

Case 51183 - Google Play Billing Google Commitments Offer

I. Introduction

1. On 10 June 2022, the CMA commenced an investigation under section 25 of the Act in relation to Google's requirement for Developers offering In-App Purchases of Digital Goods and Services to use GPB.
2. In order to address the CMA's competition concerns, Alphabet Inc., Google Ireland Limited, Google UK Limited (company number 03977902), and Google LLC (together "**Google**") offer Commitments under section 31A of the Act.
3. Consistent with sections 31A and 31B of the Act, and subject to section 31B(4) of the Act, the Commitments are offered on the basis that if the CMA accepts the Commitments in accordance with section 31A(2) of the Act, it will not continue the investigation, make a decision within the meaning of section 31(2) of the Act, or give a direction under section 35 of the Act.
4. Google's offer of the Commitments does not constitute an admission that Google: (i) agrees with the concerns identified by the CMA; or (ii) engaged in any wrongdoing. Nothing in these Commitments or any Commitments Decision may be construed as implying that the CMA has taken a provisional or final decision that Google has infringed competition law.

II. Definitions

5. For the purposes of these Commitments, the following definitions apply:

"Act" means the Competition Act 1998;

"Alternative Billing System" means an in-app billing system which is not GPB, which complies with PCI-DSS (if handling credit and debit card data) or relevant successor standards, and where transactions are concluded within the App (including via an embedded webview);

"Alternative Billing Terms of Service" means Google's developer terms of service for alternative billing systems¹, as modified from time-to-time;

"App" means a native mobile app available to download from the UK Play Store on smart mobile devices;

"Billing Choice Screen" has the meaning given in paragraph 11 below;

"CMA" means the UK Competition and Markets Authority;

¹ Currently, available at:
<https://support.google.com/googleplay/android-developer/answer/12370703>

“Commitments” means these commitments given by Google pursuant to section 31A of the Act;

“Commitments Decision” means a formal decision by the CMA under section 31A of the Act to accept Commitments, such that section 31B of the Act applies;

“Compliance Statement” means the annual statement provided by Google confirming its compliance with the Commitments, in the form set out in **Annex 1**;

“Consultation” means the statutory consultation on the Commitments carried out by the CMA in accordance with paragraph 2 of Schedule 6A of the Act;

“Consumer Protection Safeguards” means appropriate features and processes put in place to comply with the Alternative Billing Terms of Service, Developer Policies, and applicable consumer protection legislation;

“DDA” means the Google Play Developer Distribution Agreement², as modified from time-to-time;

“Developer” means the developer of an App available on the UK Play Store;

“Developer-Only Billing” means a mechanism through which Developers are able to offer an Alternative Billing System in place of GPB within their App(s), for In-App Purchases;

“Developer Policies” means Google’s developer program policies as referred to in the DDA³ (for example, the Subscriptions Policy⁴);

“Digital Goods and Services” means in-app features and services subject to a Service Fee as described in the Payments Policy and clarified further in the “Understanding Google Play’s payments policy” page⁵, as modified from time-to-time;

“Effective Date” means the date on which the CMA notifies Google of a Commitments Decision;

“Evaluation Report” means a report on Google’s implementation of the Commitments;

“Google” means Alphabet, Inc., Google Ireland Limited, Google UK Limited (company number 03977902) and Google LLC, and any other member of their corporate Group;

² Currently, available at: <https://play.google.com/about/developer-distribution-agreement.html>

³ Currently, available at: <https://play.google.com/about/developer-content-policy/>

⁴ Currently, available at:
<https://support.google.com/googleplay/android-developer/answer/9900533>

⁵ Currently, available at:
<https://support.google.com/googleplay/android-developer/answer/10281818?hl=en-GB>

“Google Play” means Google’s app store, where app developers may distribute their apps and users may download and manage apps on Android devices;

“GPB” means Google Play’s billing system;

“Group” includes those companies with which any of Alphabet, Inc., Google UK Limited or Google LLC has the links described in section 129(2)(b) of the Enterprise Act 2002 and thus constitute a *“group of interconnected bodies corporate”* within the meaning of the Enterprise Act 2002;

“In-App Purchases” means payments for Digital Goods and Services;

