Consultation on the first review of the Digital Markets Act – a response from the Data Transfer Initiative

About The Data Transfer Initiative

The Data Transfer Initiative (DTI) is a U.S. 501(c)(4) nonprofit organization dedicated to empowering individuals by enabling simpler, faster, and more secure data transfers through data portability at scale. Born out of the Data Transfer Project (DTP), a collaborative open-source effort initiated in 2018 by a consortium of technology companies, DTI advances its mission through the design and implementation of open source data transfer tools and other innovations and investments to foster a healthy portability ecosystem.

DTI also serves as an expert resource to regulators around the world, including the European Commission, and we are delighted to have the opportunity to feed into the first review of the Digital Markets Act (DMA).

DTI works closely with our organisation's founding members, partners, and other stakeholders to achieve our shared goals of building a thriving portability ecosystem. We are proud to count among our partner organisations four businesses that are designated as "gatekeepers" of the DMA (Amazon, Apple, Google and Meta), which we consider to be fellow champions of the principles that power our work. Although our partners support our work in a number of ways, including through payment of dues, we remain independent in our day-to-day work. DTI is not a trade association, nor do we speak or advocate for any individual partner or member organisation in any capacity.

Overarching remarks

As a mission-driven non-profit, it is in our DNA to promote open and competitive market outcomes that empower users. We recognise that the overarching aims of the DMA are well aligned with these values, no more so than through provisions for effective user data portability.

Internet users' behavioural and consumption data is a valuable and underutilised commodity. It is often a critical input into new technologies in an increasingly personalised digital world, making it harder for innovative new companies that lack an established userbase to realise their potential or compete with large incumbents. Where personal data is shared or utilised to create new value, it is rarely the user (aka the data subject) that instigates the sharing or that benefits directly from it.

Data portability is a critical tool for addressing these challenges. It will enable our societies and economies to extract more value from the vast amounts of information we collectively generate and hoard, while also shifting more power to individuals to make choices about how their digital

assets are deployed. In contrast to some other methodologies of data access, user-directed portability – when implemented properly – delivers these growth and control objectives together, rather than putting them in tension.

Through implementation of Article 6(9), the DMA has accelerated progress in Europe along this inevitable journey. Where the GDPR has improved individuals' ability to access their own data, the DMA has gone beyond by empowering users of the largest platforms to transfer their data to another destination. This outcome is inherently more practical and useful for the average technology user.

While substantial progress has been made, it is also clear that implementation of the DMA is not intended to be a single shot game, and the data portability provisions in Article 6(9) are no exception. Like the Commission, we view this as an ongoing process, and an opportunity for further development and investment over time as demand grows and new use cases come to the fore.

We aspire to cement Article 6(9) as the leading success story of the DMA, and we believe the best way to achieve this is through continuation of the existing collaborative approach the European Commission's DMA team has adopted, complemented by enhanced coordination within the ecosystem in relation to trust.

Core Platform Services

One of DTI's founding policy principles is that data transfers should be reciprocal in order to ensure that users can transfer data from any service. Speaking purely from the perspective of a healthy data transfer ecosystem, the more organisations that build data portability tools, the better.

While we recognise that the DMA may not be the tool to deliver such widespread implementation of reciprocal data portability tools – as it is intended to be asymmetric in nature – each new service enabling such functionality would create new opportunities for choice, innovation and prosperity in the European Union.

We have not observed any evidence of the prescribed Core Platform Services' (CPS) scope or definitions limiting the potential application of impact of the DMA. While generative AI technology is of course changing the way many technology companies are operating and delivering their services to their users, it is not clear that this fundamentally undermines any of the existing definitions of each platform type.

The European Commission will no doubt be considering in due course whether leading foundation models and/or generative AI services ought to be designated as gatekeepers (or possibly more immediately as emerging gatekeepers) should relevant thresholds be met. As

concluded by the July 2025 CERRE report '<u>Is the DMA ready for agentic Al</u>', the existing CPS category of 'Virtual Assistants' appears capable of accommodating services such as Al agents.

DTI does not hold a view on the merits of applying the full range of DMA provisions in the context of generative AI 'virtual assistants', nor on the likelihood of such markets to tip towards a "winner takes all" dynamic. We focus instead on the issue of data portability, where AI 'virtual assistants' must be viewed as a high priority area for empowering users to move their personal data, starting with conversation histories, to avoid platform lock-in.

