CMA SMS Investigation into Apple's Mobile Ecosystem
Response to Proposed Designation Decision and Interventions Roadmap

August 20, 2025

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I. Introduction and summary

(1) The CMA has committed to carry out its new digital markets functions in a "*proportionate, targeted, [and] evidence-led*" manner, consistent with the Government's strategic steer.[1] The CMA's roadmap of potential interventions concerning Apple ("**Roadmap**") recognises "*the consumer benefits that the existing mobile ecosystems already deliver to UK consumers*" and commits to "*consider these when designing any intervention.*"[2] It acknowledges that the CMA should take a cautious and phased approach to its interventions.[3] And it recognises that proportionate regulation does not involve automatic "*lift[ing] and shift[ing]*" from other jurisdictions.[4] These words give hope that the CMA will not repeat the mistakes of the European Commission ("**EC**") under the Digital Markets Act ("**DMA**"). Unfortunately, the CMA's proposed designation decision ("**PDD**") and Roadmap fall well short of this promise. There is still time for the CMA to correct course and learn from others' mistakes.

(2) The PPD and Roadmap do not reflect a proportionate, targeted, or evidence-led approach. Far from it. The CMA is seeking to give itself the power to redesign Apple's products. In future it could be bureaucrats, not engineers, making decisions about the design of iPhones, iPads, the App Store,[5] and Safari. Some of the world's most innovative products could be subject to a "design by committee" approach led by the CMA, which would undermine user privacy and security, device integrity, innovation, and growth.

(3) Apple respectfully urges the CMA to consider the following points in the next phase of its investigation.

(4) **First, the PDD and Roadmap do not account for Apple's relentless focus on providing high-quality products and services as it competes against large, well-funded competitors**. Apple offers integrated products combining hardware and software, which it designs to maximise performance, usability, privacy, and security. Apple competes vigorously for users with Samsung, Google, and other manufacturers through its integrated approach. This intense rivalry is strengthening further as a result of the disruptive effects of generative artificial intelligence ("**AI**"). The PDD fails to account for this intense and rapidly evolving competitive environment.

(5) Intense competition drives Apple to innovate and create best-in-class products and

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1 CMA, Delivering the 4Ps under the digital markets competition regime (April 30, 2025); UK Government, Strategic steer to the Competition and Markets Authority (May 15, 2025).

2 Roadmap, ¶1.7.

3 Roadmap, ¶¶1.7–1.8.

4 Roadmap, ¶3.22.

5 For ease of reference, this Response refers to the App Store as an umbrella term for the App Store on various platforms. Apple maintains however that the iOS and iPadOS App Stores should be considered as separate digital activities (*see* **Section II.A** below).

user experiences. Apple has continued innovating the iPhone and iPad, including by introducing AI features for users and developers that reflect its unwavering dedication to user security and privacy. It has, in parallel, announced new milestone versions of its operating systems ("**OSs**"), including a raft of innovative functionalities.[6] And it is investing significantly in AI more generally, in competition with well-funded rivals.

(6) The PDD and Roadmap seek effectively to punish Apple for choosing an integrated business model. Other device manufacturers like Samsung and Meta take a different approach, relying on third parties for their devices' OSs or integrating with third-party devices. For example, Samsung has created an ecosystem of software and peripheral hardware that integrate with its smartphones (the second most popular brand in the UK). Yet Samsung is not subject to regulation. This one-sided regulatory approach is unfair and unjust.

(7) Companies like Samsung and Meta are free to compete in emerging spaces like augmented and virtual reality headsets and AI, free from regulatory constraints in the UK. Apple is, by contrast, unable to compete in these nascent areas without regulatory interference. This imbalance is unwarranted and unfair. And it is distorting markets with the effect of deterring business model differentiation and competition. And it is exacerbated by the Roadmap's unfair prioritisation of interventions concerning steering and interoperability for Apple, but not for Google.

(8) **Second, Apple's UK activities are an engine for innovation and growth**. The results of Apple's contribution to flourishing mobile device competition flow directly to UK users and app developers. Since the App Store launched in 2008, UK developers have earned nearly £9 billion from selling digital goods and services. Apple invests significant time and effort in ensuring that these developers have the support and tools they need. A significant majority of them do not pay any commission to Apple when monetising their apps. Apple's broader commitment to the UK is reflected in the over £18 billion it has invested in the country in the past five years alone. Including Apple's UK suppliers, the iOS app economy, and direct employment, Apple now supports over 550,000 jobs across the UK.

(9) **Third, the PDD and Roadmap threaten to undermine Apple's incentives to invest and innovate**. Apple invests significant resources in providing developers with access to the App Store, and permits them to use Apple's proprietary and intellectual property-protected technologies, tools, and services.[7] This includes around 200 frameworks and over 250,000 application programming interfaces ("**APIs**"). Apple is fairly compensated for the significant value it provides to developers by way of a simple compensation structure under which it charges a commission on the purchase of digital goods and services. The vast majority of app developers do not pay this commission. This model has created explosive growth and success for developers on Apple's platforms, and a flourishing app ecosystem for users across the globe. In 2024 alone, the App Store facilitated nearly $1.3 trillion in billings and

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6 *See* Apple, WWDC25 Revisit the highlights.

7 The Apple technologies and intellectual property rights discussed in this Response exclude those that Apple has voluntarily contributed to open-source projects or industry standards.

sales worldwide.[8]

(10) The Roadmap's proposed interventions threaten to undermine Apple's incentives to invest in these valuable tools, services, and technologies, which would in turn undermine innovation and growth. For example, the Roadmap prioritises steering, under which developers can encourage users to purchase digital goods and services outside of Apple's App Store. The Roadmap specifically credits unsubstantiated "*benefits for users*" flowing from the link-out model imposed on Apple in the US (by a District Court ruling which Apple has appealed).[9] Under this model, Apple has been deprived of its right to compensation for the technologies, support, and enormous value it provides app developers.

(11) The Roadmap—absent any evidence—also prioritises interoperability interventions. While the exact nature of the Roadmap's proposal is unclear, the CMA is clearly considering whether to impose DMA-like obligations on Apple that require it to hand over its innovations and intellectual property—free of charge—to businesses that have in some cases made it their sole mission to copy Apple. The European experiment of using regulation to gut the intellectual property rights of an American company is not one the CMA should mimic. Such an approach would not constitute proportionate or evidence-led regulation in action.

(12) A regulatory taking of Apple's innovations and intellectual property (including the exclusionary rights they confer) without compensation would represent a significant infringement of Apple's fundamental property rights. Apple believes that companies should compete to design the best technology for consumers, and be allowed to benefit from their hard-earned innovations. Apple respectfully urges the CMA not to repeat the EC's failure to balance regulatory intervention against the protection of innovation incentives and intellectual property rights.

(13) **Fourth, the Roadmap's proposed interventions risk unintended consequences for user privacy and security**. Apple's experience under the DMA also demonstrates how ill-considered regulation can produce unintended outcomes. Apple has received over one hundred interoperability requests through its DMA interoperability tool, many of which emanate from major companies or well-funded pressure groups. For example, almost 30 requests came from Meta, Google, and Microsoft—themselves designated as gatekeepers under the DMA. Some of these requests would require Apple to expose sensitive user data—data that even Apple does not see—to other companies, some of which have dubious track records when it comes to the trusted use of individual user data. With this sensitive information, these companies can surveil users' location, habits, and activities. Other requests involve Apple opening its platform in ways that threaten stability and integrity.

(14) The CMA should be cautious about following the EC, whose ill-informed specification decisions imposed an unduly prescriptive and burdensome process on Apple, and only on Apple. Any intervention in Apple's proven commitment to interoperability on

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8 Analysis Group, The global App Store and its growth (June 2025), p. 1.

9 Judgment of April 30, 2025 granting Epic's motion, *Epic v Apple,* United States District Court, Northern District of California, case 4:20-cv-05640-YGR ("**US Epic Enforcement Order**").

its platforms must be carefully designed to prevent competitors—or the third-party pressure groups they fund—from "gaming the system" by burdening Apple with excessive or frivolous requests. Apple, as the responsible steward of its platforms, is incentivised to ensure its platforms remain attractive to developers and their users, and is evidently better equipped to strike the appropriate balance than a regulator.

(15) Steering rules also involve risks for user privacy and security. Link-outs to the open web expose consumers to a significantly increased risk of fraud and scams, misleading pricing, and privacy invasions. They give bad actors the opportunity to engage in bait-and-switch tactics and evade parental controls. And they risk user confusion where a user's expectation that they are transacting with Apple, on the basis of Apple's stringent security and privacy measures, is not fulfilled.

(16) Apple's brand popularity stems from years of competing on innovation, quality, privacy, and security. This reputation would be put at risk if its products failed to meet users' expected standards. Proportionate regulation must give due weight to these risks. Apple is concerned that the Roadmap's early focus on steering and interoperability threatens to follow the same destructive path as the DMA to the detriment of UK consumers.

(17) **Fifth, the PDD and Roadmap are not based on genuine or representative evidence of user or developer harm or dissatisfaction**. As well as steering and interoperability, the Roadmap sets out the CMA's intention to prioritise interventions relating to App Review, search rankings in the App Store, and Apple's use of data collected during App Review. These proposed interventions are based predominantly on views expressed at a closed-door "workshop" attended by just 12 app developers and one trade association. Despite making multiple requests, Apple has received no insight into: (i) which developers attended; (ii) how third parties' expertise and commercial incentives were taken into account; (iii) how the discussion was organised; or (iv) how participants were invited to substantiate their claims. Without this important context, this evidence cannot be given any weight. Moreover, based on this workshop, the Roadmap proposes to impose many of the same obligations on Apple and Google, without attempting to discern how evidence supports—or does not support—intervention that is fit-for-purpose in light of each company's business model. This is despite the CMA's recognition in previous cases that Apple and Google compete through different business models.[10]

(18) More generally, the PDD and the Roadmap's weighing of evidence leads to perverse preliminary conclusions and proposed interventions. For example, many findings are derived from a CMA-commissioned survey, which had a response rate of only 7.6% and which contains findings that directly contradict the conclusions drawn from it.[11] In addition, the survey concerned smartphone users, yet the PDD applies the same reasoning to both iPhones and iPads. Other findings are based on views expressed by a minority of third parties, with no evidence of widespread harm or dissatisfaction. And at various points the PDD reaches foregone conclusions on data purporting to

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10 *See, e.g.*, CMA, Mobile ecosystems - Market study final report (June 10, 2022) ("**MEMS Final Report**"), p. 9.

11 Accent, Mobile Consumer Survey Final Report (July 2025) ("**Accent Survey**").

show particular market outcomes (*e.g.*, in relation to user switching), without proper enquiry into what drives those outcomes, including plausible pro-competitive explanations such as high user satisfaction. This is not consistent with evidence-led regulation.

(19) **Sixth, the PDD's proposed descriptions of Apple's digital activities and designation of Apple's "Mobile Platform" are unduly broad and disproportionate**. The PDD mischaracterises the technical nature of Apple's services, includes unspecified additional functionalities within the scope of its proposed digital activities (such as "middleware" and "connectivity functionalities"), and incorrectly groups Apple's services together in a "Mobile Platform". Apple competes and differentiates through technical integration of its OSs, apps, and services on each of its devices. This does not however mean that iOS, iPadOS, Safari, and the App Store serve the same purpose for users and developers, which is the relevant legal question. As this response demonstrates, they do not. By grouping Apple's digital activities and including a wide range of undefined functionalities within their scope, the PDD has explicitly pandered to the interests of a handful of third parties that intend for the CMA to make unduly broad use of its powers.

(20) This response expands on these points as follows:

- **Section II** identifies flaws in the PDD's description of Apple's digital activities. The PDD incorrectly describes the scope of Apple's digital activities, groups Apple's digital activities into a "Mobile Platform", and identifies certain entities responsible for carrying on Apple's digital activities.

- **Section III** explains how the PDD's preliminary conclusions on the strategic market status ("**SMS**") conditions are contradicted by available evidence. In its assessment of whether Apple has substantial and entrenched market power ("**SEMP**"), the PDD fails to acknowledge the significant competitive constraints that rival devices, platforms, and distribution channels exert on Apple, and fails to carry out a sufficient forward-looking exercise. The PDD's position of strategic significance ("**POSS**") assessment is also flawed.

- **Section IV** explains that there is no case for intervention relating to the areas identified in the Roadmap. Nor would these interventions be effective, proportionate, or beneficial to UK consumers.

(21) Apple looks forward to further engagement with the CMA on these issues.

II. The PDD's description of Apple's digital activities is inaccurate and inappropriate

(22) The PDD's description of Apple's digital activities is flawed and does not satisfy the applicable legal criteria in certain fundamental respects. In particular, the PDD:

- Incorrectly defines and describes certain aspects of Apple's digital activities (**Section II.A**).

- Does not demonstrate based on evidence that iOS, iPadOS, the App Store, or Safari meet the statutory criteria for consideration as a grouped digital activity (**Section II.B**).

- Inappropriately includes in the relevant Apple "undertaking" certain entities that do not carry on the relevant digital activities (**Section II.C**).

(23) This section expands on these points below.

A. The PDD incorrectly describes and defines Apple's digital activities

(24) The PDD's description of Apple's digital activities is inaccurate for the following reasons:

- First, the PDD does not coherently describe Apple's "Smartphone and Tablet OSs" and takes an unpredictable and factually inaccurate approach to the inclusion of various additional functionalities within the boundaries of these digital activities (**Section II.A.1**).

- Second, the PDD's description of "Native App Distribution" mischaracterises the App Store as a single digital activity across iOS and iPadOS and inappropriately includes preinstallation and developer tools (**Section II.A.2**).

- Third, the PDD's description of "Mobile Browsers and Browser Engines" mischaracterises Safari as a single digital activity across iOS and iPadOS, WebKit and Safari as part of the same digital activity, and in-app browsing and Safari as part of the same digital activity (**Section II.A.3**).

1. The PDD does not coherently describe "Smartphone and Tablet OSs"

(25) The PDD defines an OS as software that "*acts as an intermediary between hardware and software on a [smartphone or tablet], enabling software applications and services to run on the [smartphone or tablet].*"[12] The PDD then considers whether certain ill-defined functionalities form part of Apple's "Smartphone and Tablet OSs", largely based on submissions from a handful of third parties, which contain no evidence to support their claims.[13]

(26) The PDD's description of "Smartphone and Tablet OSs" is unduly inclusive and fails to reflect that many functionalities on a mobile device can act as intermediaries between hardware and software without being part of the OS. The PDD's failure to test the description of OSs initially proposed in the CMA's Invitation to Comment

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12 PDD, ¶¶4.23(a)–(b).

13 PDD, ¶¶4.19; 4.22–4.23.

("**ITC**") leads to an unduly broad description that does not attempt to define the boundaries of an OS.[14]

(27) The PDD's lack of rigour is further highlighted by unresolved issues around middleware, connectivity functionalities, and virtual assistant capabilities—all of which the PDD fails to justify as being within the scope of Apple's "Smartphone and Table OSs":

- **The PDD's definition of "middleware" lacks necessary clarity**. The PDD's assertion that Apple's OS digital activities include "middleware" creates significant uncertainty. This assertion is based on a vague reference by a single developer.[15] The PDD describes "middleware" as functionality that "*form[s] part of the operating system because they act as intermediaries between the hardware and software of Apple's mobile devices and contribute to enabling apps to run on them*."[16] But this does nothing to explain what "middleware" means, especially in light of the PDD's vague definition of what constitutes OS software. Apple does not use the term "middleware" in the ordinary course of business because it views its hardware and software as directly interacting, and therefore does not track which of its software components match the description.

  The PDD identifies a single example of what it considers to be middleware: Metal, a framework in iOS and iPadOS that enables apps to access an iPhone or iPad's graphics processing unit.[17] The Metal framework is part of iOS and iPadOS, and it is unclear how to extrapolate any definition of the term "middleware" from this example. The PDD's discussion of middleware therefore lacks necessary specificity.

