European Commission - Press release





Commission designates Booking as a gatekeeper and opens a market investigation into X

Brussels, 13 May 2024

The European Commission has today designated under the <u>Digital Markets Act</u> (DMA), Booking as a gatekeeper for its **online intermediation service Booking.com** and decided not to designate X Ads and TikTok Ads. In parallel, the Commission has opened a market investigation to further assess the rebuttal submitted in relation to the **online social networking service X**.

Today's decisions follow a review process conducted by the Commission after receiving the <u>notification</u>s of the three companies regarding their potential status as gatekeepers on 1 March 2024.

On the basis of Booking's self-assessment submitted on 1 March 2024 that it meets the relevant thresholds, the Commission has established that this core platform service constitutes an important gateway between businesses and consumers.

In parallel, the Commission has opened a market investigation to further assess the rebuttal submitted on 1 March 2024 in relation to the online social networking service **X**. **This rebuttal** argues that, despite meeting the thresholds, X does not qualify as a important gateway between businesses and consumers. The investigation should be completed within five months.

Another rebuttal was submitted concerning the online advertising service **X Ads**. The Commission has concluded that, although X Ads meets the quantitative designation thresholds under the DMA, this core platform service does not qualify as an important gateway. Therefore, the Commission **decided not to designate X Ads**.

Lastly, the Commission received on 1 March 2024 the notification of ByteDance's online advertising service **TikTok Ads**, including a rebuttal request. The Commission has concluded that, although TikTok Ads meets the quantitative designation thresholds under the DMA, this core platform service does not qualify as an important gateway. Consequently, the Commission **decided not to designate TikTok Ads either**.

Next steps for the designated gatekeeper

Following its designation, **Booking** now **has six months to comply with the relevant obligations under the DMA**, offering more choice and freedom to end users and fair access of business users to the gatekeeper services. Booking has six months to submit a detailed compliance report in which it outlines how it complies with each of the obligations of the DMA. However, some of the DMA's obligations start applying with immediate effect, for example, the obligation to inform the Commission of any intended concentration in the digital sector.

The Commission will monitor the effective implementation and compliance with these obligations. In case a gatekeeper does not comply with the obligations laid down by the DMA, the Commission can impose fines up to 10% of the company's total worldwide turnover, which can go up to 20% in case of repeated infringements. In case of systematic infringements, the Commission is also empowered to adopt additional remedies such as obliging a gatekeeper to sell a business or parts of it or banning the gatekeeper from acquisitions of additional services related to the systemic non-compliance.

In the future, additional undertakings could submit notifications to the Commission under the DMA, based on their self-assessment with respect to the relevant thresholds. In this context, the Commission maintains constructive discussions with all relevant companies.

Background

The DMA aims to ensure contestable and fair markets in the digital sector. It regulates gatekeepers, which are large digital platforms that provide an important gateway between business users and consumers, whose position can grant them the power to act as bottlenecks in the digital economy.

Alphabet, Amazon, Apple, ByteDance, Meta and Microsoft, the <u>six gatekeepers designated</u> by the Commission on 6 September 2023, had to fully comply with all DMA obligations by 7 March 2024.

The Commission assessed the <u>compliance reports</u> setting out gatekeepers' compliance measures, and gathered feedback from stakeholders, including in the context of <u>workshops</u>.

On <u>25 March 2024</u>, the Commission opened non-compliance investigations into Alphabet's rules on steering in Google Play and self-preferencing on Google Search, Apple's rules on steering in the App Store and the choice screen for Safari, and Meta's "pay or consent model". The Commission announced additional investigatory steps to gather facts and information in relation to Amazon's self-preferencing and Apple's alternative app distribution and new business model.

On <u>29 April 2024</u>, the Commission designated Apple's iPadOS, its operating system for tablets, as a gatekeeper under the DMA. Apple now has six months to bring iPadOS in line with the relevant DMA obligations.

IP/24/2561

Quotes:

"Today's good news is: Holidaymakers will start benefiting from more choice and hotels will have more business opportunities. Following our decision Booking.com joins the list of core platform services required to adhere to DMA rules. Today we've also decided not to designate ByteDance and X over their online advertising services."

Margrethe Vestager, Executive Vice-President in charge of competition policy - 13/05/2024

"Booking is an important player in the European tourism ecosystem and is now also a designated gatekeeper. We will work to make sure it will fully comply with the DMA obligations within 6 months. The DMA proves again to be a powerful but flexible tool to identify and regulate companies that are real gatekeepers."

Thierry Breton, Commissioner for Internal Market - 13/05/2024

Press contacts:

<u>Lea ZUBER</u> (+32 2 29 56298) <u>Johannes BAHRKE</u> (+32 2 295 86 15) <u>Thomas Regnier</u> (+32 2 29 9 1099)

General public inquiries: Europe Direct by phone 00 800 67 89 10 11 or by email