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**TECHNOLOGY**

# Facebook Parent Company Fined \$1.3 Billion by E.U.

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*By Stephanie Bodoni – Bloomberg News (via TNS).*

Facebook owner Meta Platforms Inc. was hit by a record €1.2 billion (\$1.3 billion) European Union privacy fine and given a deadline to stop shipping users' data to the U.S. after regulators said it failed to protect personal information from the American security services.

The social network giant's continued data transfers to the U.S. didn't address "the risks to the fundamental rights and freedoms" of people whose data was being transferred across the Atlantic, the Irish Data Protection Commission said on Monday.

On top of the fine, which eclipses a €746 million EU privacy penalty previously doled out to Amazon.com Inc., Meta was given five months to "suspend any future transfer of personal data to the U.S." and six months to stop "the unlawful processing, including storage, in the US" of transferred personal EU data.

Shares in Meta were down 1% to \$243.15 in pre-market trading.

The ban on data transfers was widely expected and once prompted the U.S. firm to threaten a total withdrawal from the EU. Still, the likely impact has now been muted by the transition phase and the prospect of a new EU-US data flows agreement that could already be operational by the middle of this year.

Monday's decision is the latest round in a long—running saga that eventually saw Facebook and thousands of other companies plunged into a legal vacuum. In 2020, the EU's top court annulled an EU-U.S. pact regulating transatlantic data flows over fears citizens' data wasn't safe once it arrived on US servers.

While judges didn't strike down an alternative tool based on contractual clauses, their doubts about American data protection quickly led to a preliminary order from the Irish authority telling Facebook it could no longer move data to the US via this other method either.

## **'Flawed' Decision**

Meta said it would appeal the Irish decision, describing it as "flawed" and "unjustified." The company also promised to "immediately" seek a suspension of the banning orders, saying they would cause harm to "the millions of people who use Facebook every day."

The data-transfer curbs risk carving up the internet "into national and regional silos, restricting the global economy and leaving citizens in different countries unable to

access many of the shared services we have come to rely on,” Nick Clegg, Meta’s president of global affairs, and Jennifer Newstead, chief legal officer, said in a blog post.

EU regulators in December unveiled proposals to replace the previous “Privacy Shield” pact that had been torpedoed by the EU’s Court of Justice. This followed months of negotiations with the U.S., which yielded an executive order by President Joe Biden and US pledges to ensure that EU citizens’ data is safe once it’s shipped across the Atlantic.

The crackdown on Meta coincides with the fifth anniversary of the EU’s General Data Protection Regulation, widely seen as the world’s benchmark for privacy. Since May 2018, regulators in the 27-nation EU have had the power to wield fines of as much as 4% of a company’s annual revenue for the most serious violations. The Irish watchdog morphed overnight into the lead privacy regulator for some of the biggest tech firms with an EU base in the country, such as Meta and Apple Inc.

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