

Digital Services Act

2020/0361(COD) - 15/12/2020 - Legislative proposal

PURPOSE: to lay down harmonised rules on the provision of digital services in the internal market (Digital Services Act).

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: information society services and especially intermediary services have become an important part of the EU's economy and daily life of Union citizens. Twenty years after the adoption of the existing legal framework applicable to such services laid down in e-Commerce Directive 2000/31/EC, new and innovative business models and services, such as online social networks and marketplaces, have allowed business users and consumers to impart and access information and engage in transactions in novel ways.

A majority of EU citizens now use those services on a daily basis. However, the digital transformation and increased use of those services has also resulted in new risks and challenges, both for individual users and for society as a whole.

The proposed Digital Services Act and [Digital Markets Act](#) encompass a single set of new rules applicable across the whole EU. They will create a safer and more open digital space, with European values at its centre.

CONTENT: the main objective of this proposal is to ensure the proper functioning of the internal market, in particular in relation to the provision of cross-border digital services (more specifically, intermediary services). It aims to ensure harmonised conditions for innovative cross-border services to develop in the EU, by addressing and preventing the emergence of obstacles to such economic activity resulting from differences in the way national laws develop, taking into account that several Member States have legislated or intend to legislate on issues such as the removal of illegal content online, diligence, notice and action procedures and transparency.

The proposed regulation lays down harmonised rules on the provision of intermediary services in the internal market. In particular, it establishes:

- a framework for the conditional exemption from liability of providers of intermediary services;
- rules on specific due diligence obligations tailored to certain specific categories of providers of intermediary services;
- rules on the implementation and enforcement of this Regulation, including as regards the cooperation of and coordination between the competent authorities.

This proposal should apply to intermediary services provided to recipients of the service that have their place of establishment or residence in the Union, irrespective of the place of establishment of the providers of those services.

Specific provisions

The proposal lays down:

- measures to counter illegal goods, services or content online, such as a mechanism for users to flag such content and for platforms to cooperate with ‘trusted flaggers’;
- new obligations on traceability of business users in online marketplaces, to help identify sellers of illegal goods;
- effective safeguards for users, including the possibility to challenge platforms’ content moderation decisions;
- transparency measures for online platforms on a variety of issues, including on the algorithms used for recommendations;
- obligations for very large platforms to prevent the misuse of their systems by taking risk-based action and by independent audits of their risk management systems;
- access for researchers to key data of the largest platforms, in order to understand how online risks evolve;
- oversight structures to address the complexity of the online space: EU countries will have the primary role, supported by a new European Board for Digital Services; for very large platforms, enhanced supervision and enforcement by the Commission.

Budgetary implications

The budgetary impact of the proposal should be covered by the allocations foreseen in the multiannual financial framework 2021-2027 under the financial envelopes of the Single Market Programme and the Digital Europe Programme.