

Purpose of the DSA

The Digital Services Act aims to harmonize conditions for the provision of intermediary services across the EU. Among others, it creates new procedures for faster removal of illegal content; transparency measures, including on online advertising and on algorithms used to recommend content to users; and comprehensive protection for users' fundamental rights online.

Key changes the DSA brings

- ⌚ New rules applicable to targeted online advertising.
- ⌚ Further transparency requirements for online intermediaries.
- ⌚ New digital services coordinators as the supervisory and enforcement authority in each member state.

Key challenges posed by the DSA

- ⌚ Defining the methodology for designating providers of very large online platforms and very large online search engines.
- ⌚ Clarifying conditions regarding access to intermediaries' data by "vetted researchers," the digital services coordinator or the European Commission to monitor and assess compliance.

Important dates

The DSA entered into force 16 Nov. 2022, and applies to organizations 17 Feb. 2024.

- ⌚ Some provisions applied from 16 Nov. 2022, e.g., provisions on transparency reporting obligations for providers of online platforms (Article 24), designation of very large online platforms (Article 33), and implementation, cooperation, penalties and enforcement (Chapter 4).
- ⌚ The DSA applies to designated providers of very large online platforms and very large online search engines from four months after they are notified of the designation, in cases where that date is earlier than 17 Feb. 2024.
- ⌚ Member states must designate Digital Services Coordinators by 17 Feb. 2024.

The European Commission will encourage the development of codes of conduct for online advertising and on accessibility by one year of the DSA entry into application, and their application six months afterward.

Additional resources

- ⌚ [EU Digital Services Act published in the Official Journal of European Union](#)
- ⌚ [EU Data Initiatives in Context](#)
- ⌚ [Political agreement reached on Digital Services Act](#)
- ⌚ [The EU's DMA and DSA: Why this should be of interest to privacy pros](#)
- ⌚ [A view from Brussels: EU GDPR & DGA, DSA, DMA: When the rubber meets the road \(IAPP Video\)](#)

FOCUS AREAS	INTERMEDIARY SERVICES	HOSTING SERVICES	ONLINE PLATFORMS*	VERY LARGE ONLINE PLATFORMS*
SCOPE	The DSA applies to intermediary services offered to recipients established or located in the EU, irrespective of the place of establishment of the service providers.			
ORGANIZATIONS WITHIN SCOPE	Internet access providers, domain name registrars.	Cloud and webhosting services.	Online marketplaces, app stores, social networks. <i>Excludes micro or small enterprises, and entities that qualified as micro or small enterprises in the 12 months after they lost that status.</i>	Platforms reaching more than 10% of EU consumers.
COVERED SERVICES	<ul style="list-style-type: none">⌚ "Mere conduit" service, i.e., transmission in a communication network of information provided by a recipient of the service, or the provision of access to a communication network.⌚ "Caching" service, i.e., transmission in a communication network of information provided by a recipient of the service, involving the automatic, intermediate and temporary storage of that information, performed for the sole purpose of making more efficient the information's onward transmission to other recipients upon their request.⌚ "Hosting" service, i.e., storage of information provided by, and at the request of, a recipient of the service.			
KEY REQUIREMENTS	<ul style="list-style-type: none">⌚ Transparency reporting.⌚ Requirements on terms of service due account of fundamental rights.⌚ Cooperation with national authorities following orders.⌚ Points of contact and, where necessary, legal representatives.	<p>All intermediary services' obligations plus:</p> <ul style="list-style-type: none">⌚ Notice, action and obligation to provide information to users.⌚ Reporting criminal offenses.	<p>All intermediary services and hosting services plus:</p> <ul style="list-style-type: none">⌚ Complaint and redress mechanism and out of court dispute settlement.⌚ Trusted flaggers.⌚ Measures against abusive notices and counter-notices.⌚ Special obligations for marketplaces, e.g., vetting credentials of third-party suppliers ("know your business customer" obligations), compliance by design, random checks.⌚ Bans on targeted ads to children and those based on special characteristics of users.⌚ Transparency of recommender systems.⌚ User-facing transparency of online advertising.	<p>All intermediary services, hosting services and online platforms, plus:</p> <ul style="list-style-type: none">⌚ Risk management obligations and crisis response.⌚ External and independent auditing, internal compliance function and public accountability.⌚ User choice not to have recommendations based on profiling.⌚ Data sharing with authorities and researchers.⌚ Codes of conduct.⌚ Crisis response cooperation.
ENFORCEMENT AND PENALTIES	<ul style="list-style-type: none">⌚ Fine for a failure to comply: 6% of the annual worldwide turnover of the provider of intermediary services concerned in the preceding financial year.⌚ Fine for supply of incorrect, incomplete or misleading information, failure to reply or rectify, failure to submit to an inspection: 1% of the annual income or worldwide turnover.			In case of a noncompliance decision concerning a provider of very large online platform or very large online search engine, the commission can impose fines up to 6% of the total worldwide annual turnover and daily penalty payments, not exceeding 5% of the average daily income or worldwide annual turnover.

*ONLINE PLATFORMS KEY CRITERIA: Providers of hosting services that store information provided by the recipients of the service at their request and disseminate it to the public at their request, unless dissemination is a minor functionality or purely ancillary feature.

*VERY LARGE ONLINE PLATFORMS KEY CRITERIA: Average monthly active recipients of the service in the EU equal to or higher than 45 million and designated as very large online platforms by the commission.