



Council of the European Union  
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**WK 15010/2024 INIT**

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**WORKING DOCUMENT**

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From: General Secretariat of the Council  
To: Working Party on Financial Services and the Banking Union (Payment Services/  
PSR/PSD)  
Financial Services Attachés

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Subject: Role of ECSPs  
- presentation by Commission services

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WK 15010/2024 INIT

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# DIGITAL SERVICES ACT

## Digital Services Act (DSA) and Financial Scams

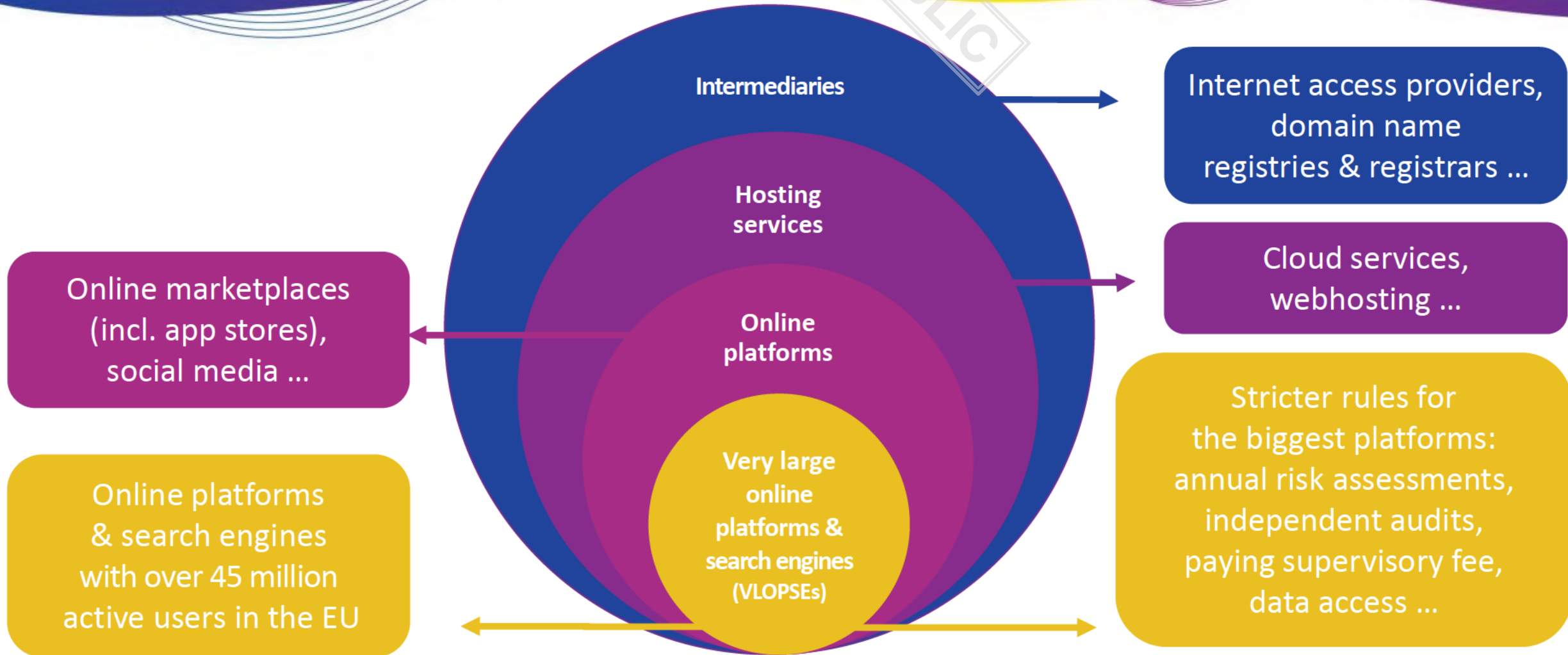
26 November 2024

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[Redacted] - DG Connect

# Intermediary services covered by the DSA

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# Due diligence obligations under the DSA

	VLOPSEs	Online platforms	Hosting services	All intermediaries
Orders to act against illegal content & provide information (Art. 9 & 10)	✓	✓	✓	✓
Points of contact & legal representatives (Art. 11 & 13)	✓	✓	✓	✓
Terms & conditions (Art. 14)	✓	✓	✓	✓
Transparency reporting (Art. 15)	✓	✓	✓	✓
Notice & action & statement of reasons (Art. 16 & 17)	✓	✓	✓	
Reporting suspicions of criminal offences (Art. 18)	✓	✓	✓	
Internal complaint-handling system (Art.20)	✓	✓		
Out-of-court dispute settlement (Art.21)	✓	✓		
Trusted flaggers (Art. 22)	✓	✓		
Measures & protection against misuse (Art. 23)	✓	✓		
Transparency reporting (Art. 24)	✓	✓		
Online interface design & organisation (Art. 25)	✓	✓		
Advertising transparency (Art. 26)	✓	✓		
Recommender system transparency (Art. 27)	✓	✓		
Online protection of minors (Art. 28)	✓	✓		
Obligations for online marketplaces: traceability of traders ('KYBC'), compliance by design & right to information (Art. 30-32)	✓	✓		

**Graduated / asymmetric but cumulative obligations according to the type, size, role, nature & impact in the online ecosystem of providers**



# “Illegal content”

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- DSA is an horizontal and cross-sectorial legislation (financial, consumer protection, IP, ...)
- For this reason, ~~DSA does not define what is illegal~~ → But supports on EU and national law to that purpose:
  - If *spoofing*, *phishing* or impersonation (by means of Deep fakes or others) are considered illegal → **DSA immediately applies**

