

# The Digital Services Act (DSA) package

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A Summary  
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**The Digital Services Act (DSA) and Digital Markets Act (DMA) collectively aim to cultivate a secure digital ecosystem by safeguarding the fundamental rights of users and promoting fair competition among businesses. Acknowledging the transformative impact of digital services in various aspects of daily life, the DSA addresses challenges such as illicit online activities and the misuse of platforms for the dissemination of disinformation. In response, the European Union has embraced this contemporary legal framework that is effective from 2022 and applicable across the European Union. All online platforms and services are mandated to comply with these principles.**

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## Background and problem Statement

The Digital Services Act (DSA) package represents a significant step forward in the European Union's efforts to regulate and enhance the digital landscape. This comprehensive legislative package is a response to the challenges posed by the evolving digital environment. It aims to strike a balance by ensuring that digital innovation continues to benefit society while addressing crucial issues like content moderation, user safety, and platform accountability.

The DSA package covers a broad range of rules applicable throughout the EU, in order to regulate online platforms and services. Its core objectives include creating a safer online space by tackling issues such as the trade of illegal goods and services and addressing the misuse of platforms for disinformation. The background to the DSA's development lies in the gaps and legal challenges observed in the early 2020s, particularly concerning the dominance of large digital platforms acting as "gatekeepers". This raised concerns about unfair conditions for businesses and limited choices for consumers. Thus, the DSA package is the EU's proactive response, aiming to ensure user safety, protect fundamental rights, and establish a fair and open online platform environment.

## Introduction

The Digital Services Act package comprises the Digital Services Act and the Digital Markets Act, both adopted by the Council and the European Parliament in 2022. It became effective for very large online platforms and search engines on August 25, 2023, and will be fully applicable to other entities on February 17, 2024. Penalties for breaching the Digital Services Act can reach up to 6% of a company's global annual turnover, while violations of the Digital Markets Act may incur fines of up to 10% of the global annual turnover, escalating to 20% in the event of a repeat offense.

Upon designation, companies are obligated to adhere to the comprehensive set of new obligations outlined in the DSA within a four-month timeframe. These obligations are designed to empower and safeguard users online, with a particular focus on minors. The designated services are required to assess and mitigate systemic risks and implement robust content moderation tools, encompassing increased transparency and accountability.

## Implementation

After the implementation of the Digital Services Act, platforms are mandated to enhance transparency and face accountability for their role in spreading illegal and harmful content. The DSA introduces various measures, including specific obligations for online marketplaces to combat the online sale of illegal goods, and requirements for platforms to swiftly respond to illegal content. Additionally, it sets limits on advertising presentations and the use of sensitive personal data, such as gender, race, and religion, while prohibiting misleading interfaces and deceptive practices. Stricter regulations apply to very large online platforms and search engines (VLOPs and VLOSEs), necessitating the provision of non-profiling-based content recommendations and the analysis of

systemic risks, including the dissemination of illegal content, negative impacts on fundamental rights, electoral processes, and gender-based violence or mental health.

## Key measures

The DSA introduces key measures to enhance the digital experience, while also establishes a more user-centric, transparent, and secure online environment:

### 1. User Protection:

The DSA simplifies reporting of illegal content and goods through mandatory user-friendly flagging systems, ensuring timely processing by platforms and clear transaction information for users.

### 2. Combatting Cyber Threats:

Strengthening protections against cyberbullying, the DSA enables quick flagging of abusive content, providing users with effective tools against online harassment.

### 3. Regulating Advertising:

The DSA promotes transparency in online advertising, imposing restrictions on certain types and prohibiting targeted advertising to children based on sensitive data.

### 4. Transparency in Content Moderation:

Addressing content moderation challenges, the DSA introduces a free-of-charge complaint mechanism, allowing users to contest platform decisions.

### 5. Simplified Terms and Conditions:

Large platforms must provide concise and clear summaries of terms and conditions, ensuring user understanding.

Overall, the Digital Services Act (DSA) represents a significant milestone in harmonizing rules and obligations for intermediaries across the EU single market, unlocking unprecedented cross-border opportunities for the provision of digital services while ensuring a consistently high level of user protection. With a focus on clear and proportionate rules, the DSA aims to safeguard consumers' fundamental rights, foster innovation, and facilitate the growth of smaller platforms, SMEs, and startups. By rebalancing the responsibilities of users, platforms, and public authorities in alignment with European values, the DSA places citizens at the core of its objectives.

For citizens, this translates into enhanced fundamental rights protection, increased control, and choice, along with stronger safeguards for children online.

Providers of digital services benefit from legal certainty and harmonization of rules, making it easier to start up and scale up in Europe.

Business users of digital services gain access to EU-wide markets through platforms, establishing a level playing field against providers of illegal content.

At the societal level, the DSA fosters greater democratic control and oversight over systemic platforms while mitigating systemic risks like manipulation and disinformation, contributing to a more resilient digital society.

## Additional Resources

For more detailed information, check out <https://www.eu-digital-services-act.com>