

ECON-VII/012

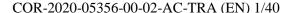
145th plenary session, 30 June-1 July 2021

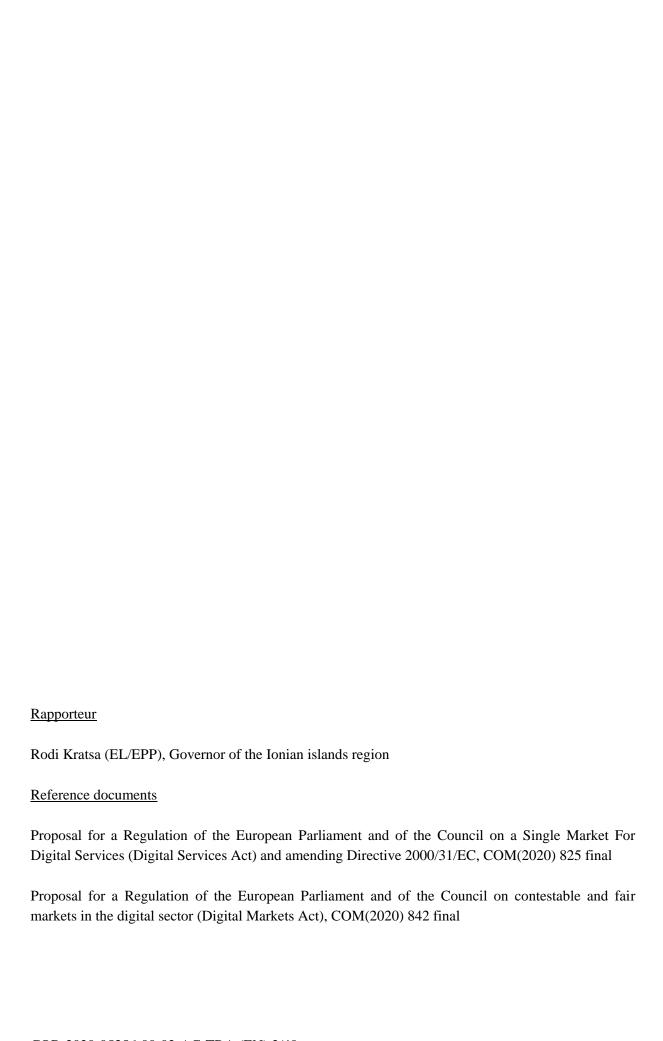
OPINION

The Digital Services Act and the Digital Markets Act

THE EUROPEAN COMMITTEE OF THE REGIONS

- notes the strong local and regional dimension of the DSA and DMA proposals. Digital services influence citizens' everyday life and some of the sectors in which certain platforms are active, such as housing and tourist accommodation, urban transport and delivery of public services, are regulated at local and regional level; emphasises here the need for a regulatory approach which enables innovation, Europe's competitiveness and fair competition;
- notes that many smaller players depend on established online platform ecosystems for business transactions and that the COVID-19 pandemic has further increased the dependency of smaller businesses reliant on established online platform ecosystems to reach out to business users and consumers; highlights the importance of the proposed regulations for the local economy, as SMEs and start-ups will benefit from harmonised rules. The regulations form a framework within which SMEs can scale up within the Single Market;
- acknowledges the importance of data sharing for effective enforcement at national and subnational level and points out that access to data is a crucial issue for public authorities, particularly at local and regional level; it is impossible to enforce applicable rules and safeguard control mechanisms without access to the relevant data from platforms operating in a given territory; recalls the CoR's recent position which held that inconsistent approaches lead to further fragmentation and should be avoided;
- takes the view that a "double digital divide" due to a lack of infrastructure and IT literacy and skills must be prevented. Where the COVID-19 pandemic has exacerbated disparities, there is an urgent need to support capacity-building for citizens and businesses, particularly traditional SMEs, start-ups and the public sector.





Opinion of the European Committee of the Regions - On the Digital Services Act and the Digital **Markets Act**

I. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1

COM(2020) 825 final - Part 1 Recital 5

Text proposed by the European Commission

This Regulation should apply to providers of certain information society services as defined in Directive (EU) 2015/1535 of the European Parliament and of the Council²⁶, that is, any service normally provided for remuneration, at a distance, by electronic means and at the individual request of a recipient. Specifically, this Regulation should apply to providers of services, intermediary and in particular intermediary services consisting of services known as 'mere conduit', 'caching' and 'hosting' services, given that the exponential growth of the use made of those services, mainly for legitimate and socially beneficial purposes of all kinds, has also increased their role in the intermediation and spread of unlawful or otherwise harmful information and activities.

CoR amendment

This Regulation should apply to providers of certain information society services as defined in Directive (EU) 2015/1535 of the European Parliament and of the Council²⁶, that is, any service normally provided for remuneration, at a distance, by electronic means and at the individual request of a recipient. Specifically, this Regulation should apply to providers of intermediary services, and in particular intermediary services consisting of services known as 'mere conduit', 'caching' and 'hosting' services as well as search engines, given that the exponential growth of the use made of those services, mainly for legitimate and socially beneficial purposes of all kinds, has also increased their role in the intermediation and spread of unlawful or otherwise harmful information and activities.

Amendment 2

COM(2020) 825 final - Part 1 Recital 8

Text proposed by the European Commission

be considered to exist where the service provider be considered to exist where the service provider has an establishment in the Union or, in its has an establishment in the Union or, in its absence, on the basis of the existence of a absence, on the basis of the existence of a significant number of users in one or more significant number of users in one or more Member States, or the targeting of activities Member States, or the targeting of activities towards one or more Member States. targeting of activities towards one or more targeting of activities towards one or more Member States can be determined on the basis of Member States can be determined on the basis of all relevant circumstances, including factors such all relevant circumstances, including factors such as the use of a language or a currency generally as the use of a language or a currency officially

CoR amendment

Such a substantial connection to the Union should Such a substantial connection to the Union should The towards one or more Member States. The used in that Member State, or the possibility of used in that Member State, or the possibility of ordering products or services, or using a national top level domain. The targeting of activities towards a Member State could also be derived towards a Member State could also be derived from the availability of an application in the relevant national application store, from the provision of local advertising or advertising in the language used in that Member State, or from the handling of customer relations such as by providing customer service in the language generally used in that Member State. A substantial providing customer service in any of the official connection should also be assumed where a languages or languages commonly used in the service provider directs its activities to one or more Member State as set out in Article 17(1)(c) connection should also be assumed where a of Regulation (EU) 1215/2012 of the European Parliament and of the Council. On the other hand, mere technical accessibility of a website from the Union cannot, on that ground alone, be considered as establishing a substantial connection to the Union.

ordering products or services, or using a national top level domain. The targeting of activities from the availability of an application in the relevant national application store, from the provision of local advertising or advertising in *any* of the official languages or languages commonly used in the territory of that Member State, or from the handling of customer relations such as by territory of that Member State. A substantial service provider directs its activities to one or more Member State as set out in Article 17(1)(c) of Regulation (EU) 1215/2012 of the European Parliament and of the Council. On the other hand, mere technical accessibility of a website from the Union cannot, on that ground alone, be considered as establishing a substantial connection to the Union.

Reason

The amendment aims to make the wording of the Regulation less ambiguous and more objective, with a reference to the official status of currencies and languages; moreover, with regard to languages, both the official languages and the languages commonly used in the Member State should be taken into account.

Amendment 3

COM(2020) 825 final - Part 1 Recital 12

Text proposed by the European Commission

In order to achieve the objective of ensuring a safe, predictable and trusted online environment, for the purpose of this Regulation the concept of "illegal content" should be defined broadly and also covers information relating to illegal content, products, services and activities. In particular, that concept should be understood to refer to information, irrespective of its form, that under the applicable law is either itself illegal, such as illegal hate speech or terrorist content and unlawful discriminatory content, or that relates to

CoR amendment

In order to achieve the objective of ensuring a safe, predictable and trusted online environment, for the purpose of this Regulation the concept of "illegal content" should be defined broadly and also covers information relating to illegal content, products, services and activities. In particular, that concept should be understood to refer to information, irrespective of its form, that under the applicable law is either itself illegal, such as illegal hate speech or terrorist content and unlawful discriminatory content, or that relates to

activities that are illegal, such as the sharing of images depicting child sexual abuse, unlawful non-consensual sharing of private images, online stalking, the sale of non-compliant or counterfeit products, the non-authorised use of copyright protected material or activities involving infringements of consumer protection law. In this regard, it is immaterial whether the illegality of the information or activity results from Union law or from national law that is consistent with Union law and what the precise nature or subject matter is of the law in question.

activities that are illegal, such as the provision of illegal services such as accommodation services on short-term rental platforms non-compliant with Union, national law including regional and local law, the sharing of images depicting child sexual abuse, unlawful non-consensual sharing of private images, online stalking, the sale of noncompliant or counterfeit products, the sale of products or the provision of services in nonconformity with the consumer protection law, the non-authorised use of copyright protected material or activities involving infringements of consumer protection law or the provision of services which might seriously impair the physical, mental or moral development of minors involving infringements of audiovisual media law. In this regard, it is immaterial whether the illegality of the information or activity results from Union law or from national law that is consistent with Union law and what the precise nature or subject matter is of the law in question

Reason

Illegal services non-compliant with Union or national/regional/local law are to be addressed more explicitly.

