

Press release – MEPs spell out their priorities for the Digital Services Act



With the upcoming Digital Services Act (DSA), the EU aims to shape the digital economy not only at European Union level but also to be a standard-setter for the rest of the world, as it did with data protection.

In a [“legislative initiative”](#) report approved in the [Internal Market and Consumer Protection Committee](#), MEPs request that the Commission addresses and tackles current shortcomings in the online environment in its DSA package, due to be presented by the end of the year. The principle of “what is illegal offline is also illegal online”, as well as the principles of consumer protection and user safety, should become “guiding principles” of the future DSA, they say.

The committee recommendations touch upon a wide range of issues, including obligations related to transparency and information for online marketplaces, product safety online, effective enforcement and supervision measures, including fines, the spread of illegal content online, artificial intelligence (AI), and *ex-ante* regulation to prevent (instead of merely remedy) market failures caused by big platforms.

Quote

The Internal Market Committee rapporteur on the DSA, [Alex Agius Saliba](#) (S&D, MT), said: “We live in a digital world where digital services have become the new utilities of our time. Their importance for our lives will only continue to grow. The report we voted on today recognises that a unique holistic, common approach built on trust, choice, and a high level of protection fully integrating users’, consumers’, and SMEs’ concerns is needed”.

“For the first time, we are introducing at EU level new concepts, such as Know your Business Customer, *ex-ante* rules for the digital sectors, special responsibilities for online marketplaces to guarantee consumer safety, stricter rules on targeted advertising and AI mechanisms and a scope that will encompass companies established even outside the EU”, Mr Saliba highlighted.

Key demands

What should be covered: The EU legal framework for digital services – the [e-commerce directive](#) – was adopted 20 years ago; it therefore needs to be updated to reflect the rapid digital transformation. A “one-size-fits-all” approach should, however, be avoided. The committee recommends distinguishing between economic and non-economic activities, and between “different type of digital services hosted by platforms rather than focusing on the type of the platform”. All digital service providers established in third countries must adhere to the rules of the DSA when directing their services to consumers or users in the EU, MEPs say.

Illegal, counterfeit and unsafe products: Consumers should be equally safe when shopping online or in stores. Platforms and online intermediation services will need to improve their efforts to detect and take down false claims and tackle rogue traders, e.g. those selling false medical equipment or dangerous products online, as was the case during the COVID-19 outbreak. Consumers should also be promptly informed by online marketplaces once a non-compliant product they have purchased has been removed from their site.

Notice-and-action mechanism: An effective and legally enforceable notice-and-action mechanism must be set up so that users can notify online intermediaries about potentially illegal online content or activities and to help the latter to react quickly and be more transparent regarding the actions taken on potentially illegal content.

The new rules should preserve the underlying legal principle that passive online intermediaries should not be held directly liable for the actions of their users.

Distinction between illegal and harmful content: MEPs call for a strict distinction to be made between illegal content, punishable acts and illegally shared content on the one hand, and harmful content on the other (the legal liability regime should concern “illegal content” only as defined in EU or national law). Harmful content, hate speech and disinformation should be addressed through enhanced transparency obligations and by helping citizens to acquire media and digital literacy regarding dissemination of such content.

Know your Business Customer: The so-called “Know your business customer” principle will require platforms to check and stop fraudulent companies using their services to sell their illegal and unsafe products and content. “Such a measure will help address one part of the problem with disinformation, misleading, or illegal content, and the sale of unsafe and fake products online”, says the rapporteur.

AI-driven services: The DSA should guarantee the consumer’s right to be informed if a service is enabled by AI, makes use of automated decision-making or machine learning tools or automated content recognition tools, as well as their right to redress. They should be able to opt out and be given more control of the way content is ranked. MEPs also call for rules to ensure non-discrimination and understandable explanation of algorithms.

Online advertising, profiling, and personalised pricing: MEPs want the Commission to introduce additional rules on targeted advertising and micro-targeting based on the collection of personal data and to consider regulating micro- and behavioural targeted advertising more strictly in favour of less intrusive forms of advertising that do not require extensive tracking of user interaction with content.

Specific *ex-ante* rules for big platforms, “gatekeepers” of market access: Apart from a revision of the current e-commerce directive, the DSA package should also include a separate proposal for an internal market instrument imposing *ex-ante* obligations on large platforms with a gatekeeper role (“systemic operators”). The aim would be to prevent (instead of merely remedy) market failures caused by them and open up markets to new entrants, including SMEs, entrepreneurs, and start-ups.

For more details on these and other recommendations, see the [compromise amendments approved in the committee](#).

Next steps

The vote in plenary is expected to take place during the 19-22 October plenary session. This “legislative initiative” report will then be sent to the Commission to feed into its Digital Services Act package, to be tabled before the end of the year.