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EU Slaps Apple and Meta with Fines for Digital Markets Act Violations

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EU imposes landmark fines on tech giants: Apple hit with €500M and Meta with €200M for violating Digital Markets Act rules on app distribution and data consent practices.

The European Commission has imposed fines on Apple and Meta for violating the European Union's Digital Markets Act (DMA), marking the first enforcement actions under the regulation aimed at curbing the dominance of major tech companies in the EU digital market.

Apple was fined €500 million for breaching the DMA's rules regarding app stores, while Meta (parent company of Facebook and Instagram) was fined €200 million for its "pay or consent" advertising model.

The Commission found that Apple failed to comply with the DMA's "anti-steering" obligations. Under the DMA, app developers must be allowed to inform users about alternative purchasing options outside the App Store, including cheaper offers, and steer them to those alternatives without incurring fees. Apple imposed restrictions that prevented developers from fully benefiting from alternative distribution channels, thereby limiting consumer access to more affordable options. The Commission concluded that these restrictions were neither objectively necessary nor proportionate.

Meta introduced a "consent or pay" model in November 2023, requiring EU Facebook and Instagram users to either consent to the combination of their personal data for personalized ads or pay a monthly subscription for an ad-free experience. The DMA requires that users who do not consent to data combination must still have access to a less personalized but otherwise equivalent service. The Commission found that Meta's model did not provide this required alternative, nor did it allow users to freely exercise their right to consent regarding the use of their personal data.

"Enabling free business and consumer choice is at the core of the rules laid down in the Digital Markets Act. This includes

ensuring that citizens have full control over when and how their data is used online, and businesses can freely communicate with their own customers" said Henna Virkkunen, Executive Vice-President for Tech Sovereignty, Security and Democracy in a statement.

"Apple and Meta have fallen short of compliance with the DMA by implementing measures that reinforce the dependence of business users and consumers on their platforms" said Teresa Ribera, Executive Vice-President for Clean, Just and Competitive Transition. "All companies operating in the EU must follow our laws and respect European values" she added.

Both Apple and Meta have announced plans to appeal the fines, arguing that the EU is unfairly targeting American companies and shifting regulatory expectations. The Commission has ordered both companies to comply with the Commission's rulings within 60 days or face further, periodic penalty payments.

These fines are notable as the first under the DMA, which took effect in 2024 and establishes strict rules for so-called "gatekeeper" tech firms to enhance competition and consumer choice in the EU's digital market. While the fines are substantial, they are lower than some previous antitrust penalties, possibly to avoid escalating trade tensions with the United States.

Under the EU's antitrust laws, Apple was fined €1.8 billion last year for abusing its dominant position in the distribution of music streaming apps, and Meta was forced to pay €797 million for pushing its classifieds service to social media users.