Amendment 4

COM(2020) 825 final – Part 1 New Recital after Recital 12

Text proposed by the European Commission	CoR amendment
	The rush towards technological solutions based
	on digital infrastructure during the COVID-19
	pandemic has further aggravated the gap in
	information asymmetry between gatekeepers
	and business users and end users. Moreover,
	preparedness for future crises should take into
	account lessons learned from such dependence
	on digital infrastructure and technological
	solutions. Digital resilience in Europe should be
	recognised, strengthened and concerted efforts
	taken to implement it.

Reason

Digital resilience should be better recognised as a fundamental value and is where local and regional authorities' could well make the case for it. The amendment builds on the reference to the ongoing COVID-19 pandemic and makes it more precise with regards to preparedness.

Amendment 5

COM(2020) 825 final – Part 1 Recital 13

Text proposed by the European Commission

Considering the particular characteristics of the services concerned and the corresponding need to make the providers thereof subject to certain specific obligations, it is necessary to distinguish, within the broader category of providers of hosting services as defined in this Regulation, the subcategory of online platforms. platforms, such as social networks or online marketplaces, should be defined as providers of hosting services that not only store information provided by the recipients of the service at their request, but that also disseminate that information to the public, again at their request. However, in order to avoid imposing overly broad obligations, providers of hosting services should not be considered as online platforms where the dissemination to the public is merely a minor and purely ancillary feature of another service and that feature cannot, for objective technical reasons, be used without that other, principal service, and the integration of that feature is not a means to circumvent the applicability of the rules of this Regulation applicable to online platforms. For example, the comments section in an online newspaper could constitute such a feature, where it is clear that it is ancillary to the main service represented by the publication of news under the editorial responsibility of the publisher.

CoR amendment

Considering the particular characteristics of the services concerned and the corresponding need to make the providers thereof subject to certain specific obligations, it is necessary to distinguish, within the broader category of providers of hosting services as defined in this Regulation, the subcategory of online platforms. platforms, such as social networks, contentsharing platforms or online marketplaces, should be defined as providers of hosting services that not only store information provided by the recipients of the service at their request, but that also disseminate that information to the public, again at their request. However, in order to avoid imposing overly broad obligations, providers of hosting services should not be considered as online platforms where the dissemination to the public is merely a minor and purely ancillary feature of another service and that feature cannot, for objective technical reasons, be used without that other, principal service, and the integration of that feature is not a means to circumvent the applicability of the rules of this Regulation applicable to online platforms. For example, the comments section in an online newspaper could constitute such a feature, where it is clear that it is ancillary to the main service represented by the publication of news under the editorial responsibility of the publisher.

COM(2020) 825 final – Part 1 New Recital after Recital 13

Text proposed by the European Commission	CoR amendment
	Member States at the relevant levels of government, and where appropriate depending on the respective breakdown of legal competences, may request intermediary service providers to provide information and note the compatibility of Regulation (EU) 2016/679 with the right to request information by judicial or administrative authorities as laid down in article 9 under this regulation.

Amendment 7

COM(2020) 825 final – Part 1 New recital after Recital 38

Text proposed by the European Commission	CoR amendment
	Since the objective of this Regulation is to
	ensure a safe, predictable and trusted online
	environment, the underlying principle of
	"what is illegal offline is illegal online" shall
	apply.

Reason

"What is illegal offline is illegal online" is a key principle for regulating online services and should be mentioned explicitly in the proposal.

Amendment 8

COM(2020) 825 final – Part 1 Recital 50

Text proposed by the European Commission	CoR amendment
To ensure an efficient and adequate application of	To ensure an efficient and adequate application of
that obligation, without imposing any	that obligation, without imposing any
disproportionate burdens, the online platforms	disproportionate burdens, the online platforms
covered should make reasonable efforts to verify	covered should make reasonable efforts to verify
the reliability of the information provided by the	the reliability of the information provided by the
traders concerned, in particular by using freely	traders concerned, in particular by using freely
available official online databases and online	available official online databases and online
interfaces, such as national trade registers and the	interfaces, such as national trade registers and the
VAT Information Exchange System ⁴⁵ , or by	VAT Information Exchange System ⁴⁵ , or by
requesting the traders concerned to provide	requesting the traders concerned to provide

trustworthy supporting documents, such as copies of identity documents, certified bank statements, register company certificates and trade certificates. They may also use other sources, available for use at a distance, which offer a similar degree of reliability for the purpose of complying with this obligation. However, the online platforms covered should not be required to engage in excessive or costly online factfinding exercises or to carry out verifications on the spot. Nor should such online platforms, which have made the reasonable efforts required by this Regulation, be understood as guaranteeing the reliability of the information towards consumer or other interested parties. Such online platforms should also design and organise their online interface in a way that enables traders to comply with their obligations under Union law, in particular the requirements set out in Articles 6 and 8 of Directive 2011/83/EU of the European Parliament and of the Council⁴⁶, Article 7 of Directive 2005/29/EC of the European Parliament and of the Council⁴⁷ and Article 3 of Directive 98/6/EC of the European Parliament and of the Council⁴⁸.

trustworthy supporting documents, such as copies of identity documents, certified bank statements, company certificates and trade register certificates. They may also use other sources, available for use at a distance, which offer a similar degree of reliability for the purpose of complying with this obligation. Such online platforms should also design and organise their online interface in a way that enables traders to comply with their obligations under Union law, in particular the requirements set out in Articles 6 and 8 of Directive 2011/83/EU of the European Parliament and of the Council⁴⁶, Article 7 of Directive 2005/29/EC of the European Parliament and of the Council⁴⁷ and Article 3 of Directive 98/6/EC of the European Parliament and of the Council⁴⁸.

Reason

The notion of "excessive or costly online fact-finding exercises" is too vague for a legally binding text. It should also not be suggested that online platforms should be spared from any possible effort to verify the reliability of the information provided by the traders.

COM(2020) 825 final - Part 1 Recital 72

Text proposed by the European Commission

The task of ensuring adequate oversight and enforcement of the obligations laid down in this Regulation should in principle be attributed to the Member States. To this end, they should appoint at least one authority with the task to apply and enforce this Regulation. Member States should however be able to entrust more than one competent authority, with specific supervisory or enforcement tasks competences concerning the application of this Regulation, for example for specific sectors, such as electronic communications' regulators, media regulators or consumer protection authorities, reflecting their domestic constitutional, organisational and administrative structure.

CoR amendment

The task of ensuring adequate oversight and enforcement of the obligations laid down in this Regulation should in principle be attributed to the Member States. To this end, they should appoint at least one authority with the task to apply and enforce this Regulation. Member States should however be able to entrust more than one competent authority, with specific supervisory or enforcement tasks and competences concerning the application of this Regulation, for example for specific sectors, such as electronic communications' regulators, media regulators or consumer protection authorities, reflecting their domestic constitutional, organisational and administrative structure. Local and regional authorities should be entrusted with supervisory or enforcement tasks where deemed appropriate by Member States, which should provide the resources required for carrying out the proposed activities.

Reason

Local and regional authorities should be included and kept informed of enforcement and oversight. However, it is also necessary to provide the resources needed to carry out those activities.

COM(2020) 825 final - Part 1 Recital 76

Text proposed by the European Commission

In the absence of a general requirement for providers of intermediary services to ensure a national competent authorities. A provider should where its main establishment is located, that is, where the provider has its head office or those providers appointed their should representative have Member States should, however, each Member State that aim, exercise of that jurisdiction

CoR amendment

In the absence of a general requirement for providers of intermediary services to ensure a physical presence within the territory of one of physical presence within the territory of one of the Member States, there is a need to ensure the Member States, there is a need to ensure clarity under which Member State's jurisdiction clarity under which Member State's jurisdiction those providers fall for the purposes of enforcing those providers fall for the purposes of enforcing the rules laid down in Chapters III and IV by the the rules laid down in Chapters III and IV by the national competent authorities. A provider should be under the jurisdiction of the Member State be under the jurisdiction of the Member State where its main establishment is located, that is, where the provider has its head office or registered office within which the principal registered office within which the principal financial functions and operational control are financial functions and operational control are exercised. In respect of providers that do not have exercised. In respect of providers that do not have an establishment in the Union but that offer an establishment in the Union but that offer services in the Union and therefore fall within the services in the Union and therefore fall within the scope of this Regulation, the Member State where scope of this Regulation, the Member State where appointed legal those providers their jurisdiction, representative should have jurisdiction, considering the function of legal representatives considering the function of legal representatives under this Regulation. In the interest of the under this Regulation. In the interest of the effective application of this Regulation, all effective application of this Regulation, all have Member States should, however, have jurisdiction jurisdiction in respect of providers that failed to in respect of providers that failed to designate a designate a legal representative, provided that the legal representative, provided that the principle of principle of *ne bis in idem* is respected. To that *ne bis in idem* is respected. To that aim, each exercises Member State that exercises jurisdiction in jurisdiction in respect of such providers should, respect of such providers should, without undue without undue delay, inform all other Member delay, inform all other Member States and local States of the measures they have taken in the and regional authorities, where appropriate, of the measures they have taken in the exercise of that jurisdiction.

Reason

Local and regional authorities should be informed about the measures that concern services provided within their territory.

