Forum: Economic and Financial Committee (GA2)

Issue: Countering the adverse effects of the European Union (EU) Digital

Markets Act

Student Officer: Steven Fotopoulos

Position: Co-Chair



Personal Introduction

Dear Delegates,

My name is Steven Fotopoulos, I am 16 years old and currently I am a student at the Arsakeio Lyceum of Ioannina. This year I will have the utmost honor and pleasure of serving as one of the two Co-Chairs in the Economic and Financial Committee of the 8th ACG MUN conference. This will be my fifth MUN conference, as well as my first time chairing a committee. For me, MUN has been a life changing opportunity. MUN has been a revelation for me, to say the least. It has motivated me to study a variety of fields, such as history, economics, international law, and politics. It has been a key factor in developing practical skills, like public speaking, conducting research and drafting papers on the causes, effects, and solutions of problems which affect millions of people every day. It has taught me that no man can do something alone, that he needs to discuss his ideas with others, cooperate, and even compromise if he wants to achieve progress. And it has brought me into contact with some of the most resolute, diligent, and innovative people I have had the pleasure and honor of meeting with whom I maintain contact to this day. It is my solemn hope that through my work as a student officer, this experience can be replicated for you and all participants of the conference.

This committee's first agenda item focuses on the Digital Markets Act of the European Union and its effects on the global level. Through this Study Guide, you will be able to formulate an understanding of the reasons which pushed the former to the passing of this bill, as well as reaction to its drawbacks. However, I strongly encourage you to do your own research, whether through studying the bibliography or other sources, for you to better understand your country's position on the matter as well as the solutions it advocates for.

If you have any questions about the topic, the committee, or the drafting of your proposals, please do not hesitate to contact me at stephanos.fotopoulos@gmail.com. May this conference be a bright memory which you will revisit joyfully for years to come!

Kindest regards, Steven Fotopoulos

Topic Introduction

The Digital Markets Act (DMA) is a bill enacted by the European Parliament and Council of the European Union, the primary aim of which is to enhance competition in the digital economy. It tackles the perceived "gatekeeper" position of tech companies by imposing restrictions on their policy and creating opportunities for third parties to enter the market. As an EU regulation, it legally binds all EU Member States. However, it is a topic which concerns nations on the international level for a variety of reasons. First, the EU has introduced a unique approach in creating a fair digital market, which has and is sure to provide the basis for like-minded methods around the globe. Secondly, the EU represents a sizable portion of the global market and, as a result, companies wishing to access EU consumers must comply with the appropriate rules and regulations. As such, they often apply them on a global level, to avoid the provision of different services in different countries and unnecessary market fragmentation, a phenomenon known as the Brussels effect.

The ratification of the DMA was motivated by the inability of previous regulation to effectively control the influence of "Big Tech" companies in the digital sector. In the last two decades, intermediates and service providers, such as Google, Apple and Amazon, have achieved a strong position in their respective markets, through which they are pursue the growth of their business, in the detriment of both consumers and other competitors, in what many have deemed a "winner takes all" model.² The monopoly which the former possesses often leads to inefficient market outcomes, such as higher prices or a drop in customer satisfaction.³ It is therefore in the interest of all states to ameliorate both economic development and innovation, as well as the quality of services offered, through the constraint of such companies' ability to attain dominance on the field, while also reinforcing the position of third parties. If

¹ "EU Legislation." EUR, eur-lex.europa.eu/collection/eu-law/legislation/recent.html. Accessed 7 Dec. 2024.

² Morton, Fiona Scott. The European Commission Digital Markets Act: A Translation | CEPR, 5 Jan. 2021, cepr.org/voxeu/columns/european-commission-digital-markets-act-translation.

³ "Impact Assessment of the Digital Markets Act." *Shaping Europe's Digital Future*, 16 Dec. 2020, <u>digital-strategy.ec.europa.eu/en/library/impact-assessment-digital-markets-act.</u>

Infinite Opportunities are to be achieved, then it is vital that the digital market provides the basis for Balanced growth which benefits all actors wishing to offer their services, as well as consumers that are adequately benefited by the exchange of services.

Definition of Key Terms

Digital Markets Act (DMA)

The Digital Markets Act (DMA) is a new piece of legislation ratified by the European Parliament on 14 September 2022, with it entering into force on 2 May 2023. Its main goal is to increase competition in the digital sector by regulating gatekeepers' ability to influence the market. ⁴

Gatekeepers

Gatekeepers are companies the size of which impacts the EU market, due to their control of an important gateway for business users towards final consumers, as well as an entrenched and durable position in the market. A similar designation is that of holding Strategic Market Status (SMS0 within the UK market.⁵

Mergers

Through a merger agreement, two companies combine into one, with a pre-arranged transition plan into a unified command structure. The purpose of mergers is to expand a company's reach as well as its market share, while also increasing shareholder value and giving it access to increased capital for expansion.

Brussels effect

The Brussels Effect is the process of the regulatory globalization of laws adopted by the European Union, due to the adherence to them by regulated entities, like companies, even outside the European market.⁶

⁴ "About the Digital Markets Act." *Digital Markets Act (DMA)*, <u>digital-markets-act.ec.europa.eu/about-dma_en?prefLang=it#legislative-history-of-the-dma.</u> Accessed 16 Nov. 2024.

⁵ "Questions and Answers: Digital Markets Act: Ensuring Fair and Open Digital Markets*." *European Commission - European Commission*, 6 Sep. 2023, ec.europa.eu/commission/presscorner/detail/en/ganda 20 2349.

⁶ Bradford, Anu. "The Brussels Effect: The Rise of a Regulatory Superstate in Europe." *Columbia Law School*, 8 Jan. 2013, www.law.columbia.edu/media inquiries/news events/2013/january2013/brussels-effect.

Antitrust laws

Antitrust laws are regulations that encourage competition by limiting the market power of any party. This often involves ensuring that mergers and acquisitions do not overly concentrate market power or lead to the formation of monopolies, as well as breaking up firms that have become so.⁷

Ex ante and ex post

Ex ante and ex post are Latin phrases which translate to "before" and "after the fact." In economic science, Ex-ante is a form of financial analysis that uses forecasting or predictions for future events, whereas Ex-post analysis looks at financial results after they have occurred.⁸

General Data Protection Regulation (GDPR)

The GDPR is an EU law that regulates the collection and processing of digital data within the EU. It aims at ameliorating control over personal information and providing a framework for international commerce. Since its adoption in 2016, it has become a model for similar initiatives around the globe, in an example of the Brussels effect in action.⁹

Business Users

Business Users are any natural or legal person acting in a commercial or professional capacity using core platform and gatekeeper services for the purpose of providing goods or services to end users;¹⁰

End users

End users are consumers of digital goods and services, which employ the former for recreation as well as the production of other services. They differ from business users in that they use gatekeeper as well as other services to effectively tackle problems which arise in their work as well as personal life.¹¹

⁷ Twin, Alexandra. "Antitrust Laws: What They Are, How They Work, Major Examples." *Investopedia*, Investopedia, 31 May 2024, www.investopedia.com/terms/a/antitrust.asp.

