

Information Note re the decision to certify the Appeals Centre Europe as an Out-of-Court Dispute Settlement Body pursuant to Article 21 of the Digital Services Act

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#### Introduction

On 26 September 2024, Coimisiún na Meán ("An Coimisiún") certified <u>Appeals Centre Europe</u> ("ACE" "Appeals Centre" or ''the Applicant") as an Out of Court Dispute Settlement ("ODS") body pursuant to Article 21 of the Digital Services Act ("DSA"). This note provides high-level information about the key aspects of the application and the information that An Coimisiún focused on during the assessment process to arrive at its decision.

Article 21 of the DSA entitles recipients of a service to select a certified ODS body to resolve disputes relating to decisions of online platforms. This includes decisions relating to complaints that have not been resolved by means of the internal complaint-handling system of an online platform:

- a. decisions whether or not to remove or disable access to or restrict visibility of the information;
- b. decisions whether or not to suspend or terminate the provision of the service, in whole or in part, to the recipients;
- c. decisions whether or not to suspend or terminate the recipients' account;
- d. decisions whether or not to suspend, terminate or otherwise restrict the ability to monetise information provided by the recipients.

The decisions of ODS bodies are not binding.

An Coimisiún has the power to certify an applicant as an ODS body, where the applicant meets the following conditions:

- a. Impartiality and independence, including financial independence, in relation to providers of online platforms and recipients of the service.
- b. Expertise in relation to areas of illegal content, or in relation to the application and enforcement of terms and conditions of online platforms.
- c. Remuneration, which requires that ODS body members are remunerated in a way that is not linked to the outcome of the procedure.
- d. Accessibility, which requires that the ODS settlement is easily accessible, through electronic communications technology and provides for the possibility to initiate the dispute settlement and to submit the requisite supporting documents online.
- e. Swift efficient and cost-effective dispute settlement, which requires that the ODS body can settle disputes in a swift, efficient, and cost-effective manner and in at least one of the official languages of the institutions of the Union.
- f. Clear and fair rules, which requires that the ODS settlement takes place in accordance with clear and fair rules of procedure that are easily and publicly accessible.

Further information about the obligations of ODS bodies and online platforms related to the out-of-court dispute settlement process can be found in <a href="Article 21 of the DSA">Article 21 of the DSA</a> and in the <a href="FAQ Document">FAQ Document</a> published by An Coimisiún.

# **Information about Appeals Centre Europe**

Appeals Centre Europe CLG ("ACE", "Appeals Centre" or "the Applicant") was certified as an ODS body on 26 September 2024, for a period of five years. The area of expertise in respect of which the certification was granted is the application and enforcement of terms and conditions of social media online platforms.



The Appeals Centre is certified to settle disputes in six official languages of the EU: English, French, German, Spanish, Italian and Dutch. Guidance, forms and decisions are available in these six languages, although the subject matter of a dispute may be in additional languages (please refer to the European Commission website for a list of ODS Bodies for further information).

The Appeals Centre is an Irish company, limited by guarantee and is not owned by any corporate entity or natural person. ACE's Headquarters are in Dublin, and its operations are carried out in its Dublin offices. The Appeals Centre's seed funding came from the Oversight Board Trust ("OSB Trust"). The OSB Trust was established by Meta Platforms Inc. ("Meta"), who relinquished control over the trust assets to the OSB Trustees. The Appeals Centre is a separate and independent entity from the Oversight Board and the seed funding was provided as a non-renewable, irrevocable grant from the OSB Trust. This seed funding is expected to be utilised until the Appeals Centre is fully operational, after which the Appeals Centre will fund itself through fees charged to platforms as provided for under the DSA.

The founding Non-Executive Directors on the Board of the Appeals Centre are Cherine Chalaby, Catherine O'Regan and Marie Wieck. At the time of the application, these Non-Executive Directors were also Trustees of the OSB Trust. As of early 2025, Marie Wieck stepped down as a Non-Executive Director of the Appeals Centre, and three new Non-Executive Directors were appointed: Mary O'Brien, Göran Marby and Miguel Maduro. These new Directors are not connected by way of directorship, trusteeship, employment, consultancy or engagement with any social media platform or entities funded by social media platforms. The CEO of the Appeals Centre is Thomas Hughes.

The Appeals Centre commenced its operations in November 2024 by accepting disputes in respect of three online social media platforms (Facebook, TikTok and YouTube). The Appeals Centre will increase operations to accept disputes from other Very Large Online Platforms, in due course.

# **Assessment of application**

The application submitted by the Appeals Centre was assessed to determine whether the Applicant met the certification conditions. The assessment was conducted in accordance with the guidelines set out in An Coimisiún's Guide and was underpinned by a robust internal assessment framework developed to support the review of applications. The Guide can be accessed <a href="here">here</a>. The Guide is informed by Irish and European legislation, consultation, data-gathering and independent research. The Guide informs interested bodies of An Coimisiún's assessment and decision-making process undertaken to determine whether the applicant meets the certification conditions. Together, the Guide and the assessment framework support evidence-based, transparent, consistent, and proportionate decision-making by An Coimisiún in the exercise of its statutory functions regarding Article 21.