- **The PDD does not appropriately define or justify its inclusion of "connectivity functionalities."** The PDD asserts that "*APIs providing access to connectivity functionalities*" fall within the scope of Apple's "Smartphone and Tablet OSs" without defining the underlying functionalities or explaining why they would be part of these OSs.[18] The only stated basis for this position is the view of a single third party, which does not itself provide any meaningful

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14 In addition, it is not clear that an OS falls within the definition of "digital activity" for the purposes of Digital Markets, Competition and Consumer Act 2024 ("**DMCCA**"), s. 3(1), given it is not "*a service provided by the internet*," nor is it clearly the "*provision of digital content*" (which the DMCCA defines as "*data which is produced and supplied in digital form*"). The PDD does not explain why an OS is considered to meet these definitions.

15 PDD, ¶¶4.24–4.26; Epic Games, Response to CMA ITC, p. 2 (stating that mobile OSs should include "*associated middleware*").

16 PDD, ¶4.25.

17 *Ibid.*

18 PDD, ¶4.27.

description of "connectivity functionalities."[19] Failing to define "connectivity functionalities" creates significant uncertainty regarding the range of functionalities that could be in scope. For example, it is not clear if the PDD intended the term to include hardware components, software components, or both.[20]

- **The PDD does not clearly define Siri's "VA functionality."** The PDD provisionally concludes that "*the VA functionality of Siri, whilst embedded into the operating system does not fulfil an intermediary role between hardware and software*."[21] Apple did not have a meaningful opportunity to engage with the CMA on either Siri's technical attributes and supporting functions or the legal question of whether they should be considered part of Apple's OS digital activities. Accordingly, the PDD's description fails to take adequate account of Siri's purpose and role in iOS and iPadOS.

(28) Any final designation decision should articulate clearly what functionalities fall in scope of any designated digital activity.

2. The PDD's description of "Native App Distribution" is inaccurate and does not reflect technical reality

(29) The PDD describes "Native App Distribution" as the provision of "*a service which enables the distribution, installation and operation of native apps on mobile devices, which are apps written to run on the Smartphone Operating System and/or the Tablet Operating System.*"[22] The PDD's description of "Native App Distribution" is inaccurate and unduly broad, for three main reasons:

- First, the PDD incorrectly includes the App Store in the same digital activity across iOS and iPadOS (**Section II.A.2(a)**).
- Second, the PDD incorrectly includes preinstallation in its description of Apple's Native App Distribution digital activity (**Section II.A.2(b)**).
- Third, the PDD incorrectly includes tools such as Xcode and TestFlight in its description of Apple's Native App Distribution digital activity (**Section II.A.2(c)**).

(30) Any final designation decision should describe a digital activity comprising Native App Distribution that: (i) properly separates the App Store across iOS and iPadOS; (ii) excludes preinstallation on iOS and iPadOS; and (iii) excludes app development and testing tools.

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19 PDD, ¶4.19; Mobile UK, Response to CMA ITC, ¶5. In any case, Mobile UK raised this point in relation to concerns about network slicing, which the CMA has rightly deprioritised.

20 For example, functionalities that support connectivity such as Wi-Fi or Bluetooth involve the interaction of both.

21 PDD, ¶4.32.

22 PDD, ¶4.37.

(a) The PDD incorrectly includes the App Store in the same digital activity across iOS and iPadOS

(31) The App Stores on iOS and iPadOS are separate app marketplaces for users with different developer offerings and with different features and interfaces. The PDD rejects, however, that they constitute separate digital activities, predominantly on the basis that any differences in end-user demand for the App Store across iOS and iPadOS results from the "*particularities*" of the underlying device rather than the App Stores themselves.[23] This reasoning is flawed. The type of device for which a product is made is a key consideration affecting how that product is "*offered and consumed*".[24]

(32) Apple provided substantial evidence on how the iOS and iPadOS App Stores are consumed differently in practice:

- The iOS and iPadOS App Stores are used differently by: (i) users, given their clearly distinguished interfaces; and (ii) developers, given the additional time and resources required to adapt an app for marketing across the two app marketplaces.
- End users consume the iOS and iPadOS App Stores in fundamentally different ways (by reference to the number of apps, the number of first-time downloads, and the most popular app categories on each UK storefront).
- Each App Store is subject to different competitive conditions in the UK.[25]

(33) The evidence Apple provided demonstrates that the iOS and iPadOS App Stores are offered and consumed differently, and should be described as separate digital activities based on the DMCR Guidance.

(34) The PDD instead focuses on irrelevant and misleading factual considerations to support its view that the iOS and iPadOS App Stores form part of the same digital activity. These considerations include the common application of Apple's App Review Guidelines ("**App Review Guidelines**");[26] certain marketing language Apple

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23 PDD, ¶4.40(b).

24 In identifying a digital activity and considering which of a firm's products and services it may comprise, the CMA will typically look at how products are "*offered and consumed*." *See* CMA, Digital markets and competition regime guidance (CMA194) (December 19, 2024) ("**DMCR Guidance**"), ¶2.10.

25 The PDD asserts that the fact that the iOS and iPadOS App Stores face different competitive conditions is irrelevant based on the DMCR Guidance, which states that identifying a digital activity "*will not require an assessment of the competitive constraints on the firm*." *See* PDD, ¶4.40(e) (citing DMCR Guidance, ¶2.10). This is repeated in relation to other digital activities. While the test for defining digital activities does not mandate a full competitive assessment, the constraints that products face, which will reflect important supply- and demand-side considerations, are relevant to how those products are "*offered and consumed*."

26 PDD, ¶4.40(d). Apps are assessed differently during App Review for iOS and iPadOS to account for the specificities of each platform.

has used;[27] the availability of the same developer tools across iOS and iPadOS;[28] and users' ability to purchase apps once across developers' platforms.[29] The PDD's assertion that app developers consider the iOS and iPadOS App Stores as a single digital activity is also not substantiated by any evidence.[30]

(35) The factual information the PDD relies on does not, in itself, support the position that the iOS and iPadOS App Stores are "*offered and consumed*" similarly where there is extensive evidence to the contrary. For these reasons, the iOS and iPadOS App Stores should be considered as part of separate digital activities in any final designation decision.

(b) The PDD incorrectly includes preinstallation in its description of Native App Distribution

(36) The PDD includes preinstallation of apps on iOS and iPadOS within its description of Native App Distribution.[31] This preliminary conclusion is inappropriate. Preinstallation is not a service and therefore does not meet the PDD's definition of "Native App Distribution". Preinstallation is a design component of Apple's integrated mobile devices. Apple preinstalls certain apps on iPhones and iPads to deliver the premium out-of-the-box experience that its users expect.

(37) Apple has never offered preinstallation as a "service". By contrast, the iOS and iPadOS App Stores provide users with services that fulfil distinct purposes for developers and end users: among other things, they provide curated storefronts and enable users to search for and explore apps that they may wish to download in respect of their specific devices. Preinstallation should therefore not be included within the description of Native App Distribution.

(c) The PDD incorrectly includes developer tools such as Xcode and TestFlight in its description of Native App Distribution

(38) The PDD's assertion that Apple's developer tools enable the "*installation, distribution, and operation*" of native apps on iOS and iPadOS devices is incorrect.[32] Apple's developer tools, including Xcode and TestFlight, enable developers to build

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27 PDD, ¶4.40(a); fn. 126.

28 The availability of a developer tool for developers of iOS and iPadOS apps does not imply that both App Stores are functionally unified or interchangeable, or that developers "consume" them in the same way. It simply reflects that developers may have skills and expertise that can be applied to products across multiple platforms.

29 The theoretical ability of users to purchase the same app across platforms cannot outweigh data showing that uses consume apps differently across the iOS and iPadOS App Stores.

30 PDD, ¶4.40(d).

31 PDD, ¶¶4.44–4.45.

32 PDD, ¶4.47(b).

and test apps to ensure compatibility and proper functioning with iOS and iPadOS.[33] These tools are fundamental to app *development and testing*, not distribution. They are separate from Apple's App Store tools and services, which support, for example, the availability and management of apps, enforce content and security policies, and manage user acquisition, engagement, and updates.[34] Any final designation decision should exclude developer tools from its description of Native App Distribution.

3. The PDD's description of Mobile Browsers and Browser Engines is flawed

(39) The CMA describes a digital activity comprising "Mobile Browsers and Browser Engines," which includes "*(a) the provision of a software application that enables users of mobile devices to access and search the internet and interact with web content; and (b) the provision of a mobile browser engine, which is the underlying technology which native apps on mobile devices use to transform web page source code into content with which users can engage*."[35]

(40) The PDD's description of "Mobile Browsers and Browser Engines" as it applies to Apple is inaccurate and unduly broad, for three main reasons:

- First, the PDD incorrectly treats Safari across iOS and iPadOS as a single digital activity (**Section II.A.3(a)**).
- Second, the PDD incorrectly includes WebKit in the same digital activity as Safari (**Section II.A.3(b)**).
- Third, the PDD incorrectly includes in-app browsing in the same digital activity as Safari and WebKit (**Section II.A.3(c)**).

(41) If the CMA ultimately decides that Safari meets the SMS conditions (which, as explained below, it does not), any final designation decision should define digital activities in a way that: (i) properly separates Safari across iOS and iPadOS; (ii) excludes WebKit; and (iii) excludes in-app browsing.

(a) The PDD incorrectly includes Safari in the same digital activity across iOS and iPadOS

(42) The PDD rejects that Safari on iOS and iPadOS should be treated as separate digital activities, including because they are "*sufficiently similar*".[36] It considers that "*the*

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33 *See* Apple, Apple empowers developers and fuels innovation with new tools and resources (June 10, 2024) (describing Xcode as offering "*features and performance enhancements that empower developers to build exceptional apps faster than ever before*"); Apple, Beta testing made simple with TestFlight (describing TestFlight as a tool that "*makes it easy for testers to give feedback on [developer] apps, games, and App Clips*").

34 *See, e.g.*, Apple Developer app, App Store Connect.

35 PDD, p. 41.

36 PDD, ¶4.53(c).

fact that there may be some differences in use cases does not mean that [Safari] is not a single digital activity [across iOS and iPadOS]."[37]

(43) Consistent with its approach to Native App Distribution, the PDD asserts that any differences between Safari on iOS and iPadOS are attributable to differences in the underlying device rather than differences between Safari on iOS and iPadOS.[38] As explained above, this distinction is not compelling. Safari on iOS and iPadOS are "*offered and consumed*" separately, as Apple has previously explained—and evidenced—to the CMA:

- Safari on iOS and iPadOS support different user needs and preferences. Users generally use iPhone browsers for "on-the-go" tasks (*e.g.*, checking the opening hours of a shop), and iPad browsers for in-depth browsing.

- Safari for iOS and iPadOS are also offered differently. Safari for iPad brings a Mac-like browsing experience to the iPad.[39] For example, it loads the desktop rather than mobile versions of websites, while Safari on iOS defaults to mobile versions. Safari on iPadOS also enables users to display a sidebar containing the user's open tabs and tab groups, shared links, bookmarks, reading list, and web history. Sidebar is designed for iPad's larger screen and multitouch interface, making it a significant feature on iPad but not iPhone.

(44) The PDD attempts to find support for its preliminary conclusion based on cherry-picked evidence, including the assertion that Apple "*promotes Safari as a single web browser*";[40] Apple's publication of release notes covering both browsers;[41] and the fact that Apple's WebKit policy applies across iOS and iPadOS. These factors do not outweigh the direct evidence cited above that Apple offers, and users consume, Safari differently on iOS and iPadOS. In any event, Apple's WebKit policy is set as an App Store requirement (driven by privacy and security considerations), rather than having anything to do with how Safari is offered and consumed across platforms.

(45) For these reasons, Safari on iOS and iPadOS should be considered as part of separate digital activities in any final designation decision.

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37 *Ibid*.

38 *Ibid*.

39 *See, e.g.*, MacStories, Desktop-Class Safari for iPad: A Hands-On Look at the Difference the iPadOS Update Makes to Apple's Browser (January 6, 2020).

40 PDD, ¶4.53(a).

41 The PDD cites the Safari 18.4 release notes as evidence that Apple "*developed and provides one version*" of Safari across its devices. *See* PDD, ¶4.53(a). These release notes state that Safari 18.4 was made available (separately) for iOS 18.4 and iPadOS 18.4. While the release notes reflect some functionalities that are common to both products, they differentiate changes by platform where applicable and do not reflect the wider material differences between Safari on iPadOS and iOS.

(b) The PDD incorrectly includes Safari and Webkit in the same digital activity

(46) The PDD includes Safari and WebKit in the same digital activity, essentially because Apple supplies them together to "*users*."[42] This represents a fundamental misunderstanding of how WebKit and Safari are offered and consumed. First, they are offered for fundamentally different purposes.[43] Second, they are frequently not offered together because WebKit is also used with other browsers. WebKit is made available as an OS-level functionality for any browser—indeed any app—to use to render web content. It is not exclusively used by Safari. Third, consistent with these fundamental differences in purpose and distribution, Safari and WebKit are "made" separately, in that WebKit is developed separately to Safari.

(47) The PDD bases its conclusion on how users "consume" Safari and WebKit.[44] End users do not however "consume" WebKit, which is an underlying technology used by Safari and many other apps on iOS. They "consume" the browser or other app that calls on WebKit functionality to render web content. If app developers are considered to be "consuming" WebKit—but *not "*consuming" Safari—then there is no basis to state that Safari and WebKit are typically "*used as a package*" by end users. This dynamic is recognised in the MEMS Final Report, which explains that "*browsers compete for users,*" while "*browser engines compete for browsers*."[45]

(48) The PDD's inclusion of Safari and WebKit in the same digital activity is therefore inappropriate.

(c) The PDD incorrectly includes "in-app browsing technology" in the same digital activity as Safari and WebKit

(49) The PDD includes in-app browsing, which is described as "*the situation in which a user accesses web content while they are already in a native app that is not a dedicated mobile browser*," within its definition of Mobile Browsers and Browser Engines.[46] It does not explain why or adduce any evidence. Treating in-app browsing as part of the same digital activity as Safari and WebKit is inappropriate and at odds with the PDD's definition of in-app browsing, which acknowledges that

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42 PDD, ¶4.56.

43 According to the CMA, mobile browsers serve the purpose of "*enabl[ing] users of mobile devices to interact with content on the web*" and are responsible for user interface functionalities "*such as web favourites, browsing history, remembering passwords and payment details.*" Browser engines by contrast are "*the core underlying software component of a mobile browser that handles the rendering and display of web content.*" *See* CMA's Mobile Browsers and Cloud Gaming Market Investigation ("**MBCG MI**") Final Decision Report, ¶¶2.8; 2.10; and 2.14.

44 PDD, ¶4.56.

45 MEMS Final Report, ¶5.21.

46 PDD, ¶4.60.

its purpose is to access web content within "*a native app that is not a dedicated browser.*"[47]

(50) For example, in-app browsing technologies generally do not allow for internet searches or website navigation via a URL bar—core features of any browser. In-app browsing technologies serve the simpler purpose of enabling native apps to facilitate access to web content for end users without disrupting their experience by sending them to a standalone browser. This is illustrated by widespread use of SFSafariViewController[48] that far exceeds the number of standalone browser apps on Apple's UK App Store (c. 20,000 apps using SFSafariViewController vs. 100 browsers).[49]

(51) Importantly, while Apple provides the basic tools and OS-level functionalities for third-party developers to provide in-app browsing in their apps, the ultimate control over the user experience remains with the third-party developer. Many developers, such as Meta and Reddit, have taken the tools that Apple provides to build their own in-app browsers. Apple cannot reasonably be described as controlling such in-app browsers, and it is therefore inappropriate to include them within the scope of Apple's potential SMS designation.

(52) The separation between Safari and in-app browsing is in fact reflected in the PDD's acknowledgement that in-app browsing is expected to have a "*relatively limited*" impact on barriers to entry and expansion for rival browsers and only serve as a substitute for mobile browsers in "*limited circumstances*" due to "*limited functionality relative to dedicated mobile browsers.*"[50] This is because in-app browsing on iOS is not supported by Safari and serves a distinct purpose for users and native apps.

(53) On this basis, the PDD's provisional finding that "in-app browsing technology" is part of the same digital activity as Safari and WebKit is not supported by evidence. Any final SMS decision should define in-app browsing separately from Safari and WebKit.

B. The PDD incorrectly groups Apple's digital activities in a single "Mobile Platform" digital activity

(54) The CMA may treat two or more digital activities as a single digital activity where they "*have substantially the same or similar purposes*" (DMCCA, Section 3(3)(a)), or "*can be carried out in combination with each other to fulfil a specific purpose*"

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47 PDD, ¶4.60 (citing the MBCG MI Final Decision Report, ¶2.55).