⁸ Chen, James. "Ex-Post: Definition, Calculation, vs. Ex-Ante." *Investopedia*, Investopedia, 27 Nov. 2020, www.investopedia.com/terms/e/expost.asp.

Chen, James. "Ex-Ante: What It Means and How It Works." *Investopedia*, Investopedia, 16 May 2024, www.investopedia.com/terms/e/exante.asp.

⁹ "Lex - 02016R0679-20160504 - En - EUR-Lex." *EUR*, <u>eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02016R0679-20160504</u>. Accessed 7 Dec. 2024.

^{10 &}quot;Business User Definition: 264 Samples." Law Insider, www.lawinsider.com/dictionary/business-user. Accessed 17 Nov. 2024.

¹¹ Hayes, Adam. "End User: Definition, Examples, vs. Customer." *Investopedia*, Investopedia, 3 Sept. 2024, www.investopedia.com/terms/e/end-user.asp.

Self-preferencing

Self-preferencing is a practice through which gatekeeper companies manipulate their advertisement services to promote their own products more than that of their competitors.¹²

Startup Companies

Startups are young companies founded to develop a unique product or service. Rooted in innovation, a startup aims to remedy deficiencies of existing products or create entirely new categories of goods and services, disrupting entrenched ways of thinking and doing business for entire industries.¹³

European Union (EU)

The European Union was established on the 1st of November 1993 by the Treaty of Maastricht. Its main aims pertaining to the issue at hand is the establishment of an internal market, the achievement of sustainable development based on balanced economic growth and price stability and a highly competitive market economy with full employment and social progress, as well as the promotion of technological and scientific progress. Its main achievement that pertains to this area is the establishment of the European Economic Area (EEA), a common market which allows uninterrupted flow of goods, peoples and services between EU Member States and other associated partners.¹⁴

Background information

Historical Background and Timeline

Up until the introduction of the DMA, antitrust policy around the globe was heavily influenced by the Chicago School of Economics, which, in the 1970s and 1980s, successfully advocated for a liberal economic policy and overturned the interventionist policies of post WW2 US administrations. It led to the adoption of an ex-post policy towards market concentration, where mergers or other business practices were prohibited only if they negatively impacted consumer welfare. As such, regulation of companies' overreach became a slow, case by case process, with the goal of limiting the potential

¹² Rustichelli, Roberto. "Self-Preference." Concurrences, 29 Nov. 2022, www.concurrences.com/en/dictionary/self-preference-111802.

¹³ Baldridge, Rebecca. "What Is a Startup? The Ultimate Guide." *Forbes*, Forbes Magazine, 3 June 2024, www.forbes.com/advisor/business/what-is-a-startup/#544a2a9a4c63.

¹⁴ "Aims and Values." *European Union*, <u>european-union.europa.eu/principles-countries-history/principles-and-values/aims-and-values en.</u> Accessed 17 Nov. 2024.

[&]quot;History of the European Union – 1990-99." European Union, european-union.europa.eu/principles-countries-history/history-eu/1990-99 en. Accessed 17 Nov. 2024.

negative impact on the market to the minimum levels. This specialized approach then became the norm for institutions around the globe.¹⁵

It is in this environment where gatekeeper companies were able to establish themselves and achieve never-before-seen control over the market. Fragmented regulation and oversight, especially in Less Economically Developed Countries (LEDCs), enabled the former to eliminate their competition through a multitude of bad faith policies. For instance, between 2015 and 2017, Google, Amazon, Apple, Microsoft and Meta merged with a combined 175 companies, with most being shut down and incorporated into the gatekeepers' framework. Other negative outcomes include the establishment of rigid digital ecosystems, which force consumers and competitors to rely on gatekeepers for distribution of their products, as well as a lack of transparency, which prohibits business users from assessing the ability of gatekeeper's in promoting their products.

This has not gone unnoticed, with countries enforcing previous legislation. Both the EU and its member states as well as the US federal government have repeatedly sued Apple, Microsoft, Meta, and Amazon. The four firms are currently in a legal battle against the USA's Federal Trade Commission (FTC) for abuse of their market position, use of practices which are harmful to consumers, blocking of competition, self-preferencing and anticompetitive mergers. In August of 2024, the federal court of Washington DC ruled that Google had a monopoly on the search engine market and had abused its privileges to secure its position, with proposals by the Department of Justice to break up the company, by selling Chrome currently being considered. Moreover, in September of the same year, the EU Court of Justice rejected the appeals of Apple and Google and fined the former 14.4 and the latter 2.4 billion euros for tax evasion and self-preferencing. Although these developments show commitment to establishing a fair market, their impact on the companies themselves has been negligible, as penalties have been limited to fines.¹⁷

¹⁵ Crandall, Robert W., et al. "Antitrust Reform in the Digital Era: A Skeptical Perspective." *Antitrust Reform in the Digital Era: A Skeptical Perspective* | *The University of Chicago Business Law Review*, <u>businesslawreview.uchicago.edu/print-archive/antitrust-reform-digital-era-skeptical-perspective#heading-0.</u> Accessed 7 Dec. 2024.

¹⁶ Bourreau, M., et al. "Mergers in the Digital Economy." *Information Economics and Policy*, North-Holland, 2 Sept. 2020, www.sciencedirect.com/science/article/abs/pii/S0167624520301347.

¹⁷ Kang, Cecilia, and David Mccabe. "After Google Antitrust Ruling, Here's Where Other Big Tech Cases Stand." *The New York Times*, The New York Times, 5 Aug. 2024, www.nytimes.com/2024/08/05/technology/antitrust-google-amazon-apple-meta.html. jenn_elias. "DOJ Indicates It's Considering Google Breakup Following Monopoly Ruling." *CNBC*, CNBC, 9 Oct. 2024, www.cnbc.com/2024/10/08/doj-indicates-its-considering-google-breakup-following-monopoly-ruling.html.

