

Digital policies should ensure fair competition and safety

Roundtable in the Dutch Parliament (8 December 2021) - contribution Match Group

Match Group, a leading provider of online dating services (including Tinder, Lexa, OKCupid and Meetic), is grateful for the opportunity to contribute to the Roundtable in the Dutch Parliament '*Maatschappelijk middenveld, brancheorganisaties en bedrijfsleven*' ('Civil society, trade associations and business community'), which takes place on 8 December, and is organized by the Parliamentary Committee on Digital Affairs.

This paper addresses the questions which were shared by the Parliamentary Committee on Digital Affairs, focusing on two developments in the digital sector: digital competition and online/offline safety.

I. What societal values are affected by the technological developments you see happening in the future?

Fair competition. Fair competition in the digital sector is not simply one issue among many. It affects the extent to which smaller companies – in particular app developers (such as Match Group) – get a chance to grow and to innovate. It also directly affects consumer choice, as well as the price that consumers pay for (digital) products and services.

For example, many app developers are faced with a <u>30% commission</u> in app stores, which represents an unreasonably high charge, and leads to higher consumer prices. A healthy tech ecosystem should set ground rules for all platforms with an online presence, and it should set additional rules for gatekeeper platforms – which are so large that they dominate a particular market. Thankfully, the European Commission aims at tackling many bottlenecks in digital competition with its proposal for a Digital Markets Act ('DMA'). The DMA is currently being debated in the European Parliament and the Council, regarding which we highly appreciate the contributions of the Dutch government.

Online and offline safety. To be able to facilitate online dating in a safe and pleasant environment, Match Group continuously develops and integrates new safety measures to improve its existing features and policies across Match' portfolio of apps. We are committed to being a frontrunner on these issues, investing in safety tools, and working closely with other tech companies, lawmakers, and partners across the globe, to make the internet a safer place for everyone. We are regularly implementing new safety features in our apps to prevent harassment in our apps, and to facilitate directly reporting options for unwanted behavior, both online and offline.

In addition, we are dedicated to protecting the privacy and data of our users and have made a global, company-wide commitment not to sell or share our users' data to third parties for commercial purposes. However, more can be done to protect people online, especially minors, which we've outlined in the response to the next question.

II. What do you expect from the Dutch Parliament in this regard & which themes/files deserve attention from the Dutch Parliament right now and why?

Address distortions of fair competition. Digital markets are currently restrained by the market power of a few very large companies. Therefore, we applaud the Netherlands for its efforts on EU level (regarding the Digital Markets Act) and hope the importance of preventing gatekeeper platforms from abusing their bottleneck role will continued to be addressed in the Dutch parliament. In addition, we hope the Digital Markets Act will not only be futureproof, but will also tackle abusive practices by



gatekeepers that are taking place right now. Match and many other app developers have teamed up in the <u>Coalition for App Fairness</u>, to make this pledge and to call upon legislators to shape a Digital Markets Act that:

- Prevents gatekeepers from tying any ancillary service to their core platform service;
- Prevents gatekeepers from disintermediating app developers from their users;
- Allows for pricing policies by app developers;
- Avoids market distortions arising from the gatekeepers' unparalleled market intelligence;

Set the agenda for online safety. As a dating app provider, we generally do not allow underage users (18- users) in our apps. However, we observe a trend of more underage application users, which leads to increased necessity for age assurance measures at the time the application is downloaded to the device (preferably at app-store level). Despite the potential for age assurance using the app stores' ID information, the two main app-store operators (Google and Apple) do not apply 'age gating' to app downloads. Match Group sees great potential in protecting children online through age assurance at the app store level. In other words, to prevent minors from accessing adult-only apps the most efficient measure would be to check users' ages during the distribution step, which means directly in the app store or on the web browser. This could be addressed in the Dutch Parliament, to increase the online protection of minors.

Keep a proactive role. We appreciate that at EU level the Netherlands is a frontrunner on digital issues, and hope that the Dutch Parliament - in particular the Committee on Digital Affairs - will contribute even more to ensuring the position of the Dutch government is focused on fair competition and safety.

The Dutch governments advocacy for a fair digital market should be based on a thorough understanding of the power dynamics in the tech sector. For example, the lobby of big tech companies is often done through associations of (small) app developers and tech start-ups which are highly dependent on these same big companies, their technologies and funding. The risk of this so-called 'shadow lobbying' by big tech companies is that the interests of these small app developers aren't sufficiently taken into account by policy makers, which leads to policies which are not in their interest. This is another reason that we very much welcome this opportunity, to directly address our concerns in the Dutch parliament, highlighting these power dynamics.

III. How can the interaction between the Dutch Parliament and your company be improved in digitization issues?

Organize more events with stakeholders. Proactively reaching out to stakeholders (incl. trade associations and business community) is vital for policy makers to staying up to date on key technological developments. We therefore hope that the Committee for Digital Affairs will organize more events (roundtables and technical briefings), involving stakeholders like companies and expert organizations. From our side, we would be very keen to have more in-depth discussions with members of this Committee, focusing on a range of digital policy issues, focusing on fair competition and safety.

About Match Group

Match Group operates a portfolio of brands in 190 countries of which the EU is the largest share, with millions of users accessing our platforms every year. Our brands have a distinct European background, with Meetic in France and Lexa in the Netherlands as market-specific services. Each brand is designed to increase our users' likelihood of finding a romantic connection. As a global business, Match Group employs nearly 1,500 people around the world. Within Europe, we employ over 300 people, mainly at our Meetic headquarters in Paris, France.