48 SFSafariViewController is an OS-provided visible standard interface for browsing the web that developers can use. It is not part of Safari.

49 CMA MBCG MI, Working Paper 4: In-app browsing within the iOS and Android mobile ecosystems, ¶2.58.

50 PDD, ¶¶7.61–7.67.

(DMCCA, Section 3(3)(b)).[51] As a deeming provision with significant regulatory consequences, Section 3(3) should be construed as narrowly as possible.[52]

(55) In addition, according to the DMCR Guidance, an activity's purpose "*may refer to any relevant aspect of how the products are made, marketed, sold, accessed, or consumed.*"[53] In other words, there should be some commonality of purpose[54] between the digital activities that are linked to their production, marketing, sale, access, and consumption by end users and business users. If the activities are grouped on the basis that they are used in combination, their shared purpose must be specific.

(56) The PDD sets out the provisional view that iOS, iPadOS, the App Store, and Safari (including WebKit),[55] may be treated as a single "Mobile Platform" digital activity.[56] This provisional conclusion misapplies the relevant legal criteria and does not reflect technical reality for three main reasons:

- First, the CMA's grouping of Apple's digital activities misapplies Section 3(3)(b) (**Section II.B.1**).
- Second, the CMA's alternative provisional finding that Apple's digital activities can be grouped based on Section 3(3)(a) is similarly without merit (**Section II.B.2**).
- Third, the PDD's reliance on third-party support for grouping Apple's digital activities is misplaced (**Section II.B.3**).

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51 DMCCA, s. 3(3).

52 DMCCA, s. 3(3), is a discretionary deeming provision given that it is a power conferred on the CMA to deem two digital activities "as" falling within the scope of a single digital activity where they would otherwise not do so. Given that function, and the consequences of its exercise in terms of regulatory intervention and interference with fundamental rights, it should be construed as narrowly as possible. While the DMCR Guidance, ¶2.14, states that the CMA will interpret Section 3(3) "*broadly*", this position has no statutory authority, and is not consistent with ordinary principles of statutory interpretation. *See East End Dwellings Co Ltd v Finsbury Borough Council* [1952] AC 109 (confirming that deeming provisions, *i.e.*, provisions which deem there to be a state of affairs which would otherwise not have arisen, should not be extended beyond the purpose for which they were created).

53 DMCR Guidance, ¶¶2.11 and 2.15.

54 The meaning of "purpose" in DMCCA, s. 3(3), must also be construed narrowly. The DMCCA does not permit the CMA to select an entirely new purpose under s. 3(3) distinct from those purposes defined at the s. 3(1) stage, and to define that new purpose at such a high level of abstraction that any number of s. 3(1) activities could fall within it.

55 Apple does not agree with the CMA's characterisation of these services as digital activities, as explained in **Section II.A** above. Apple nonetheless adopts these terms for ease of reference in this section.

56 The PDD refers to treating distinct digital activities as a single digital activities under DMCCA, s. 3(3), as "*grouping*", and this response uses that term without accepting it as an appropriate description of s. 3(3)'s function.

1. The CMA's grouping of Apple's digital activities misapplies Section 3(3)(b)

(57) The PDD provisionally concludes that iOS, iPadOS, the App Store, and Safari (including WebKit) can be grouped under DMCCA, Section 3(3)(b), because they "*can be carried out in combination with each other to fulfil a specific purpose.*" It finds that these activities "*in combination form a complementary package of services and digital content to fulfil the purpose [...] of facilitating interactions between users and providers of digital content and services on Apple's mobile devices.*" [57]

(58) This preliminary conclusion misapplies Section 3(3)(b). It involves an unduly broad interpretation of the statute that deprives it of any meaningful boundaries. Under this interpretation, any two services that can be used together in some capacity and which serve any stated common purpose, no matter how broad or generic, could be grouped together.

(59) A proper application of Section 3(3)(b) leaves no doubt that the PDD is wrong to group iOS, iPadOS, the App Store, and Safari (including WebKit) on this basis. In particular:

- **First, Apple's digital activities are not carried out "in combination" with each other**. This would be more applicable to, for instance, the constituent elements of an online search engine, such as its ranking algorithm, input mechanism, and results pages. These activities cannot be used separately from—or function without—each other to fulfil an online search engine's basic function, and treating them as a single digital activity may be appropriate. This is not, however, the case with Apple's digital activities, which (as Apple has evidenced to the CMA) are commonly carried out separately.

- **Second, Apple's digital activities are not used to fulfil a "specific" purpose**. The "specific" purpose that the PDD alleges Apple's digital activities fulfil—"*facilitating interactions between users and providers of digital content and services on Apple's mobile devices*"—describes a general, abstract purpose, rather than a specific one as Section 3(3)(b) requires. This goes no further than saying that iPhone and iPad help users connect with other users and developers. Such an approach is the opposite of "specific", and would render the CMA's ability to treat multiple digital activities as a single digital activity so broad as to deprive the CMA's grouping ability of any meaningful boundaries. A huge variety of interactions take place between users and providers using Apple's services, which differ fundamentally in their

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57 PDD, ¶¶4.71 and 4.77(a).

purpose.[58] Interactions covering such a broad range of applications do not serve a shared "*specific purpose*".[59]

(60) The appropriate consideration is whether the facilitations of interactions by Apple's services, in combination, fulfil a specific purpose.[60] They do not. The PDD is therefore wrong to group iOS, iPadOS, the App Store, and Safari (including WebKit) under Section 3(3)(b).

2. The CMA's alternative provisional finding that Apple's digital activities can be grouped based on Section 3(3)(a) is similarly without merit

(61) As an alternative, the PDD finds that iOS, iPadOS, App Store, and Safari (including WebKit) can be grouped under Section 3(3)(a) because they have "*substantially the same or similar purposes*".[61] The PDD describes a range of loosely-connected functions to support its view. In particular, the PDD claims that the following services can be grouped because their purposes are "*substantially the same*" or "*similar*":

- **iOS and iPadOS**. The PDD describes iOS and iPadOS as preinstalled software that powers iPhones and iPads, respectively, and acts as the intermediaries between hardware (mobile devices) and software. However, the PDD accepts that Apple's "Smartphone and Tablet OSs" should be defined separately because they serve different purposes.[62] Ownership rates of iPhones and iPads show that iOS and iPadOS do not serve "*substantially the same or similar purpose.*" If iPhones and iPads served substantially the same or similar purpose, individual end users would not use both devices.

- **App Store**. The PDD describes the App Store as allowing users to discover, download, and update apps, and businesses to access a large user base to whom they can distribute their apps and associated content. This describes a fundamentally different purpose to mediating apps' access to mobile devices' hardware.

- **Safari**. The PDD describes Safari as enabling users of mobile devices to access and search the internet and interact with web content provided by businesses. The PDD's claim that this represents a similar purpose to that

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58 For example, a user using their iPhone in a physical store (*i.e.*, an OS functionality (Near-Field Communication ("**NFC**"))) differs fundamentally from browsing the internet to read the news.

59 The PDD relies on statements in which Apple explained in high-level terms its integrated approach to distributing its hardware and software, to conclude there is a "*commonality of purpose*" across Apple's digital activities (PDD, ¶4.76). The fact that two products integrate with each other does not however mean they are used in combination for a "*specific purpose*," especially one as broad as the purpose described in the PDD.

60 DMCR Guidance, ¶2.14.

61 PDD, ¶4.78.

62 PDD, ¶¶4.22–4.23.

served by the App Store is at odds with its separate preliminary findings on the differences between native apps and web apps.[63]

(62) The PDD's approach to whether digital activities have the same or similar "purpose" is too broad to satisfy the relevant legal test and would effectively nullify the statutory limitations on the CMA's grouping power. Apple's digital activities each serve fundamentally different purposes, which the CMA acknowledges in respect of iOS and iPadOS.

3. The PDD's reliance on third-party submissions to support grouping Apple's digital activities is misplaced

(63) The PDD states that third parties were "*supportive*" of its proposed grouping in the ITC.[64] This reliance is misplaced (and legally irrelevant to the statutory test):

- The PDD cites the views of only four third parties. These views account for a small proportion of relevant third parties.[65]
- The ITC describes a different grouping proposal from that described in the PDD.[66] These four third parties therefore supported a different grouped digital activity than the one in the PDD.
- The third-party submissions merely assert that Apple's digital activities have substantially the same purpose, constitute a single digital activity, or should otherwise be grouped together. These views are not substantiated by any reasoning or evidence (*e.g.*, one third party simply submits that it "*welcomes*" the CMA's grouping proposal).[67] This evidence is therefore particularly weak and should not be given any weight.

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63 PDD, ¶¶7.8–7.10.

64 PDD, ¶4.66.

65 The PDD does not refer to any third-party submissions providing a different view. For example, the Computer & Communications Industry Association ("**CCIA**") cautioned the CMA against adopting an unduly broad designation. *See* CCIA, Response to Invitation to Comment.

66 The CMA's Invitation to Comment refers to a "mobile ecosystem", whereas the PDD refers to a "Mobile Platform". The PDD describes these as distinct concepts. *See* PDD, ¶¶1.14–1.17.

67 Coalition for App Fairness ("**CAF**")'s assertion that Apple's digital activities have "*substantially the same purpose*" is unsubstantiated. Its assertion that "*certain CRs may apply to more than one of the three product groups*" is also irrelevant: SMS designation and conduct requirement ("**CR**") design are distinct statutory processes. *See* CAF, ITC Response (February 2025), p. 2. Epic suggests that "*some*" digital activities "*could*" be grouped together (again without substantiation). The "*holistic approach*" that Epic suggests appears to be linked to perceived circumvention concerns, which are irrelevant to the statutory assessment of digital activities. *See* Epic Games, ITC Response (March 5, 2025), pp. 1–2. Mozilla also refers to such irrelevant concerns. *See* Mozilla, ITC Response, p. 4. Movement for an Open Web ("**MOW**")'s submission that Apple's mobile ecosystem is "*a single digital activity*" is again unsubstantiated. *See* MOW, ITC Response (February 12, 2025), ¶1.

C. The PDD inappropriately includes certain Apple entities in the "undertaking" subject to potential SMS designation

(64) The CMA is required to describe the undertaking to which any SMS designation would relate.[68] In doing so it will usually seek to identify "*the parent company and the main subsidiaries responsible for carrying on the digital activity.*"[69]

(65) The PDD, however, inappropriately includes certain Apple entities in the relevant undertaking.[70] These entities have no involvement with the activities identified in the PDD and/or are not responsible for carrying on the "digital activities" the PDD describes. They instead provides services to Apple Inc. and/or its wholly-owned subsidiaries (the "**Group**"). In particular:

- Apple Retail UK Limited ("**ARL**") operates Apple's physical retail stores in the UK. These stores provide product sales (of iPad, iPhone, and other hardware products), customer support, education, and workshops. ARL also operates the Apple Store Online in the UK, through which product sales also occur. ARL could not be further removed from the activities identified in the PDD.

- Apple Europe Limited provides services to other Group entities. Primarily, this includes sales support and marketing services relating to the Europe, Middle East, India, and Africa region, provided to Apple Distribution International Limited ("**ADIL**").

- Apple Payment Services Limited ("**APSL**") is authorised by the Financial Conduct Authority ("**FCA**") to perform credit broking, credit information services, and account information services. APSL's primary business activity is to provide Account Information Services to end users. APSL provides services to ADIL so that ADIL can make Account Information Services available via the Apple Wallet to end users in the UK. APSL maintains the relevant compliance and governance structures to comply with FCA requirements, as well as customer support for enquiries and complaints regarding compliance with the rules.

- Apple (UK) Limited provides services to other Group entities. Primarily, this includes contract research and development services provided to Apple Operations International Limited, and regional support services in connection with Apple Media Services provided to ADIL.

(66) The irrelevance of these entities to Apple's potential SMS designation is further highlighted by the fact that none of these entities owns, controls, or operates any of the products or services that the PDD includes within its proposed descriptions of various digital activities. The PDD's provisional decision to include these entities within the undertaking subject to SMS designation is therefore erroneous.

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68 DMCCA, s. 15(3)(a).

69 DMCR Guidance, ¶2.75.

70 PDD, ¶3.7.

(67) The only entities responsible for carrying out the digital activities identified in the PDD are Apple Inc. and ADIL. Any final SMS decision should identify only these entities as part of the Apple undertaking in the event Apple is designated as having SMS.

III. The PDD's preliminary conclusions on the SMS conditions do not reflect available evidence

(68) The PDD sets out the CMA's provisional reasons for considering that Apple possesses SEMP and a POSS in respect of its "Mobile Platform." The PDD also considers that Apple would meet these SMS conditions in respect of each of the constituent digital activities of its "Mobile Platform". The PDD's preliminary conclusions on the SMS conditions are not however supported by the evidence. In particular:

- First, the PDD fails to take account of the intense competition iPhone and iPad face to attract users and developers (**Section III.A**).
- Second, the PDD fails to take account of the fierce competition the App Store faces from a range of alternative channels and transaction platforms (**Section III.B**).
- Third, the PDD gives insufficient weight to the intensely competitive environment that Safari operates in (**Section III.C**).
- Fourth, the PDD's assessment of the POSS criteria is flawed and internally inconsistent (**Section III.D**).

(69) This section expands on these points below.

A. The PDD fails to take account of the intense competition iPhone and iPad face

(70) Apple faces vigorous competition to attract users and developers to its platforms. This manifests in intense competitive rivalry on price, quality, and innovation. The PDD does not adequately consider these competitive dynamics, which undermine its provisional finding that Apple meets the SMS conditions in respect of iOS and iPadOS. As this section explains:

- Apple competes fiercely with rivals to attract users to purchase iPhones and iPads, which the PDD fails to take due account of (**Section III.A.1**).
- The PDD's analysis of user switching barriers is flawed (**Section III.A.2**).
- The PDD's assertions concerning the Information Services Agreement. ("**ISA**") between Apple and Google lack any evidential basis (**Section III.A.3**).
- The PDD's analysis of barriers to entry in "mobile platforms" lacks evidential basis (**Section III.A.4**).
- The PDD understates the potential impact of future market developments on competition between mobile devices (**Section III.A.5**).

1. iPhone and iPad compete fiercely with rivals to attract users

(71) Apple offers iPhones and iPads that consist of integrated hardware and software and generates the majority of its revenue from sales of these devices to users.[71] As it does not license OSs separately, Apple disagrees with the PDD's characterisation of OS-level competition. Apple competes to attract users to purchase iPhones and iPads, in competition with numerous large and deep-pocketed OEMs like Samsung, Google, Amazon (which markets Fire devices), and Microsoft.

(72) The PDD suggests that Apple's iOS and iPadOS devices represent 50–60% of active mobile devices in the UK and that this is indicative of substantial market power.[72] Even assuming that this share is accurate and significant, it cannot in itself form the basis for establishing substantial market power in the presence of competitive constraints.[73] Samsung has a sizeable share of devices in the UK and yet there is no suggestion that it has market power or should be regulated, despite also providing users with an ecosystem of first-party software and hardware.

(73) The PDD asserts that factors other than competition drive Apple's improvements to its devices, including its desire to improve its products and services over time, encourage iPhone and iPad users to buy new mobile devices, and increase user engagement.[74] The PDD does not explain why these motivating factors represent anything other than Apple competing on the merits. In fact, iPhone and iPad compete strongly with rival devices across a range of competitive parameters, including those that the Accent Survey finds are important to users.[75]

(74) **Price**. The PDD claims that Apple's devices face limited competition from Android OEMs because Apple and Android devices "*focus predominantly on different price segments.*"[76] This is incorrect. **Figure 1** shows that Apple offers iPhones at a number of price tiers. In the higher tier, a range of alternatives offer similar quality and features in a similar price range, constraining the iPhone.

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71 PDD, ¶2.9.

72 PDD, ¶8.50(b).

73 The DMCR Guidance does not refer to shares of supply as a factor for assessing SEMP, instead focusing on assessing "*competitive constraints from rivals.*" DMCR Guidance, ¶2.55.

74 PDD, ¶¶6.44–6.45.

75 Accent Survey, p. 17.

76 PDD, ¶¶6.20–23.

Figure 1: Launch prices of recently released smartphone devices, UK

Source: CRA research.

