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The future of platform regulation: for a more scalable and innovative Europe

Executive summary

Platforms play a crucial role in the EU's digital economy, with their growth trajectory continuing to accelerate.¹ As the EU solidifies its position as a global leader in platform regulation through landmark legislation such as the Digital Services Act (DSA), Digital Markets Act (DMA) and Platform-to-Business Regulation,² it is essential to ensure that these frameworks not only promote user safety and fair competition, but also foster a scalable and innovative European market.

We suggest four key priorities for the upcoming European Commission to enhance the efficacy of platform regulation:

- ▶ **Reinforcing the single market:** Divergent national rules and interpretations will continue to inhibit scale, particularly for European platforms. The Commission should issue practical guidance to ensure consistent application of the DSA and DMA across Member States. This will prevent fragmentation and ensure that platforms can actually operate within a single regulatory environment.
- ▶ **Effective enforcement:** The success of the DSA and DMA hinges on proportionate, evidence-based enforcement. The Commission must be well-resourced to supervise platforms, investigate complaints, and maintain a fair competitive environment. Regular engagement with stakeholders and clear, consistent guidelines will ensure that enforcement is both impartial and effective.
- ▶ **Simplification:** As the new legislative term begins, the Commission should focus on simplifying the regulatory framework to reduce unnecessary complexity. By streamlining overlapping regulations, such as those related to disinformation and deepfakes, and harmonising rules across Member States, the Commission can create a more navigable and scalable EU market.

¹ <https://www.consilium.europa.eu/en/infographics/platform-economy/>.

² Regulations (EU) 2022/2065, 2022/1925 and 2019/1150, respectively.

- ▶▶ **Key areas for EU action:** The EU should establish harmonised standards for online protection of minors, focusing on age verification for relevant services and consistent regulations across Member States to prevent fragmentation. Supporting the DSA's trusted flagger regime, simplifying regulations to maintain consumer trust, and ensuring uniform application of audiovisual service rules are crucial for fostering a safe, competitive and innovative digital environment.

By focusing on these priorities, the EU can balance safety, competition and innovation, ensuring that platforms continue to drive economic growth in Europe.



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Reinforcing the single market

Overlapping national rules or divergent interpretations across Member States will undermine the success of the DSA and DMA frameworks, and will further fragment the single market.³

The Commission, in collaboration with the Board of Digital Services Coordinators (DSCs) and the Digital Markets Advisory Committee, should promptly issue practical guidance to Member States. This guidance should address emerging challenges in implementation, enforcement and oversight, aiming to minimise divergent interpretations and prevent fragmentation. It should also clearly outline compliance expectations and relevant indicators to ensure the rules' consistent application.

Moreover, the Commission should actively monitor Member State legislation and rigorously pursue infringement procedures when national rules conflict with the pre-emptive nature of these EU laws or violate the country-of-origin principle.

National authorities responsible for enforcing the DSA must prioritise adherence to the legislation's fundamental principles: limited liability for intermediary services, strict harmonisation with no allowance for additional national rules unless explicitly provided by the DSA, and adherence to the country-of-origin principle. The Commission should engage proactively with Digital Services Coordinators to oversee the coherent and consistent execution of their mandates.

Regarding the DMA, national competition authorities should avoid duplicating efforts or expanding their enforcement powers beyond what is prescribed by the DMA.

Ensuring coherence with the broader EU acquis and maintaining the framework's proportionality is critical. There have been attempts to expand the DSA's and DMA's scope by referencing the definitions of very large online platforms (VLOPs) and gatekeepers in other legislation.⁴ However, the DSA and DMA obligations were crafted with specific objectives. Misusing these definitions to either exclude certain entities or impose disproportionate obligations risks undermining the original goals and effectiveness of the framework.



Effective enforcement

³ See DIGITALEUROPE, *The Single Market Love Story: 10 digital actions to save the 30-year marriage*, available at <https://cdn.digitaleurope.org/uploads/2024/02/DIGITAL-EUROPE-THE-SINGLE-MARKET-LOVE-STORY-FINAL-WEB.pdf>.

⁴ For example, the Data Act (Regulation (EU) 2023/2854) expands provisions for gatekeepers and the European Media Freedom Act (EMFA, Regulation (EU) 2024/1083) expands provisions for VLOPs.

Regulators should prioritise an open and constructive regulatory dialogue with platforms and users to identify the best available solutions, recognising that the impacts of new measures will take time to fully materialise. Enforcement should be proportionate, with priorities based on evidence to ensure fair and consistent treatment across all platforms. Clear compliance expectations, aligned with the objectives and obligations of other regulations, will create the predictability needed for all parties to confidently navigate the new frameworks. Leveraging data to identify trends, prioritise enforcement efforts and focus on the most significant risk areas will also be essential.