COM(2020) 825 - final - Part 1 Recital 88

Text proposed by the European Commission

In order to ensure a consistent application of this Regulation, it is necessary to set up an independent advisory group at Union level, which should support the Commission and help coordinate the actions of Digital Services Coordinators. That European Board for Digital Services should consist of the Digital Services Coordinators, without prejudice possibility for Digital Services Coordinators to invite in its meetings or appoint ad hoc delegates from other competent authorities entrusted with specific tasks under this Regulation, where that is required pursuant to their national allocation of tasks and competences. In case of multiple participants from one Member State, the voting right should remain limited to one representative per Member State.

CoR amendment

In order to ensure a consistent application of this Regulation, it is necessary to set up an independent advisory group at Union level, which should support the Commission and help coordinate the actions of Digital Services Coordinators. That European Board for Digital Services should consist of the Digital Services Coordinators, without prejudice possibility for Digital Services Coordinators to invite in its meetings or appoint ad hoc delegates from other competent authorities entrusted with specific tasks under this Regulation, where that is required pursuant to their national allocation of tasks and competences. In case of multiple participants from one Member State, the voting right should remain limited to one representative per Member State. The European Board for Digital Services should be composed of persons qualified to carry out these tasks and its composition should be gender balanced.

Amendment 12

COM(2020) 825 final – Part 1 Article 2(r) (new)

Text proposed by the European Commission	CoR amendment
	"overriding reasons of general interest" means
	in particular those overriding reasons of general
	interest recognised as such in the case law of the
	Court of Justice, including the following
	grounds: public policy; public security; public
	safety; public health; preserving the financial
	equilibrium of the social security system;
	protection of consumers, recipients of services
	and workers; the protection of youth; fairness of
	trade transactions; combating fraud; the
	protection of the environment and the urban
	environment; animal health; intellectual
	property; the conservation of historic, cultural
	and artistic heritage; social policy objectives and

cultural policy objectives; housing; promoting culture, research and science; securing pluralism in the media; and gender equality.

Reason

Overriding reasons of public interest are to be defined and should be integral part of this regulation. Gender equality and other elements should be included among these reasons.

Amendment 13

COM(2020) 825 - final - Part 1 Article 2 (s) (new)

Text proposed by the European Commission	CoR amendment
	"competent authority" means the competent authorities at national, regional or local level designated in accordance with the relevant legislation at national level, responsible for the enforcement of this Regulation and the protection of legitimate interests, including tackling illegal content online. A Member State

Reason

The notion of "competent authority" should be included in the definitions set in Article 2 since article 38.1 only outlines the responsibilities of the Digital Services Coordinators.

Amendment 14

COM(2020) 825 final - Part 1 Article 5(1)

Text proposed by the European Commission	CoR amendment
Where an information society service is	Where an information society service is
provided that consists of the storage of	provided that consists of the storage of
information provided by a recipient of the	information provided by a recipient of the
service the service provider shall not be liable	service the service provider shall not be liable
for the information stored at the request of a	for the information stored at the request of a
recipient of the service on condition that the	recipient of the service on condition that the
provider:	provider:
(a) does not have actual knowledge of illegal	(a) does not have actual knowledge of illegal
activity or illegal content and, as regards claims	activity or illegal content and, as regards claims
for damages, is not aware of facts or	for damages, is not aware of facts or
circumstances from which the illegal activity or	circumstances from which the illegal activity or
illegal content is apparent; or	illegal content is apparent; or
(b) upon obtaining such knowledge or	(b) upon obtaining such knowledge or

awareness, acts *expeditiously* to remove or to disable access to the illegal content.

awareness, acts *without undue delay and in any event within 72 hours* to remove or to disable access to the illegal content.

Reason

The delays have to be specified and cannot remain "open- ended". The proposed delays are similar to the ones set in several national legislations. The German Network Enforcement Act even provides for a period of just 24 hours for obviously illegal content.

Amendment 15

COM(2020) 825 final – Part 1 Article 8(1)

Text proposed by the European Commission	CoR amendment
Providers of intermediary services shall upon the	Providers of intermediary services shall upon the
receipt of an order to act against a specific item	receipt of an order to act against a specific item
of illegal content, issued by the relevant national	of illegal content, issued by the relevant national
judicial or administrative authorities, on the basis	judicial or administrative authorities, on the basis
of the applicable Union or national law, in	of the applicable Union or national, regional or
conformity with Union law, inform the authority	local law, and where appropriate depending on
issuing the order of the effect given to the orders,	the respective breakdown of legal competences,
without undue delay, specifying the action taken	in conformity with Union law, inform the
and the moment when the action was taken.	authority issuing the order of the effect given to
	the orders, without undue delay, specifying the
	action taken and the moment when the action was
	taken.

Reason

This amendment clarifies the term "applicable law".

Amendment 16

COM(2020) 825 final – Part 1 Article 8(2)

Text proposed by the European Commission	CoR amendment
Member States shall ensure that the orders	Member States shall ensure that the orders
referred to in paragraph 1 meet the following	referred to in paragraph 1 meet the following
conditions:	conditions:
(a) the orders contains the following elements:	(a) the orders contains the following elements:
- a statement of reasons explaining why the	- a statement of reasons explaining why the
information is illegal content, by reference to the	information is illegal content, by reference to the
specific provision of Union or national law	specific provision of Union or national law
infringed;	infringed;

- one or more exact uniform resource locators and, where necessary, additional information enabling the identification of the illegal content concerned;
- information about redress available to the provider of the service and to the recipient of the service who provided the content;
- (b) the territorial scope of the order, on the basis of the applicable rules of Union and national law, including the Charter, and, where relevant, general principles of international law, does not exceed what is strictly necessary to achieve its objective;
- (c) the order is drafted in *the* language declared by the provider and is sent to the point of contact, appointed by the provider, in accordance with Article 10.

- one or more exact uniform resource locators and, where necessary, additional information enabling the identification of the illegal content concerned;
- information about redress available to the provider of the service and to the recipient of the service who provided the content;
- (b) the territorial scope of the order, on the basis of the applicable rules of Union and national law, including the Charter, and, where relevant, general principles of international law, does not exceed what is strictly necessary to achieve its objective;
- (c) the order is drafted in unambiguous language, in a language used in that Member State and in at least one official working language of the Union (English, French, German) declared by the provider and is sent to the point of contact, appointed by the provider, in accordance with Article 10.

Reason

The current proposal opens up unacceptable avenues of withdrawal for a service provider purely through the choice of commercially uncommon language and presents an unreasonable hurdle for the intervening authority. The amendment eliminates this risk by limiting the choices to at least one of the three official working languages.

COM(2020) 825 - final - Part 1 Article 9

Text proposed by the European Commission

- 1. Providers of intermediary services shall, upon 1. Providers of intermediary services shall, upon receipt of an order to provide a specific item of receipt of an order to provide a specific item of information about one or more specific individual information about one or more specific individual recipients of the service, issued by the relevant national judicial or administrative authorities on national judicial or administrative authorities on the basis of the applicable Union or national law, in conformity with Union law, inform without undue delay the authority of issuing the order of its receipt and the effect given to the order.
- to in paragraph 1 meet the following conditions:
- (a) the order contains the following elements:
- a statement of reasons explaining the objective a statement of reasons explaining the objective for which the information is required and why the for which the information is required and why the requirement to provide the information necessary proportionate and to compliance by the recipients of the intermediary services with applicable Union or national rules, unless such a statement cannot be provided for unless such a statement cannot be provided for reasons related to the prevention, investigation, detection and prosecution of criminal offences;
- information about redress available to the concerned;
- control;
- (c) the order is drafted in the language declared by the provider and is sent to the point of contact Article 10'
- 3. The Digital Services Coordinator from the 3. The Digital Services Coordinator from the Member State of the national judicial or Member State of the national judicial or administrative authority issuing the order shall, without undue delay, transmit a copy of the order referred to in paragraph 1 to all Digital Services Coordinators through the system established in accordance with Article 67.
- 4. The conditions and requirements laid down in 4. The conditions and requirements laid down in

CoR amendment

- recipients of the service, issued by the relevant the basis of the applicable Union or national law, in conformity with Union law, inform without undue delay the authority of issuing the order of its receipt and the effect given to the order.
- 2. Member States shall ensure that orders referred 2. Member States shall ensure that orders referred to in paragraph 1 meet the following conditions:
 - (a) the order contains the following elements:
 - is requirement to provide the information is determine necessary proportionate determine and to compliance by the recipients of the intermediary services with applicable Union or national rules, reasons related to the prevention, investigation, detection and prosecution of criminal offences;
- information about redress available to the provider and to the recipients of the service provider and to the recipients of the service concerned:
- (b) the order only requires the provider to provide (b) the order only requires the provider to provide information already collected for the purposes of information already collected for the purposes of providing the service and which lies within its providing the service and which lies within its control;
- (c) the order is drafted in the language declared by the provider and is sent to the point of contact appointed by that provider, in accordance with appointed by that provider, in accordance with Article 10;
 - administrative authority issuing the order shall, without undue delay, transmit a copy of the order referred to in paragraph 1 to all Digital Services Coordinators through the system established in accordance with Article 67.

requirements under national criminal procedural law in conformity with Union law.

this article shall be without prejudice to this article shall be without prejudice to requirements under national criminal procedural law in conformity with Union law.

> 5. Member States may establish obligations for providers of intermediary services to inform the competent public authorities, whether national, regional or local, of information provided by recipients of their service or obligations to communicate to the competent authorities, at their request, information enabling identification of recipients of their service with whom they have storage agreements.

