



CONFEDERATION OF INDUSTRY  
OF THE CZECH REPUBLIC



We are writing to you on behalf of some of the most innovative tech startups and scaleups who are leading the charge to make Europe one of the leading digital economies in the world.

We have been following the negotiations on the Digital Services Act (DSA) closely and are pleased to see the progress that has been made so far on legislation that will define Europe's digital economy for decades to come. However, we remain concerned that some of the proposals under discussion may run counter to the ambitious and innovative digital goals Europe has, and we urge them to consider the following:

- **Enable businesses to continue to use targeted advertising** as a means to connect with customers across the single market. Targeted advertising is a crucial tool for businesses looking to grow, innovate and sustain themselves and moves to heavily restrict it will harm their competitiveness.
- **Ensure that online marketplaces are not weighed down by disproportionate obligations.** Online marketplaces are critical for ensuring a vibrant and innovative digital European economy. Requiring online marketplaces to undertake random checks of traders' goods while carving out identification rules for SME traders may incentivise marketplaces to remove some of them off the platform due to the riskiness of hosting some traders. This will hinder further innovation and growth.
- **Ensure user redress systems are not overburdened.** The high level of obligations required by the DSA will mean that intermediary service redress mechanisms will be overwhelmed. If a user is to receive a notification every time there is an action taken that impacts on visibility, ranking or demotion, there will be an unmanageable and overwhelming level of notifications for users to receive and intermediary services to manage. The most effective user redress mechanisms are those that are quick, user friendly and efficient. Additionally, policymakers should refrain from expanding redress for users flagging content under a platform's Terms and Conditions. Platforms receive an enormous number of unfounded and erroneous user flags every day. To allow expansive redress for these flags is more than disproportionate; it could impair user safety by requiring online platforms to divert resources to dealing with groundless appeals.

The DSA is a significant change in Europe's digital rules and will reverberate for many years to come. As we enter the final stretch of the negotiations, we are confident that policymakers will find the right balance to achieve an ambitious and innovative digital future for all.

Signatories:

- Digital Future for Europe
- Developers Alliance
- ZPP Poland
- Confederation of Industry of the Czech Republic
- Finnish Federation for Communications and Teleinformatics
- Digital Poland

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