

Answers to some of the Questions on the CMA Consultation Online Platforms Interim Report

8) Do you agree with our assessment of the merits of a code of conduct for large online platforms funded by digital advertising?

Yes. Rules to govern the behavior of firms that enjoy a position of market power and that benefit of huge investments of other players, such as Telcos, are needed.

An enforceable code of conduct is a valuable tool to respond to this need, as only ex post remedies may be not sufficient.

In order to address a proper code of conduct analysis, it is also important to consider the Multisided and Multihoming nature of online platforms ecosystem with related network effects (both same-side and cross-side) and the interaction with Big Data and Artificial Intelligence topics.

9) Do you agree with the range of possible practices we have identified that could be considered under such a code of conduct?

Yes . We share the view that key provisions of the code could be summarised in the form of three overarching principles: 'fair trading', 'open choices' and 'trust and transparency'.

In order to better protect the consumers, regulatory consistency should be ensured for the entire digital ecosystem applying the same regulatory principles to all different players including communication services providers and digital platforms.

The regulatory approach should be applied taking into consideration the peculiarities of the services and the overarching principles of fair trading, open choices for the consumers avoiding lock-in effects, transparency also in relation to business users and trust based on the respect of users' rights. Such regulatory approach, fairly applied to the digital ecosystem, enables the promotion of innovation on digital services by different players on a level playing field basis, giving more possibility of choice for the benefit of citizens.

We believe that a dedicated regulatory body should be required to enforce the provisions of the code due to the peculiarity and complexity of the scenario.

This regulatory body should interact with other regulators in order to consider all the involved issues and to avoid possible duplication and to assure Stakeholders have a clear interface.

A recent inquiry on Big Data was conducted in Italy by the Authorities in charge of consumer protection, competition and privacy, since all these issues are involved and this complex involvement should be considered.

10) Have we identified the appropriate range of potential interventions to address the sources of market power for Google and Facebook?

The following additional remedy could be considered:

- Dedicated Body to overview the ex ante regulation and to enforce of the code of conduct.

11) Have we identified the appropriate range of remedies to improve consumers' control over their data?

Yes, we also believe that all SMS platforms should:

- provide services based on a consent freely given by consumers and not obligatory provided to access the service itself. An option to use the services without requiring in return the use of consumers' data for personalised advertising should be provided;
- set as default the 'opt-in' to personalised advertising rather than the current default opt-out;
- clarify if consumers data are made available to other undertakings and give an "easy" option not to provide such availability;
- design consent and privacy policies in a way that facilitates informed consumer choice;
- in accordance with the dedicated regulatory body, adopt a clear and concise privacy information form that could be integrated by a practical example on the consequences of the provided consent.

12) Have we identified the appropriate range of remedies to address conflicts of interest and a lack of transparency in digital advertising markets?

Conflicts of interests for vertically-integrated platforms are not always easy to discover, so we think that the suggested collaboration between Authorities is not sufficient and previous experiences of overlapping competencies, in other markets, have shown not always good results. Even firms can be disoriented by overlapping regimes. The other remedies considered such as third party access to data, measures to increase interoperability and even structural measures, although more expensive, as said, should be considered. So the regulatory framework review should consider this and a specific regulatory body could deliver benefits to the sector as a whole (as suggested by the Furman review).

13) We have set out a number of specific questions relating to the potential interventions, which are discussed in the following appendices:

I: Potential practices to be tackled through a code of conduct

J: Potential interventions to address market power in general search

K: Potential interventions to address market power in social media

L: Potential interventions to improve personal data mobility

M: Potential interventions in digital advertising markets

Do you have any views on the more specific questions in these documents?

No

14) Do you have any views about the appropriate sequencing of the remedies we have identified?

We support the idea that an ex ante pro-competitive regulation is needed and that only an ex-post enforcements is not sufficient.

As said, we also think that a potential dedicated regulatory body to enforce the specific ex ante regulation, the code and any specific remedies would be helpful.