



ACT | GLOBAL APP ECONOMY CONFERENCE

EUROPEAN UNION 2025



OVERVIEW

The Global App Economy Conference: European Union 2025 (GAEC: EU) brought startups and small businesses together with EU policymakers at a critical moment for digital policy. With major policies like the AI Act and Digital Markets Act reshaping the tech landscape, ensuring that small and medium-sized enterprises (SMEs) have a voice in the policymaking process is more urgent than ever.

GAEC: EU cemented its place as a cornerstone event, not just for discussion but for action-oriented advocacy, underscoring the power of SME-led advocacy in driving the future of Europe's digital economy. As the Global App Economy Conference expands, it remains at the heart of our mission, giving independent developers and startups direct access to policymakers and ensuring that tech SMEs help shape the policies that define their future.

This inaugural event showcased the power of collective advocacy, capturing how our members help shape key policy discussions and highlighting the value of ACT | The App Association's growing global membership. Through policy briefings, roundtables, and direct advocacy, our SME members tackled some of the most pressing regulatory challenges, including AI governance, platform regulation, privacy and cybersecurity, mergers and acquisitions, and standard-essential patents (SEPs).



GAEC: EU QUICK STATS

More than a dozen SMEs joined, reflecting the increasing engagement of independent developers and tech startups in policy advocacy, including AI, digital health, gaming, enterprise solutions, and cybersecurity.



