



Bluesky Breaches Rule

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An insight into the ongoing discussions regarding Bluesky's breach of rules

Bluesky's Rise in Popularity Hits a Regulatory Snag in the EU

Bluesky, the modern user's new alternative to Elon Musk's X, is being scrutinised from the European Union (EU) for lack of compliance with transparency regulations. Its rise in popularity may face obstacles if they do not adhere to EU rules.

Digital Services Act 2023 and Bluesky's Obligations

The Digital Services Act (DSA) 2023 created a requirement of online platforms to keep up with the EU regulations of transparency regarding user numbers and legal establishment.

Article 24 of the DSA requires online platforms to publish their regional user figures bi-annually on a page of their website. Unfortunately for Bluesky, they have not complied with these requirements and failed to publish their figures.

Thomas Regnier- a spokesman for the European Commission expressed the Commission's concerns regarding the lack of compliance:

“All platforms in the EU ... have to have a dedicated page on their website where it says how many users they have in the EU and where they are legally established. This is not the case for Bluesky as of today.”

EU's Response to Bluesky's Non-Compliance

The Commission has reached out to the EU's 27 member states to ascertain if Bluesky has any local presence- a necessity for regulatory engagement. Notably, Bluesky themselves have not yet been directly contacted by the Commission, however the platform stated it is “actively working with lawyers to ensure that Bluesky is compliant with the EU's information disclosure rules.”

The legal or physical presence of Bluesky severely lacks clarity in the EU regulation landscape, and may result in several challenges for the enforcement. Reginier also stated that in the absence of member states being able to identify a representative for the platform, it may turn to direct engagement with Bluesky.

Bluesky's Impressive Growth

Bluesky was founded in 2019 as an open-source system to build connections between other social platforms. At its launch, the platform gained so much interest that invites were sold online for up to \$400. It gained enough traction to gain 800,000 users on the first day in February 2023.

Since then, Bluesky's users have increased, in particular in US and the UK- daily usage exponentially grew by 300% to 3.5 million users after the US elections. This usage may be a consequence of the controversies surrounding Musk's X platforms and the new Threads feature. The decline in the use of Threads is evident, as it previously had five times as many daily users as Bluesky in the U.S, but now leads by a smaller margin of 1.5 times.

Bluesky and the VLOP Threshold

Despite its growth, Bluesky's 20 million global users remain significantly below the 45 million monthly EU user threshold to be classified as a Very Large Online Platform (VLOP) under the DSA 2023. However, the platform is still obligated to comply to universal transparency rules. Failure to comply with these requirements could result in fines of up to 1% of its global annual revenue.

Navigating Regulatory Challenges

Bluesky's swift rise highlights its potential to become a major force in the evolving social media landscape. However, its future growth hinges on addressing compliance challenges under the EU's Digital Services Act. By meeting regulatory requirements and enhancing transparency, Bluesky can strengthen its foothold in the European market and maintain its upward trajectory.

As global regulators intensify their oversight of online platforms, Bluesky's adaptability will be crucial in determining its path forward—whether it remains a competitive alternative or evolves into a mainstream competitor to social media giants like X and Meta.