“Information Screen” means an information screen explaining the implications of users using an Alternative Billing System. The initial wording of the Information Screen will be agreed with the CMA. Google will notify the CMA of subsequent material changes to the text of the Information Screen (or the frequency with which it will appear) in advance of such changes being implemented, and will work constructively with the CMA to seek to resolve any concerns raised with a view to achieving the Purpose of the Commitments;

“Non-Gaming App” means an App that is not in the Games category on Google Play;

“Payments Policy” means Google Play’s payments policy⁶, as modified from time-to-time;

“PCI-DSS” means the Payment Card Industry Data Security Standard;

“Phase 1 Roll Out” has the meaning given in paragraph 19 below;

“Phase 2 Roll Out” has the meaning given in paragraph 21 below;

“Service Fee” means the Service Fee (as defined in the DDA) that would be applicable for In-App Purchases not using an Alternative Billing System;⁷

“UK Play Store” means the version of Google Play which Google makes available to UK users;

“User Choice Billing” means a mechanism under which Developers are able to offer an Alternative Billing System next to GPB within their App(s), for In-App Purchases;

“Working Day” means any day other than a Saturday, Sunday, or a day that is a public holiday in England.

⁶ Currently, available at:
https://support.google.com/googleplay/android-developer/answer/9858738?visit_id=637981563394540325-1020187095&rd=1

⁷ Currently, available at:
<https://support.google.com/googleplay/android-developer/answer/112622?hl=en-GB>. Google may change the applicable Service Fees from time to time.

III. Purpose of the Commitments

6. The “**Purpose of the Commitments**” is to address the preliminary competition concerns identified by the CMA during its investigation, namely that the requirement for Developers listing their Apps on the UK Play Store and offering In-App Purchases of Digital Goods and Services to exclusively use GPB means that:
 - a. Developers face limitations in how they respond to customers who have paid through GPB, as a result of Google’s role in those transactions;
 - b. Developers are limited in their ability to tailor their products due to potential limitations around user-level data about purchases;
 - c. Developers are limited in their ability to tailor their prices and/or promotions because they have to use GPB; and
 - d. competition from alternative payment services for In-App Purchases of Digital Goods and Services is being restricted.
7. To address the CMA’s concerns, Google will allow Developers listing their Apps on the UK Play Store and offering In-App Purchases of Digital Goods and Services to UK users to offer an Alternative Billing System through either: (i) User Choice Billing or (ii) Developer-Only Billing, as set out in Section IV below.
8. For the avoidance of doubt, these Commitments do not constitute an admission that Google: (i) agrees with the concerns identified by the CMA; or (ii) engaged in any wrongdoing. Nothing in these Commitments may be construed as implying that the CMA has taken a provisional or final decision that Google has infringed competition law.

IV. Commitments

A. User Choice Billing

9. Google will allow Developers listing their Apps on the UK Play Store and offering In-App Purchases of Digital Goods and Services to UK users to offer User Choice Billing instead of using GPB exclusively or Developer-Only Billing. Developers will be permitted to enable User Choice Billing and make that user experience available to UK users, provided that Developers:
 - a. complete a valid application, including the information requested by Google (for example the Developer’s billing address and the App(s) or countries for which they intend to offer User Choice Billing).⁸ Google will endeavour to process such applications to enrol in User Choice Billing within seven days of receipt;
 - b. comply with the Alternative Billing Terms of Service;

⁸ Currently, available at:
<https://support.google.com/googleplay/android-developer/answer/12570971?hl=en>

