



EUROPEAN COMMISSION

***CASE DMA.100032 – Microsoft – cloud  
computing services***

(Only the English text is authentic)

**Digital Markets Act  
Regulation (EU) 2022/1925 of the European Parliament  
and of the Council**

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Articles 16(1) and 17(1) Regulation (EU) 2022/1925

Date: 18/11/2025

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EUROPEAN COMMISSION

Brussels, 18.11.2025  
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## **PUBLIC VERSION**

**Microsoft Corporation**  
One Microsoft Way  
Redmond, WA 98052  
USA

**Subject: Case DMA.100032 - Microsoft - cloud computing services  
Commission decision opening a market investigation pursuant to Articles  
16(1) and 17(1) of Regulation (EU) 2022/1925 of the European Parliament  
and of the Council on contestable and fair markets in the digital sector  
Only the English text is authentic**

Dear Sir or Madam,

- (1) In its notification of 3 July 2023, pursuant to Article 3(3), first subparagraph, of Regulation (EU) 2022/1925 <sup>(1)</sup>, Microsoft Corporation (hereinafter, together with all entities directly or indirectly controlled by it, referred to as “Microsoft”) stated that its service Azure cloud platform is a cloud computing service which is a core platform service (“CPS”) within the meaning of Article 2, point (13), and Article 2, point (2) subpoint (i), of the same Regulation, but that Azure did not meet the thresholds laid down in Articles 3(2)(b) and 3(2)(c) of that Regulation in relation to that CPS. <sup>(2)</sup>
- (2) On 5 September 2023, the Commission adopted a decision designating Microsoft as a gatekeeper pursuant to Article 3(4) of Regulation (EU) 2022/1925 in relation to the following CPSs that are provided by Microsoft and which individually constitute an important gateway for business users to reach end users: (i) its Windows PC OS and (ii) its online social networking service LinkedIn (“Microsoft’s designation decision”). <sup>(3)</sup>
- (3) Pursuant to Article 3(8) of Regulation (EU) 2022/1925, the Commission shall designate as a gatekeeper, in accordance with the procedure laid down in Article 17 of that Regulation, any undertaking providing CPSs that meets each of the

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<sup>(1)</sup> OJ L 265, 12.10.2022, p. 1.

<sup>(2)</sup> Form GD, para. 4 and letter F as well as Annex D, point 4, to the Form GD.

<sup>(3)</sup> C(2023) 6106.

requirements of Article 3(1) of the Regulation but does not satisfy each of the thresholds in Article 3(2) of that Regulation. Consequently, an undertaking that does not fulfil the thresholds laid down in Article 3(2) of Regulation (EU) 2022/1925 shall be designated as a gatekeeper if: (i) it has a significant impact on the internal market; (ii) it provides a CPS which is an important gateway for business users to reach end users; and (iii) it enjoys an entrenched and durable position, in its operations, or it is foreseeable that it will enjoy such a position in the near future.

- (4) It follows from Article 17(1) of Regulation (EU) 2022/1925 that, in order to examine whether an undertaking providing CPSs should be designated as a gatekeeper pursuant to Article 3(8) of the Regulation or to identify the CPSs to be listed in the designation decision pursuant to Article 3(9) of that Regulation, the Commission shall conduct a market investigation. For the purpose of its examination, pursuant to Article 3(8), second subparagraph of Regulation (EU) 2022/1925, the Commission shall take into account some or all of the elements listed in that provision, insofar as they are relevant for the undertaking providing CPSs under consideration.
- (5) Recent market studies suggest that the characteristics of cloud computing services are favourable to the emergence of gatekeeper positions. <sup>(4)</sup> For instance, the cloud computing services industry is subject to high barriers to entry due to its capital-intensive nature, requiring important upfront investment for market entrants. The industry is also subject to important economies of scope and scale, favouring players that have reached a critical size. There are also customer lock-in effects arising from barriers that make it difficult for cloud customers to use multiple cloud services or switch between cloud service providers.
- (6) The Commission takes the view, following an initial examination of the information available to it, that there are grounds to consider that Microsoft may meet the criteria set out in Article 3(1) of Regulation (EU) 2022/1925 in relation to its cloud computing services Azure, and that this should be assessed in a market investigation pursuant to Article 17(1) of that Regulation, without prejudice to the outcome of that investigation. This finding is based, in particular, on the following reasons.
- (7) First, Microsoft's average market capitalisation or its equivalent fair market value amounted to at least EUR 75 billion in the last financial year. <sup>(5)</sup>

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<sup>(4)</sup> See, among others, the OECD's 2025 Competition in the provision of cloud computing services, OECD Roundtables on Competition Policy Papers, No. 323 ([https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/05/competition-in-the-provision-of-cloud-computing-services\\_f42582ad/595859c5-en.pdf](https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/05/competition-in-the-provision-of-cloud-computing-services_f42582ad/595859c5-en.pdf)); the French Autorité de la Concurrence's 2023 Opinion 23-A-08 on competition in the cloud sector ([https://www.autoritedelaconcurrence.fr/sites/default/files/attachments/2023-09/23a08\\_EN.pdf](https://www.autoritedelaconcurrence.fr/sites/default/files/attachments/2023-09/23a08_EN.pdf)); the Dutch ACM's 2022 market study on cloud services (<https://www.acm.nl/system/files/documents/public-market-study-cloud-services.pdf>); the UK CMA's 2025 Final decision report on cloud infrastructure services ([https://assets.publishing.service.gov.uk/media/688b8891fdde2b8f73469544/final\\_decision\\_report.pdf](https://assets.publishing.service.gov.uk/media/688b8891fdde2b8f73469544/final_decision_report.pdf)); the UK Ofcom's 2023 Cloud services market study (<https://www.ofcom.org.uk/siteassets/resources/documents/consultations/category-3-4-weeks/244808-cloud-services-market-study/associated-documents/cloud-services-market-study-final-report.pdf?v=330228>); or the Japanese FTC's 2022 Report on trade practices in the cloud services sector (<https://www.jftc.go.jp/en/pressreleases/yearly-2022/June/221102EN.pdf>). All links last accessed on 16 October 2025.