Reason

DSA should clarify that Members States are allowed to establish obligations for platforms to provide information to the authorities (national, regional, local) so the recipients can be identified in justified cases.

Amendment 18

COM(2020) 825 final Article 10(2)

Text proposed by the European Commission	CoR amendment
Providers of intermediary services shall make	Providers of intermediary services shall without
public the information necessary to easily	undue delay make public the information
identify and communicate with their single point	necessary to easily identify and communicate
of contact.	with their single point of contact.

Reason
Clarification for reason of proper enforcement

Amendment 19 COM(2020) 825 final Article 12(1)

Text proposed by the European Commission	CoR amendment
1. Providers of intermediary services shall	1. Providers of intermediary services shall
include information on any restrictions that they	include information on any restrictions that they
impose in relation to the use of their service in	impose in relation to the use of their service in
respect of information provided by the recipients	respect of information provided by the recipients
of the service, in their terms and conditions.	of the service, in their terms and conditions.
That information shall include information on	That information shall include information on
any policies, procedures, measures and tools	any policies, procedures, measures and tools
used for the purpose of content moderation,	used for the purpose of content moderation,
including algorithmic decision-making and	including algorithmic decision-making and

human review. It shall be set out in clear and unambiguous language and shall be publicly available in an easily accessible format.

human review. It shall be set out in clear and unambiguous language and shall be publicly available in an easily accessible format.

This includes measures to guarantee that a recipient of a service can unsubscribe from intermediary services unhindered. In practice, neither subscription nor unsubscription shall be more demanding for any recipient of a service.

Reason

Unsubscribing to a core platform should be as easy as subscribing to it. Information regarding the unsubscription process should also be publicly available in an easily accessible format.

Amendment 20

COM(2020) 825 - final - Part 1 Article 14(5)

Text proposed by the European Commission	CoR amendment
The provider shall also, without undue delay,	The provider shall also, without undue delay <i>and</i>
notify that individual or entity of its decision in	in any event within 5 working days_notify that
respect of the information to which the notice	individual or entity of its decision in respect of
relates, providing information on the redress	the information to which the notice relates,
possibilities in respect of that decision.	providing information on the redress possibilities
	in respect of that decision.

Reason

A clear timeframe is to be established for a mandatory reaction to notices under Article 14.

Amendment 21

COM(2020) 825 - final - Part 1 Article 19(1)

Text proposed by the European Commission	CoR amendment
Online platforms shall take the necessary	Online platforms shall take the necessary
technical and organisational measures to ensure	technical and organisational measures to ensure
that notices submitted by trusted flaggers through	that notices submitted by trusted flaggers through
the mechanisms referred to in Article 14, are	the mechanisms referred to in Article 14, are
processed and decided upon with priority and	processed and decided upon with priority,
without delay.	without delay and in any event within 48 hours.

Reason

A tight time frame for mandatory reactions on notices under Article 19 is essential for online platforms to ensure a high degree of compliance.

COM(2020) 825 - final - Part 1 Article 22

Text proposed by the European Commission

- 1. Where an online platform allows *consumers* to conclude distance contracts with traders, it shall distance contracts with consumers, it shall ensure ensure that traders can only use its services to promote messages on or to offer products or services to consumers located in the Union if, prior to the use of its services, the online platform has obtained the following information:
- electronic mail address of the *trader*;
- (b) a copy of the identification document of the electronic mail address of the *recipient*; trader or any other electronic identification as (b) where the recipient is registered in a public 910/2014 of the European Parliament and of the means of identification in that register; Council⁵⁰;
- the trader is a natural person;
- electronic mail address of the economic operator, trader can only use its services to promote within the meaning of Article 3(13) and Article 4 messages on or to offer products or services to of Regulation (EU) 2019/1020 of the European consumers located in the Union if, prior to the Parliament and the Council⁵¹ or any relevant act use of its services, the online platform has of Union law;
- (e) where the trader is registered in a trade register (a) a copy of the identification document of the or similar public register, the trade register in trader or any other electronic identification as which the trader is registered and its registration number or equivalent means of identification in 910/2014 of the European Parliament and of the that register;
- only offer products or services that comply with the trader is a natural person; the applicable rules of Union law.
- 2. The online platform shall, upon receiving that electronic mail address of the economic operator, information, make *reasonable* efforts to assess whether the information referred to in points (a), (d) and (e) of paragraph 1 is reliable through the Parliament and the Council or any relevant act of use of any freely accessible official online database or online interface made available by a the *trader* to provide supporting documents from reliable sources.
- 3. Where the online platform obtains indications that register;

CoR amendment

- 1. Where an online platform allows to conclude that the natural or legal person offering products or services through the platform can only use its services to promote messages on or to offer products or services to consumers located in the Union if, prior to the use of its services, the online (a) the name, address, telephone number and platform has obtained the following information:
 - (a) the name, address, telephone number and
- defined by Article 3 of Regulation (EU) No register, the registration number or equivalent

2. Where the provider of products or services

- (c) the bank account details of the trader, where qualifies as a trader according to Union Law, in addition to the obligations set out in paragraph (d) the name, address, telephone number and 1, the online platform shall ensure that the obtained the following information:
 - defined by Article 3 of Regulation (EU) No Council:
- (f) a self-certification by the trader committing to (b) the bank account details of the trader, where
 - (c) the name, address, telephone number and within the meaning of Article 3(13) and Article 4 of Regulation (EU) 2019/1020 of the European Union law;
- (d) where the trader is registered in a trade register Member States or the Union or through requests to or similar public register, the trade register in which the trader is registered and its registration number or equivalent means of identification in

paragraph 1 obtained from the trader concerned is inaccurate or incomplete, that platform shall the applicable rules of Union law. request the *trader* to correct the information in so 3. The online platform shall, upon receiving that accurate and complete, without delay or within the time period set by Union and national law. Where the trader fails to correct or complete that request is complied with.

- obtained pursuant to paragraph 1 and 2 in a secure manner for the duration of their contractual relationship with the *trader* concerned. They shall that any item of information referred to in subsequently delete the information.
- shall only disclose the information to third parties where so required in accordance with the applicable law, including the orders referred to in Article 9 and any orders issued by Member States' competent authorities or the Commission for the performance of their tasks under this Regulation.
- 6. The online platform shall make the information referred to in points (a), (d), (e) and (f) of paragraph I available to the recipients of the obtained pursuant to paragraphs 1, 2 and 3 in a service, in a clear, easily accessible comprehensible manner.
- 7. The online platform shall design and organise shall subsequently delete the information. its online interface in a way that enables traders to comply with their obligations regarding precontractual information and product safety information under applicable Union law.

- that any item of information referred to in (e) a self-certification by the trader committing to only offer products or services that comply with
- far as necessary to ensure that all information is information, make its best efforts to assess whether the information referred to in points (a), and (b) of paragraph 1 and in points (c) and (d) of paragraph 2 is reliable through the use of any information, the online platform shall suspend the freely accessible official online database or online provision of its service to the trader until the interface made available by a Member States or the Union or through requests to the recipient to 4. The online platform shall store the information provide supporting documents from reliable sources.
- 4. Where the online platform obtains indications paragraphs 1 or 2 obtained from the recipient 5. Without prejudice to paragraph 2, the platform concerned is inaccurate or incomplete, that platform shall request the *recipient* to correct the information in so far as necessary to ensure that all information is accurate and complete, without delay. While the recipient fails to correct or complete that information, the online platform shall suspend the provision of its service to the *recipient* until the request is complied with.
 - 5. The online platform shall store the information and secure manner for the duration of their contractual relationship with the *recipient* concerned. They
 - 6. Without prejudice to paragraph 3, the platform shall only disclose the information to third parties where so required in accordance with the applicable law, including the orders referred to in Article 9 and any orders issued by Member States' competent authorities or the Commission for the performance of their tasks under this Regulation.
 - 7. The online platform shall make the information referred to in points (a) and (b) of paragraph 1, and in points (c), (d) and (e) of paragraph 2 available to the recipients of the service, in a clear, easily accessible and comprehensible manner.
 - 8. The online platform shall design and organise its online interface in a way that enables recipients to comply with their obligations regarding precontractual information and product safety information under applicable Union law.

Reason

Significant part of the services are offered by natural persons, not professionals as defined by the term of "trader". These natural persons tend not to respect national or local regulations on short term rentals for example and run undeclared business not respecting any related regulation.

Amendment 23

COM(2020) 825 final – Part 1 Article 25(2)

Text proposed by the European Commission

The Commission shall adopt delegated acts in accordance with Article 69 to adjust the number of average monthly recipients of the service in the Union referred to in paragraph 1, where the Union's population increases or decreases at least with 5 % in relation to its population in 2020 or, after adjustment by means of a delegated act, of its population in the year in which the latest delegated act was adopted. In that case, it shall adjust the number so that it corresponds to 10% of the Union's population in the year in which it adopts the delegated act, rounded up or down to allow the number to be expressed in millions.

CoR amendment

The Commission shall adopt delegated acts in accordance with Article 69 to adjust the number of average monthly recipients of the service in the Union referred to in paragraph 1, where the Union's population increases or decreases at least with 5 % in relation to its population in 2020 or, after adjustment by means of a delegated act, of its population in the year in which the latest delegated act was adopted. In that case, it shall adjust the number so that it corresponds to 7% of the Union's population in the year in which it adopts the delegated act, rounded up or down to allow the number to be expressed in millions.

