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## EU Launches Second Probe Into TikTok Over Addictive 'Reward' Features

The European Commission has opened a <u>second formal</u> <u>investigation</u> into TikTok, this time examining whether the launch of the company's new "TikTok Lite" app in France and Spain breached the EU's Digital Services Act (DSA).

The Commission is concerned that TikTok's "Task and Reward Program" within TikTok Lite, which allows users to earn points for activities like watching videos and inviting friends, may have been rolled out without the required diligent assessment of the risks it poses, particularly around user addiction and the protection of minors.

"The Commission is concerned that the 'Task and Reward Program' of TikTok Lite, which allows users to earn points while performing certain 'tasks' on TikTok - such as watching videos, liking content, following creators, inviting friends to join TikTok, etc. - has been launched without prior diligent assessment of the risks it entails, in particular those related to the addictive effect of the platforms, and without taking effective risk mitigating measures," the Commission said in a statement.

The investigation will focus on whether TikTok fulfilled its DSA obligations to conduct and submit a risk assessment report before deploying the new functionality, and what measures it took to mitigate any potential harms, especially for minors.

<u>Executive Vice-President</u> Margrethe Vestager expressed the Commission's concerns, stating: "Under the Digital Services Act, online platforms have the responsibility to assess and address any potential risks their users may face. So, the Commission has opened a compliance case that urges TikTok to submit an assessment and provide more information on how it is protecting its users from potential risks on their platform."

The Commission has also requested that TikTok provide the <u>risk</u> <u>assessment report</u> for TikTok Lite, which the company handed over as well as information about its risk mitigation measures, by the end of this week. Failure to comply would have resulted in fines of up to 1% of the company's global turnover.

Additionally, the Commission has informed TikTok of its





intention to impose interim measures, potentially suspending the "Task and Reward" program in the EU pending a safety assessment, given the suspected risks of serious harm to users' mental health.

This latest investigation adds to the Commission's <u>ongoing first</u> <u>formal proceeding</u> against TikTok, which is examining issues around the protection of minors, advertising transparency, data access for researchers, and the platform's risk management of addictive design and harmful content.

<u>Commissioner Thierry Breton</u> warned: "Unless TikTok provides compelling proof of its safety, which it has failed to do until now, we stand ready to trigger DSA interim measures including the suspension of TikTok Lite feature which we suspect could generate addiction. We will spare no effort to protect our children."

The opening of these formal proceedings under the DSA empowers the Commission to take further enforcement actions, such as accepting commitments from TikTok to remedy the issues, imposing sanctions for non-compliance, or even suspending the problematic features of the platform.

The investigation is part of a <u>broader crackdown on tech</u> <u>companies by the EU</u>, which has also announced investigations into Apple, Meta, and Alphabet (Google) for potential breaches of the Digital Markets Act (DMA). These investigations could lead to significant fines for the companies if they are found to have broken the rules.

The EU's concerns about TikTok's practices are not new. In February 2022, the Belgian Data Protection Authority (APD) found that the IAB's Transparency and Consent Framework (TCF), which TikTok uses, <u>violated several articles</u> of the General Data Protection Regulation (GDPR). The <u>APD fined the</u> <u>IAB €250,000</u> and gave it six months to bring the TCF into compliance. However, the implementation of the APD's decision was suspended pending a final court ruling on the IAB's appeal.

The investigation into TikTok's reward programme comes as <u>German politicians are discussing</u> whether to ban the app on federal devices or consider a general ban due to concerns about its potential use in hybrid warfare by China and Russia. The US House of Representatives has also voted in favour of <u>legislation</u> <u>that could force ByteDance</u>, the company behind TikTok, to sell the app or face a complete ban from app stores in the United States.