(75) Analysis of Kantar's Worldpanel ComTech Mobile Survey ("**Kantar Survey**") shows that iOS users switch to and from Android phones across a wide price range, and that more expensive but higher-quality iPhones compete with less expensive but low quality Android phones.[77] A material proportion of users that switched to or away from iOS switched to or away from an Android phone costing less than £300 (38% of users that switched to iOS and 36% of users that switched away from iOS).[78]

(76) Tablet users' purchasing decisions also demonstrate that buyers actively consider tablets within a broad price range, suggesting strong substitutability and competitive constraints extending beyond narrow price bands. The starting price for Amazon's Fire Max 11, which has been touted as a "*[r]eal iPad Alternative*" is £249, whereas Apple's current iPad models start at £329.[79]

(77) The PDD's preliminary conclusion that iPhones and iPads do not compete strongly with third-party devices on price is not therefore supported by available evidence.

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77 *See* Kantar Survey, Global mobile phone, tablet and wearable purchasing and usage trends (2024).

78 Analysis of data from the Kantar Survey also confirms that consumers consider multiple device options across a wide price range. For example, the majority of consumers who reported an intention to spend £501–750, ultimately spent ~£500–900. Within this category, reported devices ranged from as low as ~£150 to as high as ~£1,400. This pattern is consistent across all levels of intended spend provided in the Kantar Survey.

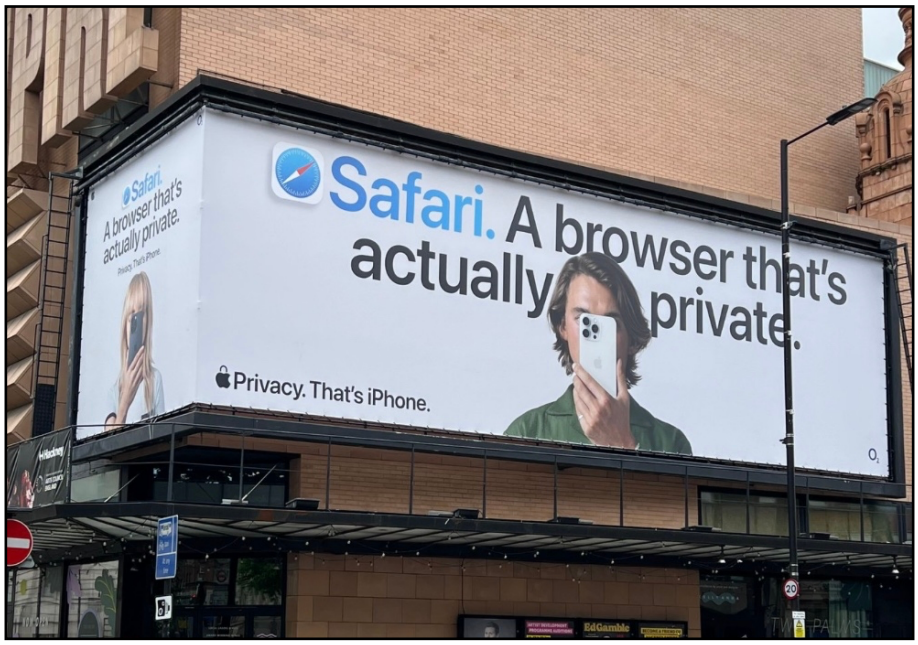
79 David Carnoy, CNET, Fire Max 11: Amazon Finally Has a Real iPad Alternative (May 13, 2023).

(78) **Quality**. The PDD recognises that end users take into account a number of factors related to quality in their purchasing decisions, including "*ease of use, security and privacy features, battery life, camera quality,*" and others.[80] It fails however to recognise the extent of competition that Apple faces across these parameters:

- ***Ease of use***. Apple's focus is on selling devices like the iPhone and iPad that consist of seamlessly integrated hardware and software, while other device makers such as Samsung, Microsoft, and Google take a more modular approach that enables greater customisation. Apple is consistently recognised for its user-friendly products.[81]

- ***Security and privacy***. Apple has a strong security and privacy-first design philosophy. The PDD fails to give this sufficient weight, in part because the Accent Survey, which the PDD relies upon, systemically underestimates the importance of privacy and security to UK users.[82]

Figure 2: Apple markets its focus on privacy prolifically, including in the UK



Source: Daily Mail.[83]

80 PDD, ¶6.7(b).

81 *See, e.g.*, Digitopia, Apple's culture of design and user experience: crafting excellence in every detail (October 4, 2024); TechSphere, 10 user-friendly smartphones with handy features for novice users (May 9, 2024).

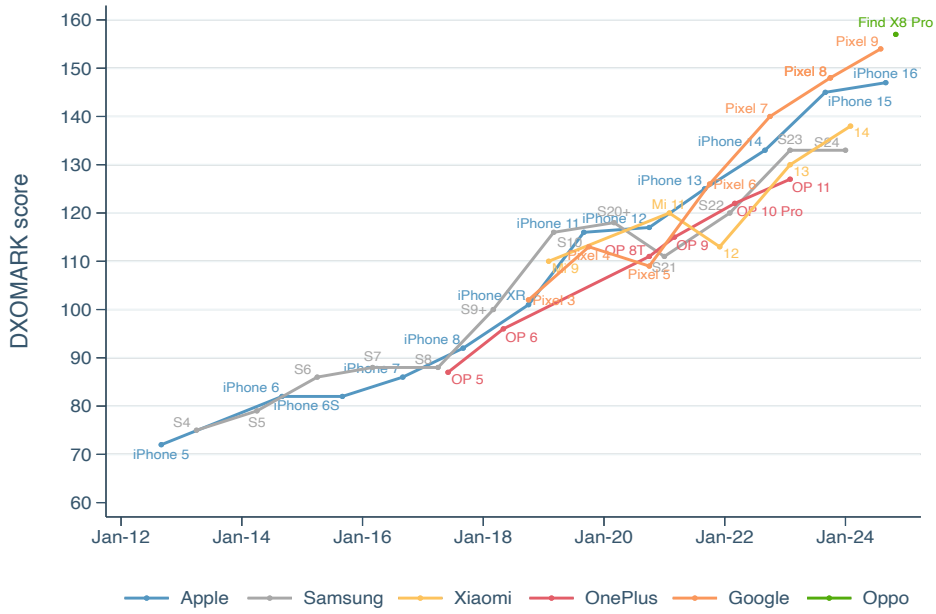
82 The Accent Survey asked users to choose their "*most important*" factors in device purchases, rather than rating each factor individually. This approach risks understating the importance of factors that are of high (but not highest) importance, such as privacy and security. Apple brought this design flaw to the CMA's attention in its comments on the CMA's Draft Mobile Consumer Survey (citing experience from previous CMA survey work).

83 Daily Mail, Apple issues warning to all 1.8b iPhone users: Delete this app NOW or your bank details will be stolen (April 25, 2025).

- ***Battery life***. Mobile device manufacturers invest significantly to improve their devices' battery life with each new release. Apple has invested in both hardware and software-level enhancements to improve battery life, including designing and developing the C1 modem in-house to improve device power-efficiency, and releasing battery optimisation features in iOS 18. For example, Optimised Battery Charging and Charge Limit improve the lifespan of the lithium-ion batteries used in Apple's devices.

- ***Camera quality***. The camera is one of the most prominent and advertised features of a mobile device. Fierce competition between device manufacturers has led to a steady increase of camera quality over time. For example, in October 2020, Apple introduced its iPhone 12 Pro LiDAR Scanner (3D scanner), which delivers depth sensing capabilities for augmented reality, as well as autofocus in low light, and the introduction of Night mode portraits.[84]

Figure 3: DXOMARK camera score scores of smartphone models over time



Source: DXOMARK.[85]

(79) These examples demonstrate that Apple competes intensely across multiple significant competitive parameters, contrary to the PDD's preliminary findings.

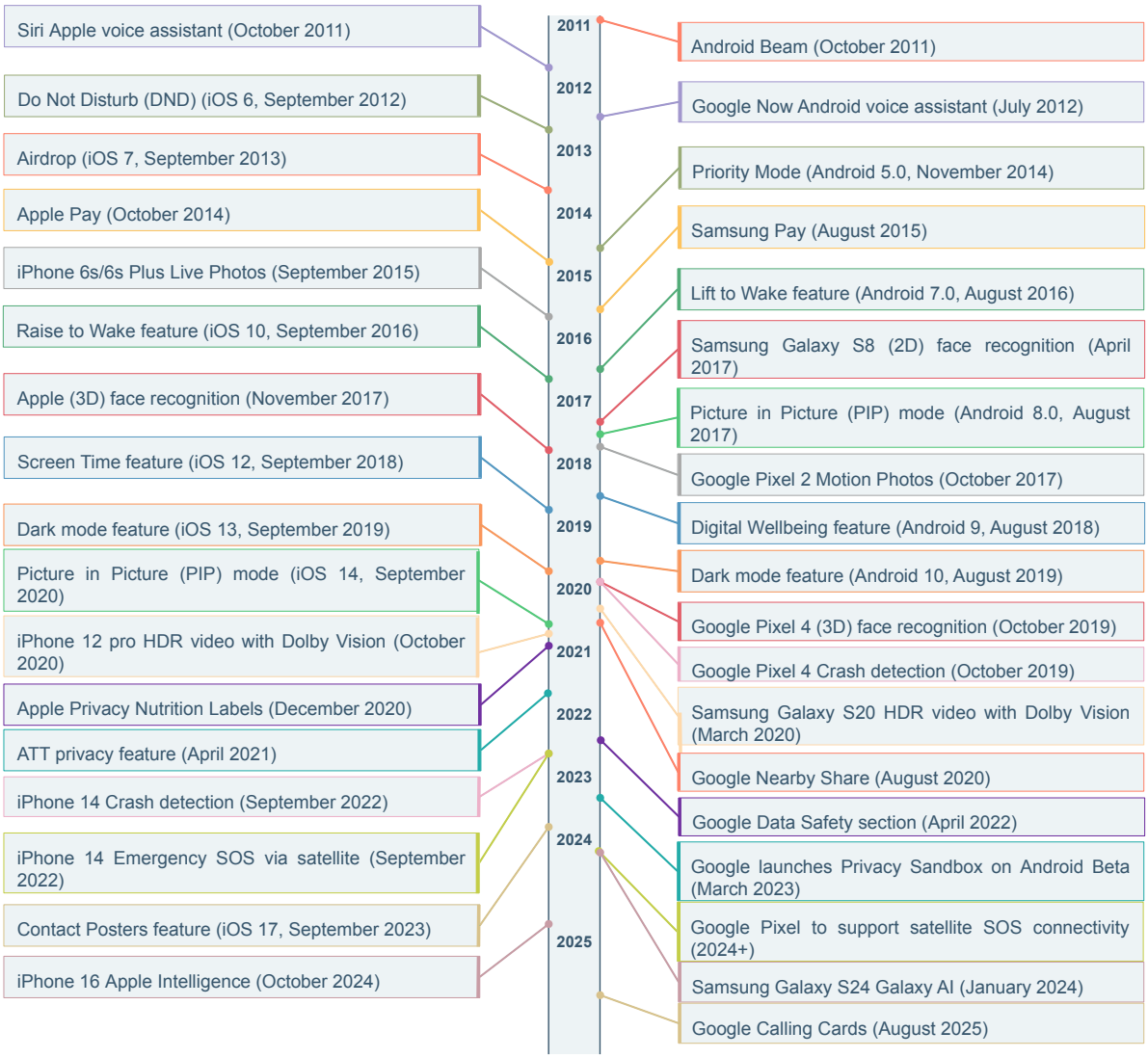
(80) **iOS and iPadOS features**. The PDD acknowledges that there is competition at the device level as end users purchasing a mobile device care about both hardware and

84 Apple, Apple introduces iPhone 12 Pro and iPhone 12 Pro Max with 5G (October 13, 2020).

85 The DXOMARK score is an independent benchmark that evaluates the performance of smartphone cameras. In cases where the exact model was not available, the next closest model was selected.

software.[86] It neglects however to consider that this competition from other devices requires Apple to invest heavily in the development of iOS, iPadOS, the App Store, Safari, and the other software that Apple integrates into its devices. This is demonstrated by the significant product improvements and enhancements Apple has introduced to its software over time. For example, at Apple's Worldwide Developers Conference in 2025, it announced a raft of innovative new functionalities across iOS and iPadOS, including third-party access to the on-device text model via the Foundation Models Framework (for both iOS and iPadOS), AI-powered Apple Intelligence features, and a new windowing system for iPadOS. These efforts are inconsistent with any suggestion that Apple is not sufficiently constrained by its competitors. **Figure 4** below illustrates the diffusion of smartphone features across various device manufacturers over time.

Figure 4: Examples of diffusion of smartphone features over time



Source: Compiled by CRA.

86 PDD, ¶5.12.

(81) **Brand**. The PDD's assertion that the strength of Apple's brand may result in it facing less pressure to compete on quality is misplaced.[87] As the PDD notes, "*brand will, to some extent, reflect perceived differences in quality and the value that consumers place on different features of the Mobile Ecosystem.*"[88] The Accent Survey confirms that consumers upgrade their existing brand mainly because they prefer it over the alternatives. Users who selected "brand" as influencing their choice of smartphone mainly associated it with quality: the top 5 features of the phone brand were familiarity, ease of use, compatibility, trustworthiness and reliability, and quality.[89] Based on this evidence, "brand" is at best a measure of quality and not a problematic barrier to switching.

(82) Apple's brand trust and strength have been legitimately earned through years of innovation and quality products. This trust would be lost if Apple's products and releases did not live up to the high quality and security standards that users have come to expect. Apple is acutely aware of the competitive threat from innovations pursued by other market players, and strives hard to retain its users.

(83) **Apple's integrated business model**. The PDD would put Apple at a disadvantage compared to competing manufacturers of mobile devices, including Samsung (which has a strong position in mobile devices in the UK).[90] The sole basis for this discrimination appears to be the fact that other providers of mobile devices use licensable OSs in their devices, even though, like Apple, the devices they sell include proprietary hardware and software.

(84) For example, Samsung ships its own proprietary app marketplace (Galaxy Store), browser (Samsung Internet), digital wallet (Samsung Wallet), virtual assistant functionalities (branded as Bixby), and AI features (branded as Galaxy AI) with its mobile devices. It extensively customises Android, including its user interface, and provides its own developer tools and APIs.[91] And it provides an ecosystem of devices, including wireless earbuds (*e.g.*, Galaxy Buds3 Pro), smartwatches (*e.g.*, Galaxy Watch6 Classic), wellness rings (*e.g.*, Galaxy Ring) (AI-enhanced wellness ring), pencils (*e.g.*, S Pen family), and smart tags (*e.g.,* Galaxy SmartTag2). Samsung describes how its "*Galaxy ecosystem*" delivers "*powerful connected experiences between [its] products*."[92]

(85) Samsung is one of the world's most valuable companies, while Samsung's UK arm

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87 PDD, ¶6.46(d).

88 PDD, fn. 322.

89 Accent Survey, p. 24, Figure 14.

90 *See* StatCounter, Mobile Vendor Market Share United Kingdom (July 2024–July 2025); StatCounter, Tablet Vendor Market Share United Kingdom (January–December 2024).

91 Samsung, Samsung Developer.

92 Samsung, What is the Galaxy Ecosystem that enables connected living?.

has UK revenues well in excess of the relevant threshold for SMS designation.[93] The CMA's failure to treat Samsung and Apple equivalently from a regulatory perspective is liable to hinder Apple's ability to compete on the merits.

(86) The same applies to other companies. Meta, which is active across multiple hardware and software products, is not currently subject to DMCCA scrutiny, despite the CMA reviewing its data collection practices five years ago and recommending regulatory action. As the industry evolves and is shaped by rapid advancements, such as in AI technologies, companies like Samsung and Meta are free to compete without regulatory constraints in the UK. This regulatory imbalance is arbitrary and discriminatory. It is inherently disproportionate and punitive for Apple. And it deters business model differentiation and competition.

2. The PDD's analysis of user switching costs and alleged switching barriers is flawed

(87) The PDD identifies barriers to switching between iPhone or iPad and Android devices, citing factors such as learning costs and difficulties transferring data.[94] This preliminary conclusion is not however supported by evidence.