DTI views this as the most important technology policy issue facing the future of artificial intelligence, and we know from our work that many major AI companies recognise the importance of acting fast. This is why DTI has developed a set of principles for personal AI data transfers, explained in an article by our Executive Director in Tech Policy Press on how we need to control personal AI data so personal AI cannot control us. Our work on AI data portability won't stop at principles; we will work to translate them into practice through stakeholder coordination all the way to shipping tools that get into the hands of users. We intend for this work to have synergies with any potential future designations of AI platforms as DMA gatekeepers.

Obligations relating to data portability

Positive impact of Article 6(9)

The GDPR enshrined the right to data portability in law in 2018, yet few organisations have implemented tools to facilitate direct transfers of users' personal data to third-party destinations.

Although the DMA is scoped more narrowly than the GDPR, it has by comparison delivered a significant leap forward for effective data portability tools in its first year alone.

This is not to say there has necessarily been a big bang for data portability uptake or use-case innovation across the EU – an immediate surge in third-party development was unrealistic given the inherent uncertainty over how the DMA would be implemented by each gatekeeper. Yet we are encouraged by a growing community of startups, innovators, and established businesses that are probing the opportunities that the gatekeepers' new data portability tools can provide.

While many use-cases are still in the developmental phase, we have engaged closely with a number of organisations seeking or planning to access DMA data portability tools for various purposes, including:

- Personalisation of online retail experiences
- Personal data stores and wallets
- Earning rewards or discounts
- Personalised booking, concierge and travel services

- Data donations and medical research
- Personalised news feeds and media content creation

Looking further into the future, we believe online services incorporating fully or partially autonomous agentic AI will need to ingest data from multiple sources supplied by the user in order to understand their preferences, habits, and needs. The DMA has provided a strong foundation for this kind of innovation to flourish.

It should also be noted and celebrated that the DMA is having a positive impact beyond the EU borders, with many of the gatekeepers' data portability tools available for users in the UK, and in one case globally. We anticipate such positive ripple effects to increase over time as use cases become more mature and demand increases from users increases.

Importance of ongoing collaboration

While many provisions of the DMA have been the source of controversy and ongoing debate between opposing factions of the tech community, the requirements for effective data portability have created space for more constructive dialogue. There is generally widespread public agreement between gatekeepers, challengers, smaller developers, competition advocates, and privacy groups alike that enhanced data portability is a positive course of action that is in the interests of end-users.

With respect to direct transfers of users' data to third party services, the DMA has provided impetus for increased investment and accelerated progress beyond the achievements of the GDPR. This has led to new functionality and choices for users of the largest platforms, and new opportunities for innovation and personalisation by smaller developers. At the same time, developers have raised concerns in a number of areas relating to API access, technical bugs, UX design, and data quality. The need for this kind of testing and feedback is expected to some degree, as rolling out new technology often brings unforeseen challenges once it is released into the wild.

Given the independent facilitator role DTI aims to fulfil within the data transfer community, and in particular our efforts to support collaboration between gatekeepers and third-party developers, we generally do not comment on issues of regulatory compliance or enforcement. We consider that a matter for judgement by the European Commission, supported by evidence and feedback from active market participants.

Instead, we are focused on continuous improvement, including by encouraging gatekeepers to gather and incorporate feedback from stakeholders on some of the specific challenges they are facing. We will continue to promote and support these kinds of interactions in any way we can.

Through the first year of DMA implementation, we have observed this kind of constructive dialogue leading to material iterative improvements in the data portability tools, and we

commend the European Commission for its role in fostering this open approach. We support a continuation of this strategy in relation to Article 6(9), to the extent that stakeholders continue to participate in good faith.

Gaps relating to trust

Each gatekeeper has faced a unique set of challenges and feedback as they have rolled out their new data portability tools for their users and third parties. Yet the one issue that has created some tension across the board has been the establishment of trust between gatekeepers and third-party developers.

