

Meta's latest fines from South Africa and Ireland could represent challenges to international growth

Article

The news: Meta is facing new legal challenges on a number of fronts in [South Africa](#) and Ireland, per [TechCrunch](#) and [AP News](#).

South Africa: The country's Competition Commission ruled that Meta's plan to prevent the government's GovChat platform and startup #LetsTalk from using the WhatsApp Business API was uncompetitive.

- The matter has been sent to the Competition Tribunal, which adjudicates accusations of anticompetitive practices.
- In its referral, the Competition Commission proposed that Meta pay the maximum penalty, which is a fine of 10% of the US company's local turnover.

More on this: Meta threatened to prevent GovChat and #LetsTalk from using its WhatsApp Business API in 2020, according to the complaint, and imposed unreasonable data usage limits that restricted the firm's capacity to innovate and potentially compete with Meta.

- The terms and conditions of WhatsApp's Business API, according to the complaint, "are designed to shield and insulate Facebook from potential competition."
- Meta denied the charges in a statement to TechCrunch and claimed GovChat had breached WhatsApp's terms and conditions.

The South African government created GovChat in 2018 as a citizen engagement platform that uses the WhatsApp Business API to enable real-time communication. According to government data, it presently has 8.7 million active users and has processed more than 582 million messages. Over 13.3 million applications for government services have been processed through the platform as well.

In a statement sent to TechCrunch, Meta denied the charges and claimed GovChat had breached WhatsApp's terms and conditions. A WhatsApp spokesperson in South Africa said GovChat had repeatedly refused to comply with its policies, and that the company would "continue to defend WhatsApp from abuse and protect our users."

Zoom out: The referral for prosecution comes just days after competition regulators from five African countries, including South Africa, signed a memorandum of understanding aimed at working together to prevent barriers to the emergence and expansion of African digital platforms.

Ireland: Meta was fined 17 million euros (\$19 million) by Ireland's Data Protection Commission (DPC) privacy authority for breaking Europe's General Data Protection Regulation (GDPR) privacy regulation.

- The DPC had been looking into how Meta complied with the law in handling personal information in 12 data breach notifications that occurred between June and December 2018. On Tuesday, it announced that Meta didn't have the proper safeguards in place to protect the data of EU users.
- The DPC is in charge of cross-border data privacy matters for huge internet businesses such as Meta, **Google**, **Apple**, and **Paypal** that maintain their European headquarters in Dublin. It has investigated Meta for a number of data and privacy breaches, penalizing the firm 225 million euros (about \$267 million at that time) for a WhatsApp infraction against GDPR.

In a statement, Meta said that the fine “is about record keeping practices from 2018 that we have since updated” as opposed to “a failure to protect people’s information,” asserting that it takes its obligations under GDPR seriously.

But wait, there’s more: These developments come on the heels of other recent legal challenges.

- The European Commission initiated a [formal antitrust inquiry](#) into whether an arrangement between Meta and Google code-named Jedi Blue may have violated EU competition rules.
- Meta [racked up £50.5 million in fines](#) (\$69.5 million) pertaining to its purchase of Giphy—about one-fifth of what it paid to purchase the company.
- The Federal Trade Commission (FTC) is [suing Meta](#) for illegal monopolization, charging that the social media leader is illegally maintaining its social networking monopoly through anticompetitive practices, including acquisitions.

The big takeaway: Any large company gets hit with lawsuits and fines, and Meta is no exception—but it’s the *kind* of challenges the social giant is facing that are putting it in a tricky position.

- International markets are crucial to Meta’s continued expansion, especially given slowing growth in North America—and with Apple devices less prevalent in other markets, expect non-US growth to outstrip US growth as a percentage for the foreseeable future. But the

South Africa story shines a light on the potential pitfalls of building a business on one of Meta's platforms.

- Acquisitions are a surefire way for most companies to pivot, but given the attention surrounding the Giphy deal—not to mention the FTC's concerns over *very* old deals to acquire WhatsApp and Instagram—it's hard to see Meta being able to undertake any significant deals in the near future.