SWEDISH SECTOR INQUIRY INTO DIGITAL PLATFORMS

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The Swedish Competition Authority has launched a sector inquiry into Digital Platforms (see <u>press release</u> of 7th November, *available only in Swedish*).

Interested parties have until the 30th of November to submit their views. The Swedish Competition Authority is initially seeking feedback from stakeholders on specific markets segments, including Digital Advertising, App Stores, Food delivery, Audiobooks, Digital Payment Services, and Digital Marketplaces. The Authority is interested in understanding Digital Platforms' influence on market structure and competition (in particular the concentration of market power), with the objective to identify any need for regulatory intervention and/or specific regulation.

Interested parties are invited to provide both comments on the competition landscape concerning Digital Platforms in Sweden, as well as a recommendation on the focus the inquiry should be given. The consultation is not accompanied by a formal questionnaire, which creates the risk that contributions will largely consist of complaints by market actors, and perhaps less of independent market data.

The Swedish initiative is the latest development in the ongoing debate amongst competition law experts and regulators on how to tackle Digital Platforms. Reports have highlighted characteristics of the platform model that make it unique and highly efficient, but that some consider potentially challenging for competition (see for example the report by Jacques Crémer and others on *Competition Policy for the Digital Era*, published by the European Commission in May 2019). The Swedish inquiry will likely directly contribute to the EU debate on Digital Platforms, but it might also prompt similar inquiries in other EU countries.

In the EU, the focus on Digital Platforms has already resulted in a regulatory response. On 20 June 2019, the European Parliament and the Council adopted Regulation 2019/1150 on promoting fairness and transparency for business users of online intermediation services. The Regulation has been described as a "first step" towards more regulation of Digital Platforms and contains mainly a long list of obligation designed to create more transparency on the terms and conditions regulating the relationship between Platform Services providers and their business partners. Companies operating in the EU have until 12 July 2020 to comply with the Regulation.

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