NOTE

Agreement in Parliamentary Committee on the Digital Services Act Extract of the EASA update of December 21, 2021 on the digital Services Act Advertising issues in yellow highlights

The European Parliament's Internal Market and Consumer Protection Committee (IMCO) adopted on Tuesday 14 December its <u>position on the Digital Services Act</u> (DSA).

The DSA is a draft horizontal Regulation introducing obligations on content moderation, for transparency, and on the accountability for algorithms used by online platforms. It will introduce due diligence obligations, with tougher measures for very large online platforms, and will lay down obligations for removing illegal online content. Very large online platforms would also have to carry out specific risk assessments (on the dissemination of illegal content, on negative effects on fundamental rights, on public health, minors, etc). The proposal for exempting the media sector from content moderation obligations did not find support in the IMCO committee.

Further transparency obligations were introduced by the voted amendments, such as opening the platforms' data for external review, with some limitations to allow for maintaining trade secrets. The compromise text also introduces measures against dark patterns (techniques designed to manipulate users). As for online advertising transparency, information would have to be available to the user on the marketer's identity, but also on the financing side, and on the parameters used for targeting. In addition, data on displayed ads it should be made available by large platforms on an online repository.

Furthermore, the text voted by IMCO is banning targeted advertising to minors only, similarly to the Committee's agreement on the Digital Markets Act. Nevertheless, associated committees might reintroduce amendments for a wider ban of targeted ads, when the text will be tabled in the plenary.

It worth noting that the amendments to Art.34, promoting standards set up by European and international standardisation organisations, extended its scope to advertising. Amendments to Articles 35 and 36 on EU-level Codes of Conducts reinforced the trend to confer powers for the monitoring and evaluation of the Codes to the Commission and the Board.

The vote on the DSA in European Parliament's plenary Session is expected in January 2022. Since the Council has already reached an agreement on a compromise on 25 November, discussions involving the co-legislators and the Commission (trilogues) will be able to start after the vote in plenary.

EASA will continue to reach out to policymakers in order to promote the recognition of genuine self-regulation in the Digital Services Act. EASA may also amend its position in reaction to the IMCO's proposed extension of Article 34 to advertising, after consultation of its members.

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