

Behavioral ads may be 'phased out' under EU Parliament's report on Digital Services Act

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In Brief

A European Parliament committee may call next week for the “phase-out” of behavioral ads as EU regulators prepare legislation on Internet platforms. The European Commission hasn’t taken a position on the matter, but reports by the parliament could influence the EU executive’s approach to the Digital Services Act. Behavioral ads have attracted attention since the Cambridge Analytica scandal amid concerns that groups are using the technology to influence elections.

A European Parliament committee may call next week for the “phase-out” of behavioral advertising as European regulators prepare legislation on Internet platforms by the end of this year.

The draft report — which will be voted on next week in the parliament’s legal affairs committee — “invites the [European] Commission to assess options to regulate targeted advertising, including a phase-out leading to a prohibition,” according to a proposed amendment.

The commission hasn’t taken a position on behavioral or targeted advertising. But reports by the EU parliament could influence the executive’s draft bills that will be proposed by the end of the year as part of the Digital Services Act — which will bring obligations on “gatekeeper” platforms, stricter rules for hosting content, and invigorated antitrust enforcement.

Behavioral advertising — a burgeoning business fueled by the amassing of personal data to target individual web users — has attracted attention since the Cambridge Analytica scandal amid concerns that groups are using the technology to influence European elections.

Many options are under discussion for how to deal with targeted advertising, including an outright ban on the practice or imposing more transparency rules on Big Tech companies such as Facebook, Google and other social media giants.

If the amendments are approved for the report drafted by German politician Tiemo Wölken, they would go further than his original text, which said the commission should “set clear boundaries” on how data for behavioral ads is collected (see [here](#)).

The proposed amendments also call on the commission to “introduce transparency rules as regards the terms for accumulation of data for the purpose of offering targeted advertisements as well as their functioning and accountability, especially when data are tracked on third party websites.”

Amendments for another report drafted by Alex Agius Saliba, a Maltese social democrat, for the parliament’s internal markets committee calls for “stricter rules” for behavioral ads.

The draft text “notes the potential negative impact of personalized advertising, in particular micro-targeted and behavioral advertisement” and calls on the commission “to introduce stricter rules on targeted advertising and micro-targeting based on the collection of personal data.”

The amendment also calls for “legislative measures to make online advertising more transparent.”

Another amendment says the EU legislation should ensure consumers are provided with a “default option not to be tracked or micro-targeted and to opt-in for the use of behavioral data for advertising purposes, as well as an opt-in option for political advertising and ads.”

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