

# CMA to have key oversight role over Google's planned removal of third-party cookies

The CMA is to take up a role in the design and development of Google's Privacy Sandbox proposals to ensure they do not distort competition. The CMA is now launching a consultation on whether to accept Google's commitments. If accepted, the commitments would be legally binding.

The CMA has worked closely with the Information Commissioner's Office (ICO) in reviewing the Privacy Sandbox proposals and will continue to work closely with the ICO to assess the effectiveness of alternatives to third party cookies being developed under the proposals.

The offer of commitments is a result of enforcement action that the CMA launched against Google in January 2021, when a number of businesses raised concerns about the company's plans to phase out third-party cookies and other functionalities in its Chrome browser.

While there have been privacy concerns about their use, these cookies are used by digital advertisers to personalise and target advertisements more effectively, providing an income stream for free online content such as newspapers.

The CMA was concerned that, without regulatory oversight and scrutiny, Google's alternatives could be developed and implemented in ways that impede competition in digital advertising markets. This would cause advertising spending to become even more concentrated on Google, harming consumers who ultimately pay for the cost of advertising. It would also undermine the ability of online publishers such as newspapers to generate revenue and continue to produce valuable content in the future.

The CMA will now consult on the commitments, which, by involving the CMA and ICO in the development of the proposals, will protect competition in digital advertising markets while safeguarding users' privacy, and which include specific limits on how Google can use and combine customer data for digital advertising.

Andrea Coscelli, the CMA's Chief Executive, said:

The emergence of tech giants such as Google has presented competition authorities around the world with new challenges that require a new approach.

That's why the CMA is taking a leading role in setting out how we can work with the most powerful tech firms to shape their behaviour and protect competition to the benefit of consumers.

If accepted, the commitments we have obtained from Google become legally binding, promoting competition in digital markets, helping to protect the ability of online publishers to raise money through advertising and safeguarding users' privacy.

The substantial and wide-ranging commitments offered by Google to the CMA include:

- A commitment to develop and implement the proposals in a way that avoids distortions to competition and the imposition of unfair terms on Chrome users. This includes a commitment to involve the CMA and the ICO in the development of the Proposals to ensure this objective is met.
- Increased transparency from Google on how and when the proposals will be taken forward and on what basis they will be assessed. This includes a commitment to publicly disclose the results of tests of the effectiveness of alternative technologies.
- Substantial limits on how Google will use and combine individual user data for the purposes of digital advertising after the removal of third-party cookies.
- A commitment that Google will not discriminate against its rivals in favour of its own advertising and ad-tech businesses when designing or operating the alternatives to third-party cookies.
- A standstill period of at least 60 days before Google proceeds with the removal of third party cookies giving the CMA the opportunity, if any outstanding concerns cannot be resolved with Google, to reopen its investigation and, if necessary, impose any interim measures necessary to avoid harm to competition.

The CMA considers these commitments address its concerns and it will now launch a consultation with interested third parties before deciding whether to accept them.

The consultation will close at 5pm on 8 July 2021. The CMA will then make a final decision on whether to accept the commitments offered.

While the commitments aim to address UK competition concerns, they are likely to have implications for the global implementation of Google's Privacy Sandbox proposals.

### **Further information**

- If the commitments are accepted, this would result in the closure of the

CMA's enforcement case, and lead to the next phase of this oversight work for the CMA.

- The CMA would then engage with Google on the details of each of its proposals, participate in the design and assessment of robust trials, and consider the proposals against the criteria set out in Google's commitments.
- Google's proposals would have impacts on both competition and privacy, and therefore the commitments offered set out a clear framework to ensure that both objectives are factored into the proposals as they are developed. Within the notice, the CMA has also set out how it intends to consult with the ICO on aspects of the proposals that relate to data protection.
- This is further evidence of the collaborative partnership between the two regulators, and of the close relationship between the interests of competition and data protection. The [ICO and CMA published a joint statement](#) on the relationship between the aims of competition and data protection last month (May 2021).
- The CMA and the ICO are also part of [The Digital Regulation Co-operation Forum \(DRCF\)](#) alongside Ofcom and the FCA. The DRCF was formed in July 2020, building on the strong working relationships between these organisations. The DRCF was established to ensure a greater level of cooperation, given the unique challenges posed by regulation of online platforms.
- The CMA has committed to engage proactively with international counterparts to promote a joined-up approach.