Reason

The Digital Services Act should aim for narrower limits concerning very large online platforms.

Amendment 24

COM(2020) 825 - final - Part 1 Article 31(1)

Text proposed by the European Commission

Very large online platforms shall provide the Digital Services Coordinator of establishment or the Commission, upon their reasoned request and within a reasonable period, specified in the request, access to data that are necessary to monitor and assess compliance with this Regulation. That Digital Services Coordinator and the Commission shall only use that data for those purposes.

CoR amendment

Very large online platforms shall provide the Digital Services Coordinator of establishment or the Commission, upon their reasoned request and within a reasonable period, specified in the request, *in any case no longer than 72 hours*, access to data that are necessary to monitor and assess compliance with this Regulation. That Digital Services Coordinator and the Commission shall only use that data for those purposes.

Reason

A tight period for mandatory reactions upon request from the Digital Services Coordinator in the country of establishment is essential to ensure a high degree of compliance.

Amendment 25

COM(2020) 825 final – Part 1 Article 41(1)(a)

Text proposed by the European Commission

Where needed for carrying out their tasks, Digital Services Coordinators shall have at least the following powers of investigation, in respect of conduct by providers of intermediary services under the jurisdiction of their Member State:

(a) the power to require those providers, as well as any other persons acting for purposes related to their trade, business, craft or profession that may reasonably be aware of information relating to a suspected infringement of this Regulation, including, organisations performing the audits referred to in Articles 28 and 50(3), to provide such information within a reasonable time period;

CoR amendment

Where needed for carrying out their tasks, Digital Services Coordinators shall have at least the following powers of investigation, in respect of conduct by providers of intermediary services under the jurisdiction of their Member State:

(a) the power to require those providers, as well as any other persons acting for purposes related to their trade, business, craft or profession that may reasonably be aware of information relating to a suspected infringement of this Regulation, including, organisations performing the audits referred to in Articles 28 and 50(3), to provide such information within a reasonable time period *and in any case no more than 72 hours*;

Reason

The introduction of specific obligatory timeframes guarantees quick action by the provider, so that harm is limited.

Amendment 26

COM(2020) 825 final – Part 1 Article 45(1)

Text proposed by the European Commission

Where a Digital Services Coordinator has reasons to suspect that a provider of an intermediary service, not under the jurisdiction of the Member State concerned, infringed this Regulation, it shall request the Digital Services Coordinator of establishment to assess the matter and take the necessary investigatory and enforcement measures to ensure compliance with this Regulation.

Where the Board has reasons to suspect that a provider of intermediary services infringed this Regulation in a manner involving at least three

CoR amendment

Where a Digital Services Coordinator has reasons to suspect that a provider of an intermediary service, not under the jurisdiction of the Member State concerned, infringed this Regulation, it shall request the Digital Services Coordinator of establishment to assess the matter and take the necessary investigatory and enforcement measures to ensure compliance with this Regulation.

Where the Board has reasons to suspect that a provider of intermediary services infringed this Regulation in a manner involving at least three Member States, it *may recommend* the Digital Services Coordinator of establishment to assess the matter and take the necessary investigatory and enforcement measures to ensure compliance with this Regulation.

Member States, it *shall ask* the Digital Services Coordinator of establishment to assess the matter and take the necessary investigatory and enforcement measures to ensure compliance with this Regulation.

Reason

The Board should not recommend but ask that the Digital Service Coordinator of establishment assess the matter and take the necessary investigatory and enforcement measures to ensure compliance with this Regulation.

Amendment 27

COM(2020) 825 final – Part 1 Article 45(2)

Text proposed by the European Commission	CoR amendment
A request or recommendation pursuant to	A request pursuant to paragraph 1 shall at least
paragraph 1 shall at least indicate:	indicate:
(a) the point of contact of the provider of the	(a) the point of contact of the provider of the
intermediary services concerned as provided for	intermediary services concerned as provided for
in Article 10;	in Article 10;
(b) a description of the relevant facts, the	(b) a description of the relevant facts, the
provisions of this Regulation concerned and the	provisions of this Regulation concerned and the
reasons why the Digital Services Coordinator	reasons why the Digital Services Coordinator
that sent the request, or the Board, suspects that	that sent the request, or the Board, suspects that
the provider infringed this Regulation;	the provider infringed this Regulation;
(c) any other information that the Digital	(c) any other information that the Digital
Services Coordinator that sent the request, or the	Services Coordinator that sent the request, or the
Board, considers relevant, including, where	Board, considers relevant, including, where
appropriate, information gathered on its own	appropriate, information gathered on its own
initiative or suggestions for specific	initiative or suggestions for specific
investigatory or enforcement measures to be	investigatory or enforcement measures to be
taken, including interim measures.	taken, including interim measures.

Reason

This should not be a mere recommendation but a request.

Amendment 28

COM (2020) 825 final – Part 1 Article number 46(2)

Text proposed by the European Commission	CoR amendment
Where a Digital Services Coordinator of	Where a Digital Services Coordinator of
establishment <i>has</i> reasons to suspect that a very	establishment or the Digital Services
large online platform infringed this Regulation, it	Coordinators of at least three Member States

may request the Commission to take the necessary investigatory and enforcement measures to ensure compliance with this Regulation in accordance with Section 3. Such a request shall contain all information listed in Article 45(2) and set out the reasons for requesting the Commission to intervene.

have reasons to suspect that a very large online platform infringed this Regulation, they may request the Commission to take the necessary investigatory and enforcement measures to ensure compliance with this Regulation in accordance with Section 3. Such a request shall contain all information listed in Article 45(2) and set out the reasons for requesting the Commission to intervene.

Reason

This regulation should aim to give Digital Services Coordinators instruments to act together in case there are reasons to suspect that a very large online platform has infringed it.

Amendment 29

COM(2020) 842 final – Part 1 New recital after recital 1

Text proposed by the European Commission	CoR amendment
	There can be no doubt that the European
	market has been dominated by gatekeeper
	platforms providing core platform services for
	years. While there is nothing anti-competitive
	about building a successful business, excessive
	market power and potential abuses must be
	redressed.

Reason

There is nothing anti-competitive about building a successful business, which many platforms are. However overall relevance and consequences of data-driven business models should be highlighted, and information asymmetries between gatekeepers and end users and business users should be mentioned as this is largely why the proposal was considered necessary.

Amendment 30

COM(2020) 842 - final - Part 1 Recital 9

Text proposed by the European Commission	CoR amendment
A fragmentation of the internal market can only	Nothing in this Regulation precludes Member
be effectively averted if Member States are	States from imposing the same, stricter or
prevented from applying national rules which are	different obligations on undertakings in order to
specific to the types of undertakings and services	pursue legitimate public interests, in compliance
covered by this Regulation. At the same time,	with Union law. Those legitimate public interests
since this Regulation aims at complementing the	can be, among others, the protection of

specified that this Regulation is without prejudice competition and the protection of media freedom to Articles 101 corresponding national competition rules and to Regulation precludes Member States from other national competition rules regarding pursuing those legitimate interests by imposing unilateral behaviour that are based on individualised assessment of market positions and gatekeeper within the meaning of this Regulation behaviour, including its likely effects and the as well as other undertakings. Since this precise scope of the prohibited behaviour, and Regulation which provide for the possibility of undertakings to make efficiency and objective justification specified that this Regulation is without prejudice arguments for the behaviour in question. However, the application of the latter rules should not affect the obligations imposed on gatekeepers under this Regulation and their uniform and effective application in the internal market.

enforcement of competition law, it should be consumers, the fight against acts of unfair and 102 TFEU, to the and pluralism. In particular, nothing in this an obligations on undertakings having a status of aims complementing enforcement of competition law, it should be to Articles 101 and 102 TFEU, to corresponding national competition rules and to other national competition rules regarding unilateral behaviour that are based on an individualised assessment of market positions and behaviour, including its likely effects and the precise scope of the prohibited behaviour, and which provide for the possibility of undertakings to make efficiency and objective justification arguments for the behaviour in question.

Amendment 31 COM(2020) 842 - final - Part 1 Recital 11

Text proposed by the European Comm	ission
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This Regulation should also complement, without This Regulation should also complement, without prejudice to their application, the rules resulting prejudice to their application, the rules resulting from other acts of Union law regulating certain from other acts of Union law regulating certain aspects of the provision of services covered by aspects of the provision of services covered by this Regulation, in particular Regulation (EU) this Regulation, in particular Regulation (EU) 2019/1150 of the European Parliament and of the 2019/1150 of the European Parliament and of the Council [1], Regulation (EU) xx/xx/EU [DSA] of the European Parliament and of the Council [2], Regulation (EU) 2016/679 of the European Regulation (EU) 2016/679 of the European Parliament and of the Council [3], Directive (EU) Parliament and of the Council, Directive (EU) 2019/790 of the European Parliament and of the 2019/790 of the European Parliament and of the Council [4], Directive (EU) 2015/2366 of the Council, Directive (EU) 2015/2366 of the European Parliament and of the Council [5], and European Parliament and of the Council, and Directive (EU) 2010/13 of the European Parliament and of the Council [6], as well as Parliament and of the Council [1], as well as national rules aimed at enforcing or, as the case may be, implementing that Union legislation.

CoR amendment

Council, Regulation (EU) xx/xx/EU [DSA] of the European Parliament and of the Council, Directive (EU) 2010/13 of the European national rules taken in accordance with that Union legislation.