Mccabe, David. "Google Is a Monopolist,' Judge Rules in Landmark Antitrust Case." *The New York Times*, The New York Times, 5 Aug. 2024, www.nytimes.com/2024/08/05/technology/google-antitrust-ruling.html.

Satariano, Adam, and Jenny Gross. "Google and Apple Face Billions in Penalties after Losing E.U. Appeals." *The New York Times*, The New York Times, 10 Sept. 2024, www.nytimes.com/2024/09/10/technology/european-union-apple-google-antitrust.html.

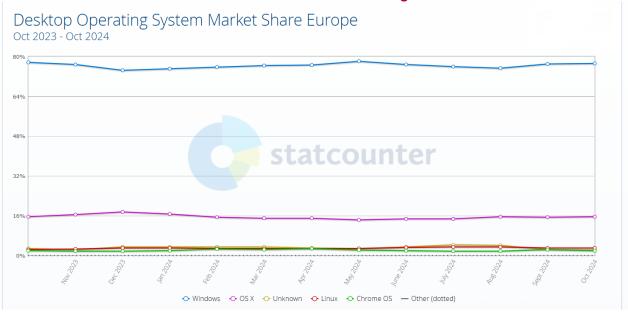


Figure 1: Graph illustrating the market share of companies offering operating systems for desktop computers in the EU.¹⁸

However, while US economic policy has been affected primarily by the potential benefits of the delivery of products, with antitrust being enforced primarily through the judicial systems, the EU, ever since its founding, has been keen to limit the adverse effects of technology on small competitors and consumers, through the drafting of new solutions. Articles 101 and 102 of the Treaty on the Functioning of the European Union tackle rules on competition, with the former imposing restrictions on companies related to fixing prices, limiting access to products and driving competitors out of business, while the latter disallows the abuse of dominant positions. Hore recently, the EU has begun to address concerns about the influence of Big Tech companies with parallel regulatory initiatives. Under the Junkers Commission, on 14th April 2016, the General Data Protection Regulation (GDPR), a law governing the obligations of companies that handle the personal data of users, as well as the rights of the former, was ratified by the EU Parliament. Furthermore, simultaneously with the DMA, the EU voted into existence the Digital Services Act, which regulates the sharing of illegal content or

¹⁸Desktop operating system market share in Europe. (n.d.). StatCounter Global Stats. https://gs.statcounter.com/os-market-share/desktop/europe

¹⁹ "Lex - 12012E/TXT - En - EUR-Lex." *EUR*, <u>eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A12012E%2FTXT.</u> Accessed 7 Dec. 2024.

²⁰ Lex - 02016R0679-20160504 - En - EUR-Lex." EUR, <u>eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02016R0679-20160504</u>. Accessed 7 Dec. 2024. "Lex - 02016R0679-20160504 - En - EUR-Lex." EUR, <u>eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02016R0679-20160504</u>. Accessed 7 Dec. 2024.

disinformation in social media and app stores. Therefore, the DMA is but the latest law in a protracted line of legislative activity.²¹

The legislative journey of the DMA started in December of 2020, when the Commission expressed the need for regulation establishing equitable markets in the digital sector. Institutional negotiations between Parliament and the Commission were completed in March of 2022, and in July the former ratified the legislation with 588 votes in favor, eleven votes against and thirty-one abstentions. With its publishing in the EU Journal on October 12th, it officially became law on the 1st of November. The first phase of its application came in May of 2023, when most of the rules became applicable and a deadline for the designation of gatekeepers was given. Next, on September 6th, the Commission designated Apple, Alphabet (Google's parent company), ByteDance, Microsoft, Amazon, and Meta as gatekeepers, with Booking following in May. The former were required to comply with all clauses of the DMA from March 7th, 2024.²²

Gatekeepers and affected parties:

The DMA designates gatekeepers on a principle-based approach, which combines quantitative and qualitative criteria. Services that companies offer, rather than companies themselves, are designated as "core platform services," which are then regulated according to the provisions set out by the DMA. The twenty four core products listed as gatekeeping products were Alphabet's Google Search, Google Maps, Google Play, Google Shopping, Google Ads, Chrome, Android and YouTube, Amazon's Amazon Marketplace and Amazon Product Advertising, Apple's App Store, Safari, iOS and iPadOS, Bytedance's TikTok, Meta's Facebook, Instagram, Facebook Marketplace, WhatsApp, and Messenger, Microsoft's LinkedIn and Microsoft Windows and Booking's Booking.com²³ Other companies that qualify partially as a gatekeeper but have not been designated as one include Airbnb, Spotify, Samsung, and X (formerly Twitter). Critics have pointed out that this measure disproportionately affects American and Chinese actors, and its purpose is as such not to create an egalitarian market, but the imposition of protective economic controls that negatively impact global trade. However, this assumption ignores the dominance of foreign companies in the European Market,

²¹ "Regulation - 2022/2065 - En - DSA - EUR-Lex." EUR, eur-lex.europa.eu/eli/reg/2022/2065/oj/eng. Accessed 8 Dec. 2024.

²² "Digital Markets Act Timeline - When the DMA Came into Force." *Usercentrics*, 3 Sept. 2024, <u>usercentrics.com/knowledge-hub/digital-markets-act-timeline/</u>.

²³ "Digital Markets Act: Commission Designates Six Gatekeepers." *European Commission - European Commission*, 6 Sep. 2023, ec.europa.eu/commission/presscorner/detail/en/ip 23 4328.

as well as the fact that other firms that fulfil the criteria of the DMA, such as Uber, have not been designated as gatekeepers.

The criteria under which companies have and may be deemed as gatekeepers consist of the size of the companies, as both a profit margin of at least 7.5 billion euro in the European Economic Area for three years and a market cap, which is the total value of publicly traded stocks, of more than seventy-five billion are required, and the place of the company in controlling access of business to end users, with more than forty-five million monthly active end users in the EU and more than 10,000 yearly active business users in the EU. Moreover, another criterion is an entrenched durable position, which is met when the numbers of active users in the second criterion are met for three years in a row.²⁴

It is important to highlight the fact that the ability to drive competitors out of business and to act in bad faith, and not the action itself, are considered grounds for legal action. This signifies a return to ex ante regulation, with ByteDance, Meta and Apple appealing the designation of some or all their products. Overall, this approach is more efficient than previous legislation in determining gatekeepers and enforcing rules, while its lack of specialization may prove a hindrance when faced with unique market conditions.