(88) In particular, the PDD ignores evidence demonstrating that actual switching costs and barriers are low. According to the Accent Survey, 65% of users who switched to or from an iPhone did not encounter any barriers to doing so. They in fact found none of the tasks the survey positioned as "*barriers to switching*" difficult. Even the hardest task perceived among respondents (transferring data) was considered difficult by just 19% of switchers.[95] Merely 6% of users found it difficult to reconnect to other devices.

Figure 5: Switching users find the process easy

Table 16: How easy or difficult were the following when switching to an iPhone/Android phone – mean scores (where 1 = very difficult and 5 = very easy)

	Total	iOS
Accessing my apps that were downloaded to my old phone	4.00	4.00
Transferring data from my old phone	3.72	3.68
Accessing paid-for subscriptions on my new phone which were purchased on my old phone	4.12	4.09
Managing subscriptions on my new phone which were purchased on my old phone	4.06	4.02
Reconnecting to other devices	4.31	4.33
Transferring music from my old phone	3.94	3.89
Average	4.03	4.00
Base	199	144

Source: Accent Survey, p. 66.

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93 Samsung Electronics (UK) Limited revenue statement for 2024 was over £3.5 billion according to its income statement for the year ended 31 December 2024.

94 PDD, ¶6.36(d).

95 Accent Survey, Table 14.

(89) Other evidence confirms that users do not face material barriers to switching:[96]

- A survey that Apple commissioned demonstrates that the main perceived barriers, such as ease of familiarisation with a new OS, pose around the same level of difficulty for users who switch OS as they do for buyers of new smartphones using the same OS.[97]
- According to a 2022 CMA-commissioned Accent survey, 81% of users found switching OSs easy.[98]
- Analysis by the Progressive Policy Institute concluded that "*consumers are not locked into high-priced smartphones when cheaper smartphones are available*."[99]

(90) The fact that users find switching easy unambiguously contradicts the PDD's attribution of low consumer switching rates to user switching costs. In light of clear evidence that users find switching easy, the more likely explanation for any actual lack of switching is that iPhone and iPad users are satisfied with their current device and actively choose not to switch because it offers them a high-quality experience they prefer. As the Progressive Policy Institute concluded, "*[t]he more likely explanation for why consumers infrequently switch devices is the better experience or features of that brand, whether quality, processors, cameras, screens, security, or other characteristics*."[100] This outcome reflects competition on the merits.

(91) This too is confirmed by the Accent Survey. Among iOS non-switchers, the most common reasons for not switching were satisfaction with users' current brand (50%), wanting a newer version of the same phone (40%), identifying with the OS (36%), and seeing no clear benefit in switching (33%).[101] High user satisfaction is also confirmed by:

- The Kantar Survey, which found that over 40% of iOS users indicated a satisfaction level of at least nine out of ten, and fewer than 10% indicated a satisfaction level of five or lower out of ten.
- The 2022 Accent Survey, which found that 35% of iPhone users were "*very satisfied*" (10/10) and 74% of iPhone users provided a rating of 8–10/10.[102]

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96 While the below survey evidence is specific to smartphones, switching to a non-Apple tablet is likely to be even less burdensome.

97 The survey also showed that other potential barriers are similarly manageable for both iOS and Android users.

98 *See* Accent, Consumer purchasing behaviour in the UK Smartphone market for the CMA's Mobile Ecosystems Market Study (June 2022) ("**2022 Accent Survey**"), Figure 36.

99 Progressive Policy Institute, Why users aren't locked into their smartphone brand, p. 14.

100 *Ibid*.

101 Accent Survey, p. 46, Figure 25.

102 2022 Accent Survey, pp. 25–26.

(92) The PDD's assertion that users might be disengaged or unaware of better alternatives is unfounded.[103] The Accent Survey found that at least 48% of iOS users previously owned an Android phone.[104] And other survey evidence confirms that users consider switching and can therefore be considered to have a material understanding of the alternatives they are consider switching to.[105] The PDD's preliminary conclusion that barriers to switching mean that Apple possess SEMPP is therefore misplaced.

3. The PDD's assertions concerning the Information Services Agreement lack any evidential basis

(93) The PDD asserts that the Information Services Agreement ("**ISA**") between Apple and Google reduces their incentive to compete in browsers and more generally in "Mobile Platforms".[106] This preliminary conclusion is misguided.

(94) Apple has previously explained that allegations about the ISA's impact on Safari's incentive to compete with Chrome are without foundation.[107] Moreover, Chrome is the world's most popular browser and Google bombards Safari users with prompts and marketing directly on the Google search engine results page, as well as on other Google properties, across the web, and in real life, to encourage them to switch to Chrome. It is inescapable. Google and Apple also both compete aggressively to add features, enhance performance, and improve the browsing experience in Chrome and Safari.

(95) The PDD's broader assertion regarding the ISA's potential impact on competitive dynamics between Apple's and Google's mobile platforms is similarly speculative. As explained above, Apple competes primarily in the device market. Its overwhelming incentive is to sell devices that ship with high-quality software for users and developers. The ISA's existence has no bearing on this incentive, and the PDD adduces no evidence to suggest otherwise. In any event, the PDD's theory is undermined by simple logic. If anything, payments received under the ISA could reasonably be expected to *increase* Apple's incentives to vigorously compete at the device level. This is because under the ISA more iPhone and iPad users conducting more qualifying searches in Safari and other relevant access points should result in higher payments to Apple. Google also has substantial financial incentives to attract and retain users to its Android platform, including its Pixel line of smartphones.

(96) The PDD's objections to the ISA, when applied to other commercial arrangements, risk effectively proscribing a range of commonplace pro-competitive revenue-sharing arrangements. There is no basis in law or economic theory to assume that a

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103 PDD, ¶6.36(a).

104 Accent Survey, p. 32.

105 Analysis of the Kantar Survey shows that 33% of iOS users who were planning to purchase a new device in the next year considered at least one non-Apple brand.

106 PDD, ¶6.54.

107 *See* Apple, Response to CMA Provisional Decision Report (December 17, 2024), s. VIII.

revenue share agreement between conglomerate firms weakens platform-level competition, and the PDD provides no evidence to support this view.[108]

4. The PDD's analysis of barriers to entry in "mobile platforms" lacks a sufficient evidential basis

(97) The PDD identifies a range of alleged barriers to entry that would prevent rival platforms from entering and expanding.[109] These provisional findings are however contradicted by available evidence. In particular:

- **First, the PDD gives insufficient weight to the availability of open source options**. The PDD's preliminary finding that a new entrant would have limited licensing options and face challenges resulting from network effects is contradicted by the ready availability of open-source OSs.[110] The PDD acknowledges that open-source solutions can facilitate time and cost savings for new entrants, but fails to give this sufficient weight.[111] For example, a new entrant could license the open-source Android OS and achieve a degree of cross-platform compatibility with Android devices. The PDD neglects to consider Amazon's successful entry with its Fire devices based on Android.

- **Second, the PDD takes insufficient account of the availability of Apple and Google's services via the web**. The PDD asserts that new entrants could be weakened by the unavailability of Google's and Apple's apps on their platforms.[112] This finding is contradicted, however, by the fact that many of Apple's popular apps, such as Apple Music, Apple Maps, and Apple TV, and all of Google's most popular apps, are accessible via the web. To the extent Apple does not make its services available on third-party platforms, this is part of Apple's legitimate decision to differentiate and compete by selling integrated devices.

- **Third, material development and operational costs are part of competition on the merits**. The PDD does not articulate why significant financial investment should be characterised as a barrier to entry. It contains no analysis of the nature or scale of investment that might be required, and the wide range of sources of funding available to potential entrants. The digital sector is attracting record levels of capital investment in recent years given the growth of AI, and this—together with existing cash-rich companies,

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108 Empirical studies confirm positive effects from revenue sharing agreements on consumer welfare. *See* Andrei Hagiu and Julian Wright, Management Science, The Optimality of Ad Valorem Contracts (June 19, 2019), 65(11), pp. 5219–5233*;* Julie H. Mortimer, The Review of Economic Studies, Vertical Contracts in the Video Rental Industry (January 1, 2008), Volume 75, Issue 1, pp. 165–199.

109 PDD, ¶6.107.

110 PDD, ¶¶6.116(a); (c).

111 PDD, ¶6.116(b).

112 PDD, ¶6.118(c).

such as Meta—has been directed towards efforts to compete in mobile devices and services (*e.g.*, Perplexity's recent $35 billion bid to acquire Google Chrome).[113] Development and operational costs are part of normal competition on the merits between mobile devices, and there is no shortage of funds to meet them.

- **Fourth, the PDD ignores the prevalence of contract manufacturing**. The PDD states that the efficient production of mobile devices requires a well-organised production process with high-tech hardware, and implies that this constitutes a barrier to entry.[114] However, new entrants have ready access to manufacturing expertise, equipment, and resources through a diverse range of outsourced providers, which can operate at a variety of scales.[115] It is widely documented that Apple uses contract manufacturing to manufacture the iPhone. Android-based OEMs including Samsung, Honor, OPPO, and Lenovo also outsource manufacturing.[116]

(98) The PDD does not demonstrate that barriers to entry and expansion are prohibitively high. Moreover, it ignores evidence of actual entry and successful expansion by new competitors in recent years.[117]

5. The PDD understates the potential impact of future market developments on mobile platform competition

(99) The PDD finds that future developments such as AI are not expected to impact Apple's position in "mobile platforms" significantly over the next five years.[118] It instead asserts that the "*persistence of Apple's market position*" and "*scale of the barriers to entry and expansion*" indicate that Apple holds entrenched market power, which future market developments are unlikely to impact.[119]

(100) This view misapplies the relevant legal test, which requires the CMA to "*carry out a forward-looking assessment of a period of at least five years, taking into account developments that [...] would be expected or foreseeable if the CMA did not*

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113 *See, e.g.*, FTI Consulting, AI Investment Landscape in 2025: Opportunities in a Volatile Market (April 17, 2025) (confirming that 2024 year was a record year for AI investments); Financial Times, Perplexity offers to buy Google Chrome for $35bn (August 12, 2025).

114 PDD, ¶6.122(b).

115 *See, e.g.*, Precedence Research, Electronic Contract Manufacturing and Design Services Market Size and Forecast 2025 to 2034 (January 10, 2025).

116 *See, e.g.*, Counterpoint, IDH/ODM Contribution to Overall Smartphone Shipments Climbs to All-time High in 2023 (April 10, 2024).

117 *See, e.g.*, Upstarts, The 'Stoic' Startup CEO You've Never Heard of with $1 Billion in Smartphone Sales (July 11, 2025); CNBCTV, How Nothing Came Out of Nowhere and Shook Up Consumer Tech (February 24, 2025).

118 PDD, ¶8.64.

119 PDD, ¶8.74.

designate the undertaking as having SMS in respect of the digital activity."[120] The PDD ignores the guiding principles that govern forward-looking assessments of this nature and instead pursues an unduly narrow approach, which leads to insufficient weight being placed on AI-related developments.[121]

(101) In particular, the PDD's approach gives insufficient weight to rapid entry and expansion in AI-related software and hardware, which can have a significant (and almost immediate) impact on established market positions. For example, the launch of DeepSeek's powerful and inexpensive R1 model caused the Nasdaq to fall by 3.1% and Nvidia's share price to fall by a record 17% in a single day.[122] Prominent technology commentator Mary Meeker states that "*[t]he pace and scope of change related to the artificial intelligence technology evolution is unprecedented,*" and the "*relatively new AI company founders have been especially aggressive about innovation / product releases / investments / acquisitions / cash burn and capital raises.*"[123]

(102) Widespread evidence confirms that the pro-competitive impact of AI is only starting to emerge. In relation to mobile device competition, recent investments and launches evidence an upcoming generation of mobile devices that do not resemble the screen-based, app-centric devices that make up the vast majority of devices sold by Apple. Examples include Meta's AI glasses in partnership with Ray-Ban and Oakley, as well as OpenAI's $6.5 billion acquisition of io to develop a family of devices.[124] Each company has the explicit ambition of challenging the iPhone.

(103) The PDD relies on weak evidence to support its preliminary conclusions about the potential impact of AI. For example, the vast majority of third-party responses to the CMA indicated that they expect AI to have a "*substantial*" or "*very substantial*" impact on competition in "*mobile ecosystems*" over the next five years.[125] Yet the PDD asserts that AI's impact is likely to be limited due to Apple's control over its

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120 PDD, ¶5.4(a).

121 In merger control, for example, the CMA will make an overall judgement as to whether a substantial lessening of competition has occurred or is likely to occur. In doing so, it will consider "*multiple possible scenarios*" in identifying a relevant counterfactual: *see* CMA Merger Assessment Guidelines, ¶3.13. However, the CMA is not required to isolate, and then separately apply, the standard of proof to each specific scenario, element, or step in the analytical process: *see BSkyB and Virgin Media v Competition Commission and ors.*, [2010] EWCA Civ 2, ¶69.

122 Reuters, DeepSeek sparks AI stock selloff; Nvidia posts record market-cap loss (January 28, 2025).

123 Bond Capital, Trends - Artificial Intelligence (May 30, 2025), p. 2.

124 Bloomberg, Meta Invests $3.5 Billion in World's Largest Eye-Wear Maker in AI Glasses Push (July 9, 2025); Meta, Find the right pair of AI glasses for you; Meta, Introducing Oakley Meta Glasses, a New Category of Performance AI Glasses (June 20, 2025); The Verge, Details leak about Jony Ive's new 'screen-free' OpenAI device / AI now stands for Altman Ive (May 22, 2025).

125 PDD, fn. 454.

devices—an assertion based on the views of just one third party.[126] This assertion also contradicts statements in the Roadmap, which recognises that AI is "*expected to play an increasingly important and transformational role on mobile devices.*"[127]

(104) In addition, the PDD wrongly claims that Apple's internal documents "*only included very limited mention of AI as a potential threat to its position in respect of its Mobile Platform.*"[128] This claim is not borne out by the evidence Apple submitted to the CMA.

(105) As the DCMR Guidance recognises, the CMA is not expected to make "*precise predictions*" about the likely development of an industry.[129] Instead, the CMA is required to consider a broad base of evidence relevant to whether market developments are sufficiently likely to change a firm's existing position. The PDD's preliminary conclusions with respect to the potential impact of AI on competition between mobile devices represents an irrational weighing of the evidence. The CMA is, at the very least, under an obligation to make sufficient inquiries into these advances to inform its assessment of future market developments. However, the Roadmap recognises that the CMA will need to take "*exploratory work to better understand the factors likely to be of particular importance for the development of AI services on mobile.*"[130] This statement is entirely inconsistent with the CMA having properly considered the impact of AI on mobile platform competition.

B. The PDD fails to take account of the fierce competition the App Store faces

(106) The PDD provisionally finds that the App Store faces limited competitive constraints.[131] In doing so, it fails to account for the fierce competition the App Store faces for users and developers from a range of alternative channels and transaction platforms. As this section explains:

- The App Store competes strongly with alternative channels and transaction platforms (**Section III.B.1**).
- The App Store's ability to exercise market power is limited by developers' freedom to monetise their apps without paying commission to Apple (**Section III.B.2**).
- The PDD's preliminary conclusions are inconsistent with pro-competitive outcomes for developers and users (**Section III.B.3**).

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126 PDD, ¶¶7.41(e); 7.42.

127 Roadmap, ¶3.51.

128 PDD, ¶6.134(c).

129 DCMR Guidance, ¶2.60.

130 Roadmap, ¶3.54.

131 PDD, ¶7.24.

1. The App Store competes strongly with alternative channels and transaction platforms

(107) The PDD gives insufficient weight to evidence showing that the App Store competes strongly with the numerous alternative channels and transaction platforms through which iOS and iPadOS users can and do transact for digital goods and services. These include transactions on alternative devices (such as other mobile devices, PCs, game consoles, media player devices and smart TVs), web apps, and apps that benefit from the Reader and Multiplatform Rules in the App Review Guidelines which permit content purchased outside of an app (*e.g.*, directly on a developer's website) to be consumed within it.[132]

(108) Apple therefore must develop the App Store in competition with other means for users to access content on competing devices. Examples include Google Play, Amazon's Appstore, Samsung's Galaxy Store, the Oppo Store, and Vivo's V-Appstore. Apple also faces competition from competing PC and console app platforms including Microsoft's Xbox, Sony's Playstation, and the Nintendo Switch.

