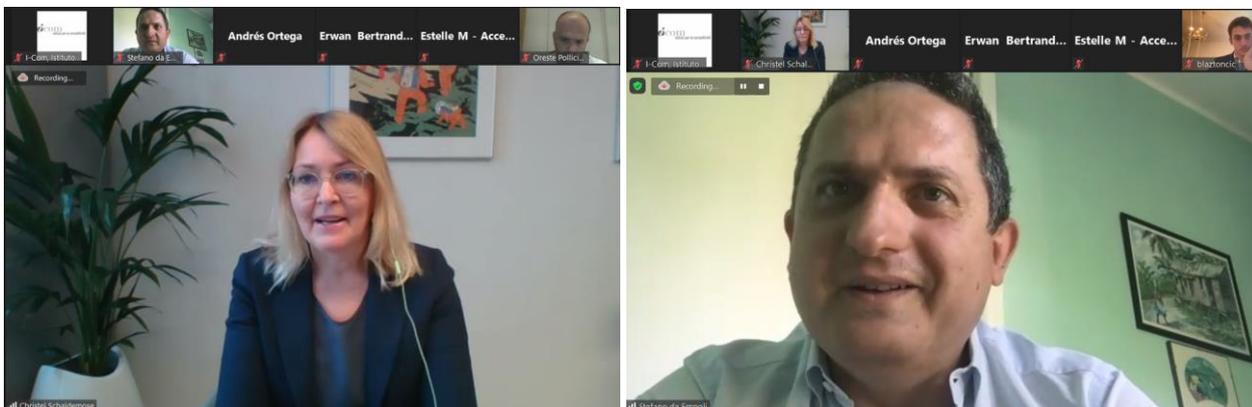
**VideoTalk, July 1, 9:00 – 10:15 | Zoom**

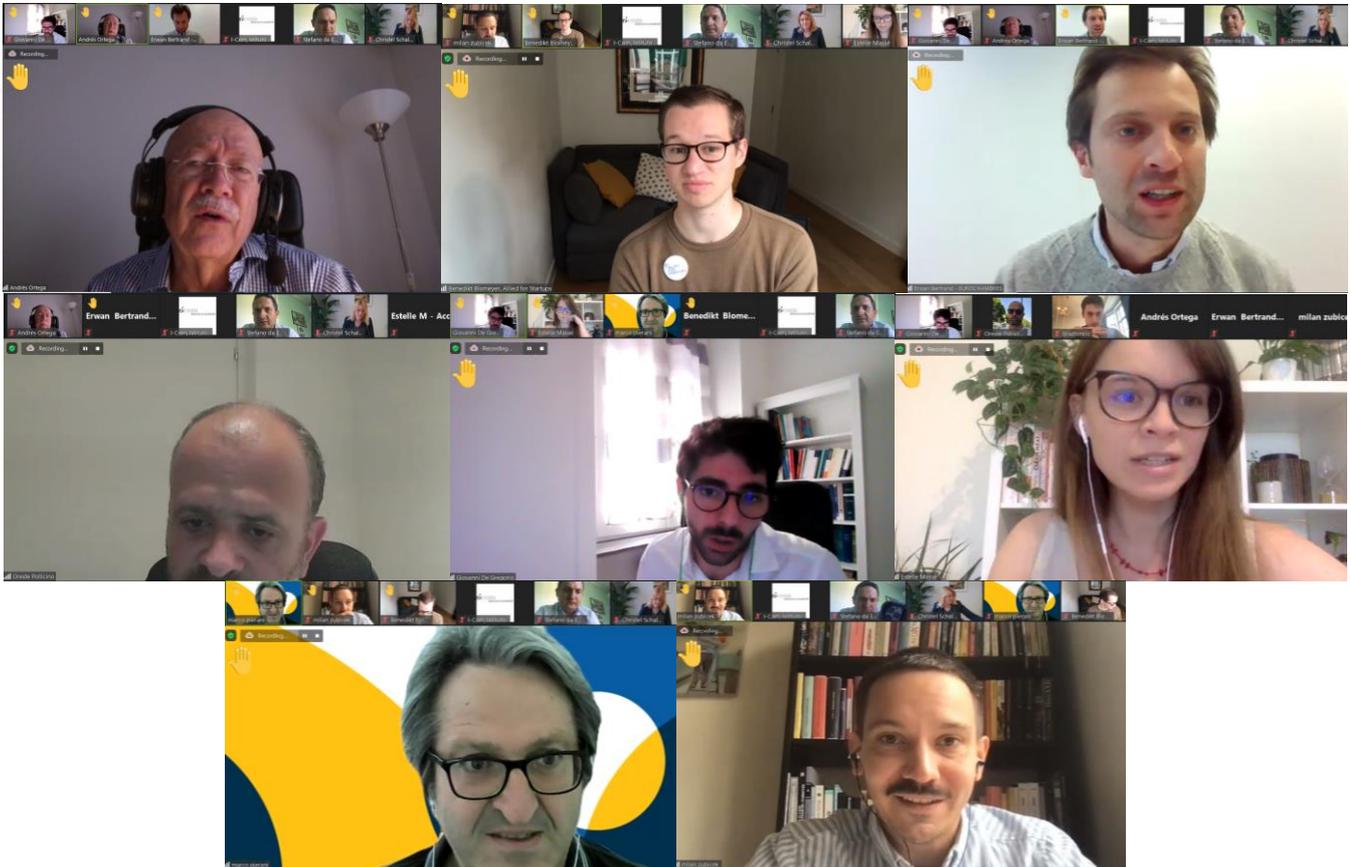
**“A New Framework for Digital Services in Europe. Fostering Competitiveness, Empowering Users”.** This is the title of the VideoTalk held on July 1, with guest speaker Ms. **Christel Schaldemose**, Rapporteur on DSA, IMCO Committee.

