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COMMISSION STAFF WORKING DOCUMENT

Overview of elements accounted for the estimation of the amount of external assigned revenues stemming from the supervisory fee pursuant to Article 6(1) of Commission Delegated Regulation (EU) 2023/1127

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Article 43(4) of Regulation (EU) 2022/2065 of the European Parliament and of the Council ('Regulation (EU) 2022/2065')¹ requires the Commission to adopt delegated acts laying down the detailed methodology and procedures regarding the supervisory fees charged by the Commission on providers of very large online platforms ('VLOPs') and on very large online search engines ('VLOSEs'). On 2 March 2023, the Commission adopted Commission Delegated Regulation (EU) 2023/1127 ('Delegated Regulation (EU) 2023/1127')² pursuant to that provision.

Pursuant to Article 6(1), second subparagraph, of Delegated Regulation (EU) 2023/1127', the Commission shall prepare an overview accompanying the estimated amount of external assigned revenues stemming from the supervisory fees that is included in the Commission preparatory document attached to the draft budget pursuant to Article 41(8) of Regulation (EU, Euratom) 2018/1046³ ('the Financial Regulation'). Such overview indicates the elements accounted for such estimation and is to be published at the latest by 30 June of each calendar year on the Commission website.

The present overview indicates the elements accounted for such estimation in accordance with the different categories of costs listed in Article 2 of Delegated Regulation (EU) 2023/1127. The first estimation only reflects costs to be incurred in 2024 for the performance of the tasks referred to in Article 43(2) of Regulation (EU) 2022/2065. This is because, in addition to the costs for the tasks referred to in Article 43(2) of Regulation (EU) 2022/2065 that are already covered by appropriations voted by the European Parliament and the Council for the general budget of the Union for 2023, no additional costs incurred or being incurred in 2023 have been identified. Therefore, no additional costs are added for that year to the estimation of costs for 2024 pursuant to Article 9(1) of Delegated Regulation (EU) 2023/1127.

1. Introduction

On 25 April 2023, the Commission adopted decisions designating 17 online platforms and 2 online search engines as VLOPs and VLOSEs respectively. Pursuant to Article 92 of Regulation (EU) 2022/2065, the obligations laid down in that Regulation shall apply to the providers of those VLOPs and VLOSEs from four months after the notification of those decisions to those providers. This includes the obligations laid down in Section 5 of Chapter III of Regulation (EU) 2022/2065 which, pursuant to Article 56(3) of that Regulation, the Commission has exclusive powers to supervise and enforce. This means that the Commission will need to begin exercising its supervisory duties in relation to those VLOPs and VLOSEs starting in the last quarter of 2023. In parallel, the Commission services are continuously monitoring online platforms and online search engines in view of the possible adoption of additional designation decisions. Finally, as of 17 February 2024, Regulation (EU) 2022/2065 will be applicable in its entirety, including the national supervisory structures, as well as the Union cooperation mechanisms centred

¹ Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market For Digital Services and amending Directive 2000/31/EC (Digital Services Act) (OJ L 277, 27.10.2022, p. 1).

² OJ L149, 9.6.2023 p. 16.

³ OJ L 193, 30.7.2018, p. 1.

around the coordinating role of the European Board for Digital Services ('the Board') and the connecting information sharing system, provided in that Regulation.

Consequently, starting in 2023, throughout 2024 and in the following years, the Commission services will need to complete the setup of, fully implement and operationalise the structures needed to fulfil its supervisory tasks under Regulation (EU) 2022/2065. This requires, first of all, completing the supervisory structures necessary for the designation and day-to-day supervision of VLOPs and VLOSEs, including establishing close links with national supervisory structures involved in their supervision and operativity of the database pursuant to Article 24(5) of Regulation (EU) 2022/2065. In addition, the Commission services will need to set up and implement the cooperation mechanisms across national supervisory systems, including the set-up and operation of the Board and of the information sharing system connecting national authorities, the Commission and the Board. Finally, the Commission services will need to step up the development and coordination of the expertise and capabilities necessary for the performance of day-to-day supervision, identification and assessment of systemic and emerging issues related to the matters covered by Regulation (EU) 2022/2065. Taking into account the novelty and wide-ranging societal issues covered by Regulation (EU) 2022/2065, this may require drawing upon the expertise of different national or international organisations and of leading experts.

