EU whacks Apple and Meta with $800 million in antitrust fines. Meta calls its penalty a 'tariff'

The European Union has fined Apple and Meta a combined €700 million ($797 million) in the first enforcement of its landmark digital competition law.

The penalties for breaching the Digital Markets Act come amid attacks on the EU by the Trump administration for what it sees as the bloc's unfair targeting of American companies.

The European Commission, the EU's executive arm, said Wednesday that it has fined Apple (AAPL) and Facebook owner Meta (META) €500million ($570 million) and €200 million ($228 million) respectively.

Joel Kaplan, Meta's chief global affairs officer, criticized the EU's decision, accusing it of "attempting to handicap successful American businesses."

"This isn't just about a fine; the Commission forcing us to change our business model effectively imposes a multibillion-dollar tariff on Meta while requiring us to offer an inferior service," Kaplan added.

During a year-long investigation, the European Commission found that, for a period last year, Meta had not given users the ability to use versions of its platforms that process less of their personal data without paying a fee.

In November 2023, the company adopted a "consent or pay" advertising model, which forced European users of Facebook and Instagram to either consent to "personal data combination" for personalized advertising or pay for ad-free versions of the platforms.

A year later, Meta introduced another free personalized advertising model, which it says processes “less personal data,” the European Commission noted, adding that it is currently assessing whether the new model is compliant with its rules.

The commission also found that Apple had broken the so-called “steering” rule in the DMA. Under the rule, app developers distributing their apps via Apple’s App Store should be able to inform customers, free of charge, of alternative offers outside the store, steer them to those and allow them to make purchases.

Due to a number of restrictions imposed by the US tech giant, “consumers cannot fully benefit from alternative and cheaper offers,” the European Commission said in a statement.

A representative for Apple said the fine is “yet another example of the European Commission unfairly targeting” the company and forcing it to “give away (its) technology for free.” It added that it plans to appeal the decision.

“We have spent hundreds of thousands of engineering hours and made dozens of changes to comply with this law, none of which our users have asked for. Despite countless meetings, the Commission continues to move the goal posts every step of the way,” the representative said.

The size of Apple’s and Meta’s respective fines reflects the “gravity and duration” of the companies’ breaches of the DMA, the European Commission said, adding that they must pay the fines within 60 days or risk additional financial penalties.

Violations of the landmark law can lead to stiff penalties, including fines of up to 10% of a company’s annual global revenue and up to 20% for repeat offenses.

Meta raked in more than $164 billion in revenue last year, while Apple made $391 billion during its last financial year. That means the EU fines levied Wednesday came in well below the maximum penalty.

Still, the fines may fuel further accusations by President Donald Trump that Europe is unfairly penalizing American companies. Last month, the president said the EU was “formed to screw the United States” when announcing a new round of tariffs.

Trump unveiled a 20% tariff on goods imported from the EU, though he has since postponed its implementation until July, as he has also done with new import taxes on many of America’s other trading partners (with the notable exception of China).

Earlier this month, Peter Navarro, the president’s senior adviser on trade and manufacturing, accused the EU of using so-called “lawfare” to “target America’s largest tech firms” in an opinion piece in the Financial Times.