Press Release

DMA Goes Into Effect: What Happens Now?

PAULINA ENCK | MARCH 22, 2024

In early March, the European Union's (EU) Digital Markets Act (DMA) went into effect, designating large tech firms as "gatekeepers," requiring them to open their services, and preventing them from favoring their own at the expense of rivals. In a new insight, Director of Technology and Innovation Policy Jeffrey Westling walks through how the DMA works, reviews the policy's implementation for each "gatekeeper" company, and considers its potential implications for similar U.S. legislation.

Key points:

- *As of enactment, the law specifically covers Alphabet, Amazon, Apple, ByteDance, Meta, and Microsoft, in an effort to make the digital economy fairer for smaller firms that rely on large technology firms to reach consumers.*
- *While the DMA is designed to help smaller firms using the gatekeepers' services, in practice, the compliance plans gatekeepers implement in response to the law often come with negative consequences for consumers, such as additional pop-ups, cybersecurity risks, and reduced functionality.*
- *Congress should carefully evaluate the impact of the EU's DMA before implementing similar legislation such as the Open App Markets Act or the American Innovation and Choice Online Act.*

Read the analysis