Provisions of the DMA

The DMA has introduced several restrictions regarding what company policies are deemed acceptable within the European Market. The main points include a ban on the advertising practice of self-preferencing, where for instance Google may promote products affiliated with it to customers shopping online, as well as the combination of data from different services such as Meta improving its advertising efficiency by collecting data for the same user from both WhatsApp and Facebook). Gatekeepers may also be prohibited from requiring business users to offer their best deals on the platform, or otherwise negatively impacting their ability to contact end users. Furthermore, the DMA contains provisions guaranteeing device neutrality and the ability of consumers to uninstall pre-installed software on devices, a practice known as bundling. A clear example of this is contained in the ability to remove iOS from an Apple device.²⁵

²⁴ "Questions and Answers: Digital Markets Act: Ensuring Fair and Open Digital Markets*." *European Commission - European Commission*, 6 Sep. 2023, <u>ec.europa.eu/commission/presscorner/detail/en/qanda 20 2349.</u>

²⁵ UserCentrics. "The Role of the Gatekeepers under the DMA Regulation." *Consent Management Platform (CMP) Usercentrics*, 28 Nov. 2024, usercentrics.com/knowledge-hub/role-of-gatekeepers-under-digital-markets-act/.

The DMA also includes obligations governing the rights of both business and end users. In regards to data, it facilitates the right of both of the former to access and transfer data between platforms, as well as the right to access data generated in the gatekeepers' platforms. Business users are impacted by the clauses pertaining to their right of assessing the quality of advertising provided by gatekeepers, where for instance a startup may accurately measure the market traction and promotion it has gained through access to verifiable data and tools, and their right to promote their products outside the framework of gatekeepers' services, with a clear violation being Apple not allowing third party app stores in their devices is a violation of this provision. The former may not be the target of discrimination or extractive fees by gatekeepers, such as the 30% commission received by Apple from all transactions conducted through the App Store. On a final note, the right to access gatekeepers' secure data to develop complementary products, and the right to effectively communicate any violation of those rights to the relevant authorities are further reinforced. It is important to note that the DMA does not specify the methods which are to be used in the protection of these rights, but rather aims at their establishment. ²⁶

Gatekeepers are required to establish a compliance task force that operates separately from their business branch that monitors the former's compliance to the DMA and is responsible for submitting a report to the Commission that presents measures and reforms that have been initialized to comply. Noncompliance with the DMA may lead to fines up to 10% of the gatekeepers' global revenue, which may be increased to 20% under specific circumstances, as well as structural remedies such as a ban on acquisitions. While the enforcement of the DMA is to be carried out by the EU's judicial branch, member states are still able to prosecute gatekeepers through their own separate criteria (ex. Germany prosecuting Facebook for data collection). Finally, the Commission reserves the right to conduct market investigations to adapt the DMA to changing market conditions.

Outcomes of the DMA

Gatekeepers

Overall, after several lobbying attempts and appeals, gatekeepers have decided to comply with the DMA, deeming the potential adverse effects to be too severe to risk. Google, ByteDance, and Microsoft have taken an initiative-taking role in adhering to the guidelines, with

²⁶ Morton, Fiona Scott. *The European Commission Digital Markets Act: A Translation* | *CEPR*, 5 Jan. 2021, cepr.org/voxeu/columns/european-commission-digital-markets-act-translation.

modifications to the API of users within the European Union, novel resources for advertisers, as well as limited changes to bundling practices. On the other hand, Apple has made only frugal commitments to comply with the DMA, with the EU suing the gatekeeper in June of 2024 over its App Store policies. Although attempts have been mostly localized to the EU, and some punitive measures, such as Google not promoting EU based outlets, have been noted,²⁷ responses demonstrate the gatekeepers' commitment to cooperating with the former.²⁸

End Users

The DMA will impact the relationship between end and business users, as well as end users and gatekeepers. The opportunities which will be created for business users seeking to promote their products also boost their quality and variety, increasing consumer welfare and their ability to use their preferred services. The provisions governing access to personal data and their portability may further enhance their digital quality of life, while the restrictions which have been placed on advertising practices may lead to more informed choices during purchases. Additionally, greater transparency can be achieved through modifications to gatekeepers' terms of service. However, it must be noted that the dominant power which gatekeepers previously held over the market allowed them to effectively deliver value to consumers, through the operation of their platforms on a larger scale, a phenomenon which a decentralized market may be unable to replicate. Gatekeepers may also choose to diversify the services they offer according to the region, affecting market standardization and global trade standards.

Business Users

Business users are the main beneficiaries of the DMA, as its clauses assist their business ventures in several ways. The proposals referring to the ability of the former to access secure data related to the operation of the core platform service can enable them to develop complementary products that enhance all parties' growth and quality of life. On the promotion level, the regulations limiting the influence of gatekeepers over distribution of products, as well as advertisement can assist them in circumventing the bottlenecks which are created by the monopolistic policies of the former. Both factors increase profit margins for businesses, while also greatly boosting technological

^{27 &}quot;Business User Definition: 264 Samples." Law Insider, www.lawinsider.com/dictionary/business-user. Accessed 17 Nov. 2024.
Boscheck, Ralf. "The EU's Digital Markets Act: Regulatory Reform, Relapse or Reversal?" Intereconomics,
www.intereconomics.eu/contents/year/2024/number/3/article/the-eu-s-digital-markets-act-regulatory-reform-relapse-or-reversal.html.
Accessed 17 Nov. 2024.

²⁸ Satariano, Adam, and Tripp Mickle. "Apple Is First Company Charged under New E.U. Competition Law." *The New York Times*, The New York Times, 24 June 2024, www.nytimes.com/2024/06/24/technology/apple-european-union-competition-law.html.

innovation. On the other hand, the quantitative criteria of the DMA disincentivize development among gatekeepers, limiting their ability to partner with smaller players, as well as indirectly increasing costs for the latter through the adoption of gatekeepers' practices. Business users also do not possess the ability to advertise and sell their product, as this service is managed primarily by gatekeepers, which might adversely affect existing business models.