The following sections provide a high-level outline of the key aspects of the application and the evidence that An Coimisiún focused on during the assessment process to arrive at its decision to certify the Appeals Centre as an ODS Body.

# Impartiality and Independence

This condition requires an applicant to demonstrate that it is impartial and independent, including financially independent, of providers of online platforms and of online users. The Guide interprets this condition by reference to organisational independence, financial independence and independence of individuals charged with resolving disputes.



In respect of organisational independence, the assessment focused on company ownership, the Appeals Centre's Non-Executive Directors, seed funding and operational management. Some of the main factors considered are outlined below:

- whether the Appeals Centre is a stand-alone entity or part of a larger company structure (ownership structure),
- whether the Appeals Centre's founding Non-Executive Directors held directorships in, or had any ties
  with, other online platforms or entities linked to online platforms,
- the conditions associated with the initial (seed) funding received by the Appeals Centre from the OSB
  Trust.
- whether any third parties were, or had the potential to be, involved in case decisions or the Appeals Centre's strategic decision making and governance,
- the approach to data sharing between the Appeals Centre and online platforms, and
- conflict of Interest policies in place.

Based on the evidence submitted, An Coimisiún was satisfied that the Appeals Centre was not owned by any other entity and that there was no undue influence from third parties on case decisions, strategic decision making and governance, specifically, An Coimisiún was satisfied that the Appeals Centre was independent of Meta. An Coimisiún was further satisfied that, following the appointment of the new Non-Executive Directors, the Appeals Centre operates independently from the OSB Trust. It was considered that any potential undue influence from third parties was adequately mitigated by the separation between the entities, makeup of the Appeals Centre's Board of Non-Executive Directors, and the existence of an adequate Conflict of Interest policy.

In respect of financial independence, the assessment focused on estimated set-up costs, the funding model (fees) and ability of the applicant to be financially viable and self-sustaining. The estimated income and expenditure, and the underpinning assumptions, appeared reasonable and based on appropriate metrics. Having reviewed the provisions underpinning the seed funding and the financial relationship between the Appeals Centre, the OSB Trust and Meta, An Coimisiún found that there was separation between the entities and safeguards were sufficient to protect the financial independence of the Appeals Centre in utilising the grant provided by the OSB Trust to fund its set-up costs. Based on the analysis conducted in respect of estimated income and expenditure, An Coimisiún was satisfied that the Applicant would become financially independent in the indicated time period and that no further funding from third parties would be required. The proposed fees for online users were deemed to be nominal in nature. The proposed fees for online platforms were well explained and appropriate justification was provided to demonstrate that those fees did not exceed the estimated costs incurred by the Appeals Centre. The Appeals Centre is required to notify An Coimisiún of any changes in fees. An Coimisiún monitors the Appeals Centre's fees on a regular basis, to ensure that the fees remain appropriate and reflective of the costs incurred to discharge the ODS process.

In respect of independence of individuals charged with resolving disputes (case decision-makers or case handlers), the assessment focused on recruitment, provisions in the employment contracts (e.g., remuneration, termination of contract), decision-making process followed by case handlers, potential conflict of interest and reporting lines.

Based on the evidence submitted, An Coimisiún was satisfied that there are sufficient checks and balances in place in the Appeals Centre's recruitment policies and procedures and employment contract to safeguard the independence of case decision makers. The decision-making process followed by case handlers and reporting lines, together with the Conflict of Interest policy, appeared to be appropriate, with checks and balances in place to ensure there is no risk of interference from the Appeals Centre's Non-Executive Directors or online platforms.



## **Expertise**

This condition requires that the ODS has the necessary expertise in relation to the issues arising in one or more particular areas of illegal content, or in relation to the application and enforcement of terms and conditions of one or more types of online platforms.

To determine whether the Applicant met the requirements of this condition, the assessment focused on the prior experience that the Appeals Centre had in providing dispute settlement services and the expertise, qualification or certification requirements set for senior managers and director-equivalent roles, overseeing the ODS process, and case decision makers' expertise, qualifications, certifications and training related to the specified areas of expertise.

Based on the evidence provided, An Coimisiún considered that the knowledge and expertise of the Appeals Centre's senior management in reviewing terms and conditions of social media platforms were suitable and relevant. The expertise expectations set for senior and middle management, focusing on the knowledge of social media, content moderation, policy, trust and safety, and EU regulations, were regarded to be appropriate. The more specialised expertise requirements set for Market and Policy Specialists, who provide the first level of escalation review for the higher complexity cases, appeared to be appropriate.

