

Scene setter

You will be holding an exchange of views with the Special Committee for foreign interference in all democratic processes in the EU, including disinformation (INGE Committee). The meeting will be held in association with the Committee on Industry, Research and Energy (ITRE), the Committee on the Internal Market and Consumer Protection (IMCO), the Civil Liberties, Justice and Home Affairs Committee (LIBE) and the Special Committee on Artificial Intelligence in a Digital Age (AIDA).

INGE Committee is a Special Committee created on 18 June 2020. Its aim is to work to assess the level of threats to democracy in different spheres: major national and European elections across the EU; disinformation campaigns on traditional and social media to shape public opinion; cyber-attacks targeting critical infrastructure; direct and indirect financial support and economic coercion of political actors and civil society subversion.



The draft report will be presented to the Committee at the end of October. A number of working documents preparing the final report were already published, the latest dealing with building EU resilience against hybrid threats.¹

The exchange of views will take one hour (16.45-17.45)

¹ [Latest documents | Documents | INGE | Committees | European Parliament \(europa.eu\)](#)

Speaking points

Dear Chair, Honourable Members,

- Thank you for your invitation to exchange with you today in the Special Committee on Foreign Interference in all Democratic Processes in the European Union, including Disinformation, on some of the challenges we face in the digital world and work that the Commission is doing in this context.
- As we can see, the digital transformation has profoundly changed the functioning of the global economy and society. The Covid-19 crisis and the increased importance and use of digital services has only further evidenced the importance of such services in our daily lives.
- Yet, these services also raise a number of risks that are very real, as shown by the latest examples such as riots at Capitol Hill, unfortunate deaths of young people that are believed to be driven by their activities on online platform or fake news when it comes to means to tackle the Covid-19 pandemic.
- We are faced with myriad of societal challenges: the dissemination of hate speech, disinformation, attempts at manipulating electoral processes, sales of dangerous or counterfeit products, unfair market access for small players.
- To tackle these challenges the Commission has proposed in the context of the Digital Services Act to put in place a framework of graduated 'due diligence' obligations according to the size, nature and reach of online services.
- For online platforms, we establish:
 - Uniform rules to act upon illegal activity or information online while empowering users to contest unlawful removal of content that is legal
 - Rules on the traceability of online sellers so that rogue traders can be prevented from selling dangerous or counterfeit products or services in the Single Market

- Transparency obligations on advertising and algorithms so that we can understand and scrutinise how the amplification of content affect the public discourse or vulnerable groups in society
- For the largest platforms, we propose additional obligations requiring them to analyse and manage the risks that they pose to our economy, our societies and our democracies. They will be subject to an annual audit by the public authorities as well as to possible oversight by the vetted researchers.
- But, societal challenges are not the only challenges one is facing today. In the digital sector, there is a small number of online platforms – often embedded in their own ecosystems – which have come to play a crucial role in the lives of millions – if not, billions – of individuals and companies. They intermediate a significant portion of transactions between consumers and businesses, and have emerged as a key structuring element of today's digital economy. This raises new issues relating to fairness, transparency and market distortions.
- With the Digital Markets Act, we aim to safeguard fair, open and contestable markets that will enable growth and innovation by large market operators but also many small and medium sized enterprises that are active in this ecosystem.
- We also aim to empower consumers to benefit from fairer and more open platform ecosystem. This will enable consumers not to be locked-into services provided by large online platforms, but switch between different service providers.
- An example of an obligation that will fulfil both objectives is the data portability obligation. As we all know, large online platforms collect vast amount of data from their business users and end users. With the Digital Markets Act, we will oblige gatekeepers to ensure effective and real-time data portability both as regards data of business users and end users of the gatekeepers. T
- Furthermore, under the Digital Markets Act a gatekeeper will be banned to combine personal data from different services of the same platform unless they get clear agreement by the user; to use data generated by a trading partner to compete with that trader; to

impose its own identification system; or, to give preferential treatment to its own services.