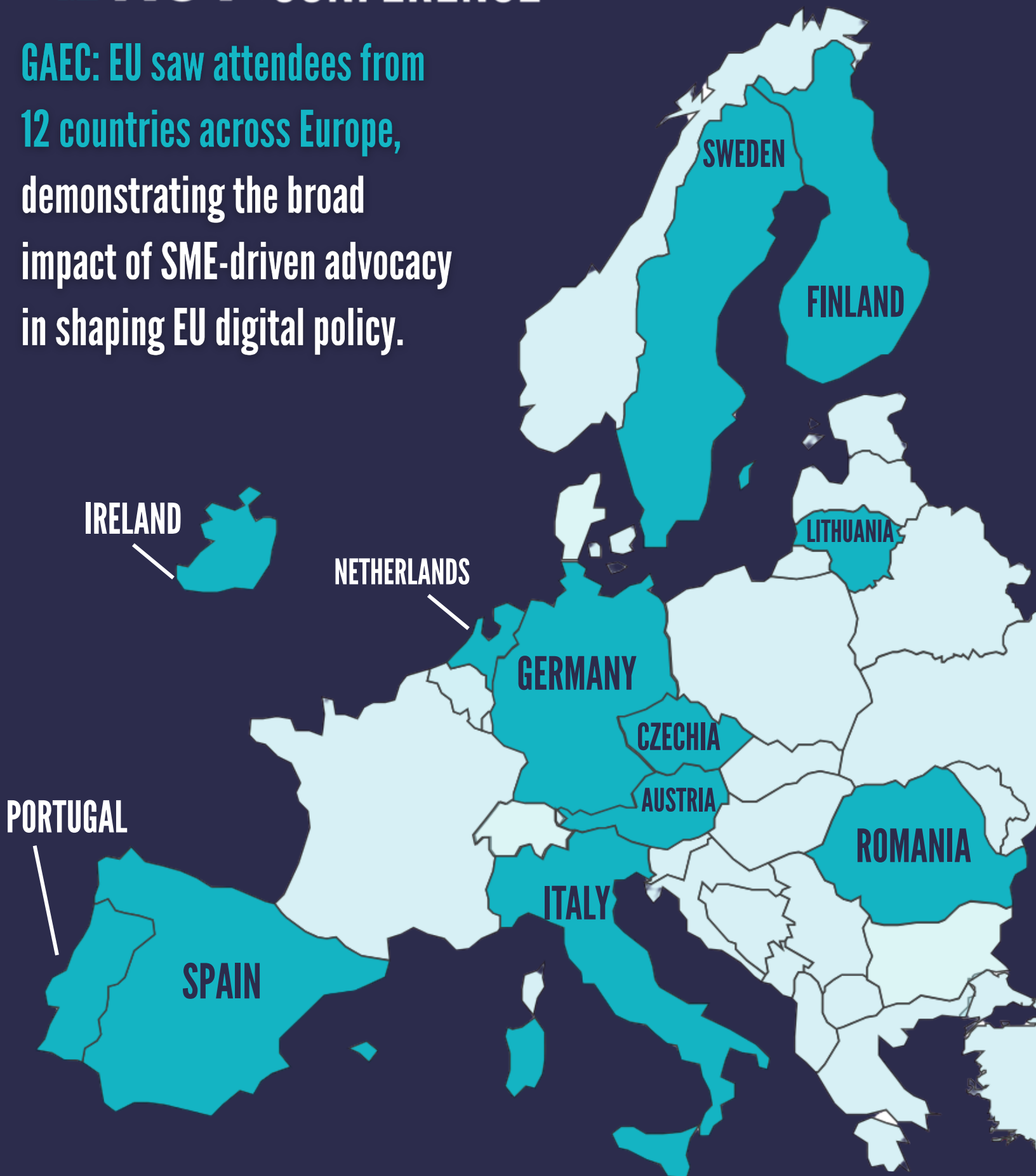
**EUROPEAN
COMMISSION: 10**

EUROPEAN PARLIAMENT: 27

**NATIONAL IP
ATTACHÉS: 3**

We held 40 key policymaker meetings, fostering direct dialogue between SMEs and key EU decision-makers with sessions covering topical policy issue areas ranging from AI regulation to curated online marketplaces.

**GAEC: EU saw attendees from
12 countries across Europe,
demonstrating the broad
impact of SME-driven advocacy
in shaping EU digital policy.**



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growth, but the regulatory landscape is changing. It's not just about their success just as a passport to a more thoughtful, future-focused policy.

NAME: ACT | THE APP ASSOCIATION



Below, we stamp the key policy areas discussed at this year's conference, marking the most pressing issues impacting SMEs and the global app economy.

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The Digital Markets Act (DMA) introduces significant changes to online marketplace operations in the EU, with implications for app store ecosystems, SME growth, and consumer trust. While intended to promote competition, uncertainty around enforcement and implementation of the DMA creates challenges for small businesses that rely on curated online marketplaces for distribution, security, and customer reach. Requirements such as sideloading would weaken existing consumer protections, making it harder for SMEs to compete on a level playing field. A balanced approach to platform oversight is necessary to ensure that competition policies support innovation and security without introducing new complexity for small tech enterprises.

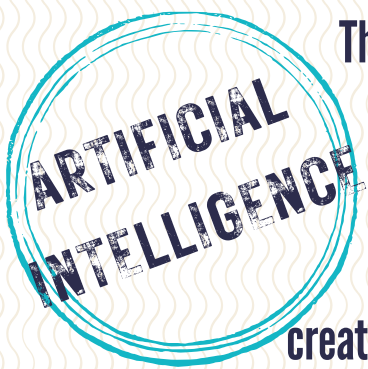
KEY POINTS

- Constantly evolving DMA enforcement creates uncertainty, making it hard for small businesses to plan development and raise funds.
- Rules targeting large gatekeepers ripple through the ecosystem, impacting SMEs.
- Weak safeguards can enable abuse like malware, hidden fees, and misleading subscription practices, undermining trust in apps and disproportionately harming startups and SMEs.

'The DMA is why I'm here. It's problematic. Some provisions could break encryption and dismantle interoperability. As an SME, I can't afford that. When you cut corners like this, it gets very dangerous for everyone.'



Mitchel Volkering, Founder, vaic.at



The EU's AI Act introduces new compliance requirements that could disproportionately impact SMEs, increasing costs and limiting their ability to compete with larger firms. Unclear definitions of high-risk AI systems and overly complex liability frameworks create uncertainty, making it difficult for small businesses to navigate regulatory obligations. While the goal is to ensure ethical AI development and consumer protection, a risk-based, proportionate approach is necessary to prevent excessive compliance burdens that could hinder SME-led innovation and market competition.

KEY POINTS

- Our members have concerns about disproportionate compliance costs for SMEs under high-risk AI classifications.
- Regulators must acknowledge the importance of risk-based AI regulation that protects consumers without stifling SME-led AI development.
- The uncertainties surrounding the AI Pact and AI Liability Directive and their long-term implications for SMEs could further stall innovation in Europe if left unchecked.



Faizan Alam, CEO, REMODID

'We use AI a lot in our business, from marketing to sales, even drafting proposals. But a lot of the policies are unclear. As a small business, we don't have the resources to pay teams of lawyers to tackle long legal documents. So, my request to policymakers would be: please make compliance simpler and easier for small businesses to interpret and implement.'