- c. allow an Information Screen to be shown to users before a user makes an In-App Purchase;⁹
 - d. allow the Billing Choice Screen to be displayed to users;
 - e. implement Consumer Protection Safeguards;
 - f. provide customer support for users of the Alternative Billing System (including any product sold using the Alternative Billing System), including a process to allow users to dispute unauthorized transactions; and
 - g. report transactions carried out through the Alternative Billing System to Google. Developers will be able to do this via the technical solution developed by Google in accordance with paragraph 26 when this becomes available.
10. Google commits that the data it requests from Developers when reporting transactions will be the minimum data reasonably necessary to support Developers offering an Alternative Billing System under these Commitments (for example, to enable Google to calculate the Service Fee owed and to enable Google to comply with its legal, tax and financial obligations). Google will not use this data for the purpose of competing with those Developers' Apps. Google will implement appropriate security controls and internal data handling policies to ensure compliance with this provision and provide details of those policies to the CMA.
11. For Apps offering User Choice Billing, Google will:
- a. allow a choice screen to be shown to users informing them of their alternative billing options ("**Billing Choice Screen**");
 - b. ensure that the Billing Choice Screen:
 - i. presents the billing options in a fair and equal manner (including but not limited to equal button sizes, text size/style, tap targets, and icon sizes), with the Developer's Alternative Billing System shown as an alternative to GPB.
 - ii. enables users to make a timely, informed and engaged choice, optimising the user experience; and
 - iii. presents choice to users in a way that is meaningful and most relevant to their context, such as the languages they speak.
12. Developers offering User Choice Billing will be able to provide information regarding their Alternative Billing System within their apps at any point prior to the Information Screen and Billing Choice Screen being displayed, provided that such information is not misleading to users and does not constitute fraudulent misrepresentation.

⁹ Currently, available at: <https://developer.android.com/google/play/billing/user-choice>.

B. Developer-Only Billing

13. Google will allow Developers listing their Apps on the UK Play Store and offering In-App Purchases of Digital Goods and Services to UK users to use Developer-Only Billing for their App instead of using GPB exclusively or User Choice Billing. Developers will be permitted to enable Developer-Only Billing and make that user experience available to UK users, provided that Developers:
 - a. complete a valid application, including the information requested by Google (for example the Developer's billing address and the App(s) or countries for which they intend to offer Developer-Only Billing).¹⁰ Google will endeavour to process completed applications to enrol in Developer-Only Billing within seven days of receipt;
 - b. comply with the Alternative Billing Terms of Service;
 - c. allow an Information Screen to be shown to users before a user makes an In-App Purchase;¹¹
 - d. implement Consumer Protection Safeguards;
 - e. provide customer support for users of the Alternative Billing System (including any product sold using the Alternative Billing System), and the Alternative Billing System must provide a process to dispute unauthorized transactions; and
 - f. report transactions carried out through the Alternative Billing System to Google. Developers will be able to do this via the technical solution developed by Google in accordance with paragraph 26 when this becomes available.
14. Google commits that the data it requests from Developers when reporting transactions will be the minimum data reasonably necessary to support Developers offering an Alternative Billing System under these Commitments (for example, to enable Google to calculate the Service Fee owed and to enable Google to comply with its legal, tax and financial obligations). Google will not use this data for the purpose of competing with those Developers' Apps. Google will implement appropriate security controls and internal data handling policies to ensure compliance with this provision and provide details of those policies to the CMA.
15. Developers offering Developer-Only Billing will be able to provide information regarding their Alternative Billing System within their apps prior to the Information Screen being displayed, provided that such information is not misleading to users and does not constitute fraudulent misrepresentation.

¹⁰ Currently, available at: <https://support.google.com/googleplay/android-developer/answer/12348241>.

¹¹ Currently, available at: <https://developer.android.com/google/play/billing/user-choice>.

C. General

16. For Developers offering User Choice Billing or Developer-Only Billing to UK users under these Commitments, Google will not withdraw or revoke their use by the Developers without objective justification for as long as the Developer continues to comply with the requirements set out in paragraphs 9 and 13 of the Commitments.
17. Google will implement the Commitments set out in paragraphs 9 to 15 above in two phases, as set out in paragraphs 19 to 22 below.
18. The Commitments relating to User Choice Billing and Developer-Only Billing set out at paragraphs 9 to 15 relate to Google product designs and business practices (including the terms of service and user experience) that are likely to evolve over time. Google shall be permitted to make such changes, provided that they do not affect Google's compliance with the Commitments.

Phase 1

19. By no later than one month from the Effective Date, Google will allow Developers of Non-Gaming Apps available on the UK Play Store to offer User Choice Billing or Developer-Only Billing for In-App Purchases of Digital Goods and Services to UK users, as described in paragraphs 9 to 15 above (**Phase 1 Rollout**).
20. Google will actively bring to Developers' attention the Phase 1 Rollout on the Effective Date.

