

## The Hungarian Competition Authority puts TikTok on the right track to protect children

Another technology giant has been successfully challenged by the Hungarian Competition Authority.

30 November 2023, Budapest – The commitment imposed on TikTok by the Hungarian Competition Authority (GVH) could have a global impact. The US-registered, Chinese-owned video-sharing service provider has been forced by the Hungarian Competition Authority's investigation to implement a series of measures to ensure that TikTok's communication is improved, consumers are made aware of the platform's features and can make more informed choices about the service.

TikTok is a widely available video-sharing social networking service with a significant number of users in Hungary, including children. In 2020, the GVH opened an investigation against a Chinese-owned service provider registered in the US because it suspected that the global company was not providing consumers with the professional care required by the principles of good faith and fairness with regard to the relevant information on the functioning of the online platform, such as the scope of the data processed when using the service and how it is used.

The GVH's proceedings ended with a commitment, which - without the GVH finding an infringement or lack thereof - is possible on the basis of voluntary commitments by the company involved in the domestic service, TikTok Technology Ltd.

The commitment accepted by the Competition Council of the GVH will provide measures that, even in an ever-changing communication content, contractual terms, operational features and regulatory environment, will more directly ensure that TikTok's communication is improved and that Hungarian consumers are made aware of TikTok's features and thus make more informed consumer choices about the service.

The key elements of the TikTok commitment:

- the creation of a Data Privacy Centre for information purposes;
- include TikTok videos on key features of the service, i.e. context-friendly presentation of data management issues and additional features;
- default settings for users under 18 (e.g. daily screen time set automatically); promotion of parental controls and other settings to protect children;
- voluntary application of a 20% advertising limit;
- strengthening forums suitable for direct feedback from the authorities and other child protection forums;



The case just concluded by the Hungarian Competition Authority will clearly have a global impact, which will be felt by users worldwide. This is particularly true for the first important point of the commitment made as a result of the GVH procedure, whereby TikTok will establish a centralised online Data Privacy Centre worldwide. The services and content of the solution will also be available in Hungarian. The undertaking operating the online platform also organises roundtable discussions for NGOs and individual experts in Hungary to present TikTok's activities and to learn about local concerns about the safety of minors.

The accurate and timely implementation of the commitment will be subject to a rigorous expost investigation by the GVH, and the commitment does not exempt TikTok from compliance with other legislation.

In recent years, the Hungarian Competition Authority has paid great attention to the protection of families, children, the sick and the elderly, and accordingly to investigating the market behaviour of large technology companies that affect the interests and position of a significant number of consumers and businesses. In the past years, the GVH has imposed antitrust remedies on <u>Google</u> and <u>PayPal</u>, among others, and <u>Apple</u> and <u>Booking.com</u> have paid significant competition fines in Hungary. The Hungarian Competition Authority is currently investigating the behaviour of <u>Viber</u>, a member of the Rakuten group, and a few months ago <u>launched</u> proceedings against Microsoft for possibly failing to adequately inform users about certain features of its search engine with artificial intelligence chat. Thanks to its proactive actions, the Hungarian Competition Authority <u>also became a member of the High Level Group</u>, which assists the European Commission in <u>enforcing the Digital Markets Act (DMA)</u>. Membership provides an opportunity for the experts of the GVH to courageously stand up for Christian and Hungarian values and to shape European jurisprudence.

Case reference number: VJ/24/2020.

## **GVH Public Service Communications Section**

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