

# GDPR: Is non-compliance profitable for Meta Platforms, Inc.?

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## Abstract

## Keywords

GDPR, Facebook, Meta, profit, non-compliance, big tech, privacy, financial impact

## Introduction

In the recent years, the increasing usage of the Internet has lead to a rapid expansion of data collection and processing[1]. As concerns regarding data privacy and protection grew, the European Union (EU) implemented the General Data Protection Regulation (GDPR) in May 2018[2, 3].

GDPR aimed to safeguard the privacy rights of individuals within the EU by regulating the collection, storage, and transfer of personal data[3]. Notably, data should be collected for specified, explicit and legitimate purposes[4] and data can be transferred outside the EU if general data processing principles are in place [5]. Compliance with GDPR has become a critical issue for big-tech companies, which often handle massive amounts of user data.

One of those companies is *Meta Platforms, Inc.* (formerly *Facebook, Inc.*), which has been fined numerous times for GDPR violations[6]. This has raised questions about the financial impact of GDPR non-compliance from

*Meta* and whether it is profitable for the company to continue violating the regulation.

The goal of this paper is to investigate the financial impact of GDPR non-compliance on *Meta Platforms, Inc.* and to determine whether it is profitable for the company to continue violating the regulations.

## Method

All numerical data about *Meta Platforms, Inc.* has been gathered from the official *Meta Investor Relations* website[7].

GDPR fines imposed on *Meta Platforms, Inc.* have been gathered from the *GDPR Enforcement Tracker* website[8].

This research is following the protocol of *Prisma flowchart* for systematic reviews[9].

*Google Scholar* was used to search for articles containing the keywords above. The first 360 results were considered. The articles were filtered by relevance following their titles and 60 were considered. The abstracts of the 60 articles were read and X were considered

### Inclusion criteria

- Articles published in English
- Articles published between 2018 and 2023
- Articles that discuss GDPR
- Articles that discuss Meta Platforms, Inc.
- Data between 2021 and 2023

### Exclusion criteria

- Articles published in languages other than English
- Articles published before 2018
- Articles that do not discuss GDPR
- Articles that do not discuss Meta Platforms, Inc.
- Articles that discuss about ethics
- Data before 2021

## **Ethical considerations**

This study is approved by Fontys University of Applied Sciences, Eindhoven, The Netherlands. All data is collected from publicly available sources and no personal data is collected. The author is not affiliated with Meta Platforms, Inc. or any other company mentioned in this study.

## **Results**

### **Fines analysis**

### **Legal expenses**

### **Investor Confidence and Stock Performance**

### **Advertiser Reactions**

### **User Base and User Engagement**

### **Reputational Damage**

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