An unbalanced and opaque approach in the EU to standard-essential patent (SEP) licensing and royalty calculations continues to create barriers for SMEs across internet of things markets. Despite initial efforts to address these issues through the European Commission's proposed SEP Regulation, recent indications suggest that the proposal may be withdrawn under pressure from a handful of large industry players. Without reform, SMEs remain subject to opaque pricing, legal uncertainties, and anticompetitive licensing abuses from dominant SEP holders. A fair and predictable SEP framework is essential to ensuring that small tech companies can compete, innovate, and contribute to Europe's digital economy without facing disproportionate legal and financial risks

KEY POINTS

- Our members called on the European Commission to move forward with the proposed SEP Regulation. Withdrawing it would leave SMEs trapped in an opaque and unreliable landscape for innovation.
- SEP licensing must be transparent, predictable, and available to all who are willing to take a license on FRAND terms. SMEs need a central and public registry, consistent essentiality checks, and preservation of the SEP holder's voluntary FRAND licensing commitments.
- The proposed SEP Regulation represents a significant step forward in upholding the core principles of the FRAND commitment and protecting good-faith licensees from abusive injunctions and global licensing demands that disproportionately harm SMEs.

'Most of the time, you have no idea who even holds these patents. There's no central database, no transparency. Then suddenly, you get a letter from a huge company like Ericsson, hitting you with threats and NDAs. SMEs like ours are left totally exposed.'



Tomas Navratil, COO, Lucid Circus

MERGERS AND ACQUISITIONS

Mergers and acquisitions (M&A) are essential for SMEs to scale, secure investment, and remain competitive in the digital economy.

However, increased regulatory scrutiny at both the EU and member state levels has made it more difficult for startups to grow through acquisition. The European Commission's evolving approach to merger control and findings from the Draghi Report highlight concerns that excessive oversight could limit SME access to capital and deter investment. Extended merger reviews, stricter thresholds for intervention, and inconsistent enforcement across member states create uncertainty for startups seeking acquisition or investment opportunities. A proportionate, evidence-based approach to M&A policy is necessary to ensure that competition rules support SME growth rather than hinder it.

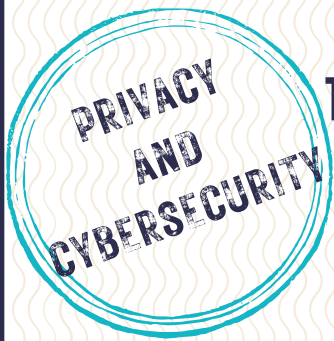
KEY POINTS

- The Draghi report's findings indicate a correlation between excessive red tape and SME funding opportunities.
- Regulators must focus on clear, proportionate merger review policies that distinguish between anti-competitive behavior and pro-growth acquisitions.
- SMEs need access to alternative funding mechanisms beyond venture capital, including more SME-friendly investment policies.



Jason Culloty, CEO, Skillsvista

'I was surprised the EU can block a merger or acquisition, even involving a smaller company, due to competition rules. That kind of decision doesn't just affect the one looking to buy; it impacts the success of the one looking to merge or sell, and it affects the founder's family, investors, and the whole support system.'



The future of privacy and cybersecurity regulation in the EU remains uncertain. GDPR enforcement varies across member states, the ePrivacy Directive faces repeal, and new cybersecurity frameworks are emerging. Inconsistent GDPR application creates compliance challenges, particularly for SMEs. The ePrivacy Directive's cookie rules have failed to meet consumer and business needs, prompting regulatory fragmentation. We support the European Commission's plan to repeal it to enable a clearer, more effective privacy framework. Meanwhile, new cybersecurity rules must protect users without placing disproportionate burdens on small tech companies. Scalable, SME-friendly approaches are vital to sustaining trust, innovation, and competitiveness in the EU's digital economy.

KEY POINTS

- Regulators must conduct consistent GDPR enforcement across EU member states to prevent compliance uncertainty.
- Support the repeal of the ePrivacy Directive to address regulatory fragmentation.
- Our members are advocating for scalable cybersecurity regulations that protect users without overburdening small businesses.

'We're already compliant with GDPR. The problem comes in with all the overlapping and contradicting rules on top of it. This is especially problematic if privacy and security tools like encryption are weakened. This level of complexity and risk make people want to start businesses elsewhere. If Europe wants to lead, it has to make it easier for SMEs to grow.'



Adam Paton Stanley-Smith,
CEO, Meaningful

FINAL TAKEAWAYS

Policy Education

GAEC: EU gave our members more than just a chance to understand policy; it gave them a seat at the table to shape it. Members came ready with sharp questions and lived experience, eager to make sense of the overlapping regulations that define their ability to launch, scale, and build trust. The SEP Regulation inspired many discussions, but it was never just about SEPs. It was about the broader tension between EU policymaker inaction and the realities of the SME investment environment.