The estimation included in the Working document, part V, accompanying the Draft General Budget of the Union for Financial Year 2024⁴ pursuant to Article 41(8) of the Financial Regulation and illustrated, in more detail, in this overview, has been established in view of these tasks and this document provides an overview of the elements accounted for such estimation.

2. *Human resources*

The estimated annual costs of the human resources referred to in Article 2(2)(a) of Delegated Regulation (EU) 2023/1127 (in terms of Full-Time Equivalent, FTE) necessary for the fulfilment of the tasks referred to in Article 43(2) of Regulation (EU) 2022/2065 is based on the following elements.

The following elements are considered relevant for the purpose of identifying the annual costs related to the tasks referred to in Article 43(2) of Regulation (EU) 2065/2022:

- Designation, including FTEs dedicated to the identification of online platforms and online search engines to be designated and the preparation of decisions for designation of VLOPs/VLOSEs pursuant to Article 33 of Regulation (EU) 2022/2065, and connected administrative and legal activities, notably the management of the workflow related to the annual supervisory fees workflow;
- IT systems, including FTEs dedicated to the establishment and maintenance of the information sharing system supporting communications between Digital Services Coordinators ('DSCs'), the Commission and the Board pursuant to Article 85 of Regulation (EU) 2022/2065; the management of the information system registry supporting supervisory procedures and information management of the Commission under Section 4 of Regulation (EU) 2022/2065, as well as the set-up, maintenance and operation of the database pursuant to Article 24(5) of Regulation (EU) 2022/2065; support to the users of such systems;

⁴ [COM\(2023\)300](#), p. 86.

- Board, including FTEs dedicated to supporting the Board through the Board’s secretariat and the Commission’s chairmanship pursuant to Article 62 of Regulation (EU) 2022/2065; the management and preparation of decisions of the Commission on referrals raised by the Board pursuant to Article 59 of Regulation (EU) 2022/2065;
- Supervisory expertise, including FTEs dedicated to the identification and assessment of systemic and emerging issues, including emerging risks and the development of expertise and capabilities pursuant to Article 64 of Regulation (EU) 2022/2065, including the management of activities carried out by or with the European Centre on Algorithmic Transparency (‘ECAT’)⁵, and other cooperation agreements with Member States authorities, supranational bodies and other relevant authorities;
- Case handling, including FTEs assigned to the general supervision of designated VLOPs and VLOSEs, as well as the management of specific investigation and infringement procedures, both for substantive assessment, supervision, and legal or procedural support;
- Decentralised/On-field supervisory support, including FTEs assigned to provide expertise and case liaison support seconded to EU Permanent Representations, third country EU delegations or within national DSCs for monitoring and assessment of specific risks connected to VLOPs or VLOSEs;
- Management, including FTEs assigned to the overall management of the supervisory tasks referred to in Article 43(2) of Regulation (EU) 2022/2065;

The overall number of FTEs necessary for the fulfilment of the aforementioned tasks in 2024 is estimated at 123.

In accordance with Article 2(2)(a) of Delegated Regulation (EU) 2023/1127, the unitary cost of personnel is calculated on the basis of average annual costs per FTE, including pro-rata average operating expenditure and applicable social contributions related to these human resources. Accordingly, the total appropriations are calculated taking into account the latest available average costs of personnel as annually set out by DG BUDG in the context of the preparation of the Legislative Financial Statements and charge backs⁶.

On the basis of the assumptions above, the total annual costs for human resources pursuant to Article 2(2)(a) of Delegated Regulation (EU) 2023/1127 are estimated as follows:

Total expenditure HR	123 FTE in total	EUR 19,413 million
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3. *Other administrative or operational expenditure*

In accordance with Article 2(1)(b) of Delegated Regulation (EU) 2023/1127, the estimation should take into account any other expected administrative or operational expenditure in the year n+1 not included in the average costs of personnel which is necessary for the fulfilment of the tasks referred to in Article 43(2) of Regulation (EU) 2022/2065. Such expenditure should take into account the non-exhaustive list of items listed in Annex I to Delegated Regulation (EU) 2023/1127. At the same time, possible changes

⁵ https://algorithmic-transparency.ec.europa.eu/index_en.