- But, Digital Markets Act should not be seen in isolation. As presented in the Data Strategy of February 2020, the Commission believes that in order to increase data sharing in the economy and society professional players and structures can play an important role.
- However, such data collection and use must place the interests of the individual first, in accordance with European values, fundamental rights and rules. Citizens will trust and embrace data-driven innovations only if they are confident that any personal data sharing in the EU will be subject to full compliance with the applicable rules.
- This is why through the Data Governance Act the Commission unlocks the value of data voluntarily made available by data holders for reuse by increasing trust in data intermediaries and by strengthening data sharing mechanisms in the EU, including data altruism.
- This framework also supports the creation of data spaces, organised by trustworthy and neutral parties as an alternative to a model dominated by private platform ecosystems. In the data spaces, individuals will have control over their data. It will be more difficult to use the data for malicious purposes.
- **To conclude my remarks** for today, let me underline that we count on the Parliament, where number of committees work on these important legislative files, for a swift adoption of the proposals. The pandemic has given an additional boost to digitalisation and a timely application of these rules will offer immediate benefits to European consumers and businesses. The Commission stands ready to assist co-legislators in the negotiation process.

Digital Services Act and Digital Markets Act

Main messages

- The COVID-19 pandemic has only **highlighted the importance of the digital economy** for our societies in both positive and negative ways.
 - Responses to COVID-19 have speeded the adoption of digital technologies by several years and many of these changes are here for the long haul.
 - This accelerated adoption has been a lifebuoy. Many of us now depend on digital platforms for work, trade, schooling and entertainment.
 - This accelerated adoption has also emphasized vulnerabilities. Just think of the dangerous flow of fake news during the pandemic or our dependence on a few very big digital platforms.
- The Commission is all the more determined to **make the 2020s Europe's "Digital Decade"**. Europe wants to lead the way on digital, setting the right standards, European standards, to bring about the Digital Age **to the benefit of all**.
- A **central piece of the European Digital Strategy** we presented at the start of 2020, is to upgrade the rules governing digital services in the EU.
- To this end, the Commission proposed, on December 15 of last year, two legislative initiatives: the **Digital Services Act (DSA)** and the **Digital Markets Act (DMA)**.
- The Digital Services Act and Digital Markets Act provide a **comprehensive set of new rules for all digital services**, including social media, online market places, and other online platforms that operate in EU.
- This ambitious reform of the digital space has two main goals:
 - **to create a safer digital space** 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**, both in the European Single Market and globally.

Digital Services Act

- The Digital Services Act sets rules on content moderation practices of online platforms, and its interaction with freedom of speech and healthy and well-informed public debate.
- Under the proposed rules, platforms would have to apply effective measures against misuse of their systems and transparency mechanisms. Users will have the right to be informed about the moderation policies and decisions by the platform, to contest them and the necessary means of redress.
- For very large platforms, this is taken one step further, to ensure that those 'public spaces' are open and fair: they will need to assess and address risks their systems pose to freedom of expression and other fundamental rights.

Digital Markets Act

- Furthermore, to ensure fair and contestable platform environment, the proposed Digital Markets Act will regulate unfair practices that have proven harmful will. The Commission is determined to restore contestability in digital markets.
- The Digital Markets Act focuses on the fair competition and specifically target large digital gatekeepers, setting out a clear list of do's and don'ts. It will also provide for a market investigation regime to ensure that the system is not static, but takes account of dynamism of the digital economy and is future proof.

Background on the legislative process

- **The European Parliament** has assigned the Digital Markets Act proposal to IMCO as lead committee with ECON and ITRE as associated committees under rule 57+, as well as TRAN, CULT, JURI and LIBE. IMCO intends to have its report adopted on 8 November 2021 and voted in plenary still in December. Both rule 57+ rapporteurs seem to be aligned on this timeframe.
- To date, all committees have presented their reports and are currently discussing tabled amendments (some still pending, such as ECON or ITRE).
- In general, all reports welcome the proposal of the Commission and its main pillars.
- out of scope
[Redacted text block]
- **In the Council**, the first full reading of the proposal was completed under the PT Presidency, which presented a Progress Report to the COMPET Council on 25 May. On 23 June, the Portuguese Presidency presented the first draft of the compromise text to the Member States.
- The SI Presidency is expected to send the second compromise text to Member States on 8 September 2021 and start discussion on it during meetings of 14 and 15 September 2021.
- The SI Presidency confirmed its objective to achieve a General Approach at the COMPET Council on 25 November 2021.
- At this stage there are two key and only real political issues that remain to be discussed with the Member States:
 - i. Possible parallel application of national (competition) rules that pursue similar market operators and address similar issues (e.g. Article 19a of the German Competition Law); and
 - ii. Flexibility provision, which would allow the Commission to impose tailored remedies based on principle-based obligations (and not clearly defined and circumscribed obligations as currently proposed).
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