

Europe's New Approach to Enforcing the Digital Markets Act

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Brussels' shift from punitive fines to proactive regulatory dialogue is a smart strategic move that will reshape its long-term relationship with US Big Tech and Washington.

The European Commission is applying its new regulatory power to rein in Big Tech through the Digital Markets Act (DMA). This landmark law grants the Commission the power to impose strict compliance requirements on large online platforms designated as "gatekeepers" due to their dominant role in core platform services. Non-compliance comes at a steep price. [Gatekeepers](#), including Alphabet, Amazon, Apple, Booking, ByteDance, Meta, and Microsoft, risk fines of up to 20 per cent of their global turnover, merger bans, and even forced divestitures. The first DMA non-compliance rulings against [Apple](#) and [Meta](#), expected by 25 March 2025, will set the tone for the Commission's enforcement strategy amid looming [US trade retaliation](#).

Until now, the Commission has relied on heavy fines to deter dominant firms from violating competition rules. Over the past decade, it has imposed multibillion-euro penalties on US tech giants, including [Alphabet](#) (€8.25 billion), [Apple](#) (€1.8 billion), and [Meta](#) (€797.72 million). [President Donald Trump](#) denounced these fines as a disguised "taxation" on American firms, a sentiment echoed by [US lawmakers](#) who have branded the DMA a "European tax on American companies."

[EU Competition Commissioner Teresa Ribera](#) has dismissed these accusations, insisting that penalties are not taxation but a legal consequence of breaking the rules. However, the growing risk of trade retaliation is influencing the Commission's approach to deterrence.

The Commission's handling of ongoing DMA cases signals a strategic shift. On 19 March 2025, it issued preliminary rulings against [Alphabet](#) for breaching DMA obligations. Specifically, the Commission accused Google of treating its own services more favourably on Google Search (self-preferencing case) and preventing developers from informing users of alternative offers on Google Play (anti-steering case). Unlike in previous DMA preliminary rulings involving Apple and Meta, the press release notably avoided mentioning fines. Instead, Commissioner Ribera

emphasised that the primary DMA objective is fostering “*a culture of compliance*” and that non-compliance proceedings are reserved for cases where dialogue fails.

This omission is telling. It suggests the Commission now views dialogue, rather than punitive fines, as the preferred path to ensuring compliance. And it is already putting this strategy into action. On the same day, the Commission issued guidance to [Apple](#), clarifying its interoperability obligations to allow third-party products and services to function seamlessly on iPhones and iPads. Based on a constructive regulatory dialogue between the Commission, Apple, and third parties, this decision is non-adversarial and does not lead to penalties.

This new deterrence strategy is a welcome evolution. Fines may grab headlines, but they lose their effectiveness when the financial rewards of breaking the rules outweigh the penalties. In such cases, fines simply become a cost of doing business.

Crucially, sanctions alone do not ensure compliance. When the Commission penalises a firm, it also orders it to halt illegal practices and propose remedies to resolve competition concerns. Yet critics argue that these remedies are often [ineffective](#).

The Commission’s new approach directly addresses this concern. Under the DMA, it now has the power to not only mandate remedies but also shape them. This gives firms a strong incentive to propose meaningful solutions upfront, knowing that the Commission could impose far more stringent measures if they do not.

Furthermore, regulatory dialogue builds the trust essential for an effective compliance regime. A participative approach encourages firms to refine their compliance strategies based on ongoing stakeholder feedback, fostering adherence in a non-adversarial manner. This method is also faster and more cost-effective than formal infringement proceedings, which often drag on for years in costly litigation—An impractical approach to deal with fast-moving digital markets.

In short, the Commission’s shift from punitive fines to proactive engagement is a smart strategic move. By prioritising dialogue and clear compliance expectations over drawn-out legal battles, Brussels is not just enforcing the DMA; it’s redefining its relationship with US Big Tech and Washington for the long term.

About

Digital Competition

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