- Parliament and of the Council of 20 June 2019 Parliament and of the Council of 10 March 2010 on promoting fairness and transparency for on the coordination of certain provisions laid business users of online intermediation services (OJ L 186, 11.7.2019, p. 57).
- [2] Regulation (EU) .../.. of the European audiovisual media services (Audiovisual Media Parliament and of the Council – proposal on a Single Market For Digital Services (Digital Services Act) and amending Directive 2000/31/EC.
- [3] Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).
- [4] Directive (EU) 2019/790 of the European Parliament and of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market and amending Directives 96/9/EC and 2001/29/ (OJ L 130, 17.5.2019, p. 92.).
- [5] Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (OJ L 337, 23.12.2015, p. 35).
- [6] Directive 2010/13/EU of the European Parliament and of the Council of 10 March 2010 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (Audiovisual Media Services Directive) (OJ L 95, 15.4.2010, p. 1).

[1] Regulation (EU) 2019/1150 of the European [1] Directive 2010/13/EU of the European down by law, regulation or administrative action in Member States concerning the provision of Services Directive) (OJ L 95, 15.4.2010, p. 1).

COM(2020) 842 - final - Part 1 Recital 13

Text proposed by the European Commission

In particular, online intermediation online search engines, operating systems, online *including*, networking, video services. number-independent interpersonal *platforms* communication services, cloud business practices. They therefore should be video included in the definition of core platform services | independent listed non-exhaustively in Annex II to Directive notion of end users should encompass users that a given situation do not use the core platform services to provide goods or services to other end users, such as for example businesses relying on

[1] Directive (EU) 2015/1535 of the European Parliament and of the Council of 9 September do not use the core platform services to provide 2015 laying down a procedure for the provision of information in the field of technical regulations and of rules on Information Society services, OJ L 241, 17.9.2015, p. 1.

cloud computing services for their own purposes.

CoR amendment

services, In particular, online intermediation services. (online) marketplaces, software sharing platform application stores, digital voice assistants and incorporating voice assistant computing technologies and online intermediation services services and online advertising services all have in other sectors like mobility, transport, or the capacity to affect a large number of end users energy, as well as online search engines, operating and businesses alike, which entails a risk of unfair systems, web-browsers, online social networking, sharing platform services. numberinterpersonal communication and fall into the scope of this Regulation. Online services, cloud computing services and online intermediation services may also be active in the advertising services all have the capacity to affect field of financial services, and they may a large number of end users and businesses alike, intermediate or be used to provide such services as which entails a risk of unfair business practices. They therefore should be included in the definition (EU) 2015/1535 of the European Parliament and of core platform services and fall into the scope of of the Council[1]. In certain circumstances, the this Regulation. Online intermediation services may also be active in the field of financial are traditionally considered business users, but in services, and they may intermediate or be used to provide such services as listed non-exhaustively in Annex II to Directive (EU) 2015/1535 of the European Parliament and of the Council[1]. In certain circumstances, the notion of end users should encompass users that are traditionally considered business users, but in a given situation goods or services to other end users, such as for example businesses relying on cloud computing services for their own purposes.

> [1] Directive (EU) 2015/1535 of the European Parliament and of the Council of 9 September 2015 laying down a procedure for the provision of information in the field of technical regulations and of rules on Information Society services, OJ L 241, 17.9.2015, p. 1.

COM(2020) 842 final - Part 1 Recital 43

Text proposed by the European Commission

A gatekeeper may in certain circumstances have a dual role as a provider of core platform services whereby it provides a core platform service to its business users, while also competing with those same business users in the provision of the same or similar services or products to the same end users. In these circumstances, a gatekeeper may take advantage of its dual role to use data, generated from transactions by its business users on the core platform, for the purpose of its own services that offer similar services to that of its business users. This may be the case, for instance, gatekeeper provides marketplace or app store to business users, and at the same time offer services as an online retailer or provider of application software against those or provider of application software against those business users. To prevent gatekeepers from unfairly benefitting from their dual role, it should be ensured that they refrain from using any aggregated or non-aggregated data, which may aggregated or non-aggregated data, which may include anonymised and personal data that is not include anonymised and personal data to offer publicly available to offer similar services to those of their business users. This obligation should apply to the gatekeeper as a whole, including but not limited to its business unit that competes with the business users of a core platform service.

CoR amendment

A gatekeeper may in certain circumstances have a dual role as a provider of core platform services whereby it provides a core platform service to its business users, while also competing with those same business users in the provision of the same or similar services or products to the same end users. In these circumstances, a gatekeeper may take advantage of its dual role to use data, generated from transactions by its business users on the core platform, for the purpose of its own services that offer similar services to that of its business users. This may be the case, for instance, where gatekeeper provides marketplace or app store to business users, and at the same time offer services as an online retailer business users. To prevent gatekeepers from unfairly benefitting from their dual role, it should be ensured that they refrain from using any similar services to those of their business users. This obligation should apply to the gatekeeper as a whole, including but not limited to its business unit that competes with the business users of a core platform service.

Reason

That definition would give the gatekeepers a much too wide margin of manoeuvre.

COM(2020) 842 - final - Part 1 Article 1(5)

Text proposed by the European Commission

Member States shall not impose on gatekeepers Member States shall not impose on gatekeepers further obligations by way of laws, regulations or further obligations by way of laws, regulations or administrative action for the purpose of ensuring administrative action for the purpose of ensuring contestable and fair markets. This is without prejudice to rules pursuing other legitimate public prejudice to rules pursuing other legitimate public interests, in compliance with Union law. In interests, in compliance with Union law. In particular, nothing in this Regulation precludes Member States from imposing obligations, which are compatible with Union law, on undertakings, including providers of core platform services including providers of core platform services, in where these obligations are unrelated to the relevant undertakings having a status of gatekeeper within the meaning of this Regulation or to pursue legitimate interests. in order to protect consumers or to fight against acts of unfair competition.

CoR amendment

contestable and fair markets. This is without particular, nothing in this Regulation precludes Member States from imposing obligations, which are compatible with Union law, on undertakings, order to protect consumers, to fight against acts of unfair competition, to promote media pluralism

Amendment 35 COM(2020) 842 - final - Part 1 Article 1(6)

Text proposed by the European Commission

This Regulation is without prejudice to the application of Articles 101 and 102 TFEU. It is also without prejudice to the application of: national rules prohibiting anticompetitive agreements, decisions by associations undertakings, concerted practices and abuses of concerted practices and abuses of dominant dominant positions; national competition rules positions; national competition rules prohibiting prohibiting other forms of unilateral conduct insofar as they are applied to undertakings other than gatekeepers or amount to imposing concerning merger control; Regulation (EU) additional obligations on gatekeepers; Council 2019/1150 and Regulation (EU)/.. of the Regulation (EC) No 139/2004 [1] and national European Parliament and of the Council. In rules concerning merger control; Regulation (EU) 2019/1150 and Regulation (EU)/... of the Member States from imposing obligations on European Parliament and of the Council [2]

[1] Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations

CoR amendment

This Regulation is without prejudice to the application of Articles 101 and 102 TFEU. It **shall** also **not affect** the application of: national rules prohibiting anticompetitive agreements, decisions by associations of undertakings, other forms of unilateral conduct; Council Regulation (EC) No 139/2004 and national rules particular, nothing in this Regulation precludes undertakings other than gatekeepers additional obligations on gatekeepers.

between undertakings (the EC Merger Regulation) (OJ L 24, 29.1.2004, p. 1).

[2] Regulation (EU) .../... of the European Parliament and of the Council – proposal on a Single Market For Digital Services (Digital Services Act) and amending Directive 2000/31/EC.

Amendment 36

COM(2020) 842 final – Part 1 Article 1(7)

Text proposed by the European Commission	CoR amendment
National authorities shall not take decisions	National authorities shall not take decisions
which would run counter to a decision adopted	which would run counter to a decision adopted
by	by the Commission under this Regulation. As
the Commission under this Regulation. The	regards enforcement measures, the
Commission and Member States shall work in	Commission and the Member States who,
close cooperation and coordination in their	internally, shall proceed in a coordinated
enforcement actions.	manner with the relevant sub-national
	authorities, where deemed appropriate, shall
	cooperate closely and coordinate closely.

Reason

The role of local and regional authorities should be highlighted. There are specific platforms, such as those dealing with accommodation, operating at village and city level. Local and regional authorities depend on the national and European level for support in relevant enforcement actions.