Geopolitical aspects of the DMA

Under the current DMA guidelines, seven companies are designated as gatekeepers, five of which are based in the USA, and the other two being based in China and the EU, respectively. As such, it has had the effect, unintended or not, of impacting the market share of foreign companies within the EU. While this boosts the economic and technological independence of the EU, it may lead to friction in transatlantic relations. US policy makers concerned with protecting American firms from foreign restrictions may view the DMA as a measure aimed at damaging American economic actors, and as such may deploy retaliatory sanctions, which the EU is sure to answer to. However, so far, the global reaction to the DMA has been one of approval, with More and Less Economically Developed countries alike adopting similar proposals, setting the stage for a future multilateral agreement. ²⁹

Legal aspects of the DMA

The DMA, as previously mentioned, is a principled based approach, which seeks to safeguard the rights of business and end users in the digital market. As a result of its return to ex ante antitrust policy, it constitutes a significant departure from the status quo, as the ability to exercise influence is deemed unlawful. While it enhances the efficiency of the measure, this fact has been the source of much criticism, as gatekeepers have pointed out that the DMA does not consider whether their policy has negatively impacted consumers or their competitors, but simply if they have the power to do so, which calls into question the underlying motives behind the DMA.

In addition to that, the DMA examines primarily structural criteria that ignore the specific conditions under which each sector of the digital sector functions. Two clear examples of these are the regulations governing the definition of gatekeepers and business users, as well as the use of secure data. In the former case, the criteria set out by the DMA cannot be definitively applied to all platforms (ex. do users of TikTok qualify as end or business users and which protections are they afforded?). In

²⁹ "About the Digital Markets Act." Digital Markets Act (DMA), digital-markets-act.ec.europa.eu/about-dma_en. Accessed 17 Nov. 2024.

the latter case, access to secure data by third parties can constitute a security risk, as its unclear definition can enable breaches of privacy. Moreover, enabling the use of code generated by gatekeepers by competitors may constitute a violation of the EU's commitment to the WTO Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement, which regulates intellectual property rights on a global level.³⁰ On a final note, the DMA does not restrict mergers and acquisitions, practices that severely impact competition in a market. This approach is not mirrored by similar antitrust regulations, such as the UK's Digital Markets, Competition, and Consumers Act (DMCCA).

Major Countries and Organizations Involved

India

With more than a billion internet users, India is one of the fastest growing digital economies worldwide. The regulation of both native as well as international companies which participate in the digital sector has been one of the top priorities of the state, with an anti-trust approach mirroring that of the EU being enforced. India's market regulation authority, the Competition Commission of India, has conducted a variety of studies on the differences between traditional and digital markets, while also considering the unique properties of every operation. The result of these studies was the Draft Digital Competition Bill 2024, which combines an ex-post and ex ante procedure to effectively designate offenders as well as obligations and penalties.31

People's Republic of China (PRC):

In 2022, China revised its Anti-Monopoly Law, answering calls for increased oversight in the dismantlement of monopolistic practices in fields related to data, algorithms, and technology, mirroring legislative developments in the EU. While Bytedance, the China based company behind TikTok, has been deemed as a gatekeeper, which may allow its native competitors to undercut it, the DMA has otherwise not impacted the Chinese market, as a sizable portion of gatekeepers are already banned from the Chinese Market. On the other hand, the restrictions imposed on US companies open the playing field for Chinese alternatives to enter the EU market, if EU startups do not fill the gap.³²

United Kingdom (UK)

³⁰ "WTO: Intellectual Property (TRIPS) - Gateway." WTO, www.wto.org/english/tratop e/trips e.htm. Accessed 17 Nov. 2024.

³¹ Mathur, Sonam, et al. "India: Navigating Digital Markets through the Proposed Ex-Ante Framework." Global Competition Review, 2 Oct. 2024, globalcompetitionreview.com/guide/digital-markets-guide/fourth-edition/article/india-navigating-digital-markets-through-theproposed-ex-ante-framework.

32 Han, Ye. "Unpacking China's Antitrust Law Regime." Law.Asia, 30 July 2024, law.asia/chinas-antitrust-competition-guide/.

On May 24, 2024, the UK's Digital Markets, Competition, and Consumers Act (DMCCA), its equivalent to the DMA, received Royal Assent, the final stage of passing legislation into UK law. However, while the DMA sets new standards to be followed by all gatekeepers, the DMCCA primarily gives new powers to the UK's competition regulator, the Competition and Markets Authority (CMA), and its new Digital Markets Unit (DMU), that designates and enforces restrictions firms on a case by case basis, while also addressing the problem of mergers and acquisitions. While firms designated as holding Strategic Market Status (SMS), the equivalent of the DMA's gatekeeper, have protested this decision, most smaller competitors, as well as trade organizations and media associations, view its introduction as an opportunity to break up the monopoly held by the former in the digital sector and allow economic growth and innovation, while also adapting a flexible approach in designating SMSs.³³

United States of America (USA)

The US position on the DMA is a divisive one. The DMA itself has not greatly affected the American market, as while some of the compliance measures adopted by the gatekeepers have been done so on a global level, this has not enabled smaller competitors to challenge their position. On the one hand, the Biden administration has pursued closer ties to the EU considering recent geopolitical shifts, while internal lawsuits have been filed against Google and Meta on the state and federal level. Additionally, the introduction of the American Innovation and Choice Online (AICO), a new legislative proposal that shares many of the provisions and restrictions imposed on gatekeepers by the EU, mirrors a return to ex ante regulatory policy. On the other hand, restrictions by the EU mostly target US companies, which might be seen as an aggressive act against US financial institutions. The tariffs placed on Chinese products by the previous administrations may be expanded to target European products as well. ³⁴

European Union (EU)

Being the supranational body which has introduced the DMA, the EU is a global pioneer in the regulation of digital markets, as well as the return to ex ante pro competition laws. EU Member States like France and Germany emphasize the need to curb the influence gatekeeper firms have over the delivery of services, as well as the resulting increase in service quality, consumer choice and startup

³³ Kirkwood, Megan. "The UK's Digital Markets, Competition and Consumers Act: A Targeted Approach to Tech Regulation." *Tech Policy Press*, Tech Policy Press, 22 Aug. 2024, www.techpolicy.press/the-uks-digital-markets-competition-and-consumers-act-a-targeted-approach-to-tech-regulation/.

[&]quot;DMCCA 2024: Government Response to the Consultation on Turnover and Control Regulations." *GOV.UK*, <a href="https://www.gov.uk/government/consultations/dmcca-2024-turnover-and-control-regulations/outcome/dmcca-2024-government-response-to-the-consultation-on-turnover-and-control-regulations. Accessed 14 Dec. 2024.