<sup>(5)</sup> Microsoft's market capitalization is of USD 3.84 trillion as of 5 November 2025. See <https://markets.ft.com/data/equities/tearsheet/summary?s=MSFT:NSQ>, last accessed on 5 November 2025.

- (8) Second, by 2025, Microsoft (Azure) had become the second-largest global cloud infrastructure provider, accounting for approximately 20% of the worldwide cloud sector. In Europe, Microsoft maintains a similarly strong presence.<sup>(6)</sup> In addition, Microsoft's strong position in cloud computing services has been consistently reported by several official studies with respect to different jurisdictions. For example, Microsoft's share in cloud computing services amounted to 35% in the Netherlands in 2020.<sup>(7)</sup> Such strength is confirmed by the latest information about revenue generated by Microsoft in cloud services, which increased by 23% between 2024 and 2025 to reach USD 168.9 billion (approximately EUR 156 billion).<sup>(8)</sup>
- (9) Third, the cloud computing services provided by Microsoft (Azure) appear to benefit from strong indirect network effects derived from Microsoft's business model, which is built on offering various services, such as its cloud computing services, operating systems (e.g. Windows PC OS), and productivity software (e.g. M365), which are interconnected and integrated into a comprehensive ecosystem. Within the Azure cloud platform, Microsoft integrates more than 200 cloud products and services across a global network of data centres which range from compute services (e.g., Azure Virtual Machines (VMs)), networking and content delivery (e.g., Azure Load Balancer and Azure Content Delivery Network (CDN)), storage (e.g., Azure Blob Storage), to data management (e.g., Azure SQL Database) and stores (e.g., Azure Marketplace), among many others.<sup>(9)</sup> Microsoft also benefits from data related advantages deriving from its access to, and collection of, personal data and non-personal data or analytics capabilities across different services forming part of its ecosystem.<sup>(10)</sup> Azure's large pool and portfolio of independent software vendors and third-party services included in Azure further attracts more end users to Azure. This, in turn, attracts business users who provide their services to end users that rely on the different categories of Azure services.
- (10) Fourth, Microsoft seems to benefit from scale and scope effects. The cost of developing and maintaining Azure appears to be dependent only to a limited extent on the number of specific end and business users who use it, and can be spread over

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<sup>(6)</sup> See Statista, "Cloud Infrastructure Market, AWS Stays Ahead as Cloud Market Accelerates", 4 November 2025 available at <https://www.statista.com/chart/18819/worldwide-market-share-of-leading-cloud-infrastructure-service-providers/>, last accessed on 12 November 2025; the UK CMA's 2025 Final decision report on cloud infrastructure services, p. 98, cited in footnote 4; and also briefing by European Union Institute for Security Studies (EUISS) "Technical is political: When a cloud certification scheme divides Europe", 3 November 2025, available at <https://www.iss.europa.eu/publications/briefs/technical-political-when-cloud-certification-scheme-divides-europe>, last accessed on 12 November 2025.

<sup>(7)</sup> See the OECD's 2025 Competition in the provision of cloud computing services, OECD Roundtables on Competition Policy Papers, No. 323, p. 22, cited in footnote 4. These market shares are well beyond those of its immediate follower, Google Cloud, with 5% in the Netherlands in 2020 as indicated in the same report.

<sup>(8)</sup> See letter of Satya Nadella, CEO of Microsoft, to shareholders with respect to Microsoft Annual Report 2025, available at <https://www.microsoft.com/investor/reports/ar25/index.html>, last accessed on 12 November 2025.

<sup>(9)</sup> <https://azure.microsoft.com/en-us/resources/cloud-computing-dictionary/what-is-azure/>, last accessed on 15 October 2025. See also Microsoft White Paper of 19 September 2022 on Designation of Cloud Computing Services, para. 13, [...].

<sup>(10)</sup> <https://www.microsoft.com/en-us/industry/blog/government/2021/10/26/effective-ecosystems-require-creative-collaboration-around-data/>, last accessed on 24 October 2025.

a high number of cloud and non-cloud related services provided by Microsoft such as those mentioned in paragraph (9) above.

- (11) Fifth, Microsoft's ecosystem seems to display lock-in features, since end users of Azure wishing to switch to another provider for cloud computing services of a similar or the same nature may face numerous obstacles and high switching costs, also in light of the benefits of the Microsoft ecosystem outlined in paragraph (9) above.
- (12) Sixth, due to its conglomerate structure and high degree of vertical integration, Microsoft can benefit from cross-subsidisation opportunities and has opportunities to leverage its position to adjacent services. This applies in particular to Microsoft's activities across a number of diverse, yet often complementary services, such as its cloud computing services, productivity software, operating systems, and other related services.

In light of the above, the Commission has decided to open a market investigation today, pursuant to Articles 16(1) and 17(1) of Regulation (EU) 2022/1925, for the purpose of determining whether Microsoft should be designated as a gatekeeper in relation to the cloud computing services provided through its Azure platform.

*For the Commission*

*(Signed)*  
Henna Virkkunen  
*Executive Vice-President*