Amendment 37

COM(2020) 842 - final - Part 1 Article 2(2)

Text proposed by the European Commission	CoR amendment
"Core platform service" means any of the	"Core platform service" means any of the
following:	following:
(a) online intermediation services;	(a) online intermediation services;
(b) online search engines;	(b) online search engines;
(c) online social networking services;	(c) online social networking services;
(d) video-sharing platform services;	(d) video-sharing platform services;
(e) number-independent interpersonal	(e) number-independent interpersonal
communication services;	communication services;
(f) operating systems;	(f) operating systems;

- (g) cloud computing services;
- (h) advertising services, including any advertising networks, advertising exchanges and any other advertising intermediation services, provided by a provider of any of the core platform services listed in points (a) to (g);
- (g) cloud computing services;
- (h) advertising services, including any advertising networks, advertising exchanges and any other advertising intermediation services, provided by a provider of any of the core platform services listed in points (a) to (g);
- i) web-browsers

COM(2020) 842 - final - Part 1 Article 2(24) (new)

Text proposed by the European Commission	CoR amendment
	"Web browsers" means a client software program that runs against a Web server or other
	Internet server and enables a user to navigate in the World Wide Web to access and display data
	or to interact with content hosted on servers that are connected to this network, including stand-
	alone web browsers as well as web browsers integrated or embedded in software or similar;

Amendment 39

COM(2020) 842 - final - Part 1 Article 3(8)

Text proposed by the European Commission	CoR amendment	
The gatekeeper shall comply with the obligations	The gatekeeper shall comply with the obligations	
laid down in Articles 5 and 6 within six months	laid down in Articles 5 and 6 as soon as possible,	
after a core platform service has been included in	in any case no later than three months after a	
the list pursuant to paragraph 7 of this Article.	core platform service has been included in the list	
	pursuant to paragraph 7 of this Article.	
		ı

Amendment 40

COM(2020) 842 final – Part 1 Article 4(2)

Text proposed by the European Commission	CoR amendment
The Commission shall regularly, and at least	The Commission shall regularly, and at least
every 2 years, review whether the designated	every 2 years, review whether the designated
gatekeepers continue to satisfy the requirements	gatekeepers continue to satisfy the requirements

laid down in Article 3(1), *or* whether new providers of core platform services, satisfy those requirements. The regular review shall also examine whether the list of affected core platform services of the gatekeeper needs to be adjusted.

laid down in Article 3(1). Furthermore, the Commission shall regularly, and at least every 12 months, examine whether new providers of core platform services, regardless of their country of establishment, satisfy those requirements. The regular review shall also examine whether the list of affected core platform services of the gatekeeper needs to be adjusted.

Reason

Periodic examination is deemed necessary as the market evolves rapidly.

Amendment 41

COM(2020) 842 final – Part 1 Article 4(3)

Text proposed by the European Commission	CoR amendment
The Commission shall publish and update the	The Commission shall publish and update the
list of gatekeepers and the list of the core	list of gatekeepers and the list of the core
platform services for which they need to comply	platform services for which they need to comply
with the obligations laid down in Articles 5 and	with the obligations laid down in Articles 5 and
6 on an on-going basis.	6 on an on-going basis.
	The Commission should publish an annual
	report setting out the findings of its monitoring
	activities and present it to the European
	Parliament and the Council of the European
	Union.

Reason

To ensure a high level of transparency in the enforcement of the DMA regulation, this annual report could include any conclusions, decisions and results of investigations carried out by the Commission on the one hand, and any information reported by the gatekeeper on the other.

Amendment 42 COM(2020) 842 final – Part 1 Article 5(b)

Text proposed by the European Commission	CoR amendment
(b) allow business users to offer the same	(b) allow business users to offer the same
products or services to end users through third	products or services to end users through third
party online intermediation services at prices or party online intermediation and affiliat	
conditions that are different from those offered	services at prices or conditions that are different
through the online intermediation services of the	from those offered through the online
gatekeeper;	intermediation and affiliated services of the
	gatekeeper;

Reason	
Include affiliated services.	

COM(2020) 842 final – Part 1 Article 5(h) (new)

Text proposed by the European Commission	CoR amendment
	by its nature, a gatekeeper shall be considered
	to be a provider of core infrastructure and
	hence shall not be allowed to deny access to
	service to business and end users. Should a
	business or end user be denied access to a core
	platform service provided by a gatekeeper, the
	user may appeal. To this end, the Digital
	Markets Advisory Committee, provided for in
	Article 32 of this Regulation, should act as a
	Single Point of Contact.

Reason	
The need for a Single Point of Contact should be stated.	

Amendment 44

COM(2020) 842 final – Part 1 Article 6 (1)(1) (new)

Text proposed by the European Commission	CoR amendment
	to ensure a continuous, standardised and automatised flow of information, guarantee that gatekeepers' Application Programming Interfaces are compatible with the proprietary systems of administrative and enforcement authorities, and refrain from creating an additional administrative burden by creating an API environment which is hostile to effective cooperation and enforcement within the meaning of this Regulation.

Reason

For the effective fulfilment of their administrative duties, Member States are reliant on the provision of adequate data by gatekeepers. Hence it is important that gatekeepers provide the technological means to ensure interoperability of their interface with the respective proprietary systems of Member States' authorities to ensure a continuous, automatised and standardised flow of information for effective cooperation.

COM(2020) 842 final – Part 1 Article 7(8) (new)

Text proposed by the European Commission	CoR amendment
	To ensure compliance with gatekeepers'
	obligations, the established Digital Markets
	Advisory Committee shall be established as a
	Single Point of Contact and should be
	encouraged to include the national social
	partners in its procedures.

Reason	
Establishment of a Single Point of Contact, including the national social partners.	

II. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

Introduction

- 1. welcomes the European Commission's proposals on the Digital Services Act (DSA) and the Digital Markets Act (DMA) and the ambition therein to introduce harmonised and horizontal rules to modernise EU legislation on digital services and online platforms;
- considers that the proposals strike a proportionate balance on addressing market abuse and market failures, fostering a level playing field within the European Digital Single Market and preventing the stifling of both innovation and the efficient functioning of the European Digital Single Market;
- 3. warns against any changes to the proposals which would result in a heavy-handed regulation preventing innovation and creating additional regulatory burden for businesses. Underlines that only a well-balanced and business friendly regulatory environment can help the EU to fully achieve its objective of digital transition;
- 4. holds that the DSA and DMA proposals address the legal uncertainty and administrative burden which originates in the fragmentation of national and EU legislation regulating digital services, including recent case law. A coherent and harmonised legal approach, as a baseline requirement, facilitates the understanding and application by local and regional authorities of the horizontal rules that define the responsibilities and obligations of providers of digital services and reinforces the (Digital) Single Market;
- 5. notes the strong local and regional dimension of the DSA and DMA proposals. Digital services influence citizens' everyday life and some of the sectors in which certain platforms are active,

such as housing and tourist accommodation, urban transport and delivery of public services, are regulated at local and regional level; emphasises here the need for a regulatory approach which enables innovation, Europe's competitiveness and fair competition;

- 6. is pleased that the proposals also address many of the concerns raised by the CoR in its opinion on A European framework for regulatory responses to the collaborative economy¹;
- 7. holds that the business models of information services are driven by data and information, and are time-sensitive. As a result, calls for an efficient provision of information, on access to data as well as on removing illegal content, and in ensuring transparent monitoring and reporting by the European Commission;
- 8. draws attention to the opportunities offered by online platforms to promote public discourse and the provision of information to citizens. Notes that the COVID-19 pandemic has further increased local and regional authorities' use of online platforms and that the pandemic has proven the capacity of traditional SMEs and start-ups to develop breakthrough innovations in response to real world needs, to create new jobs and to build synergies;
- 9. emphasises that a level playing field in the digital sector is paramount, particularly for SMEs that offer their products and services on platforms and whose marketing and sales are dependent on digital platforms². In this context, welcomes the planned prohibition of self-preferencing;

Liability for illegal content and actions

- 10. considers that the key challenge for the Digital Services Act proposal lies in safeguarding the key principles of the e-Commerce Directive, which has functioned well, and in particular in maintaining the general concept underpinning Articles 13 and 14, the current notice-and-action procedures and the need to account for new market dynamics and market failures;
- 11. notes that the Regulation defines only the formal process of dealing with illegal content and that it remains for the Member States to determine what constitutes illegal content within the meaning of the Regulation;
- 12. is pleased that, as a baseline requirement for providing services in the European Digital Single Market, providers of online services will be held liable for illegal actions or dissemination of illegal content. This will be done by means of harmonised rules on liability exemptions and content moderation, clear reporting, transparency responsibilities and due-diligence obligations for certain intermediary services; emphasises here the size and scale of platforms which significantly influence their capability to enact proactive measures against illegal online content;

¹ COR opinion A European framework for regulatory responses to the collaborative economy, rapporteur: Peter Florianschütz (AT/PES). Dossier ECON-VI-048.

The Bundesnetzagentur (German Federal Network Agency for Electricity, Gas, Telecommunications, Post and Railway) October 2020 survey shows that SMEs are highly dependent on online platforms, particularly for marketing and sales. <u>Bundesnetzagentur - Interim results – public consultation on digital platforms</u>

- 13. concerning the right to anonymity of users, points out that this is enshrined in the General Data Protection Regulation (GDPR)³, but emphasises that the principle of "what is illegal offline is illegal online" should prevail;
- 14. here, distinguishes between complete anonymity and being totally unidentifiable and points to blockchain technologies to facilitate such an approach. Emphasises that any content moderation measures should be accompanied by appropriate safeguards to ensure that these practices are proportionate;

Supervision and investigation

15. supports the introduction of algorithm-based controls and transparency obligations in the event of problems between contractors, and confirms that these measures have the potential to provide substantial support for local and regional authorities which may find that online services operate on their territory without abiding by the relevant laws;

Enforcement

- 16. endorses the proposal whereby enforcement will involve a system comprising a European Board for Digital Services, a Digital Services Coordinator and national digital services coordinators, with the European Commission performing a monitoring role. This will provide support for those local and regional authorities which have been struggling with enforcing local legislation against digital services based in other EU Member States due to a lack of resources and capacity to litigate in another EU Member State;
- 17. highlights the need to build up effective cooperation between Member State authorities in order to establish Digital Services Coordinators, share data and enforce applicable rules; also points out that local and regional authorities report to relevant Digital Services Coordinators in other Member States and be included in the process;
- 18. is concerned that while notice-and-action procedures and orders are covered in Chapter II (Articles 8 and 9), jurisdiction is covered by Chapters III, giving rise to potential legal issues regarding the enforcement of these provisions; is also concerned that the cross-border cooperation mechanism may not be sufficient;