As noted in a recent article we produced for Tech Policy Press on <u>building trust for data</u> <u>portability within the DMA framework</u>, these challenges have to some degree stemmed from the fact that the DMA is silent on the extent to which gatekeepers should place guard-rails around use of the new tools. For example, the DMA makes no mention of how or when gatekeepers should establish a relationship with potential receiving transfer parties, how they should verify that these parties are trustworthy, if at all, or how they should authenticate that the user in question is involved in and fully informed about the request.

There have been some frustrations amongst the developer community about how this approach to trust has played out in practice. A small developer looking to be a data recipient potentially faces up to seven separate verification processes, many of which will be repeated annually. Each of these processes is different, and by their nature any delays or rejections raise suspicions of foul play.

While we expect the individual verification processes to become more efficient and predictable as they bed in and respond to further feedback, the challenges of duplication and inefficiency require further action.

At this stage, we do not recommend updating Article 6(9) to introduce more prescriptive guidelines on verification and authentication. This could introduce fresh challenges and new areas for debate amongst stakeholders.

Instead, DTI is addressing these issues directly by launching a Data Trust Registry. The Data Trust Registry, which is currently in a pilot phase with two of our partners, is designed to provide a single, centralised solution for establishing trust between data transfer parties. We believe this will deliver significant benefits to the ecosystem and make the DMA more impactful, including by:

 Reducing duplication for data recipients, replacing up to seven (and possibly more in future) verification exercises with one.

- Delivering efficiencies by bringing alignment and predictability over the necessary conditions for establishing trust.
- Improving trust and collaboration between stakeholders by operating the Registry ourselves, independent of the internal conflicts that might appear for individual gatekeepers.
- Enabling a worldwide data portability ecosystem to flourish on the foundation of globally applied trust infrastructure, minimising potential conflict between the DMA and parallel regulatory interventions from other jurisdictions.

We are ambitious for this project, which we hope will have the full support of the European Commission.

As a small non-profit organisation, funding a Data Trust Registry that operates efficiently at global scale will be a challenging exercise that requires a significant increase in our budget and risk profile. We would welcome further discussions with the European Commission on how we address this challenge while maintaining support from stakeholders, and operating in line with the letter and legislative intent of the DMA. Such discussions would benefit from collaboration with the UK government as it examines whether and how to establish a Smart Data Scheme for Digital Markets.

While we expect the DMA gatekeeper companies to recognise the value of the Data Trust Registry to complement their DMA data portability solutions, some may be uncertain about possible implications of their participation for regulatory compliance. To the extent that the Commission shares our goals for a more efficient and harmonised landscape, a positive signal from the Commission to gatekeepers regarding the potential role of the Data Trust Registry would be an impactful intervention for all participants in the European data portability ecosystem.

International alignment and cooperation

To date, implementation of the DMA has been made a somewhat simpler exercise due to the slower progress with parallel pro-competition initiatives in other jurisdictions such as, for example, the UK or Australia. With this first-mover advantage, the European Commission has been free to direct the designated gatekeepers to adopt certain practices or make changes to their platforms without the need to coordinate closely with other regulators.

That situation is changing, and soon there will be obligations on overlapping groups of large tech companies from multiple jurisdictions around the world. This is certainly the case with respect to data portability, where in the UK alone there are two emerging interventions that could affect gatekeeper data portability tools (in consideration by the Department for Science Innovation and Technology, and more narrowly by the Competition and Markets Authority).

We believe that the best outcomes for technology users will be secured when each company is able to meet all of their obligations relating to data portability in different jurisdictions with one globally available tool. We want to create an ecosystem and infrastructure where each developer only has to engage with and register with the tools once, no matter where in the world they are based, or where their target users live.

It is our ambition to create a truly global data portability ecosystem in digital markets. But we risk fragmentation unless regulators and legislators from around the world are able to coordinate and find common ground on the objectives, the technology, approaches to implementation, and various other dimensions of policy design. We strive to support this process in any way we can.

Next steps

The data portability provisions within the DMA should be viewed as the emerging success story of the DMA in its first year of implementation. DTI will continue to be a supportive resource to the European Commission as it seeks to further capitalise on this progress. As such, we would be happy to discuss any of the issues raised in this submission should they require further clarification.

DTI will continue to provide frequent updates to the Commission on our work that overlaps with the DMA, including on our Data Trust Registry and our Al Principles.