"If we want small companies to continue driving innovation, we need a SEP framework that's actually fair. The current system favors big players who can afford the legal back-and-forth. That's not sustainable." - Nikolaus Varzakakos, CEO, Qlerify

Our members weren't debating hypotheticals; they were navigating the direct consequences of unclear compliance expectations, delayed client deals, and stalled pilot programs. Members raised the contradiction between DMA-mandated openness and AI Act protections, especially when it comes to enforcing platform integrity and safeguarding user privacy. Later in the day, the conversation turned to the difficulty of securing funding when the regulatory environment creates investment risk.



'Make it more simple. Let's make Startup Europe first and equitable for everyone operating in our beautiful Europe.' – Giuseppe Tomei, CEO, Proxim.ai

Our startup founders and SMEs brought focus and pragmatism to the issue areas we discussed during briefing day. They proposed fast-track pathways for low-risk AI testing, shared how conflicting definitions stifle cross-border collaboration, and emphasized that SME-friendly frameworks aren't about exemptions, they're about access. By the end of the day, members left better informed and ready to take their stories directly to the policymakers writing the next chapter of Europe's digital future.

'You come in thinking your issue is national and realize it's European Union-wide. That's when you start building solutions together.' — Guido Magrin, Founder, TeiaCare

Advocacy Impact

Fueled by insights and anecdotes from briefing day, members brought their stories directly to the people shaping EU tech policy. In more than 30 meetings with MEPs, Commission staff, and policy advisors, our members translated complex legal concepts into consequences like missed investments, delayed launches, and lost trust. These weren't symbolic conversations. They were candid, sometimes confrontational, and often the first-time policymakers had heard directly from the startups their proposals affect most.



'It was my first meeting with a policymaker in Brussels—and a super cool experience. They listened, they took notes, they cared about what we had to say.' — Nikolaus Varzakakos, CEO, Qlerify

From DMA enforcement to SEP licensing and the AI Act, members made it clear that unclear, inconsistent rules don't just slow innovation, they shift it elsewhere. Some policymakers pushed back. Others leaned in. And several took action: MEP Niels Flemming Hansen invited members to present to the SME Intergroup. DG CONNECT staff asked for help shaping the new AI Act's "Service Desk." Commissioner Dombrovskis' office requested follow-up examples and committed to reviewing SME-focused amendments.

'SMEs are the backbone of any economy. But we don't have legal and compliance departments to easily tackle complex legislation. Being involved early, when these laws are being drafted, is critical.' — Tomas Navratil, COO, Lucid Circus

Members didn't just explain what's broken. They offered to help fix it. The result? New relationships, real next steps, and growing recognition that SMEs aren't policy side notes. They're the proof of whether digital regulation works.

'Simplification is the most important thing. Less rules. More clarity. And as fast as possible.' — Sveatoslav Vizitiu, CEO, Rhuna.io

Community Connection

While policy was the focus, community was the foundation. From the welcome dinner to side conversations between meetings, members came together not just as entrepreneurs navigating EU regulation but as collaborators, allies, and advocates with shared goals. Our members brought a sense of cohesion, of people who may build different products in different markets but are facing the same barriers and looking for shared ways forward.



'This is a great place to be as a small or mid-size business. You're putting real experiences directly on the table.' — Faizan Alam, CEO, REMODID

Over lunch, during walking breaks, and across briefings, members compared scale-up strategies, investor pressures, app store tips, and compliance pain points. The week became a living peer-to-peer policy lab, where members could exchange their real-world insights. Even those newer to policy quickly found their footing, buoyed by the energy of a group that knew their experience mattered.



'We as European representatives and members of the App Association need to be the voice of the change we require.' — Erika Maslauskaite, CEO, Devernium

What makes our Global App Economy Conferences feel different isn't just the access to lawmakers. It's the chance to be in a room full of people who get it, who know what it means to build something small in a regulatory system built for giants and still believe in fighting for a better future. That optimism is what carried the week and what members are taking home with them.

'I would definitely recommend all founders do something like this. The work we're doing with the association is amazing. I'm a fan and I'm glad to be part of it.' — Nikolaus Varzakakos, Qlerify

The Global App Economy Conference: EU 2025 reinforced the growing influence of SMEs in shaping Europe's digital future. As the regulatory landscape shifts, **ensuring that independent developers and SMEs have a direct line to policymakers remains essential.** This year's conference strengthened advocacy efforts on SEPs, AI, platform regulation, privacy, cybersecurity, M&A, and SEPs, providing a space for meaningful engagement and policy impact.

With its expansion into Brussels, **our Global App Economy Conferences continue to evolve alongside the digital economy,** ensuring that innovation and competition stay at the forefront of policy discussions. By advocating for the needs of SMEs with policymakers, the App Association and **our members continue to drive the future of the app economy.**