Access to data

19. acknowledges the importance of data sharing for effective enforcement at national and subnational level and points out that access to data is a crucial issue for public authorities, particularly at local and regional level; it is impossible to enforce applicable rules and safeguard control mechanisms without access to the relevant data from platforms operating in a given

Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, OJ L 119, 4.5.2016, p. 1

territory; recalls the CoR's recent position which held that inconsistent approaches lead to further fragmentation and should be avoided⁴;

- 20. welcomes the introduction of relevant data-sharing requirements, given that voluntary self-regulation has been insufficient to guarantee access to data for local and regional authorities;
- 21. calls on the European Commission to advise on a common set of standard requirements for the interoperability of authorities' proprietary systems. Consideration should be given to establishing APIs (application programming interfaces);
- 22. supports data portability provisions and stresses that unsubscribing from a service should not be rendered substantially more difficult than subscribing to it;

Local economy

- 23. highlights the importance of the proposed regulations for the local economy, as SMEs and startups will benefit from harmonised rules. The regulations form a framework within which SMEs can scale up within the Single Market. A Eurochambres survey highlighting the potential of scaling up operations within the Single Market found that SMEs are more engaged than ever in digital trade, but the figures of the September 2020 EUROBAROMETER survey show that only 4% sell their goods online to consumers in other Member States⁵;
- 24. is pleased that the proposals seek to promote competitive, vibrant and resilient industry and innovation in Europe, and emphasises the relevance to local and regional authorities which support local players through funding and support mechanisms;
- 25. hopes that the current proposals will be game-changing vectors for services such as company creation, filing of taxes, participation in public procurement, electronic id and digital signatures;
- 26. notes that many smaller players depend on established online platform ecosystems for business transactions and that the COVID-19 pandemic has further increased the dependency of smaller businesses reliant on established online platform ecosystems to reach out to business users and consumers;
- 27. calls on the European Commission to factor the various degrees of digital transformation at regional level into its legislative proposals more effectively. In this context, cooperates with relevant institutions and centres of knowledge to help understand the complexities that are behind the drivers of change at national and regional level in order to build robust yet flexible innovative strategies on digital transformation. These strategies will reduce identified disparities between Member States and regions and divides between isolated, rural, peripheral and urban areas;

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CoR opinion A strategy for Europe's digital future and a strategy for data, rapporteur: Mark Weinmeister (DE/EPP). Dossier ECON-VII-004.

Flash Eurobarometer 486 as quoted in Eurochambres, General Recommendations for the Digital Services Act, 9 December 2020: Digital Services Act - EUROCHAMBRES RECOMMENDATIONS

- 28. in the context of Europe's economic recovery, regards digital cohesion and environmental and climate cohesion, as an essential additional dimension of the traditional concept of economic, social and territorial cohesion enshrined in the EU Treaty and calls for greater recognition of these as fundamental values in light of the changes to more sustainable economic models;
- 29. takes the view that a "double digital divide" due to a lack of infrastructure and IT literacy and skills must be prevented. Where the COVID-19 pandemic has exacerbated disparities, there is an urgent need to support capacity-building for citizens and businesses, particularly traditional SMEs, start-ups and the public sector;

Impact on journalism and the media

- 30. believes that a close look needs to be taken at financing advertisements in paid news content; regulatory changes may have a strong effect on the viable business models of news providers going into the future and so the Committee calls for a greater focus on media pluralism;
- 31. draws attention to the importance of maximum clarity and legislative cohesion, and so as to avoid unintended consequences, emphasises that the DSA should comprise a horizontal framework particularly relevant to sector-specific legislation, e.g. copyright infringements, terrorist content, child sexual abuse material or illegal hate speech, and illegal products; believes that in principle, the Copyright Directive⁶, the Audiovisual Media Services Directive (AMSD)⁷ and the GDPR should be considered lex specialis vis-à-vis the DSA and the DMA;
- 32. holds that competences at national or sub-national level, depending on the respective breakdown of legal competences, and instruments pertaining to media and information markets should be upheld, in order to account for cultural identities and protect pluralism, effectively combat hate speech and tackle harmful information online as is done offline. The relevant authorities in the Member States should remain entitled to maintain or establish stricter laws in order to pursue legitimate interests;

Subsidiarity

33. believes that the two proposals which are based on Article 114 of the Treaty on the Functioning of the European Union - providing for the establishment of measures to ensure the functioning of the Internal Market - comply with the principle of subsidiarity. In order to prevent fragmentation of the Single Market, harmonised conditions are required for cross-border services and can be guaranteed by the mechanisms for coordinated supervision and cooperation on digital services between authorities at EU level;

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Directive (EU) 2019/790 of the European Parliament and of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market and amending Directives 96/9/EC and 2001/29/ (OJ L 130, 17.5.2019, p. 92.).

Directive 2010/13/EU of the European Parliament and of the Council of 10 March 2010 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (Audiovisual Media Services Directive) (OJ L 95, 15.4.2010, p. 1).

- 34. holds that such measures serve to achieve coherence across the EU and are sufficient to force third-country providers to designate a legal representative for consumer interests within the EU, modelled on the GDPR;
- 35. stresses that European regulations must always take into account the guarantee of local and regional self-government enshrined in primary law by Article 4(2) TEU;

Exemptions from the proposals: taxation and working conditions

- 36. highlights that local taxation of digital services, for example tourist taxes, is not directly addressed by the two regulations;
- 37. considers that the proposals for the Digital Services Act and the Digital Markets Act should also be seen in a broader policy context. This notably includes the fair taxation of the digital economy such as updated taxation rules taking into account that digitalised companies and their business models can engage in business activities in a jurisdiction without a physical presence there. Here, recalls the need to recognise the role end users play in generating value for companies. Endorses therefore the European Parliament's call on the Commission to present proposals by June 2021 to clarify and harmonise the taxation of the digital business activities of all actors, including those established outside the EU. Such a reform should be seen and conducted in a wider international framework, and the G20/OECD Inclusive Framework (IF) in particular. Emphasises the importance of bolstering a level playing field for providers of traditional services and digital services in the EU by ensuring that tax rules are fit for the realities of the modern global economy and which protect Europe's competitiveness and attractiveness for inward investment;
- 38. notes that the European Commission is also expected to present a separate legislative proposal on working conditions of platform workers in 2021 and points out that the CoR has been vocal on the local and regional regulatory challenges and issues regarding platform work⁸, particularly those arising from the COVID-19 pandemic⁹;

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⁸ CoR opinion on *Platform work – local and regional regulatory challenges*, rapporteur: Dimitrios Birmpas. Dossier SEDEC-VI/051.

CoR opinion on A strategy for Europe's digital future and a strategy for data, rapporteur: Mark Weinmeister (DE/EPP). Dossier ECON-VII-004.

39. looks forward to working with the European Commission, the European Parliament and the Council to further refine the European framework for regulatory responses to online services in a way that harnesses the potential for greater European innovation and for start-ups to grow, scale up and prosper, while shining a spotlight on Europe's open and competitive trade which has always encouraged growth.

Brussels, 30 June 2021

The President of the European Committee of the Regions

Apostolos Tzitzikostas

The Secretary-General of the European Committee of the Regions

Petr Blížkovský

III. PROCEDURE

Title	On the Digital Services Act and the Digital Markets Act
Reference(s)	Proposal for a Regulation of the European Parliament and of the Council on a Single Market For Digital Services (Digital Services Act) and amending Directive 2000/31/EC, COM(2020) 825 final
	Proposal for a Regulation of the European Parliament and
	of the Council on contestable and fair markets in the
	digital sector (Digital Markets Act), COM(2020) 842 final
Legal basis	Article 307, TFEU
Procedural basis	Rule 41(a) of the Rules of Procedure
Date of Council/EP referral/Date of	COM(2020) 825
Commission letter	European Commission: 16.12.2020
	• European Parliament: 11.2.2021
	COM(2020) 842
	• European Commission: 16.12.2020
	European Parliament: 12.2.2021
Date of Bureau/President's decision	13 January 2021
Commission responsible	Economic Policy (ECON)
Rapporteur	Rodi Kratsa (EL/EPP)
Analysis	March 2021
Discussed in commission	22 January 2021 (exchange of views)
Date adopted by commission	20 April 2021
Result of the vote in commission	Majority
Date adopted in plenary	30 June 2021
Previous Committee opinions	CoR opinion 1951/2019 on A European framework for
	regulatory responses to the collaborative economy,
	rapporteur: Peter Florianschütz (PES/AT) ¹⁰
	CoR opinion 2354/2020 on A strategy for Europe's digital
	future and a strategy for data, rapporteur: Mark
	Weinmeister (DE/EPP) ¹¹
	CoR opinion 3224/2017 on Digital Single Market: Mid-
	term review, rapporteur: Alin Adrian Nica (RO/EPP) ¹²
Date of subsidiarity monitoring	N/A
consultation	

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10 OJ C 79, 10.3.2020, p. 40

¹¹ OJ C 440, 18.12.2020, p. 71

¹² OJ C 176, 23.5.2018, p. 29