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The EU Digital Markets Act as a leader in digital market regulation

Today's digital markets are transforming the consumer experience and offering market access to some of the world's most innovative businesses. But the potential of these markets is being artificially constrained by a few dominant online gatekeepers that are unfairly limiting innovation and competition.

Dominant platforms, such as large mobile app stores, seek to preserve their gatekeeping status by dictating the rules of the game between independent developers and their end-users without considering the needs of either. They monopolize customer data, self-preference their own apps on their platforms and charge unreasonable and arbitrarily applied commissions, all while relying on flawed and pretextual security and privacy arguments to deprive businesses and consumers of access to alternative app stores and payment systems.

The **Coalition for App Fairness, the European DIGITAL SME Alliance and the Coalition for Competitive Digital Markets** comprise businesses, including more than 45,000 SMEs, entrepreneurs and app developers whose contributions to a prosperous digital future rely on large mobile online platforms that stand between them and their customers. We maintain that the EU Digital Markets Act (DMA) – once adopted – will be an important tool to help European enforcers ensure a fair and thriving innovative marketplace that benefits society.

As we reach the final stages of the DMA's adoption, we believe it is crucial for EU policymakers to keep in mind the following:

The *ex-ante* nature of the DMA is key to ending digital market imbalances

By introducing predefined obligations at EU level, the DMA gives legal clarity and ensures that large mobile app stores will not be able to circumvent the rules. It will further help reduce the time between the identification of an abusive practice and the imposition of an effective remedy. Traditional competition investigations and enforcement suffer from this delay – often the harm is already done by the time a decision is made.

With predefined obligations, developers will finally be able to offer alternative and independent solutions, such as payment systems that likewise provide more choice to consumers. Business-

users will also be able to communicate with their end-users and adapt to their needs with new offers. Consumers will be able to download apps directly, or from the app store of their choice, proactively choose their own default apps, and more easily remove pre-installed software they prefer not to have. It is a much-needed change to how online platforms will operate in Europe, which empowers businesses as well as the consumers they serve.

With interoperability requirements, more companies will be able to provide services that compete with the ones of the dominant platforms without being constrained by the “network effect” of the existing user bases. This will foster competition and offer more choice to European consumers.

Success of the DMA hinges on consistent implementation and effective enforcement

The case of Apple’s blatant refusal to comply with the decision of the Netherlands’ Authority for Competition & Markets (ACM) and the former’s continued mistreatment of dating app developers shows that fines alone are not enough to dissuade anti-competitive behavior. Referring to the Dutch ACM case, Executive Vice President Vestager recently warned that “Some gatekeepers may be tempted to play for time or try to circumvent the rules.” She also underlined that “effective enforcement, which includes the Commission having sufficient resources to do so, will be key to ensure compliance.”

This is why we fully support MEP Andreas Schwab and MEP Eva Kaili’s statement that “Only a consistent enforcement of all rules can deliver a level playing field for businesses, increase innovation and create more choice and fairness for consumers in the [EU] Single Market.” We back their call for an increase in the European Commission’s enforcement capacity to ensure the future success of the DMA.

The DMA is not anti-American

Finally, some have raised concerns that the DMA would discriminate against businesses based on nationality. We disagree. To the contrary, it serves as a long due correction of imbalances in a world experiencing rapid digital change and addresses gatekeepers’ abuse of their market position, regardless of nationality.

Those who seek to undermine the DMA by portraying it as anti-American are attempting to divide us when we are united in achieving the same goal: to make digital markets fairer for our economies and our citizens. Both Europe and the United States want to make sure that apps of today can survive tomorrow, and you can count on our full support to help you achieve this.

Kind regards,

Rick VanMeter, Executive Director for the Coalition for App Fairness

Sebastiano Toffaletti, Secretary-General of the European DIGITAL SME Alliance

Amandine LePape, Vittorio Bertola and Jurgita Miseviciute, Founding Members of the Coalition for Competitive Digital Markets

About the Coalition for App Fairness

The Coalition for App Fairness was created to create a level playing field for app businesses and give people freedom of choice on their devices. Our 60+ members want every app developer to have an equal opportunity to innovate and engage in commerce, free from draconian policies, unfair taxes, or monopolistic control. The Coalition represents all innovators — from startups to small developers to indie studios to first time creators.

About the European Digital SME Alliance

European DIGITAL SME Alliance (DIGITAL SME) is the largest network of small and medium sized enterprises (SMEs) in the ICT sector in Europe, representing more than 45,000 digital SMEs. The Alliance is the joint effort of 30 national and regional SME associations from EU member states and neighbouring countries to put digital SME at the centre of the EU agenda.

About the Coalition for Coalition for Competitive Digital Markets

The Coalition for Competitive Digital Markets represents 50+ companies from 16 countries (12 Member States) as well as the European DIGITAL SME Alliance, a business association of more than 45,000 digital SMEs. Our goal is to promote more competition in digital products and services through appropriate requirements in the Digital Markets Act (DMA).