(109) The App Store also competes with alternative channels that developers can use to attract iPhone or iPad users. This includes web apps, which often have a similar appearance and functionality as a native app, but are developed using web technology.[133] Examples of prominent apps that are available as both web apps and on the App Store as native apps include Financial Times, BBC iPlayer, Ocado, Spotify, and Notion. In addition, cloud gaming services allow video game content to be streamed over the web via a browser on iOS and iPadOS. Many app developers monetise their apps via their web apps and therefore do not pay any commission to Apple on transactions with users acquired via the App Store.[134] Data shows that developers use these alternative channels and transaction platforms as alternatives to the App Store. For example, despite 80% of Roblox usage being on mobile devices, only 47% of Robux sales occurred through the App Store or Google's Play

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132 *See* Apple, App Review Guidelines, ¶¶3.1.3(a) and (b). The "reader" rule allows app developers to provide access to digital content like music, videos, or e-books purchased outside the app to their users without incurring a commission by Apple. The "multi-platform" rule allows developers to provide access to digital content that users have acquired in the developer's app on other platforms or on the web, including consumable items in multi-platform games, provided those items are also available as in-app purchases in the app.

133 As Phil Schiller, Apple Fellow responsible for leading the App Store, has testified: "*Native apps and web apps [...] there are two paths to the same goal, which is a developer writes some software and wants the user to have an experience on their device and there are both ways to do that with benefits to each one [...] these are two interesting and beneficial approaches depending on what a developer wants to do.*" *See* Phil Schiller November 6, 2024 testimony in *United States v. Apple Inc.*, 24-cv-04055 (D.N.J.), United States District Court for the District of New Jersey.

134 The PDD ignores evidence from 12 third parties suggesting that web apps may advance technologically or increase in use, and that this could reduce users' dependency on Apple's App Stores: PDD, ¶7.10(a). The PDD places greater weight on developer views collated across the last five years, of which a large proportion "*gave no clear view*" (PDD, fn. 508).

Store.[135]

2. The App Store's ability to exercise market power is limited by developers' freedom to monetise their apps without paying commission

(110) The PDD does not meaningfully engage with the constraining effect posed by developers' multiple options to monetise their apps without paying Apple any commission (while still distributing their native apps via the App Store).[136] Significant developers distribute through the App Store for free while acquiring the bulk of their premium subscriptions on their websites, thus avoiding paying commission to Apple.

3. The PDD's preliminary conclusions are inconsistent with pro-competitive outcomes for developers and users

(111) The PDD's preliminary conclusions are inconsistent with broader evidence of pro-competitive outcomes for developers and users:

- **First, the App Store unlocks significant value for developers**. In 2024, the App Store facilitated nearly $1.3 trillion in billings and sales worldwide, across a wide range of app categories.[137] In practice most apps are free, and therefore pay nothing to Apple.[138] Apple collected a commission on only roughly approximately 10% of 2024 total billings and sales, which demonstrates that its commission structure on a value-adjusted basis is reasonable relative to the significant value Apple provides to developers that pay the commission.

- **Second, Apple's commission rate does not exceed the commission level on other popular platforms—and has decreased over time**. 30% is a commonplace headline commission rate across mobile and console app marketplaces, which contradicts third-party submissions that Apple's commission is "*high*".[139] Apple has in any event consistently reduced the commission to 15% or eliminated it altogether on certain categories of transactions and apps.[140]

- **Third, intense competition between alternative channels manifests in feature innovation for users and developers**. The PDD ignores evidence

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135 Roblox, Roblox Corporation 2024 Proxy Statement and 2023 Annual Report (May 30, 2024), pp. 9 and 28.

136 *See* Apple, App Review Guidelines, ¶¶3.1.3(a) and (b).

137 Analysis Group, The global App Store and its growth (June 2025), p. 1.

138 Apple, Together we turn apps into opportunities.

139 PDD, ¶1.11(d). *See* **Annex 1**.

140 The PDD asserts—without substantiation—that recent reductions in Apple's commission rate are driven by regulation rather than competition (*see* PDD, ¶1.11(d)). From Apple's perspective this is not the case.

that Apple has continuously innovated the App Store, which is inconsistent with it holding significant and entrenched market power.[141] Examples of Apple's recent innovations in the App Store include: (i) Accessibility Nutrition Labels, which highlight accessibility features within apps and games (introduced in May 2025);[142] (ii) updates to the age rating system for apps, which further enhance user safety (announced in July 2025);[143] and (iii) Peer Group Benchmarks, which enable developers to compare their app's performance against that of similar apps (introduced in 2022).[144]

(112) This evidence is inconsistent with the PDD's preliminary findings that Apple has SMS in respect of the App Store.

C. The PDD gives insufficient weight to the intensely competitive environment Safari operates in

(113) The PDD provisionally concludes that Safari faces limited competitive constraints and that this is unlikely to change over the next five years.[145] In doing so, the PDD mischaracterises or entirely ignores evidence of robust browser competition. In particular, the PDD's preliminary findings are contradicted by six main facts:

- **First, the PDD ignores the range of competitive alternatives users can easily switch to on iOS and iPadOS**. There are roughly 100 different browsers on Apple platforms with varying features and unique selling points. They include popular mainstream browsers such as Chrome (which, according to the CMA, is "*the UK's most used web browser*"),[146] Opera, Firefox, and Edge, as well as newer entrants like Arc Search. These browsers differentiate themselves based on a range of parameters, including privacy, security, performance, customisability, ease of use, sustainability, and AI features.[147] Users can easily switch to alternative browsers on iOS. The CMA's survey evidence confirms user awareness of alternative browsers and confidence in their ability to switch to them.[148]

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141 The PDD (at ¶6.92) claims that Apple internal documents suggest that Apple sought to increase user engagement or revenue opportunities, as opposed to winning app developers and/or end users from Google's platform, with its improvements. The Apple internal document the PDD cites in fact demonstrates the opposite.

142 Apple, Apple unveils powerful accessibility features coming later this year (May 13, 2025).

143 Apple, Updated age ratings in App Store Connect (July 24, 2025).

144 Apple, Take action on insights from peer group benchmarks.

145 PDD, ¶7.79.

146 *See* CMA, Online platforms and digital advertising market study Final Report, Appendix E, ¶18.

147 *See further* Apple, Response to working papers 1 to 5 (August 1, 2024), ¶85, Table 1.

148 *See* Verian, Mobile Browsers Quantitative Consumer Research (May 30, 2024), p. 62 ("**Verian Consumer Research**") (finding that most iOS users were aware of other browsers' existence, and were confident in their ability to switch default browsers).

- **Second, the PDD understates the likely explanation for users opting to use Safari over rival browsers: quality and competition on the merits**. Apple continually innovates and improves Safari across platforms to maintain its attractiveness to users. Examples of significant Safari browser innovations include Private Browsing 2.0, Intelligent Tracking Prevention, Highlights, and Redesigned Reader tools.[149] The CMA's evidence confirms that users stick with preinstalled browsers mostly because they prefer them or have no strong desire to explore other browsers.[150] This reflects competition on the merits.

- **Third, the PDD gives insufficient weight to its own finding that barriers to entry and expansion by rival browsers are unlikely to be significant**.[151] The PDD acknowledges that developing a browser is unlikely to pose a significant barrier,[152] but fails to give this enough weight within its broader assessment. The points it later raises to support the suggestion that rival browsers face impediments to competing on iOS—including their inability to use alternative browser engines to WebKit[153]—also do not withstand scrutiny. Apple's continued improvement of WebKit on iOS and iPadOS lowers barriers to entry and expansion—and enhances browser competition—by saving browser developers the considerable resources required to develop and maintain a safe, secure, and performant browser engine. Browsers on iOS and iPadOS can instead devote their resources to innovating and developing features and functionalities that attract users. This is unambiguously pro-competitive. The PDD provides no evidence to support its assertion that having to develop a WebKit-based version increases costs for browser developers. Nor does it cite any evidence suggesting that bringing an alternative browser engine to iOS or iPadOS, and maintaining it to satisfactory privacy, security, and performance standards, would in fact be even more costly.[154]

- **Fourth, the PDD incorrectly suggests that Safari faces limited constraints**

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149 *See* Apple WebKit, Private Browsing 2.0; Apple, New features available with iOS 18. Highlights allows users to discover helpful information about a web page. Redesigned Reader offers more ways for users to enjoy articles with a streamlined view of the article you're reading, a summary, and a table of contents for longer articles.

150 *See* CMA, MBCG MI Final Report, Appendix C (March 12, 2025), ¶¶7.8–7.9 (Apple's analysis of the Verian Consumer Research found that most of the 40% of iOS users who had only Safari installed stated that they either kept it based on previous experience, had no reason to use another browser, or preferred it).

151 PDD, ¶6.120.

152 PDD, ¶6.120.

153 PDD, ¶7.52.

154 The PDD relies on weak evidence—one response in MEMS, one call note, and one unspecified issues statement response—to suggest that additional costs arise because developers allegedly "*sometimes*" have to rebuild features for Apple platforms (PDD, ¶7.52, fn. 597).

from browsers on other mobile and non-mobile platforms.[155] Many popular browsers offer synchronisation and related features on the understanding that users tend to use their preferred browser across their devices and platforms. A poor browsing experience on Safari would make it more likely that users would switch to an alternative browser across multiple devices, incentivising Apple to keep pace with competitors' developments, or be left behind.

- **Fifth, the CMA materially understates the impact of AI on browser competition**. The rapid growth of AI tools and services threatens to change fundamentally how browsers and web content are provided to, and consumed by, users. AI-based browsers, chatbots, and AI agents are finding tremendous success, including on iOS and iPadOS. The PDD asserts—based on unsubstantiated third-party allegations—that AI's impact will be limited, including due to "*Apple's control of its Mobile Ecosystem*."[156] This reflects an irrational weighing of the evidence. The CMA is required to make sufficient inquiries into these advances to inform its assessment of future market developments. This has not occurred.[157] The evidence that is available already confirms the significant potential impact of AI:

  - ***AI features in existing browsers***. Many browser apps are integrating AI features, for example: (i) Opera has integrated ChatGPT and Aria AI; (ii) Microsoft Edge has deployed Copilot and GPT-4o; and (iii) Brave has integrated Leo, its AI assistant.

  - ***New browser entrants***. In 2024, The Browser Company introduced a new mobile browser, Arc Search, which quickly became a top-rated browser and a 2024 Apple Design Award Finalist. In July 2025, Perplexity announced Comet, an AI-powered browser designed to deliver instant context and automation across websites.[158] This announcement (which was shortly followed by a $35 billion bid to acquire Chrome) is clear evidence of a strong commitment to expand in browsers.[159] OpenAI is also reportedly preparing to release a web browser.[160]

  - ***Chatbots and "AI agents"***. For example, ChatGPT reportedly has over

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155 PDD, ¶7.36.

156 PDD, ¶7.41(e) (citing a third party's response to a Section 69 Notice).

157 The CMA's intention, as stated in the Roadmap, to undertake further information gathering on AI to understand its implications, implicitly recognises that it has not yet properly considered the impact of AI on browser competition.

158 *See* Perplexity, Comet.

159 Financial Times, Perplexity offers to buy Google Chrome for $35bn (August 12, 2025).

160 *See, e.g.*, Reuters, Open AI to release web browser in challenge to Google Chrome (July 10, 2025).

500 million weekly users and 20 million paid subscribers.[161] More recently, OpenAI's, web-browsing AI agent, Operator, and The Browser Company's AI-first browser, Dia, which uses a conversational interface.[162] These services are intended to revolutionise how users browse the web, for example by helping users summarise web content, automate tasks, and provide personalised recommendations.

- **Sixth, the PDD incorrectly asserts that Apple's internal documents are consistent with Safari facing limited competitive constraints**.[163] This preliminary finding is not reflected by evidence on the CMA's file. The PDD also acknowledges that internal Google documents are consistent with Chrome competing for users on Apple's platforms.[164]

(114) Proper consideration of the above points leaves no room for doubt that Safari does not meet the legal criteria for SMS designation.

(115) In any event, none of the Roadmap's potential interventions actually require the CMA to designate Safari with SMS. In particular, the following interventions—which Apple disagrees are necessary—would depend on the designation of iOS, iPadOS, or another service, but not Safari: (i) requiring Apple to allow third-party browsers and app developers to use alternative browser engines on iOS and iPadOS; (ii) requiring Apple to make changes to its choice architecture in respect of default browsers on iOS or iPadOS; (iii) requiring Apple to provide third-party browsers using WebKit with access to equivalent functionality as that used by Safari; and (iv) requirements relating to the revenue share agreement between Apple and Google.[165] In these circumstances, any designation including Safari would be disproportionate.

D. The PDD's POSS assessment is flawed and inconsistent

(116) The CMA may designate an undertaking as having SMS only where the undertaking has (among other things) a position of strategic significance ("**POSS**") in respect of a digital activity.[166] One factor relevant to the POSS assessment is whether the digital activity has a position of significant size or scale.[167]

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161 *See, e.g.*, Forbes, ChatGPT fuels $300 billion valuation, Waymo taps Uber, AI wins SXSW (March 31, 2025); and Forbes, ChatGPT hits 1 billion users? 'doubled in just weeks' says OpenAI CEO' (April 12, 2025).

162 OpenAI, Introducing Operator (January 23, 2025); TechCrunch, The Browser Company launches its AI-first browser, Dia, in beta (June 11, 2025).

163 PDD, ¶7.40(d).

164 PDD, ¶7.39.

165 Roadmap, ¶3.85. Irrespective of whether the CMA intends to pursue this intervention, doing so would not require the CMA to designate Safari because the CMA's concerns with the ISA as set out in the MBCG MIR relate to a third-party browser.

166 DMCCA, s. 2(2)(b).

167 DMCCA, s. 6(a).

(117) The PDD provisionally finds that Apple has a POSS in respect of its digital activities based on the number of UK users who use Apple's "Mobile Platform", and the fact that the services provided as part of this platform are important to a large number of businesses in the UK.[168] As explained above, the PDD's proposed grouping of Apple's digital activities in a "Mobile Platform" digital activity is erroneous.[169] Accordingly, its finding that Apple's "Mobile Platform" has a POSS cannot stand either.

(118) The CMA's approach to assessing the POSS criteria is, in any case, also flawed. For example, the PDD does not consider size and scale in any objective or measurable manner, nor does it set out its view as to what size or scale can be considered "*significant*". The PDD considers user numbers concerning iPhones and iPads—which differ in the order of millions—to be "*significant*", injecting a high degree of unpredictability into the digital markets competition regime. The PDD ought to have adopted a consistent and objective approach when assessing whether Apple's digital activities reach the threshold of significant size and scale.

IV. There is no basis for intervention in the areas identified in the Roadmap

(119) The CMA can only impose CRs where doing so would be proportionate to meet objectives defined in statute.[170] Similar considerations apply to pro-competitive interventions.[171] The CMA has also committed to apply its Prioritisation Principles when assessing potential interventions, namely: (i) the intervention's "*strategic significance*" for the CMA's objectives and strategy; (ii) how "*substantial*" the "*likely positive impact*" of CMA action could be; (iii) whether the CMA is "*best placed*" to act or whether there is an "*appropriate alternative*" to CMA action; (iv) whether the CMA has the "*right capacity*" in place to act effectively; and (v) any risks associated with CMA action and their potential significance.[172]

(120) The proposed interventions set out in the Roadmap would be disproportionate and fail to satisfy these principles. This section explains why there is no basis for intervention in respect of the CMA's "Category 1" issues (**Section IV.A**), "Category 2" issues (**Section IV.B**), and "Category 3" (**Section IV.C**).

A. There is no basis for intervention in Category 1 issues

(121) The evidence currently available to the CMA should make clear that intervention in any of the Category 1 areas would be unnecessary and disproportionate. Consistent with the Prioritisation Principles and the CMA's duty of expedition,[173] the CMA should

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168 PDD, ¶8.46.

169 *See* **Section II.B**.