The Commission is pivotal in shaping the future of platform regulation.⁵ To enforce these laws effectively, the Commission must be equipped with sufficient resources to engage with and supervise regulated platforms, investigate third-party complaints and ensure consistent compliance. Under-resourced regulators struggle to keep pace with the rapidly evolving digital landscape, making enforcement challenging and potentially allowing non-compliant companies to undermine the rules. This not only creates an unfair advantage over compliant businesses, but also jeopardises the laws' core objectives.

Businesses require clear and predictable rules to efficiently implement compliance solutions. Given that investment and resource planning typically occur over long cycles, last-minute regulatory changes can lead to unexpected costs and wasted technical efforts. To address this, the Commission should develop detailed annual work plans that set out clear goals and upcoming priorities, such as the development of new codes of conduct.⁶ These plans should include reasonable timelines, explanations of objectives, and early opportunities for stakeholder feedback, ensuring transparency and preparedness.

Regular engagement with stakeholders, including platforms, businesses, users and governments, is essential for fostering a shared understanding of the regulations and addressing the concerns of all involved parties. The success of the DSA and DMA depends on consistent, timely and impartial enforcement that avoids sensationalist actions whilst clearly demonstrating the regulations' value.

To ensure objective application free from political influence, enforcement discussions should be primarily handled by the Commission's services. Strengthening the independence of the DSA and DMA enforcement teams within the Commission's Directorates-General is crucial. This could be achieved by separating these teams from day-to-day policy work and establishing clear enforcement guidelines. Additionally, and ideally, these

⁵ Notably, the Directorates-General for Communications Networks, Content and Technology (DG CONNECT) and for Competition (DG COMP).

⁶ See, for example, the annual work programmes adopted by the Body of European Regulators for Electronic Communications (BEREC), available at <https://www.berec.europa.eu/en/annual-work-programme>.

enforcement teams could be spun off to form a new, independent European platforms office, separate from the Commission, to further guarantee their impartiality.



Opportunities for simplification

As the new legislative term begins, platform policy and regulation should be a tool to foster the growth of new European digital unicorns, invigorating the EU's economy. Achieving this requires not only harmonised and effective implementation of recently adopted legislation, but also a thorough review to eliminate unnecessary regulatory redundancies that hurt Europe's growth prospects.

The EU has established a complex framework of rules to ensure a safe and competitive online environment, with overlapping laws addressing similar issues in different ways. As the Commission prepares to review the DSA and its interaction with other legislation,⁷ it should focus on identifying and proposing simplifications to the policy framework. This will help companies of all sizes, national regulators and other stakeholders to navigate the regulatory environment more effectively. A similar approach should be taken ahead of the DMA review in 2026, with the Commission assessing ways to enhance regulatory dialogue.

For instance, in areas like disinformation or deepfakes, several branches of the Commission and the European External Action Service are leading various overlapping initiatives. The Digital Services Act, the Political Advertising Regulation and the AI Act,⁸ along with tools like the DSA Election Guidelines, the Code of Practice on Disinformation, the upcoming AI Pact and the European Democracy Action Plan, are all promising. However, their requirements can sometimes be unclear, contradictory or overlapping. This creates confusion and barriers particularly for smaller European platforms aiming to scale up within Europe. It's time to ensure proper coordination among these initiatives.

Overlaps between these regulations and others, such as the Platform-to-Business Regulation, the European Media Freedom Act and the Audiovisual Media Services Directive (AVMSD),⁹ further contribute to confusion, uncertainty and burdens for platforms. Streamlining and harmonising these regulations would reduce unnecessary complexity, whilst clear guidelines and accessible resources would empower stakeholders to navigate the regulatory landscape more effectively.

⁷ With a report due by November 2025 (Art. 91(1)(b) DSA).

⁸ Regulations (EU) 2022/2065, 2024/900 and 2024/1689, respectively.

⁹ Regulations (EU) 2019/1150 and 2024/1083, and Directive (EU) 2018/1808, respectively.



Areas for possible EU action

Online protection of minors

Online protection of minors is a collective responsibility that spans the entire digital ecosystem. Whilst the digital industry holds a unique responsibility for ensuring safe online experiences for young users, families, educators and policymakers all play crucial roles in this effort. As debates intensify and divergent legislative proposals emerge across different Member States, establishing timely, EU-wide standards is essential to prevent fragmentation.¹⁰

One key area under consideration by European policymakers is age verification,¹¹ which should be addressed through these unified standards. Age verification principles and requirements must be integrated into a harmonised legislative and regulatory framework that ensures consistent protection for minors across all Member States. To be effective, these methods should involve EU- and industry-wide solutions, ensuring that relevant digital services adhere to a risk-based standard and that every young person in the EU enjoys the same level of protection. Any technical solutions should be privacy-preserving and undergo careful testing, industry feedback, and phased rollout as part of future policy initiatives.