⁶ Such average costs for the year 2023 amounted to EUR 171, 000€ for officials, EUR 91, 000€ for Contract Agents and EUR 93, 000€ for Seconded National Experts. Such figures includes also pro-capita average operating expenditure such as building and IT costs, and they need to be increased by the applicable provision for social contributions.

across different categories of operational expenditures when implementing the budget should be possible, and eventually will be reported in the ex-post reporting to the European Parliament and the Council pursuant to Article 8 of Delegated Regulation (EU) 2023/1127. Finally, this overview takes into account that the ECAT, hosted by the Joint Research Centre (JRC), has been provisionally already financed by other multiannual sources until 2025⁷, and it is therefore not accounted for in the estimate for 2024.

In view of the above, the following elements have been accounted for the estimation:

- Studies, including large studies on specific risks across different designated online platforms and search engines and support studies for supervisory and enforcement actions, as well as for reviews of documents and evidence, assuming a range of 20-25 designated online platforms and search engines;
- External experts, including the involvement of external independent and globally recognised technological experts and consultants for analysis and assessment of impacts of algorithms, such as recommender systems, content moderation practices and rules, ads selection, and data related practices on selected risks;
- Databases, including subscriptions and access to audience and data company databases;
- Digital tools, including purchasing, subscribing, licensing and development of any necessary software or system for data extraction and monitoring; special IT equipment (e.g. unlocked terminals for access to specific platforms with special, segregated network, security arrangements, enhanced workstations and laptops) and any other computational capability needed for the supervisory tasks referred to in Article 43(2) of Regulation (EU) 2022/2065;
- Board Secretariat, including costs (other than human resources) incurred in the organisation of monthly physical meetings of the Board pursuant to Article 62 of Regulation (EU) 2022/2065, and corresponding reimbursements for national representatives and related costs;
- Supervisory missions, including at least 25 missions per year per case team;
- Supervisory capacity building, including the organisation of at least one major general conference connected to the supervisory analysis of risks and other ad-hoc events; attendance to conferences related to VLOPs and VLOSEs risks and relevant VLOPs and VLOSEs obligations; other capacity building missions; cooperation agreements with relevant national and supranational public institutions, and other relevant authorities ensuring support in the monitoring and assessment of individual risks;
- IT system, including a prudential estimation of the expenditure related to the set-up, acquisition, licensing, subscription, development, maintenance and operation of the information sharing system pursuant to Article 85 of Regulation (EU) 2022/2065 and of the database managed by the Commission pursuant to Article 24(5) of Regulation (EU) 2022/2065, as well as other information systems supporting supervisory procedures and information management of the Commission under Section 4 of Regulation (EU) 2022/2065.

The estimation for the abovementioned elements for 2024 amounts to EUR 25,83 million.

4. Overall estimation

In view of the above, the estimation provided for in the Commission preparatory document attached to the draft budget pursuant to Article 41(8) of the Financial Regulation is composed as follows:

⁷ In particular the Digital Europe Programme.

HR expenditure	EUR 19,413 million
Other operational and administrative expenditure	EUR 25,830 million
Total assigned revenues	EUR 45,243 million

This overall amount has been included as estimated total assigned revenues in the Draft Budget Working Document Part V (“Budget implementation and assigned revenues”) accompanying the 2024 Draft Budget pursuant to Article 41(8) of the Financial Regulation as single item of the budget lines group “1.02OTH”⁸, with a view to feeding the expenditure line 02 20 03 05 ‘Digital Services Act (DSA) – Supervision of Very Large Online Platforms’ as provided for in the connected document containing the Statement of estimates⁹.

⁸ [COM\(2023\)300](#), p. 86.

⁹ [SEC\(2023\)250](#), Chapter 02 20, page 291.