ART. 40 Delegated Act

ABOUT WHAT TO FIX

WHAT TO FIX is a global tech policy and accountability non-profit registered in the Netherlands. We're dedicated to protecting and promoting internet integrity.

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OUR PROPOSAL

Integrate explicit references to monetization in recital 12, as follows:

> "The data that can be applied for to study systemic risks in the Union may vary over time. Current examples of such data include data related to users such as profile information, relationship networks, **monetization status and history**, individual-level content exposure and engagement histories; interaction data such as comments or other engagements; data related to content recommendations, including data used to personalise recommendations; **data on the geographic origin of content**; data related to ad targeting and profiling, including cost per click data and other measures of advertising prices; **data related to monetization programs, including account participation and individual content monetization status**; data related to the testing of new features prior to their deployment, including the results of A/B tests; **data related to the design and enforcement of platforms' monetization policies**; data related to content moderation and governance, such as data on algorithmic or other content moderation systems and processes, archives or repositories documenting moderated content, including accounts as well as data related to prices, quantities and characteristics of goods or services provided by the data provider"

RATIONALE

Over the last few years, VLOPs have greatly expanded their monetization offerings, with all platforms now offering ad revenue share programs to eligible accounts.

As of 2024, VLOPs are processing millions of fund transfers worth several EUR billions every month.

Despite the sums involved, there is very little transparency around social media monetization, including existing programs' functioning, their scale, the policies that guide their rollout, the enforcement of these policies, and their impact on creators, publishers, advertisers, regulators, users and society at large (see WHAT TO FIX's primer titled From Content to Payment: The Rise and Implications of Ad Revenue Sharing).

Data on platforms' monetization practices is critical to the study of systemic risks in the Union.

Most notably, researchers must be able to determine to what extent platforms may be channeling funds to actors engaged in illegal activity, as well as assess how platforms' monetization offerings, and the systems and processes that underlie them, may be fueling problematic incentives and contributing to negative effects on fundamental rights, civic discourse, electoral processes and public security.

Sample research questions could include, among others:

- **To what extent are platforms channeling funds to actors involved with illegal content or activity?** *We've documented examples of Facebook accounts being allowed to monetize despite being involved in the distribution of sanctioned Russia Today (RT) content as well as trademark and copyright violations. We've also found anecdotal evidence of clearly hacked Facebook accounts being allowed to monetize. We believe the lack of business due diligence is widespread across platforms and presents a systemic risk to the Union which needs to be further investigated.*

- **How is platforms' current rollout of monetization programs contributing to the proliferation of mis-and disinformation?** *We've documented the ways that monetization programs have incentivized the emergence and proliferation of financially motivated actors who operate globally, often during crises and elections, with no knowledge of the language or contexts they are publishing content in. We believe these actors, who are incentivised and subsidised by platforms' monetization programs, present a systemic risk to the Union which needs to be further investigated. We would also like to investigate how these monetization programs may be subsidizing the rapid proliferation and increased affordability of disinformation-for-hire and fake account markets.*

- **To what extent did social media monetization contribute to disinformation around specific incidents in the Union, and what responsibility do platforms carry for the associated negative effects?** *We could for example explore the extent to which the proliferation of mis- and disinformation — and the resulting disruptions to emergency response — in the aftermath of deadly floods in Valencia in November 2024 was fueled by monetized accounts, or look at how many of the accounts spreading disinformation in the lead up to the June 2024 European elections were monetized and managed from outside of Europe.*

- **To what extent is platforms' current rollout of monetization programs negatively impacting media freedom and pluralism, as well as freedom of expression and information?** *In its October 2024 DSA report, Google reported that nearly 65% of its YouTube moderation decisions were eventually reversed, with the majority of these reversals related to monetary payment restrictions. Such a wide margin of error, likely the result of automated decisions, threatens the sustainability and plurality of independent media outlets who may rely on these revenues to make payroll or get started. The explosion of inauthentic and AI-generated content across social media — a phenomenon itself fueled by monetization incentives — both dilutes the distribution of ad revenue and pits authentic media outlets against the sensationalist tactics of inauthentic actors, resulting in an environment in which independent media outlets struggle to compete. There is also a concern that media and creators may be self-censoring their content to mitigate the risk of losing revenue. We believe that this can have a significant impact on civic discourse and presents a systemic risk to the Union which would also need to be further investigated.*

Data requests could include, among other:

- **Data on the enforcement of platforms' monetization policies** - including qualitative information on the processes and systems in place (*i.e. How are reviews conducted? Which aspects are automated? Outsourced? How are ongoing content moderation actions impacting monetization? How are appeals processed?*) as well as quantitative metrics on both actions taken (*i.e # of individual content/account/actor demonetized? Funds disbursed prior to restrictions? Funds withheld?) and* appeals (*i.e. % of decisions appealed? % sanctions reversed?).*
- **Data on the monetization status, and monetization history, of content and accounts subject to moderation actions** (*i.e. % of removed hate speech content that was monetized? % of removed hate speech content that came from a monetized account? Or an account with a prior history of monetization?*)
- **Data on the geographic origin of the monetized pages publishing in European Union languages** (*i.e. % of monetized pages in Slovak or Polish language that had no admins within the country? % that had the majority of their admins in the Philippines? Indonesia? Mexico?...).*