Phase 2

21. By no later than 1 October 2023, Google will allow Developers of all Apps available on the UK Play Store to offer User Choice Billing or Developer-Only Billing for In-App Purchases of Digital Goods and Services, as described in paragraphs 9 to 15 above (**Phase 2 Rollout**).
22. Google will actively bring to Developers' attention the Phase 2 Rollout on the date of the Phase 2 Rollout.

D. Fees

23. For Developers offering User Choice Billing, Google will reduce the amount of the Service Fee by at least four percentage points for In-App Purchases where a user chooses the Developer's Alternative Billing System through the Billing Choice Screen.
24. For Developers offering Developer-Only Billing, Google will reduce the amount of the Service Fee by at least three percentage points for In-App Purchases where a user uses the Developer's Alternative Billing System.
25. Notwithstanding paragraphs 23 and 24 above, Google shall be permitted to adjust its Service Fees (but not decrease the amount of the reduction in Service Fees for User Choice Billing or Developer-Only Billing, as specified in paragraphs 23 and 24), provided

that any adjustment does not substantially undermine the Purpose of the Commitments.

E. Reporting API(s)

26. Google will use its best endeavours to develop a technical solution (including APIs) for Developers to report transactions carried out through their Alternative Billing System to Google in an automated manner.¹² Google will ensure that this technical solution is completed by 1 January 2024. Google will notify the CMA as soon as reasonably practicable if it encounters difficulties in achieving this.
27. Google may request an audit where this is necessary for legitimate business purposes, for example where Google detects anomalies in relation to a Developer's reporting, identifies potentially fraudulent activity, or as required to comply with applicable laws or regulations and will provide Developers with reasonable advance notice of any audit that it carries out under the Alternative Billing Terms of Service.¹³

F. Non-retaliation

28. Google will not engage in any retaliatory measures directed at a Developer or its users for the reason of that Developer having chosen to offer User Choice Billing or Developer-Only Billing in accordance with these Commitments.

G. Reporting and compliance

29. Google will not in any way, whether by action or omission, directly or indirectly, circumvent any of the Commitments.
30. Google will:
 - a. provide the CMA with a signed Compliance Statement and an Evaluation Report at the following intervals during the period in which the Commitments remain in force:
 - i. Until 1 July 2024, within five Working Days of the end of each three calendar month period following the Effective Date.
 - ii. After 1 July 2024, within five Working Days of the end of each six calendar month period.

The Compliance Statement will be signed by an individual with delegated authority in the form included in **Annex 1** to these Commitments.

¹² Prior to Google developing a technical solution to report such information, Developers are required to provide Google with a report including details of transactions for purchases of any of the Developer's products, as set out in paragraph 3.2 of the Alternative Billing Terms of Service (currently, available at: <https://support.google.com/googleplay/android-developer/answer/12370703>).

¹³ See paragraph 7.1 of the Alternative Billing Terms of Service (currently, available at <https://support.google.com/googleplay/android-developer/answer/12370703>).

- b. notify the CMA within a reasonable time by email at RemediesMonitoringTeam@cma.gov.uk of any change(s) or update(s) to the Alternative Billing Terms of Service or developer support materials that are referenced therein that may reasonably be considered to affect Google's compliance with the Commitments. For the avoidance of doubt, Google may make changes to the Alternative Billing Terms of Service or applicable developer support materials that apply without notifying the CMA, provided that the proposed changes do not affect Google's compliance with the Commitments.
 - c. promptly notify the CMA, as soon as reasonably practicable (and, at the latest within five Working Days) by email at RemediesMonitoringTeam@cma.gov.uk, if it becomes aware of any breach of the Commitments, aside from any inadvertent error that has been rectified promptly, and commits to providing full information concerning the nature and duration of such breach. Google will not be taken to be aware of a breach for a reasonable period during which it is considering whether conduct is or is not in compliance (such reasonable period to not exceed, absent exceptional circumstances, 10 Working Days from the date on which Google becomes aware of the conduct in question);
 - d. promptly take reasonable steps, in consultation with the CMA, to remedy any breach; and
 - e. provide to the CMA any information and documents which the CMA requests for the purposes of enabling the CMA to monitor and review the operation of the Commitments or any provisions of the Commitments or for the purposes of their enforcement.
31. The obligations in paragraphs 29 and 30 shall apply for the period that these Commitments are in force.