170 DMCCA, ss. 19(5)–19(8). *See also* DMCR Guidance, ¶¶3.33–3.34.

171 DMCR Guidance, ¶4.19.

172 Roadmap, ¶1.7.

173 DMCCA, s. 327.

deprioritise these issues as early as possible. In particular, the Roadmap neglects to consider:

- The risks associated with steering interventions or that the vast majority of developers have no concerns with Apple's current model (**Section IV.A.1**).
- Evidence demonstrating that Apple's App Review process already ensures the fair, objective, and transparent review of apps (**Section IV.A.2**).
- The App Store's search algorithm, which already ranks apps in a fair and objective manner (**Section IV.A.3**).
- The lack of evidence that Apple uses data from App Review unfairly, in light of Apple's controls and safeguards (**Section IV.A.4**).
- The lack of evidence supporting intervention in relation to Apple's consideration of interoperability requests, and the significant risk of unintended consequences that would accompany this intervention (**Section IV.A.5**).

1. Requiring Apple to allow steering would harm developers and users, interfere with Apple's property rights, and reduce its incentive to develop a valuable and secure platform

(122) The Roadmap sets out a proposed intervention requiring Apple to enable developers to direct their potential customers off the App Store (steering), for example, by providing a link from their app to an external website to complete transactions (so-called "link-outs").[174] There is no basis for this intervention, which would be unnecessary and send a hostile signal to businesses making long-term investments in innovation and infrastructure in the UK.

(123) In particular, the Roadmap neglects to consider the following four points, which undermine its prioritisation of this issue:

- First, Apple's anti-steering rules support a legitimate compensation structure which fairly compensates Apple for the value it provides to developers (**Section IV.A.1(a)**).
- Second, prohibiting anti-steering rules would increase security and privacy risks and other harms for end users, undermining one of Apple's key value propositions (**Section IV.A.1(b)**).
- Third, prohibiting anti-steering rules would interfere with Apple's fundamental property rights and disincentivise investment (**Section IV.A.1(c)**).
- Fourth, in the event that the CMA considers it appropriate to maintain steering as an area of focus, it nonetheless does not meet the Roadmap's test for consideration under Category 1 (**Section IV.A.1(d)**).

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174 Roadmap, ¶¶1.10 and 3.18.

(a) Apple's anti-steering rules support a legitimate compensation structure which fairly compensates Apple for the value it provides to developers

(124) Developers reap enormous benefits from the valuable services that Apple invests in and provides to developers.[175] In return for this extraordinary value, Apple is compensated through the simple and efficient fee structure that it introduced when it launched the App Store. If a developer decides to monetise its app through charging for the app or for digital goods or content sold in its app, Apple charges a commission. If a developer does not charge for its app or sell digital goods or content in the app, then Apple does not charge a commission. This compensation structure is a common way for businesses to charge for services they provide and allows Apple fair remuneration for the use of its valuable proprietary tools, technologies, and services (underpinned by Apple's intellectual property rights). Fees scale with a developer's success, helping to support smaller developers and new entrants, and ensuring that app developers have access to users on fair terms.

(125) The vast majority of developers pay no fees to Apple, while the majority of those that do pay a fee only pay a reduced commission through initiatives like the App Store Small Business Program.[176] Apple's investments facilitate developer distribution and success, allowing them to retain an overwhelming share of compensation for the value that they jointly create with Apple, and provide for a more attractive ecosystem to the ultimate benefit of users.

(126) Under this model, Apple's anti-steering rules, which prevent developers from actively directing users in their apps to make purchases outside of the App Store, are necessary to ensure that Apple is fairly compensated for the substantial value it offers to developers. Otherwise, developers could evade paying any compensation for the App Store, platform services, proprietary tools, technologies, or services that Apple provides.

(127) Developers selling digital goods or content are therefore required, in exchange for receiving these services, to use Apple's in-app purchase system ("**IAP**") for in-app sales, and are subject to restrictions on how they promote or market out-of-app offers from within their apps. Such developers are free to sell digital goods or content on the web, and in doing so may steer users to such web-based content outside the App Store, such as via email or other communications. Apple's

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175 These services include, among other things, commerce and payment processing, distribution services such as updates, auto-downloads and parental controls, discovery and search services, promotion and analytics, and customer support. On top of these App Store services supporting app distribution to users, Apple's OS platform also provides developers with significant additional value and support through its proprietary iOS and iPadOS tools, technologies and services. In addition to a wide array of development and testing tools, these include developer education and support through expert sessions and consultations.

176 Today, 90% of developers on the App Store do not pay a commission to Apple, while 75% of commission-paying developers in the EU pay a reduced commission. *See* Apple, The Global App Store and Its Growth and Apple, Update on apps distributed in the European Union.

safeguards are necessary to preserve the functioning of Apple's simple fee structure on the App Store.

(128) In Apple's experience, the vast majority of developers are not interested in steering. Any complaints are driven by a small minority of vocal, well-resourced complainants, including some of the world's biggest developers such as Epic and Spotify. Consistent with the Prioritisation Principles' stated intention to prioritise work for those who "*need help the most,*" these are not the types of developers that the CMA's work is intended to benefit.[177]

(b) Prohibiting anti-steering rules would increase security and privacy risks and other harms for users

(129) In considering the merits of intervention, the Prioritisation Principles require the CMA to give due weight to the likelihood and scale of the adverse effects associated with prohibiting Apple's anti-steering rules.[178]

(130) The App Store is a secure and trusted marketplace where users transact with confidence as a result of established standards for safety, security, and privacy. IAP gives users a central, easy-to-use system to process and manage transactions. IAP ensures that users have visibility into their transactions by providing them with receipts, and it also allows for users to cancel subscriptions easily. Users trust that they will not be defrauded by unknown malicious actors and that they exercise control over the use of their data. Developers also benefit significantly from this user confidence.

(131) This safe environment is impossible to extend through links to the open web, where the high standard of user protection under the App Store rules and App Review can no longer be guaranteed by Apple. Link-outs expose consumers to a significantly increased risk of fraud and scams, misleading pricing, and privacy invasions, which are not caught by web-based platforms with less rigorous checks. They also give bad actors the opportunity to engage in bait-and-switch tactics and evade parental controls.[179] Additionally, link-outs may cause user confusion by frustrating users' expectation that they are transacting with Apple on the basis of Apple's stringent security and privacy measures.

(c) Prohibiting anti-steering rules would interfere with Apple's fundamental property rights and disincentivise investment

(132) The Roadmap confirms the CMA's intention to "*ensure Apple itself is able and incentivised to innovate and invest in its own platform and services.*"[180] This is, however, inconsistent with the Roadmap's apparent support for the "*potential benefits*" of the US Epic Enforcement Order which, while still under appeal, currently

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177 Prioritisation Principles, ¶3.8.

178 Prioritisation Principles, ¶¶3.18–3.19.

179 *See* Apple, Complying with the Digital Markets Act (March 2024).

180 Roadmap, ¶2.18.

obliges Apple to allow steering by app developers with no associated fee for the services it provides.[181]

(133) Imposing the US Epic Enforcement Order in the UK would constitute a manifestly disproportionate interference with Apple's fundamental property rights.[182] It responds to alleged non-compliance by imposing a brand new zero-commission rule found nowhere in the Court's original injunction. Its confiscatory reallocation of value created by Apple to developers significantly affects Apple's incentives to continue investing in and innovating the App Store over time, to the detriment of users and developers. Drawing inspiration from the extreme position in the US Epic Enforcement Order would be wholly inconsistent with protections on Apple's significant property rights in the UK,[183] as well as the importance the CMA attaches to proportionate intervention and to its aim of creating "*the best possible conditions for investment, innovation and productivity in UK markets.*"[184]

(134) Given the highly intrusive impact that steering interventions would have on Apple's intellectual property rights (and the exclusionary rights they confer), its incentives to invest and innovate, and on the welfare of users and developers, the established legal principle of "double proportionality" requires the CMA to have a particularly compelling evidence base to justify its intervention.[185] This is particularly the case given the factors weighing against prohibiting anti-steering rules, as set out above.

(d) Prioritising steering in Category 1 contradicts the CMA's Prioritisation Principles

(135) Even if the CMA ultimately considers that it should intervene in relation to Apple's anti-steering rules, its prioritisation of steering within Category 1 is inconsistent with the CMA's Prioritisation Principles and the Roadmap's stated approach to issues under consideration in foreign jurisdictions.[186] In the EU, the EC is currently market testing the new terms introduced by Apple on June 26, 2025. Meanwhile Apple is appealing the EC's DMA non-compliance fine issued in April 2025 in relation to anti-

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181 Roadmap, ¶¶1.10 and 3.20.

182 European Convention on Human Rights ("**ECHR**"), Article 1 of Protocol 1, as incorporated by the Human Rights Act 1998.

183 *See* declaration of compatibility of the Digital Markets, Competition and Consumers Bill with the ECHR rights. UK Parliament, Bill 294.58/3, Digital Markets, Competition and Consumers Bill, as introduced (April 25, 2023), p. 1.

184 CMA, Annual Report and Accounts 2024 to 2025 (July 10, 2025).

185 Judgment of March 4, 2009, *Tesco Plc v Competition Commission* [2009] CAT 6, 1104/6/8/08, ¶139 (concluding that under the "*double proportionality*" approach, "*the more important a particular factor seems likely to be in the overall proportionality assessment, or the more intrusive, uncertain in its effect, or wide-reaching a proposed remedy is likely to prove, the more detailed or deeper the investigation of the factor in question may need to be*").

186 Roadmap, ¶3.79. *See also*, Department for Business and Trade, Strategic steer to the Competition and Markets Authority (May 15, 2025).

steering practices.[187] The US Epic Enforcement Order remains the subject of an appeal.[188] The Roadmap explicitly states that "*potential interventions [that] may be impacted by developments in other jurisdictions*" should not be prioritised within Category 1.[189]

(136) It is, in addition, entirely inappropriate for the CMA to comment substantively on ongoing private litigation in another jurisdiction, as it has done in the Roadmap, in light of the principle of international comity.[190]

(137) Prioritising steering in Category 1 for Apple and Category 2 for Google also risks creating a distorted playing field and contradicts the CMA's explicit commitment to provide businesses with "*confidence that they will be competing on a level playing-field*."[191] Forcing Apple to allow steering on the misplaced assumption that this would be beneficial to end users while Google continues to enforce anti-steering rules would be manifestly unfair and detrimental to Apple, its developers and end users, while amounting to regulatory patronage of Google, against the government's stated mission of free and fair competition.[192]

2. Apple's App Review process is fair, transparent, and necessary to protect users from harm

(138) The Roadmap proposes a set of interventions that would require Apple to review apps submitted for distribution through the App Store in a fair, objective, and transparent manner.[193] Apple currently reviews all apps, app updates, app bundles, in-app purchases, and in-app events before these are made available on the App Store to help provide a safe and trusted experience for users, and the opportunity for developers to succeed.[194] Apple makes every effort to ensure that apps do not undermine trust in its platforms, the safety of those platforms, or the high-quality user experience Apple offers. App Review is among Apple's most effective means of performing this critical function.

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187 Roadmap, ¶3.79. *See also* EC, Commission finds Apple and Meta in breach of the Digital Markets Act (April 23, 2025).

188 *Epic Games, Inc v. Apple Inc.*, Ninth Circuit, U.S. Court of Appeals.

189 Roadmap, ¶2.32.

190 UK Courts have consistently confirmed that the CMA should consider comity while discharging its functions. *See, e.g.*, *Sabre Corporation v Competition and Markets Authority* [2021] CAT 11, 1345/4/12/20.

191 CMA, Annual Plan 2025 to 2026 (March 27, 2025).

192 *See* UK Government, Strategic steer to the Competition and Markets Authority (May 15, 2025).

193 PDD, ¶3.8.

194 *See* Apple Developer, App Review.

(139) The Roadmap nonetheless refers to unspecified concerns that "*Apple's app review is often non-transparent and applied inconsistently*."[195] According to the Roadmap, necessary interventions could include requiring Apple to: (i) "*[r]eview apps that want to list on Apple's app store fairly*"; (ii) "*[h]ave a transparent process for app review and provide explanations for delays or rejections*"; (iii) "*[g]ive fair warning when Apple materially changes app review process or guidelines*"; and (iv) "*[e]stablish an appropriate mechanism for businesses to raise concerns with Apple and ensure these concerns are addressed*."[196]

(140) The case for these interventions is not, however, supported by sufficient evidence.[197] The PDD and Roadmap do not take sufficient account of Apple's existing systems, as well as its broader commercial incentive to facilitate a large, diverse, and safe app ecosystem on its platforms that increases the value of the platform for users and developers. It is therefore also in Apple's interest for the App Store to be an attractive place for developers to launch and run apps. In reality, Apple already has measures in place that achieve the objectives of the four interventions the Roadmap identifies, demonstrating beyond doubt that intervention is unnecessary and would be disproportionate. In particular:

- First, the App Review process cannot plausibly be described as unfair. Both Apple's apps available in the App Store and third-party apps have to comply with the App Review Guidelines. App Review is, in addition, expedient: over 90% of apps are reviewed within 24 hours.[198] Apple rejects apps and app updates when necessary, such as for safety, privacy, security, performance, or legal reasons.[199] Apple also provides significant support to developers to avoid rejections and to resolve the issues underlying rejections to get their apps and app updates approved.[200] As a result of this support, a significant majority of rejected new apps submitted by UK developers are ultimately approved, while the vast majority of rejected app updates are ultimately approved.[201]

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195 Roadmap, ¶3.6.

196 Roadmap, ¶3.8.

197 The only evidence cited in the Roadmap (¶3.6) and PDD (¶1.11(a)) are concerns raised by third-parties regarding the length and predictability of Apple's App Review. As explained above, Apple has received little insight into the developer workshop at which these concerned were apparently expressed.

198 *See* Apple, App Store - Together we turn apps into opportunities.

199 *See* Apple Developer, App Review Guidelines.

200 *See* Apple Developer, App Review.

201 There is a higher rate of new apps that are not approved because these are apps that may include more significant issues than apps already available on the App Store. This could include apps with dangerous or illegal content, apps that impersonate pre-existing apps, or spam apps.

- Second, the App Review process is already transparent. Public resources and support channels provide detailed explanations of App Review's requirements, best practices, and processes.[202] This guidance includes advice on App Review submissions and common reasons for app rejections, including bugs, privacy policy issues, and unclear data access requests.[203] Developers can engage directly with the App Review team, which provides explanations for rejections and guidance tailored to resolve identified issues. Developers can also engage with technical support and developer forums.

- Third, Apple already gives "*fair warning*" of changes to the Developer Program License Agreement ("**DPLA**") and App Review Guidelines.[204] Apple publishes updates to the App Review Guidelines online, provides summaries of changes in the news section of its website, and emails updates to developers.[205] Additional warnings in respect of changes to the App Review process and App Review Guidelines is therefore not necessary.

- Fourth, Apple already has an objective, transparent, and timely process for developers to query and appeal decisions to the App Review Board. To start with, only a very small minority of developers whose app submissions were rejected (as of August 2024) have sought to appeal that decision (in light of the limited bases for rejection and the support provided to developers to resolve concerns, as described above). Beyond the App Review Board, the Executive Review Board also provides an additional layer of oversight if further consideration is warranted.

(141) Accordingly, regulatory intervention in App Review is unnecessary and disproportionate. It would have no incremental positive impact on UK businesses, consumers, or the UK economy, and therefore does not meet the test for intervention set out in the Prioritisation Principles.

3. The App Store's search algorithm ranks apps in a fair, objective, and transparent manner

(142) The Roadmap sets out proposed interventions requiring Apple to rank apps in the App Store in a fair, objective, and transparent manner.[206] By way of justification, it merely suggests that Apple's role "*could*" cause harm to third parties, without

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202 This includes App Review Guidelines, videos, code-level support, access to Apple Developer Forums, App Store Connect, and meetings with Apple Review.

203 *See* Apple Developer, App Review.

204 The DPLA allows developers covered by platform-to-business regulation—such as Regulation (EU) 2019/1150 as enforced in the UK through the UK's Online Intermediation Services for Business Users (Enforcement) Regulations 2020 ("**P2B Regulations**")—to submit complaints, including regarding Apple's non-compliance with P2B Regulations. Under the P2B Regulations, business users must receive at least 15 days' notice of proposed changes to terms and conditions, or longer if users have to make technical or commercial adaptations.

205 *See* Apple Developer, News.