A harmonised regulatory framework should enable a rights-based and participatory approach to how young people engage with digital services. This way, the industry can focus its efforts on facilitating youth participation in experiences that are agreed to be safe and suitable for their age.

Trusted flagger regime

DIGITALEUROPE fully supports the DSA's trusted flagger regime, a crucial tool for enhancing online safety. Trusted flaggers enable platforms to have greater confidence in the accuracy of reports, leading to the swift removal of illegal content.

Priority flagger systems have already proven their value in various sectors. For instance, in e-commerce, where some online marketplaces have voluntarily established brand registries, brand owners collaborate with platforms to identify and combat the spread of counterfeit and unsafe products. The DSA allows platforms to enter into bilateral agreements with trusted private entities or individuals, in addition to those formally recognised as trusted flaggers by the DSCs. It is important that the DSA complements these bilateral relationships.

Whilst several DSCs have proposed guidelines to assist potential applicants, the official appointment of trusted flaggers remains limited. To ensure the new

¹⁰ Examples include France, Germany, Italy and Spain.

¹¹ For example, the Better Internet for Kids Strategy, the Task Force on Age Verification and the upcoming Art. 28 DSA Guidelines.

regime operates effectively, we encourage the Commission to provide clear guidance on the criteria for designating trusted flaggers, methods for assessing their accuracy, and mechanisms for coaching and suspension. This guidance should ensure that entities meeting the criteria outlined in Art. 22 DSA, including brand owners combating counterfeit goods and rightsholders protecting their content from illegal use, are eligible for trusted flagger status.

Furthermore, the Commission should investigate barriers to registration and increase awareness to cultivate a strong cohort of trusted flaggers.

Digital fairness

New technologies and data-driven practices have significantly empowered consumers and enhanced their online experiences. DIGITALEUROPE supports the Commission's fitness check to ensure that EU consumer law remains effective and relevant in the context of the digital transition. Establishing legal certainty, ensuring fair competition and enforcing the existing framework effectively are essential to maintaining consumer protection and trust.¹²

We urge policymakers to prioritise the application of existing regulations before introducing new ones. Any new rules should be grounded in clear evidence that current practices are detrimental to consumers or society and cannot be adequately addressed under the current framework. If legitimate concerns are identified, they must be addressed consistently across both online and offline environments, ensuring consumer protection regardless of the service used. Engaging in open dialogue with the industry will be crucial for addressing specific concerns in a timely and effective manner.

We advise caution against introducing overly prescriptive new rules, particularly those that could hinder future innovation or negatively impact design interfaces and user experiences. These elements are key differentiators that allow services to compete. Imposing new rules in this area could increase business costs, add complexity, and dilute the unique brand experiences that companies strive to create.

This fitness check should also emphasise identifying opportunities for simplification and harmonisation to reduce unnecessary administrative burdens and clarify existing regulations, thereby reducing uncertainty for businesses and consumers alike.¹³

¹² For a more detailed position, see DIGITALEUROPE, *Ensuring digital fairness in EU consumer law: taking stock of existing rules*, available at <https://cdn.digitaleurope.org/uploads/2023/02/DIGITALEUROPE-Ensuring-digital-fairness-in-EU-consumer-law-Feb-2023.pdf>.

¹³ A number of diverging interpretations and implementations were already pointed out in the Commission's report on the Omnibus Directive's implementation (COM(2024) 258 final).

Coherent rules for audiovisual services

Since the AVMSD's adoption, its implementation across Member States has varied significantly. For instance, obligations related to the prominence of content of general interest, local financial contributions, and the responsibilities of video-sharing platforms have been interpreted in markedly different ways.

Whilst some variation in transposition is inevitable, certain discrepancies appear to conflict with the core requirements of the AVMSD and other EU legislation. The upcoming AVMSD review presents an opportunity for policymakers to reinforce the application of the country-of-origin principle within the AVMS framework and to address potential overlaps between platform regulation under the AVMSD and the DSA. This review should aim to provide guidance and enhance consistency across Member States, ensuring that the directive is applied uniformly and in harmony with the broader EU regulatory landscape.

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About DIGITALEUROPE

DIGITALEUROPE is the leading trade association representing digitally transforming industries in Europe. We stand for a regulatory environment that enables European businesses and citizens to prosper from digital technologies. We wish Europe to grow, attract, and sustain the world's best digital talents and technology companies. Together with our members, we shape the industry policy positions on all relevant legislative matters and contribute to the development and implementation of relevant EU policies. Our membership represents over 45,000 businesses that operate and invest in Europe. It includes 108 corporations that are global leaders in their field of activity, as well as 41 national trade associations from across Europe.