



# EU Digital Services Act Package

Understanding the impact of new regulation



## The extent of proposed regulation to protect consumers and enable fair competition is increasing as digital services expand significantly.

Despite all advantages, digital services are associated with certain risks. The EU Commission sees three risks in particular:

- The spread of **illegal goods, services and content**,
- **Manipulative algorithms** that reinforce disinformation among the public,
- **Unevenly distributed market power** that gives a vastly disproportionate advantage to "BigTech" companies, especially Apple, Google, Facebook, Microsoft and Amazon.

Two acts have been proposed as new legal framework:

- **Digital Services Act** (DSA) focusing on the **protection of consumers** ([link](#))
- **Digital Markets Act** (DMA) including rules that govern **gatekeeper online platforms** ([link](#))



Agreed by EU lawmakers in 2022, expected to be enforced from 2023 onward



Fines for non-compliance may reach up to 6% of total turnover under DSA and up to 10% of total turnover under DMA

The **number of users** and **service type** determines the scope of **incremental obligations** arising from the proposed regulation:

Service Type	<b>Very large Online Platforms:</b> Platforms reaching more than 45 million consumers in Europe	<b>Risk Management and Audits</b> <ul style="list-style-type: none"> <li>• Annual Risk Assessments</li> <li>• Risk Mitigation</li> <li>• Annual Audits</li> <li>• Data sharing</li> <li>• Codes of conduct</li> </ul> <b>Compliance Operations</b> <ul style="list-style-type: none"> <li>• Complaint and redress mechanism</li> <li>• Vetting credentials of third party suppliers</li> <li>• User-facing transparency of online advertising</li> </ul> <b>Reporting</b> <ul style="list-style-type: none"> <li>• Transparency Reporting</li> </ul>	Obligations
	<b>Online Platforms:</b> Online marketplaces, app stores, collaborative economy platforms, social media platforms		
	<b>Hosting Services:</b> Cloud and webhosting services		
	<b>Intermediary Services:</b> Network infrastructure: Internet access providers, domain name registrars		

## How PwC can help you prepare for new requirements through awareness, guidance and focused compliance measures.



### Awareness and Guidance



### Added Value from Focused Measures



Performing a **deep dive analysis** of applicable requirements for full transparency on compliance readiness.



Facilitating the implementation of **effective measures to close gaps** while aligning with existing processes & procedures.



Helping to establish **monitoring** of information gathering and transparency reporting processes required by the laws.



Supporting the **analysis and mitigation of systemic risks** to optimize the organization's compliance risk profile.



**Preparing or executing an audit** of the measures to fulfill the applicable reporting obligations and related commitments.



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