#### Renumeration

This condition requires that the members of an ODS body are renumerated in a way that is not linked to the outcome of the procedure.

The assessment focused on the Appeals Centre's remuneration policy, employment contract and remuneration conditions, such as salary and bonuses.

Based on the evidence provided, An Coimisiún was satisfied that the remuneration is not contingent on the number of disputes, or the outcome of the disputes. There were no conditions in the employment contract, or otherwise, to suggest that the number of disputes processed, or the outcome of those disputes were linked to financial incentives or penalties.

# Accessibility of the ODS process

This condition requires the ODS body to offer an ODS process that is easily accessible, through electronic communications technology.

The assessment focused on the process and functionality to ensure the dispute settlement procedure is easily accessible and transparent, the proposed electronic communications technology used to initiate the dispute settlement and the online interface with the user of the ODS process.

Having reviewed the evidence submitted, An Coimisiún considered that the Appeals Centre's proposed procedures and technical solution are easily accessible and transparent, allowing the service recipient to submit all the relevant information and track updates up to the case completion. The automated payment system, allowing to hold users' nominal fee in escrow until the case has been decided, was considered to be appropriate.



# Swift, efficient and cost-effective ODS process

This condition requires that the ODS Body demonstrates its capability to settle disputes in a swift, efficient and cost-effective manner and in at least one of the official languages of the institutions of the EU.

The assessment regarding this condition focused on:

- the dispute settlement procedure,
- approach to case selection and triaging,
- case management and escalation,
- · dispute volume projections and turnaround time,
- fee model, and
- language in which the Applicant is capable of settling disputes.

In respect of the projected number of disputes, the metrics used to estimate the number of disputes, such as the DSA Transparency Reports and published appeal rates, were considered to be adequate and reliable. The Applicant submitted sufficient evidence to demonstrate its ability to handle the estimated number of disputes, including staffing numbers, detailed dispute settlement procedure and additional operational measures.

Regarding the dispute settlement procedure, An Coimisiún was satisfied that the architecture of the dispute settlement procedure, together with the technological solution to be used by online users, were sufficient to ensure a swift and efficient ODS process. The Applicant's description of the process flow of the dispute settlement procedure from the point of submission to the point of issuance of decisions to both parties, including escalations, appeared to be sufficiently streamlined and clear. The Appeals Centre's proposal to introduce a temporary volume cap in circumstances when its services significantly exceed its ability to handle the volume of disputes received within the required timeframe was regarded as reasonable. If a platform volume cap is applied, the Appeals Centre will give adequate and timely notice to users about any temporary volume cap. In such limited situations users will then be able to select other ODS bodies to resolve their disputes.

In respect of the cost-efficiency of the fees proposed by the Appeals Centre, An Coimisiún considered that the fee model was sufficiently transparent and clearly explained. The cost-effective analysis conducted indicated that the fees charged to online platforms were clearly linked to the costs incurred to process disputes and did not exceed those costs. An Coimisiún was satisfied that the Appeals Centre would provide the necessary transparency to online platforms in respect of the fees charged. The fees charged to online users were deemed to be nominal in nature.

In relation to the languages, the Appeals Centre provided sufficient evidence to demonstrate that it can settle disputes in at least six official languages of the EU and had adequate capability to review content in any other languages based on machine translation tooling support, including text translation, audio translation and optical character recognition. Any such tooling would be expected to meet the Appeals Centre information security requirements considering data protection, user privacy and integrity. The Appeals Centre is expected to periodically assess its translation tooling quality and procure human translation services where translation technology fails to meet the appropriate standards.



## Fair and clear rules of procedure

This condition requires the Applicant to carry out the ODS process according to clear and fair rules of procedure, and that those rules are easily and publicly accessible, and compliant with applicable laws. The Appeals Centre's rules of procedure can be accessed <a href="https://example.com/here/">here</a>.

In respect of the fair and clear rules of procedure, the assessment focused on:

- the aspects of procedure covered in The Rules of Procedure document, including the good faith obligations for platforms and service recipients and the obligation for the ODS Body to issue a statement of reasons
- the normative decision-making framework (standards and norms governing ODS body's decision-making on disputes), which must adhere to fundamental rights standards.

The Rules of Procedure were found to closely follow the requirements outlined in the Guide for this condition, covering rules of engagement, eligibility criteria, dispute process, user fees, the Appeals Centre's expertise, policy on abuse of the system, potential outcomes of disputes, time estimates, case reviewer selection, independence and impartiality, and user's legal rights. The Appeals Centre stated their commitment to publish the Rules of Procedure on the website for easy access by service recipients and platforms.

Based on the evidence submitted, An Coimisiún was satisfied that the normative framework which will be utilised by the Appeals Centre is designed to take fundamental rights standards into consideration. The decision-making framework will be based on in-scope platforms' content policies and values, principles and exceptions.