H. Duration

32. These Commitments will cease if and to the extent that the CMA imposes obligations on Google pursuant to the proposed Digital Markets Competition and Consumer Bill, that the CMA considers would address, whether by the same or different means, the competition concerns addressed by these Commitments (the "**Relevant Obligations**").
33. The date on which these Commitments, or specific obligations therein, terminate under paragraph 32 shall be the date of the entry into force and effect of the Relevant Obligations.
34. The CMA will publish notice of the termination of these Commitments, or specific obligations therein, pursuant to paragraph 32 above, including:
- a. The date of such termination; and
 - b. Any obligations on Google in these Commitments that continue to have effect.

35. Subject to paragraphs 32 and 33 above, and to any earlier variation or release pursuant to section 31A(4) of the Act, these Commitments shall remain in force for a period of five (5) years from the Effective Date.

I. Variation or substitution

36. Google may offer a variation or substitution of the Commitments as envisaged by section 31A(3) of the Act.

J. Effect of invalidity

37. Should any provision of these Commitments be contrary to law or invalid or unenforceable for any reason, Google will continue to observe the remaining provisions, which shall remain valid and enforceable.

K. Governing law and jurisdiction

38. The Commitments will be governed and construed in all respects in accordance with English law.

39. Disputes arising concerning the Commitments will be subject to the exclusive jurisdiction of the courts of England and Wales.

40. Google irrevocably appoints Cleary Gottlieb Steen & Hamilton LLP, 2 London Wall Place, EC2Y 5AU as its agent to receive on its behalf in England or Wales service by the CMA of all documents, orders, requests, notifications, proceedings, or other communications connected with these Commitments. Such service shall be deemed completed on delivery to such agent and shall be valid at such time as the CMA has received prior written notice that such agent has ceased to act as agent. If, for any reason, such agent ceases to be able to act as agent or no longer has an address in England or Wales, Google shall forthwith appoint a substitute acceptable to the CMA and deliver to the CMA the new agent's name and address within England and Wales.

* * *

Annex 1 Template Compliance Statement

[Note reflecting [G30(a)]: Compliance Statements attaching an Evaluation Report as Annex 1 will be provided to the CMA within five Working Days of the end of each three-calendar-month period following the Effective Date until 1 July 2024. Following this initial period Compliance Statements will be provided to the CMA within five Working Days of the end of each six-calendar-month period following 1 July 2024 for the remaining duration of the Commitments]

I, [insert full name], [Chief Executive Officer/title of authorised delegate] of Alphabet Inc. and its group companies, including Google Ireland Limited, Google UK Limited and Google LLC (together 'Google') confirm that for the [three months]/[six months] to [amend date as appropriate], Google has complied in the preceding [three-calendar-month]/[six-calendar-month] period with the obligations relating to:

- Google's Commitment to allow Developers listing their Apps on the UK Play Store and offering In-App Purchases of Digital Goods and Services to UK users to offer User Choice Billing for their Apps to UK users instead of using GPB exclusively or Developer-Only Billing, for Non-Gaming Apps from the Effective Date and for all Apps by no later than 1 October 2023, as set out in [A.9, C.16-22], and as supported by the provision of the information set out in the **Evaluation Report**;
- Google's Commitment to allow Developers listing their Apps on the UK Play Store and offering In-App Purchases of Digital Goods and Services to UK users to offer Developer-Only Billing for their Apps to UK users instead of using GPB exclusively or User Choice Billing, for Non-Gaming Apps from the Effective Date and for all Apps by no later than 1 October 2023, as set out in [B.13, C.16-22], and as supported by the provision of the information set out in the **Evaluation Report**;
- the reduction of its Service Fee by at least four percentage points for User Choice Billing and at least three percentage points for Developer-Only Billing as set out in paragraphs [D.23-D.24];
- development of the technical solution as set out in paragraph [E.26] [*this item to be deleted post-implementation of the solution*]; and
- not engaging in retaliatory measures against developers who elect to no longer use GPB as set out in paragraph [F.28], [as supported by the provision of information set out in the **Evaluation Report**]; and

- reporting and compliance commitments set out in [G.29-30].

