

Brussels, 16 July 2021

Open Letter on the Digital Services Act (DSA) and Digital Advertising

We are a broad-ranging coalition of European stakeholders from the digital advertising and media ecosystem, including digital media publishers, content creators, communications agencies, technology providers, eCommerce businesses, entrepreneurs, and software developers. As the European Parliament moves to finalise its position on the proposed Digital Services Act (DSA), we respectfully voice our firm opposition to the ban on targeted advertising that has been put forward by some political groups. More broadly, we call on the EU legislator to recognise the value of the EU's existing legal framework for privacy and data protection and to avoid the inclusion of provisions in the DSA that would undermine it.

We fully support requirements in the DSA proposal that seek to improve the overall B2B and B2C transparency of digital advertising. However, we cannot endorse a European law that aspires to constrain online business models through bans and prohibitions of practices that are *already* comprehensively regulated by existing privacy and data protection laws. If reflected in the final text, such disproportionate, unjustified restrictions would heavily undermine the sustainability of European media and the open internet as well as perpetuate legal uncertainty, including by creating unprecedented complexity in compliance and enforcement.

The functioning of democracies critically depends on citizens having access to services, knowledge and information online. A ban on targeted advertising would effectively strip businesses of critical revenue that enables them to guarantee such access and deprive European citizens of a significant portion of the content and services they benefit from today. Without a clear alternative, more content and services would be pushed behind paywalls, with disproportionate effects on lower-income households in particular. Consumers who do not wish to receive personalised advertising or be "tracked" online can simply leverage existing law to refuse it, before they even start consuming ad-supported content.

The recently-released [Reuters Institute Digital News Report 2021](#) cites '*pressing concerns about what happens to those who have limited interest or who can't afford it*' as '*more high-quality content [is] disappearing behind paywalls*', whereas a study requested by the CULT Committee '[Europe's media in the digital decade](#)' warns of a '*decline in the access to relevant information*' as a result of content becoming paid-only.

Moreover, such measures would undercut market entry opportunities for start-ups and SMEs in need to reach their customers, create brand awareness and scale, especially in current times when economic recovery is key. Personalised ads are instrumental for regional SMEs and exporters with unique products who need to reach a global customer-base, but also essential for EU's big brand champions whose business is fundamentally supported by improved addressability, as they seek to provide the right marketing messages to the right audience at the right time.

The EU has the most sophisticated privacy and data protection legal framework in the world, with heavy sanctions. If the Parliament wishes to increase consumer trust online - one of the adduced objectives of the DSA proposal - it should insist on effective enforcement of that current framework and reject the temptation to extend the scope of the DSA in ways that would create regulatory turmoil and put the financial stability of the Europe's local businesses and media in peril.

Signatories



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Adclick Portugal



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Adjinn



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Bauer Media Audio Ireland



Bluerank Sp. z o. o.



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Global24, s.r.o.



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Hotnews



Impact in Gorj



Internet Corp



Investor Media Group



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Manager Magazin



Management Finance Group



Mediahuis Ireland



Mmedia



Modrý koník, s.r.o.



Monitorul de Vaslui



News Ireland



Next14



Nova Expressão



OLX Group Portugal



Observator de Covasna



Packed.House



Polska Press Sp. z o.o.



Proof.



Reach Solutions Ireland



Ringier Axel Springer SK, a.s.



Sapo/Altice (formerly Portugal Telecom)



Sirdata



SmartLinks



The Irish Times



The Union of
Entrepreneurs and
Employers



Wirtualna Polska
Media S.A.



WisePirates



Xplora



Zoznam, s.r.o.

European and International Level Associations Signatories



Advertising Information
Group



Developers Alliance



Ecommerce Europe



European Association of
Communication Agencies



European Enterprise Alliance



IAB Europe



ICC Commission on Marketing &
Advertising