After a brief introduction by **Stefano da Empoli**, I-Com President, the VideoTalk continued with a speech by Ms. Schaldemose, followed by a Q&A time.

Bringing together EU and national institution representatives, companies, research and business organisations, trade and consumer associations and other relevant stakeholders, the event offered a forum to discuss the challenges and perspectives on the new Digital Services Act, one of the building blocks of the European Digital Strategy Shaping Europe’s Digital Future, which will upgrade the rules governing digital services in the EU. A particular focus will be placed on the need to create a safer digital space in which the fundamental rights of all users of digital services are protected while establishing a level playing field to foster innovation, growth and competitiveness.

### **PICTURES**





The discussion involved responding to many questions. Namely, is the DSA proposal able to ensure an adequate balance between the necessity to guarantee rights and freedom and the opportunity not to hinder, but rather to foster, innovation and competitiveness in the European Union? Are obligations placed on platforms achievable and proportionate? What are the chances that a regime too focused on large platforms may encourage the displacement of illegal activities and content to smaller platforms? To ensure a clear and certain regulatory framework and avoid the risk of duplicating obligations, would it be useful to adopt a text bringing together all the legislation applicable to platforms? Also, how can the distinction between true and false news be made clearer? What is the respective scope for regulation and voluntary initiatives taken by the platforms?

## MAIN TAKEAWAYS

**I-Com views.** During the opening remarks Stefano da Empoli underlined the relevance of the issue at stake, and stressed the need for the legislation disciplining digital services to be updated. He recalled that the DSA proposal aims at creating a safer and more open digital place “in which the fundamental rights of all users of digital services are protected, and to establish a level playing field to foster innovation, growth and competitiveness”. The moderator then underlined how the rules contained in the 2000 E-Commerce Directive are not adequate to discipline digital services as we intend them today. Since then, innovation in the digital field has allowed new technologies to emerge, improving the speed, the efficiency and the capacity of transferring and storing data online, radically modifying the domain of digital services. The way intermediaries used to regulate and influence user activity on their platforms 20 years ago, cannot be compared to today’s approach. This is why reforming the rules could lead to a major improvement in the present online digital situation. Before giving the floor to Ms. Schaldemose, the moderator also emphasised how the benefits deriving from the DSA proposal outweigh its costs. Nevertheless, it is still important for legislators to strike the right balance between users’ rights and the need to foster innovation and competitiveness.

**Transparency and consumer rights.** Digital services have exponentially evolved in recent years, giving rise to a whole new set of challenges that need to be addressed. Specifically, those deriving from the spread of social networks and online marketplaces. Digital platforms have had a huge impact on societies and governments, sometimes threatening users’ rights. The DSA proposal represents the opportunity to give people more rights and freedom and to start building a better Internet, with clear rules for illegal content removal, transparency and users’ rights. As well, the proposed regulation represents the chance to set a standard in Europe that could serve as an example worldwide a kind of golden standard for online digital services.

**Liability and chain responsibility clarity.** The new regulation aims at not only safeguarding democracies, but also at protecting consumers and consumer rights, another cornerstone of the European single market. When it comes to dangerous products, the digital world often seems to escape the consumer protection and product safety standards that are common offline. To increase safety online, a clear chain of responsibility should be defined. Users and enforcers should be able to identify who is to be held liable for illegal practices online. The ultimate goal of the DSA proposal is to fill the legal vacuum left over from the existing outdated legislation, and to harmonise the relevant regulation in Europe. The proposed regulation, can serve the purpose of detecting and removing illegal content and products online, making sure that what is illegal offline is also illegal online.

**Offline and online illegal content alike.** Platforms, such as search engines, social networks and online marketplaces are not only challenging consumer protection, but also posing an issue of safety. The DSA proposal wants to cover all digital services that play an important role in the spreading of illegal content. As addressed by the proposal “the concept of illegal content should be defined broadly and also it should cover information relating to illegal content, products, services and activities”. This is to

allow the provision to classify as illegal the broader spectrum of illicit content online. In order to achieve the objective of ensuring a safe, predictable and trusted online environment, we should see the digital sphere as a part of the digital single market and hold the DSA to the same standard as for offline services. Otherwise, the risk is to treat illegal content online and offline differently, favouring the former over the latter, compromising offline players and challenging consumer protection.

**Stricter rules for advertisements.** Advertising is an important source of income for the digital world and for platforms. At the same time, however, it could contribute to significant risks online, especially where advertising contains illegal content or contributes to financing illegal or harmful activities. Platform resort extensively to advertisements to influence consumers' purchase decisions through reviews, marketing tactics and microtargeting, often resulting in unfair trading practices. Furthermore, there is an additional issue involved with advertising. Namely, the problem of data and its management and use. Platforms rely on our personal data for personalised behavioural advertisements. Here, the new regulation aims at introducing stricter rules for providers of intermediary services. In order for users to be aware that they are subject to practices of microtargeting advertising, these should be clearly marked as such. Also, platforms should clearly indicate that certain information constitutes online advertising, through prominent and harmonised marking.