Are you ready for the digital revolution in competition law?

The question of how to deal with digital developments, such as algorithms, seems to be on every competition authority's mind. But before leaping straight to enforcement, most competition authorities seem to be taking stock of the challenges ahead. The European Commission has set aside part of its next long-term budget to safeguard fair competition in the digital age, and has appointed three independent experts to identify digital challenges. The UK's Competition and Markets Authority (CMA) has set up a new data unit, and the Dutch Authority for Consumers and Markets (ACM) has marked the digital economy as one of its top priorities. Meanwhile, German and French competition authorities are jointly assessing the competitive risks of algorithms. Companies can expect information requests, consultation documents and hearings to feed further market sector studies. This is the moment to get your views across.

The European Commission
According to Director-General Johannes Laitenberger, the digital age requires competition enforcement to strike the right balance "between preserving the incentives for innovators and detecting the 'tipping point' when today's disruptors become tomorrow's dominators". To find this balance, the European Commission has appointed three independent experts to advise on the key upcoming digital challenges affecting markets and consumers in a report which is due by the end of March 2019. The Commission is also seeking contributions from stakeholders to further discuss these challenges with a broader audience. In addition, the Commission intends to reserve part of its next long-term budget to support fair competition in the digital age and to "further *enhance its IT tools and expertise*" to effectively enforce the competition rules in the digital economy.

The Dutch ACM
Extending its current toolkit to combat the unwanted effects of self-learning algorithms and personalised prices seems to be on the ACM's wish list too. The ACM is currently conducting a study into the technologies used in the design of algorithms and their theoretical effects on competition, to assess the risks involved. Apart from extending its toolkit and amending statutory rules, the ACM suggests more structural solutions such as a code of conduct, transparency, and arrangements on who is responsible for the algorithm. In its annual publication *InSight*, the ACM also calls upon lawmakers to help it cope with the rapid digitalisation of markets. According to the ACM, the speed of the digital economy requires swifter regulatory intervention than is currently available. It therefore suggests looking into the possibilities, at the EU level, of *ex ante*, *ex post,* and self-regulation to keep powerful market participants in check.

In line with its top priorities for 2018-2019, the ACM recently initiated a market study into the effects of digitisation on revenue models in the media sector. Media companies appear to have adjusted their revenue models and strategy to respond to the digitisation trend of personalised advertising on YouTube or Facebook; the current market study aims to pinpoint potential competitive risks related to these changes.

The CMA in the UK
Possible anti-competitive effects in the digital advertising market are also mentioned in the final report on the UK digital advertising market by the House of Lords Select Committee on Communications. According to the committee, the CMA should further investigate this market, since it is dominated by a small number of very large companies. In addition, the report recommends that the British government "review whether competition law is appropriate for the 21st century digital economy". These issues could be picked up by the CMA's new data unit, set up to keep track of the impact of data and algorithms on markets and consumers.

German and French competition authorities
Similarly, the German Monopolies Commission recommends adapting the legal framework to the digital changes. In its Biennial Report 2018, it suggests continuous market monitoring of the anti-competitive effects of pricing algorithms through sector inquiries. Companies' increased use of algorithms has already prompted the German and French competition authorities to join forces to develop a typology of algorithms and study their potential anti-competitive effects. In the coming months, they will jointly analyse the challenges raised by algorithms and consider the various options of how to deal with these challenges under the competition rules.