³⁴ Text - S.2992 - 117th Congress (2021-2022): American Innovation and Choice Online Act | Congress.Gov | Library of Congress, www.congress.gov/bill/117th-congress/senate-bill/2992/text. Accessed 17 Nov. 2024.

growth and innovation. However, not all Member States approve of the restrictions included in the DMA. Countries such as Ireland emphasize the possible adverse effects on innovation and economic development, as Member States that previously relied on gatekeepers for investment and growth may be disproportionately affected by any punitive measures undertaken by the gatekeepers. Additionally, the Nordic countries submitted a joint memorandum proposing the cooperation of national and supranational authorities in enforcing the DMA.³⁵

EU-US Trade and Technology Council (TTC)

The TTC was announced on June 15th of 2021, to serve as a forum for the two states to coordinate their strategies in trade and technology on the global level, as well as enhance economic and diplomatic relations between them. It has had an active role in developing transatlantic cooperation in digital policy and has been a key player in the global implementation of the EU's Digital Strategy. Its main aims are the bilateral amelioration of economic and technological development through the reinforcement of democratic ideals, as well as the proliferation of industrial growth. Its goals include "promoting technology standards, trustworthy artificial intelligence, an open, reliable and secure Internet and combatting disinformation, foreign information manipulation and interference." Therefore, it will have a key role in communicating the concerns and agenda of both nations, as well as the negotiation of a mutually beneficial settlement.³⁶

UN Trade and Development (UNCTAD)

The UNCTAD is an intergovernmental organization that operates within the United Nations Secretariat and reports to the General Assembly and the Economic and Social Council. Its main aims include the multilateral adoption of resolutions on issues such as trade, transport, finance, and technology, while effectively addressing the concerns of More and Less Economically Developed Nations. As such, it is a key agent in the proliferation of antitrust regulation on the global level, with previous resolutions reflecting its egalitarian approach in formulating competition policy. So far, however, it has not introduced guidelines pertaining to the digital market.³⁷

³⁵ Ministerie van Economische Zaken en Klimaat. "Considerations of France, Belgium and the Netherlands Regarding Intervention on Platforms with a Gatekeeper Position." *Report* | *Government.NI*, Ministerie van Algemene Zaken, 15 Dec. 2020, www.government.nl/documents/publications/2020/10/15/considerations-of-france-and-the-netherlands-regarding-intervention-on-platforms-with-a-gatekeeper-position.

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³⁶ "Digital in the EU-US Trade and Technology Council." *Shaping Europe's Digital Future*, digital-strategy.ec.europa.eu/en/policies/trade-and-technology-council. Accessed 14 Dec. 2024.

³⁷ About UN Trade and Development (UNCTAD) | Unctad, unctad.org/about. Accessed 14 Dec. 2024.

Blocs Expected

Alliance 1

The first bloc which will be formed will consist of Member States which support the EU's initiative. Their main goals are the global adoption of regulation like the DMA, either at the national or international level, as well as its continuous adaptation to developments in the digital markets. Similarly, they seek the dismantlement of gatekeepers' positions in their national markets, and the establishment of independence from foreign companies. Apart from EU Member States, nations such as India or South Africa may also join this alliance.

Alliance 2

The second bloc comprises Member States that oppose the DMA on the economic and the legal level. Those believe that regulating gatekeepers heavily will have ripple effects in the global economy and will stifle technological innovation, and as such, believe that the DMA should not negatively impact gatekeepers' operating efficiency. Additionally, they deem the ex-ante approach to be ineffective in promoting market growth and are also concerned about the lack of clarity in provisions governing the sharing of secure data with third parties. Countries such as the USA or EU Member States like Ireland may join this bloc.

Timeline of Events

Date	Description of Event
October 1964 ³⁸	UNCTAD is established.
1 st of November 1993 ³⁹	Establishment of the EU.
14 th of April 2016 ⁴⁰	The GDPR is introduced.
December 2020 ⁴¹	Conceptual birth of the DMA.
15 th of June 2021 ⁴²	Establishment of the EU-USA TTC.

³⁸ About UN Trade and Development (UNCTAD) | Unctad, unctad.org/about. Accessed 14 Dec. 2024.

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³⁹ "Aims and Values." *European Union*, <u>european-union.europa.eu/principles-countries-history/principles-and-values/aims-and-values_en.</u> Accessed 17 Nov. 2024.

[&]quot;History of the European Union – 1990-99." *European Union*, <u>european-union.europa.eu/principles-countries-history/history-eu/1990-99 en.</u> Accessed 17 Nov. 2024.

^{40 &}quot;Lex - 02016R0679-20160504 - En - EUR-Lex." *EUR*, eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02016R0679-20160504. Accessed 7 Dec. 2024.

⁴¹ "Digital Markets Act Timeline - When the DMA Came into Force." *Usercentrics*, 3 Sept. 2024, <u>usercentrics.com/knowledge-hub/digital-markets-act-timeline/</u>.

⁴² "Digital in the EU-US Trade and Technology Council." *Shaping Europe's Digital Future*, digital-strategy.ec.europa.eu/en/policies/trade-and-technology-council. Accessed 14 Dec. 2024.

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24 th of June 2022 ⁴³	Reintroduction of PRC's Anti-Monopoly Law.
July 2022 ⁴⁴	Ratification of the DMA by EU Parliament.
1 st of November 2022 ⁴⁵	The DMA comes into force.
2 nd of May 2023 ⁴⁶	DMA rules become applicable.
6 th of September 2023 ⁴⁷	Six companies are designated as gatekeepers.
7 th of March 2024 ⁴⁸	Gatekeepers must comply with the DMA.
24 th of May 2024 ⁴⁹	The UK's DMCCA is adopted.
5 th of August 2024 ⁵⁰	Google is deemed a monopoly by a US Court.

Relevant UN Resolutions, Treaties & Events

Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices (The UN Set), 17th of December 1985 (A/RES/40/192)⁵¹

The UN set is a multilateral agreement on competition policy that was approved as a result of the United Nations Conference on Restrictive Business Practices in 1980. It sets out to create a comprehensive framework for the egalitarian control of monopolistic policies, as well as the multilateral cooperation in exchanging best practices and drafting solutions that evolve with changing market conditions, through the hosting of Review Conferences every five years. Although it has succeeded in the encouragement of regional cooperation on the matter, its non-binding nature has limited its effectiveness.