206 Roadmap, ¶3.13.

providing any evidence that Apple would have an incentive to do so or has in fact done so.[207] Third-party ITC responses do not provide any evidence to substantiate their allegations in this connection.[208]

(143) In any event, three main reasons confirm that regulatory intervention in how Apple ranks App Store search results is unnecessary:

- First, the Roadmap neglects to consider Apple's incentive to maximise discoverability of third-party apps. It is in Apple's strong interests to support users to, in the Roadmap's words, "*find apps which best meet their needs.*"[209] Doing so helps developers reach more users and grow their businesses, which in turn enhances the value and appeal of Apple's devices.

- Second, the Roadmap's justification for intervention is based on the premise that "*organic search on the app store is a crucial customer acquisition channel for app developers.*"[210] However, it fails to recognise that developers frequently use channels outside the App Store to facilitate discovery and acquire customers, including real-word advertisements, web referrals (such as from general web searches), and app referrals. Even for customer acquisitions that occur through organic search in the App Store, the majority of users' searches are navigational (*i.e.*, searching for specific apps) rather than categorical (*i.e.*, searching for categories of apps, such as "video streaming"). Alleged self-preferencing concerns cannot plausibly arise in respect of navigational queries.

- Third, App Store search in any event already complies with the principles of fairness, objectivity, and transparency described in the Roadmap:

  – The App Store's proprietary algorithm does not advantage Apple's apps available in the App Store. Instead, Apple's search results algorithm is designed to promote the most relevant apps, irrespective of who developed it.

  – The algorithm ranks and displays results using objective parameters, including textual relevance, user behaviour, popularity, and quality.[211]

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207 Roadmap, ¶3.10.

208 BBC, ITC Response, ¶18; Coalition for App Fairness, ITC Response (February, 2025), p. 6; Epic Games, ITC Response (March 5, 2025), p. 3.

209 Roadmap, ¶3.11.

210 Roadmap, ¶3.9.

211 Apple has already provided these objective parameters to the CMA.

- Ranking criteria are already sufficiently clear and transparent.[212] Any further transparency would effectively require Apple to disclose its proprietary algorithm, which is protected by Apple's intellectual property rights (including trade secret rights). Forcing disclosure would irreparably deprive Apple of its rights and enable "gaming" of the algorithm, undermining the benefits to users and developers in seeing the most relevant results. Instead, Apple provides public and clear guidance on the criteria for ranking in the DPLA and on its website.[213]

- Developers already have several mechanisms to raise concerns and queries. Apple is not aware of any suggestion that these channels do not work well for developers.

(144) This potential intervention therefore also has no possible justification and should also be deprioritised.

4. Apple has in place controls and safeguards to prevent unfair use of App Review data

(145) The Roadmap's proposal to require Apple to put systems and controls in place "*to prevent the use of app developers' non-public information for the purpose of its own first-party app development*" is wholly unnecessary.[214] Apple does not use non-public data from its App Review Process to "*unfairly copy innovation*," as the Roadmap suggests.[215] Indeed, some of the most popular apps on the App Store are apps that compete with Apple's own apps (*e.g.*, Spotify, Netflix, Google Maps). The Roadmap provides no evidence to contest Apple's position.[216]

(146) As Apple has explained to the CMA, Apple has safeguards in place to prevent improper use of data obtained from the App Review process, which include annotating and tagging App Review data, as well as technically restricting internal access to this data and monitoring compliance with this process through logging and audits. Apple therefore already has measures and safeguards in place that effectively achieve the aims of the Roadmap's proposal.

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212 In addition to the information on Apple's website explaining ranking and discoverability parameters (*see* Discovery on the App Store and Mac App Store), Apple communicates ranking criteria in the DPLA, and the Apple Media Services Terms and Conditions address the main parameters used in rankings.

213 *See* Apple, Apple Developer Program License Agreement, Exhibit E - Additional App Store Terms, and Exhibit D of Schedule 1; Apple, Discovery on the App Store and Mac App Store.

214 Roadmap, ¶3.16.

215 Roadmap, ¶3.15.

216 The PDD cites that third parties raised concerns about access to sensitive competitor data (¶1.11(b)), but there is no suggestion that these concerns have been tested or substantiated.

5. There is no basis for intervention in Apple's review of interoperability requests

(147) The Roadmap's proposal to impose a potential intervention requiring Apple to consider requests from third-party app developers for interoperable access to functionality in its OSs "*fairly and objectively*" is unnecessary and lacks an evidentiary basis.[217]

- **First, any intervention in relation to Apple's review of interoperability requests is unnecessary**. Apple already supports interoperability with iOS and iPadOS in many cases when it is able to do so from a technical perspective, and where it is safe, secure, and privacy-friendly. To that end, Apple provides an extensive and continuously evolving set of proprietary, IP-protected technologies, tools, and services—including around 200 frameworks and over 250,000 APIs—that enable developers to integrate their apps with Apple's hardware and software. These technologies, tools, and services span a wide range of capabilities, such as machine learning, augmented reality, health and fitness, widgets and live activities, spatial computing, user interactions, and high-performance graphics. With each platform release, Apple expands and refines its technologies, tools and services to assist developers in bringing their ideas to life and delivering rich, responsive, and optimised experiences across Apple platforms. Apple is also a member of over 100 standards organisations that drive interoperability and compatibility.

- **Second, developers already can raise with Apple their interest in new interoperability solutions through a range of channels**. Those channels include the Apple Developer Forums, Apple's Feedback Assistant tool, Apple's annual Worldwide Developer Conference, and Apple's Worldwide Developer Relations team.

- **Third, the Roadmap's proposed measures are too complex for Category 1 intervention**. Contrary to the Roadmap's ambitious assertion, the CMA is exceedingly unlikely to be "*well placed to act more quickly*" in relation to the interoperability request process.[218] Designing rules for such a process is difficult, even taking into account Apple's extensive experience. The substantive criteria for reviewing requests must balance multiple—often conflicting—objectives, including an assessment of security and privacy tradeoffs, and the impact on Apple's intellectual property rights. While the Roadmap refers to some of these considerations in passing,[219] other important considerations—such as system integrity, privacy, performance, and Apple's fundamental rights in its intellectual property—are ignored.

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217 Roadmap, ¶3.25.

218 Roadmap, fn. 15 and ¶2.32.

219 Roadmap, fn. 15 ("*[T]he demand for access to this feature or functionality, the engineering cost required to make necessary changes, user experience, or the introduction of excessive security risks*").

Failure to recognise and balance such important considerations raises the significant risk that users and developers will suffer degraded experiences and that Apple will be required to hand over its intellectual property to third parties.

The procedural rules for reviewing interoperability requests would also have to be carefully calibrated to avoid being unduly burdensome and undermining Apple's ability to innovate. This is particularly where Apple would be required to devote potentially significant resources to supporting its competitors, of which some may also be designated in future by the CMA as having SMS. For example, through the interoperability request portal that Apple set up to address the DMA's interoperability obligation, almost 30 requests came from Meta, Google, and Microsoft—themselves designated as gatekeepers under the DMA. Many of these requests raise significant privacy and security concerns. Intervention in Apple's current processes would have to be carefully designed to prevent competitors—or third-party bodies they might use to advance their interests—from "gaming the system" by burdening Apple with excessive or frivolous requests.

Designing such rules involves striking a difficult balance to avoid disturbing an ecosystem that has enabled hundreds of thousands of iOS and iPadOS developers while navigating technical complexities and preserving Apple's intellectual property rights. Apple, as the responsible steward of its platforms and beneficiary of these fundamental rights, is incentivised to ensure its platforms remain attractive to developers and users, and is better equipped to strike the appropriate balance compared to a regulatory body. The proposed intervention would therefore be entirely inappropriate, disproportionate, and impossible to design in light of the timeframe that the Roadmap suggests for Category 1 interventions.

- **Fourth, the Roadmap does not set out a concrete basis for intervention in relation to Apple's interoperability processes**. The only evidence the Roadmap refers to is a submission from the Coalition for Open Digital Ecosystems, which does not discuss Apple's review of interoperability requests. In particular, the Roadmap provides no evidence supporting its conclusion that interoperability review processes result in limitations for UK app developers.[220] Nor does it provide evidence for allegations "*that the justification for these decisions is not always clear to app developers*."[221]

- **Fifth, a remedy addressing Apple OSs' interoperability process, but with no equivalent process for Android, results in regulatory asymmetry**. The CMA's roadmap concerning Google does not propose any interventions in relation to the review of interoperability requests. This is despite the fact that Google's Android is also an OS for mobile devices, just like Apple's iOS and iPadOS, and the CMA is considering designating Google with SMS in respect of it.

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220 Roadmap, ¶3.24.

221 *Ibid*.

(148) The CMA must base any proposed case for intervention on UK-specific facts, circumstances, and evidence. It should be cautious about following in the EC's footsteps, whose ill-informed specification decisions of March 19, 2025 imposed an unduly prescriptive and burdensome process on Apple that disregards user privacy, security, and the impact on Apple's intellectual property rights, and whose red tape is liable to stymie innovation for EU users. In the meantime, this concern should not be taken forward.

B. Category 2 interventions are unnecessary and premature

(149) The Roadmap considers "Category 2" interventions in relation to: (i) interoperability concerning digital wallets and connected devices; (ii) alternative browser engines; (iii) choice architecture; (iv) AI; and (v) Progressive Web Apps ("**PWAs**").[222]

(150) Category 2 interventions relate to issues that the CMA considers require further consideration in light of their potential complexity.[223] It is already apparent, based on evidence available to the CMA and in light of its Prioritisation Principles, that the CMA would not have a sufficient basis to intervene in any of the Category 2 areas and should therefore expedite their deprioritisation. Apple sets out its views on each of them below.

(151) **Digital wallets**. Apple already enables effective NFC access for digital wallets in the UK, separate from Apple Pay. This is evident from developers having shown significant interest in the NFC & SE Platform since its 2024 UK launch. Apple developed the NFC & SE Platform to provide developers with a secure way to utilise NFC on iOS while protecting the security and integrity of the iPhone, as well as users' privacy.[224] The NFC & SE Platform provides developers in the UK with access to the same technology utilised by Apple Pay to make secure contactless transactions on iOS. Developers are therefore able to offer NFC solutions separate from Apple Pay and Apple Wallet, and to have access to specific functionalities utilised by Apple Pay, including Foreground NFC Access, Field Detect, Double-click, and authentication tools such as Touch ID and Face ID (all of which are underpinned by Apple's intellectual property).

(152) Despite the availability of a secure, hardware-based solution including the secure element that satisfies developer demand, the Roadmap seems to envisage Apple: (i) adopting a different cloud-based model for providing NFC access that Apple does not use itself; and/or (ii) amending the terms under which it currently facilitates NFC access for developers in the UK. Such measures would be disproportionate, particularly if the CMA is basing its position on the outcome of the settlement of proceedings in the EU, in which the EC did not find any breach of EU competition rules. Any such interventions would interfere with Apple's intellectual property rights, which reserve to Apple the ability to determine whether, and if so on what terms, to grant access to its innovations.

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222 Roadmap, ¶3.3, Figure 1. Apple refers to PWAs as Home Screen Web Apps ("**HSWA**").

223 Roadmap, ¶2.32.

224 *See* Apple Developer, Support: NFC & SE Platform for secure contactless transactions.

(153) **Connected devices**. Apple already enables interoperability with connected devices. Intervention relating to connected devices is unnecessary as Apple already provides adequate access to OS functionality, including through industry standards (*e.g.*, Bluetooth and Wi-Fi). The Roadmap's suggested intervention relies on evidence from third parties that are already highly successful on Apple's platforms, in light of the interoperability, tools, and services that Apple already provides. The proposed interventions also do not account for the disproportionate burden that arises in the context of enabling interoperability with certain functionalities listed in the Roadmap, owing to, for example, security, privacy, and integrity risks, significant engineering complexities, and interference with Apple's intellectual property rights.[225]

(154) **WebKit**. Apps on iOS and iPadOS are able to offer a wide range of high-quality services using WebKit. An intervention allowing alternative web browser engines for browsers and in-app browsing on Apple's OSs is unnecessary to achieve the CMA's stated aims, and could entail significant security risks for users and Apple's systems.[226] Apple already welcomes and addresses feedback from developers on WebKit's performance and functionalities.

(155) **PWAs**. PWAs, an area the CMA says it wants to continue exploring, are already adequately supported on iOS and iPadOS, as reflected in their existing use in practice on iPhones and iPads.[227] No evidence or basis for concern is referred to in the Roadmap, and there is no plausible case for intervention.

(156) **Choice architecture**. Choice architecture interventions are unnecessary, risk unintended consequences, and are based on weak evidence. iOS and iPadOS users are already confident in switching default browsers, as the CMA's survey evidence confirms.[228] The CMA also welcomed Apple's changes to its user journey for switching defaults in iOS 18.2 and iPadOS 18.2, which applies to browsers and wallets.[229] Choice screens, by contrast, are highly intrusive measures that risk frustrating user experiences through unnecessary friction. It is also not clear that they achieve their intended aim.

(157) **AI**. Apple recognises the CMA's ambition to ensure that its continued review of the AI landscape with a view to potential regulatory intervention does not unduly constrain Apple as it seeks to compete in this space with other players. As explained above, available evidence suggests that the emerging AI landscape is intensely competitive. There is no evidence that Apple can somehow use its existing market positions to give itself an unfair advantage.

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225 Roadmap, ¶3.23.

226 *See* Apple's response to the CMA's Provisional Decision Report, ¶¶190–201.

227 *See* MBCG Provisional decision report (November 22, 2024), ¶¶4.87 and 5.32(a) (in which the CMA noted that in iOS 11 Apple introduced support for key web app and HSWA technologies and in iOS 17 Apple added further support for HSWAs).

228 *See* Verian Consumer Research, p. 62.

229 MBCG MI Final Decision Report, ¶8.195.

C. International issues should take account of UK-specific evidence and not automatically follow other jurisdictions

(158) The Roadmap correctly deprioritises inventions relating to alternative app distribution and the ISA, which are under consideration in other jurisdictions. Apple agrees with this deprioritisation. There is no justification for intervention in relation to these issues and—as the CMA rightly notes—"*lift[ing] and shift[ing]*" measures from other jurisdictions, without sufficient evidence of harm in the UK or considering whether other measures might work better in the UK, would have adverse consequences. Apple respectfully considers that the CMA should also categorise steering as a Category 3 issue.

V. Conclusion

(159) The DMCCA grants the CMA unprecedented and considerable—but by no means unbounded—regulatory powers in the digital sector. It is critical that the CMA exercises its powers in a manner that is proportionate, fair, evidence-based, and supportive of innovation, investment, and growth in the UK. The PDD in several respects goes beyond a proper interpretation of the DMCCA, lacks analytical rigour, and relies selectively on submissions from Apple's competitors (and third-party groups funded by them) to support its preliminary findings. Meanwhile, the Roadmap proposes a set of interventions that are not based on evidence of harm or dissatisfaction with Apple's current practices. They would undermine user privacy and security and upset the flourishing iOS and iPadOS app economy in the UK. Apple urges the CMA to take account of this Response before any final designation decision is published.

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Annex 1:
Commission rates charged by major digital platforms and marketplaces

Sector	Platform	Service/Product	Commission
Ride-sharing	Uber	Trips	25%
	Lyft	Trips	Up to 30%
Food delivery	Uber Eats	Restaurant orders	6–30%
	Just Eat	Restaurant orders	13–14%
Digital services / ads	Google (YouTube)	Ad revenue on digital content	≥ 30%
Online marketplaces / digital content	Amazon (Kindle)	eBook distribution	≥ 30%
	Amazon (Appstore)	Paid apps for Alexa / Fire Phone	≥ 30%
	Amazon Prime Video	Video-on-demand rentals	50%
Mobile & PC app stores	Apple AppStore	Paid apps & IAP	30%
		Small business program & 2nd year subs.	15%
	Google Play	Paid apps & IAP	30%
		Subscriptions & first $1m dev. revenue	15%
	Amazon Appstore	Paid apps	30%
		Movie/TV subs & small-dev. program	20%
	Epic Games Store	Games & IAP	12%
	Valve Steam	Games & IAP ≤ $10m	30%
		$10m–$50m	25%
		> $50m	20%
Console game stores	Sony PlayStation Store	Games & IAP	30%
	Nintendo eShop	Games & IAP	30%
	Microsoft Store on Xbox	Games	30%
		Non-game subscriptions	15%

Source: CRA research.