# Single Point of Contact

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- DSA establishes (Arts 11 and 12) that all intermediary services providers (Telcos + Platforms) need to have:
  - A single ~~point of contact for authorities~~
  - A single point of contact for users → **Payment Services Providers (PSP) are included in this concept**

# How PSPs or authorities can report illegal content?

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**Notice & Action  
Mechanisms  
(Art. 16)**

**Orders to remove illegal  
content  
(Art. 9 and 10)**

**Trusted Flaggers  
(Art. 22)**

**Repeat Offenders  
(Art. 23)**

# Notice & Action Mechanism (Art. 16)

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- All hosting service providers (online platforms included) need to have a this mechanism to report illegal content.
- Once received the notice, the online platforms must:
  - Process it in a timely and diligent manner + Inform the user of its decision without undue delay
  - Act expeditiously against illegal content in order to be protected from liability
  - Provide information on the redress possibilities in case they are not satisfied by the provider's handling of the notice.



# Orders to remove illegal content (Arts. 9 and 10)

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- Coming from **competent authorities (administrative and judicial)**



- Online intermediaries (e.g., ISPs, cos, platforms...) must:
  - Comply with the order
  - Inform on the follow-up given to the order (block/disable access to the content)
  - This should be communicated to the DSC under the DSA

# Trusted flaggers (Art. 22) and Repeat Offenders (Art. 23)

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- **Trusted flaggers** → A PSP could ask to be awarded a “trusted flagger” status by the DSC where they are established to channel n [REDACTED] forms (Art. 22)
- **Repeat offenders** → Online platforms have to **block** users uploading repeatedly financial scams

# Commission's main supervision & enforcement activities under the DSA: designation of VLOPSEs

## Designation of VLOPSEs (on-going process)



23 VLOPs

- AliExpress
- Amazon Store
- Apple AppStore
- Booking.com
- Facebook
- Google Play
- Google Maps
- Google Shopping
- Instagram
- LinkedIn
- Pinterest
- Pornhub
- Shein
- Snapchat
- Stripchat
- Temu
- TikTok
- Twitter
- Wikipedia
- XNXX
- XVideos
- YouTube
- Zalando

- Bing
- Google Search

2 VLOSEs

Designation decisions: [1<sup>st</sup> set](#) / [2<sup>nd</sup> set](#) / [3<sup>rd</sup> set](#) / [4<sup>th</sup> set](#) / [5<sup>th</sup> set](#)

# Commission's main supervision & enforcement activities under the DSA: state of play

## Opening of DSA compliance investigations

- 50+ requests for information (RFIs) sent since October 2023
- RFIs related to risk assessments & mitigation measures for risks linked to illegal content & disinformation, consumer & minor protection, generative AI, etc.



## Current assessment exercise to determine VLOPSEs' compliance with DSA obligations

- Risk assessment reports
- [Transparency reports](#)
- Audit reports
- Replies to requests for information
- Information received from third parties
- etc.



## Opening of formal proceedings

- against X in [December 2023](#)
- against TikTok in [February 2024](#) & [April 2024](#)
- against AliExpress in [March 2024](#)
- against Meta (Facebook & Instagram) in [April 2024](#) & [May 2024](#)
- against Temu in [October 2024](#)



# Most stringent measures for VLOPs/VLOSEs

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- Conduct an annual **risk assessment** (Arts, 34 and 35) on systemic risks posed by their platform.



- Also propose **mitigation measures**

In particular [REDACTED] of information, whether it constitutes a generated or manipulated image, audio or video that appreciably resembles existing persons, objects, places or other entities or events and falsely appears to a person to be authentic or truthful is distinguishable through prominent markings when presented on their online interfaces”

- Subject to **Annual external Audit** (Art. 37)
- **Ad repositories** that allow to identify scams (Art. 39)

# Codes of Conduct

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The **Commission** and the **Board** shall support the development of Codes of Conduct (Art. 45)

A **dedicated code of conduct of financial scams**, detailing its facets and other deceptive practices can be drafted

# European Board for Digital Services (EBDS)



- The cooperation governance structure between the COM and the “**Digital Services Coordinators**” (DSCs) of the Member States.
- Provides cross-border cooperation on implementation (joint investigations, e.g.) and serves as a forum for exchange experience and criteria. It drafts annual reports on the most prominent and recurrent systemic risks.
- It has **8 Working Groups**, covering several topics: legal matters, protection on minors, Disinformation and elections, online marketplaces, data access, ...
- Financial scams can be added as a regular topic for discussion, fostering measures against them (CoC, e.g.)

# Enforcement actions

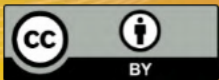
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- 30th April 2024: Two investigations opened against **Instagram** and **Facebook (Meta)**
- One particular grievance → Misuse of advertising services and coordinated ~~inauthentic behaviour~~ by promoters of financial scams campaigns.
- Investigation ongoing. Meta already taking mitigation measures in the meantime: <https://about.fb.com/news/2024/10/testing-combat-scams-restore-compromised-accounts/>

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# Thank you



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# Keep in touch



European Commission  
DG CONNECT – Platforms Policy and Enforcement  
Coordination and Regulatory Compliance – F1  
Contact points:

- [REDACTED]
- [REDACTED]
- [Digital Services Act – policy page](#)
- [Digital Services Act – Q&A Memo](#)
- [Digital Services Act – fact page](#)
- [The enforcement framework under the Digital Services Act](#)
- [The cooperation framework under the Digital Services Act](#)
- [Supervision of the designated very large online platforms & search engines under DSA](#)
- [Trusted flaggers under the Digital Services Act \(DSA\)](#)

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