Any failures to meet the Commitments during this [three-calendar-month]/[six-calendar-month] period were notified to the CMA within [five] Working Days of Google becoming aware of them [in accordance with G.30] and are also listed below for completeness

Signed.....

Full name.....

Date.....

[Breaches (if any) listed on following page for completeness]

Case 51183 - Google Play Billing Evaluation Report

[Note: Evaluation Reports will be provided to the CMA within five Working Days of the end of each three-calendar-month period following the Effective Date until 1 July 2024. Following this initial period Evaluation Reports will be provided to the CMA within five Working Days of the end of each six-calendar-month period following the Effective Date for the remaining duration of the Commitments]

No.	Information for the preceding [three-calendar-month]/[six-calendar-month] period
1	The number of Developers who have submitted a complete application to offer User-Choice Billing / Developer-Only Billing to UK users under the Commitments, and the total number of Apps on the UK Play Store.
2	The number of Developers whose application to offer User Choice Billing / Developer-Only Billing to UK users has been approved.
3	The number of Developers reporting transactions (on a per app level) for User Choice Billing / Developer-Only Billing under the Commitments, as a proxy for the number offering User Choice Billing / Developer-Only Billing under the Commitments.
4	The number of Developers whose application to offer User Choice Billing / Developer-Only Billing to UK users under the Commitments have been rejected.
5	The categories of reasons for any rejections of applications to offer User Choice Billing / Developer-Only Billing to UK users.
6	The average time between: (i) the date a Developer submits a completed application in accordance with paragraphs 9(1)/13(a) of the Commitments; and (ii) the date the Google team responds to such an application by providing the Developer with the necessary onboarding materials.
7	The percentage of completed applications submitted in accordance with paragraphs 9(1)/13(a) of the Commitments that Google responded to by providing the Developer with the necessary onboarding materials within the target date of seven days of receipt.
8	The number of complaints received about the rejection of an application to offer User Choice Billing / Developer-Only Billing to UK users.
9	The number of Developers who have been approved to offer User Choice Billing or Developer-Only Billing to UK users who have been the subject of enforcement action for violation of the Alternative Billing Terms of Service (for example, non reporting or non-compliance with the UX guidelines) and the categories of reasons for the enforcement actions taken.
10	The number of appeals in relation to item 9 above.
11	The number of Developers that have: (i) responded (e.g. by providing supplementary information) to Google's alternative billing onboarding team where the onboarding team rejected the Developer's application to offer User Choice Billing / Developer-Only Billing,

	for example due to the Developer’s ineligibility; and (ii) the number of those Developers who have subsequently been able to offer User Choice Billing / Developer-Only Billing (e.g. because they made changes so as to become eligible).
12	The number of Developer complaints to Google’s developer support team regarding the use of Alternative Billing Systems under the User Choice Billing / Developer-Only Billing programs offered under the Commitments.
13	The number of audits conducted by Google in accordance with paragraph 27 of the Commitments of Developers offering User Choice Billing / Developer-Only Billing under the Commitments.
14	A log of all changes made to the Alternative Billing Terms of Service or applicable Developer support materials, to the extent these are not already notified to the CMA as being changes that may reasonably be considered to affect Google’s compliance with the Commitments.
15	A log of all changes made to the Information Screen wording, to the extent that they have not been notified to the CMA as material changes.
16	A log of any changes to Google’s Developer Program Policies ¹⁴ which distinguish between Developers offering an Alternative Billing System and other apps available on the UK Play Store.
17	A log of any changes to the Data Access page ¹⁵ on the Play Console Help site, which distinguishes between Developers offering an Alternative Billing System and other Developers.
18	A log of any changes to the Google Play Developer API Terms of Service ¹⁶ that distinguish between Developers offering an Alternative Billing System and other Developers.
19	A description of competition law training provided to Google employees working on Google Play, covering compliance with the Commitments, including the non-retaliation provision, in particular covering ranking and promotion on Google Play.
20	A description of the internal processes that will enable Google employees to monitor and report behaviour that is not in line with the non-retaliation commitment.

¹⁴ See Google Play, [Developer Policy Center](#).

¹⁵ See Play Console Help, [Data Access](#).

¹⁶ See [Google Play Developer API Terms of Service](#).