⁴³ Han, Ye. "Unpacking China's Antitrust Law Regime." *Law.Asia*, 30 July 2024, <u>law.asia/chinas-antitrust-competition-guide/.</u>

⁴⁴ "Digital Markets Act Timeline - When the DMA Came into Force." *Usercentrics*, 3 Sept. 2024, <u>usercentrics.com/knowledge-hub/digital-markets-act-timeline/.</u>

⁴⁵ "Digital Markets Act Timeline - When the DMA Came into Force." *Usercentrics*, 3 Sept. 2024, <u>usercentrics.com/knowledge-hub/digital-markets-act-timeline/.</u>

⁴⁶ "Digital Markets Act Timeline - When the DMA Came into Force." *Usercentrics*, 3 Sept. 2024, <u>usercentrics.com/knowledge-hub/digital-markets-act-timeline/.</u>

⁴⁷ "Digital Markets Act Timeline - When the DMA Came into Force." *Usercentrics*, 3 Sept. 2024, <u>usercentrics.com/knowledge-hub/digital-markets-act-timeline/</u>.

⁴⁸ "Digital Markets Act Timeline - When the DMA Came into Force." *Usercentrics*, 3 Sept. 2024, <u>usercentrics.com/knowledge-hub/digital-markets-act-timeline/.</u>

⁴⁹ Kirkwood, Megan. "The UK's Digital Markets, Competition and Consumers Act: A Targeted Approach to Tech Regulation." *Tech Policy Press*, Tech Policy Press, 22 Aug. 2024, www.techpolicy.press/the-uks-digital-markets-competition-and-consumers-act-a-targeted-approach-to-tech-regulation/.

[&]quot;DMCCA 2024: Government Response to the Consultation on Turnover and Control Regulations." *GOV.UK*, https://www.gov.uk/government/consultations/dmcca-2024-turnover-and-control-regulations/outcome/dmcca-2024-government-response-to-the-consultation-on-turnover-and-control-regulations. Accessed 14 Dec. 2024.

Murphy, Hannah. "US Sues Facebook for 'years-Long' Abuse of Monopoly Power." US Sues Facebook for 'Years-Long' Abuse of Monopoly Power, Financial Times, 9 Dec. 2020, www.ft.com/content/5c03ac0f-7122-4c31-97a5-ecab3928a038.

⁵¹ United Nations conference to review all aspects of the set of Multilaterally agreed equitable principles and rules for the control of restrictive business practices: (1986, February). United Nations

The United Nations Guidelines for Consumer Protection (UNGCP),16th of April 1985 (A/RES/39/248)⁵²

This resolution sets out to establish a comprehensive guide on consumer protection legislation. It highlights several rights which consumers are entitled to, such as making purchases based on objective information, and provides a framework for their legislative protection on the national and regional level. Revisions made in 2015 further outline the need for sustainable development, as well as for protection to be expanded to cover new challenges which may arise from developments in the digital sector.

GA Resolution on promotion and protection of human rights in the context of digital technologies, 19th of December 2023 (A/RES/78/213)⁵³

This resolution aims to tackle the developments in the field of human rights caused by technological innovation. It establishes the digital rights of individuals and urges Member States to create legislative frameworks for their protection, and private actors to respect the former. It also emphasizes the need for the nonproliferation in equality between More and Less Economically Developed Countries in digital access and calls upon UN Member States to organize bilateral capacity building initiatives that address these challenges.

GA Resolution on The Right to Privacy in the Digital Age, 16th of December 2020 (A/RES/75/176)⁵⁴

This resolution addresses the new conditions in the field of surveillance, which have been brought about from developments in the digital sector. It reaffirms the right to privacy both offline and online and calls upon Member States to modify their legislation accordingly, while also highlighting the role of business in protecting it. Additionally, it provides the basis for capacity building initiatives and international cooperation between Member States.

⁵²Consumer protection: (1985, April). United Nations Digital Library System. https://digitallibrary.un.org/record/80337?v=pdf

⁵³ Promotion and protection of human rights in the context of digital technologies: (2023, December). United Nations Digital Library System. https://digitallibrary.un.org/record/4032837?v=pdf

⁵⁴ The right to privacy in the digital age :. (2020, December). United Nations Digital Library System. https://digitallibrary.un.org/record/3896430?v=pdf

Previous Attempts to Solve the Issue

China Anti-Monopoly Law

The Anti-Monopoly Law formulates the basis for China's market regulation policies. First established in 2008, and with amendments made in 2022 to tackle monopolistic practices in the digital sector, it prohibits behaviors deemed to be harmful to competition. Although China previously supported the growth and concentration of its digital sector, in recent years it has deemed it an unhealthy phenomenon. Its provisions include a ban on anti-competitive agreements that seek, through the introduction of cartels, the manipulation of the price and availability of goods, as well as the splitting of the market across sector lines. It also establishes quantitative criteria through which the dominant market position of a company and policies which are deemed abusive can be ascertained. Furthermore, it imposes restrictions on mergers between companies if their undertakings pass certain thresholds. It is enforced by the State Administration for Market Regulation (SAMR) and its regional departments, with the 2022 amendments centralizing power from three different authorities to one. So far, severe penalties have been placed upon both companies and individuals, with digital companies such as Alibaba and Tencent being investigated and fined for a record breaking combined 2.3 billion euros. Apart from the state, private enterprises can now bring larger competitors to court if they believe they have violated the law. Overall, it has been successful in increasing competition in the internal market but has failed to establish a comprehensive framework, as it has not taken up initiative to support smaller firms.55

The American Innovation and Choice Online Act (AICO)

The American Innovation and Choice Online (AICO) is a proposed antitrust bill in the United States Congress. It primarily tackles the advertisement policies of "Big Tech" firms and prohibits them from engaging in self-preference, the promotion of their own products over their competitors'. Furthermore, it prohibits the use of non-public data in the amelioration of marketing efficiency for the company's own products, while also banning attempts to notify authorities of any potential breaches. Although the bill enjoys broad bi-partisan support, so far it has not been voted upon in either the House of Representatives or the Senate, due to the prioritization of other matters, the intense lobbying by tech companies, as well as concerns about the comprehensiveness of the suggestions included. Due to

⁵⁵ Fleming, David. "Antitrust and Competition in China." *Global Compliance News*, 26 Mar. 2017, www.globalcompliancenews.com/antitrust-and-competition/antitrust-and-competition-in-china/.

this, its influence in the market has been limited, with judicial authorities playing a bigger role in pursuing bad faith actors⁵⁶

The Digital Markets, Competition, and Consumers Act (DMCCA)

The DMCCA represents the UKs attempts to impose restrictions on companies that hold a dominant position in the digital market. It poses significant similarities to the DMA, which include regulations on anti competitive practises, such as self preferencing, as well as harming consumers. However, the implementation and enforcement of this bill has been the object of greater emphasis by lawmakers. Instead of expecting gatekeepers to report when they have reached a dominant position, the DMCCA delegates that authority to the UK's market regulation authority, the Competition and Markets Authority (CMA) and its newly created subdivision, the Digital Markets Unit (DMU). The DMU takes a case by case and not quantitative approach at designating firms that hold Strategic Market Status (SMS), the equivalent to gatekeeper status. This choice, although time consuming, establishes a clearer picture of the conditions in each field. The DMCCA also takes a comprehensive approach to dealing with mergers, by setting hard thresholds and reserving the DMU's right to block such an act, even if conducted abroad. Penalties for non compliance mirror those of the DMA, with the added possibility of the forced breakup of companies whose market condition is left untouched by previous measures. Overall, it has received widespread support from consumers and business users, and is set to become the most successful alternative to the DMA, but with its coming into effect in 2025, its effects on the market cannot be predicted.⁵⁷

Possible Solutions

Enabling the bypassing of gatekeeper services

The DMA, at its core, sets out to create an equitable market, where smaller competitors are given the opportunity to offer their services and promote their product, without being constrained by the dominant position of gatekeepers. This principle can be applied on the global scale, with the goal of bridging the gap in digital economic growth and innovation between More and Less Economically Developed Nations. On the national level, UN Member States may pursue, with foreign or international

⁵⁶ Text - S.2992 - 117th Congress (2021-2022): American Innovation and Choice Online Act | Congress.Gov | Library of Congress, www.congress.gov/bill/117th-congress/senate-bill/2992/text. Accessed 17 Nov. 2024.

⁵⁷ DMCCA 2024: Government response to the consultation on turnover and control regulations. (2024, November 29). GOV.UK. https://www.gov.uk/government/consultations/dmcca-2024-turnover-and-control-regulations/outcome/dmcca-2024-government-response-to-the-consultation-on-turnover-and-control-regulations

financial support, assisting their business users through subsidization or other incentives which enable them to stand up to gatekeepers. Authorities may cooperate with local competitors, to establish business friendly environments and to assist smaller firms legally and financially The goal of such an initiative would be to develop alternatives to gatekeeper services, which would then lessen their market share and influence and allow business users to bypass their dominant position. Apart from the development of services, governments may assist in the adoption of the former by the public. Measures may include the introduction of their use in public services or the institution of financial incentives for companies using them. Finally, the international nature of gatekeepers' products can be mirrored through the organization of bilateral and multilateral agreements between competitors, with the assistance of Member States, with the aim of allowing end and business users to exchange goods and services seamlessly.

Establishing a comprehensive policy on market regulation

Although the guiding principles of the DMA constitute a major shift, it is nevertheless a divisive one. This novel approach caters to the specific needs which have arisen as a result of the unique conditions present in MEDCs markets. As such, a similar piece of legislation may not prove to be the best solution for each Member State. The criteria and restrictions imposed must therefore become the subject of careful deliberation before they can be acted upon. For example, UN Member States must choose between an ex-post model that complies with traditional antitrust legislation, or an ex-ante approach that pursues potential violations. The balance between consumer welfare and market efficiency is different depending on the priorities of each Member State. Nations pursuing economic growth may decide upon looser criteria and restrictions, while for others the protection of its native users is of the utmost importance. Further considerations must also take into account mergers, which are missing from the DMA's final draft. Depending on the aims of each country, setting thresholds for the buyout of competitors can impact gatekeepers' ability to dominate the market. As such, the UNCTAD may provide capacity building initiatives for parties wishing to formulate a comprehensive strategy on digital antitrust. Possible measures may include the submission of reports by Member States on the status of their digital market, which will then be followed by a set of advisory courses of action. Additionally, UNCTAD may facilitate the conduction of negotiations between gatekeepers and Member States, with the goal of reaching a mutually beneficial settlement.

Overhauling the provisions of the DMA

The DMA represents a significant breakthrough in the field of digital antitrust, as it is one of the first attempts to establish a framework for competition in this market. As such, several of its clauses remain ambiguous in their provisions, especially regarding the definition of gatekeepers, business users, and the nature of the data which must be made available to the latter. As such, any decisions must be made in an informed manner, that is based on research and discussion which includes the gatekeepers themselves, lawmakers, representatives of end and business users, as well as legal experts. Such an initiative can be conducted on a national or a regional level, with the assistance of UNCTAD. Simultaneously, criteria governing obligations and restrictions must be adapted to the different conditions of every digital industry, and continually updated to reflect changes in the ecosystem of the former. For instance, cloud services differ from advertising services in fields such as the influence and responsibilities of parties, the nature of their applications etc. As such, any legislative attempt must consider the specific circumstances of each field, by consulting the previously mentioned experts on the field. Additionally, questions such as the security of personal data generated on gatekeeper platforms are only briefly addressed. As it stands, the DMA is more concerned with establishing the fundamental rights of users, rather than clearly defining them. This may lead to a future breach of digital privacy, as the use of secure data by smaller competitors may expose weaknesses in gatekeepers' operating systems. Future revisions or other laws must clearly define what is expected of gatekeepers, by giving examples of the responsibilities of each one, with the goal of clearly assigning the duties of each party.

Implementation and enforcement of agreements

The DMA is enforced by the EUs judicial system, with national courts unable to make use of the regulation. Although this choice certifies the objectiveness of any results, if the DMA was to be enforced on a more widespread level, it would lead to inefficiency in the handling of cases and appeals. Given that the creation of an international agreement would also not enable Member States to tailor obligations to their specific needs, such a course of action would be inadvisable, as it would lead to inefficient outcomes in terms of adherence. Instead, the implementation of these agreements should be the work of national or regional working groups, established along lines through which cooperation is most effective. Such organizations could better coordinate judicial procedures and challenges to the legislation's authority, as they would be better suited to local needs. Powers which may be given to relevant actors may include the right to block mergers, if they are deemed harmful to the market, the

right to conduct investigations to better understand market conditions and to impose fines on non-compliant parties. The degree of their authority must however be left to each Member State's discretion. Where the UNCTAD can help is with capacity building initiatives to ensure that the authority of those agencies is respected and that legislation is applied equally and effectively.

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