CMA Consultation: Steering Conduct Requirement (Apple's Mobile Platform)
Epic Games Inc. Response

I. INTRODUCTION

1 Epic Games Inc. (**Epic**)[1] welcomes the opportunity to respond to the CMA's Consultation on the proposed Steering Conduct Requirement for Apple's mobile platform published on 30 June 2026. Epic sets out its views on both the price and non-price aspects of the CMA's proposal in turn.

2 Epic is encouraged by the overall approach taken in the Consultation. Epic commends the proposal to adopt **binding** conduct requirements, rather than relying on voluntary commitments, which would not only be less effective in securing change but also more difficult to monitor and enforce. On pricing, Epic considers the CMA's focus on **cost-based** factors (specifically direct and necessary costs) as the foundation of any steering fee to be the correct starting point and one that is consistent with promoting effective competition. On non-price aspects, the CMA has rightly recognised that ensuring developers can use dynamic links, deep links and other technical parameters is essential to enable developers to deliver a seamless and commercially viable user experience. Epic also welcomes the CMA's commitment to ensuring that users can move through an external purchasing journey that is broadly equivalent to an in-app purchase, without unnecessary friction, multiple screens or discouraging interventions. Likewise, the emphasis on neutral language and the avoidance of biased prompts appropriately recognises that effective steering depends on allowing developers to communicate with users on fair and non-discriminatory terms.

3 **Epic's principal concern** in relation to the draft Steering Conduct Requirement relates to the **proposed inclusion of "value" as a component of the pricing framework**. Since the launch of the iPhone, Apple has blocked [redacted] competing stores on iOS, and has [redacted] to assess the value of their services, as there is no competitive market to enable price discovery. A value element would entirely undermine the effectiveness and any positive impact of the Steering Conduct Requirement by providing Apple with flexibility to recreate, through pricing, the substantial competitive barriers that the proposed non-price obligations are designed to remove. Apple has done this [redacted] thing in other jurisdictions. It would ultimately lead to the Steering Conduct Requirement being reduced to window dressing, thereby betraying the very purpose of the DMCCA of promoting fair dealing, open choices and trust in digital markets. Introducing a value-based criterion is inherently uncertain, highly subjective and ultimately incapable of providing the clarity or predictability required for an effective conduct requirement. In addition, unlike objectively verifiable costs, "value" has no clear limiting principle and therefore leaves room for strategic behaviour, allowing Apple to introduce charges that are [redacted] exclude competition. Importantly, the App Store is a two-sided platform and the economic relationship between Apple and developers is fundamentally reciprocal: developers themselves create substantial value for Apple and the wider iOS ecosystem. A proper assessment would recognise that the resulting net value does not warrant allowing Apple to over-recover through steering fees other than for actual direct costs, to the detriment of developers and consumers.

4 **As such, it would be inappropriate to include in the pricing framework to determine steering fees (if any) a "value"-based assessment. Any framework must instead remain firmly grounded in objectively demonstrable cost-based factors, such as direct costs, which will result in, at most, a flat, de minimis fee (a percentage-based fee is inappropriate as it is entirely disconnected from the actual costs (if any) incurred by Apple for enabling**

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1 Epic is a developer of software applications, including Fortnite. Epic is headquartered in Cary, North Carolina, U.S. and operates more than 40 offices worldwide, including in London, Manchester, Leamington Spa, Newcastle, Guilford and Edinburgh. Epic's widely used "Unreal Engine" software is a key development tool for several sectors across the UK – including in engineering, medicine, architecture, as well as the creative industries and app development.

a developer to include an external link, process a transaction through its own payment provider and provide appropriate user disclosures). Apple must propose that steering fee within a strict timetable of 60 days once the Steering Conduct Requirement comes into effect, to ensure timely implementation. Until then, the applicable steering fee should remain zero.

II. ANALYSIS OF PRICE ASPECTS OF THE PROPOSED STEERING CONDUCT REQUIREMENT

A VALUE IS NOT AN APPROPRIATE FACTOR FOR THE CONDUCT REQUIREMENT

"Value" cannot be reliably determined

The absence of competitive market conditions makes "value" incapable of objective assessment

5 "Value" is not an appropriate factor for determining any steering fee. The fundamental difficulty is not simply that value is difficult to quantify, instead it is that value is inherently incapable of objective determination in a market characterised by substantial and entrenched market power. In competitive markets, prices provide an important proxy for value: multiple suppliers compete to offer equivalent or substitutable services, customers are free to switch, and prices emerge through the interaction of supply and demand. This process of market-based price discovery then provides the benchmark against which the value of a service may reasonably be assessed. However, such a benchmark does not exist here. The CMA has designated Apple as holding Strategic Market Status precisely because competition to constrain its conduct does not exist.

6 Cost-based analysis, on the other hand, seeks to identify objectively verifiable expenditure incurred for providing particular services. Whilst questions of cost allocation may occasionally be complex, the underlying exercise is connected back to direct and incremental costs and is grounded in accounting and other financial evidence and can be independently scrutinised. By contrast, value-based analysis requires an assessment of what Apple's purported services are worth to developers in circumstances where no competitive benchmark exists against which the value of those services could be measured. The CMA's proposal of including value as a factor for the steering fee assessment therefore risks introducing into the Steering Conduct Requirement exactly the type of subjective assessment that conduct requirements are designed to avoid.

Excluding market power from the assessment does not solve the underlying problem

7 The CMA's proposal recognises this difficulty to a limited extent by proposing that any assessment of value should exclude benefits attributable to Apple's substantial and entrenched market power: Apple plainly should not be permitted to recover monopoly rents through the Steering Conduct Requirement. However, the CMA's proposal does not resolve the more fundamental conceptual problem, because the real difficulty lies in identifying what value (if any) remains once the effects of market power have been excluded. There is no methodology capable of separating value generated by legitimate platform services from value generated by Apple's unique position as the sole gateway through which iOS developers can reach users; they are simply too deeply intertwined.

8 In any event, Apple would undertake the initial valuation exercise to identify the relevant services, determine their economic significance, and estimate the value. Each of those assessments, instead of being conducted on the basis of an objective methodology, would be inherently subjective and therefore carry a material risk of bias in Apple's favour.

The proposed cross-check between cost and "value" provides insufficient constraint

9 The conceptual difficulties are compounded by the interpretative guidance accompanying the proposed Steering Conduct Requirement. The interpretive notes explain that Apple may begin either with a cost assessment and cross-check that outcome against value, or alternatively begin with a value assessment before adjusting the resulting figure by reference to costs. Whilst intended to provide flexibility, this approach substantially weakens the discipline that a cost-based framework would otherwise impose. In practice, the guidance permits Apple considerable discretion in determining both the starting point and the final outcome. If Apple begins with an expansive assessment of value, there is little objective constraint preventing that assessment from driving the overall fee. Equally, if Apple begins with costs, it remains free to adjust those costs upwards on the basis of its own [redacted] assessment of value. The resulting framework therefore risks becoming circular: Apple determines the value of its purported services, uses that valuation to justify a particular fee, and then relies upon the interaction between cost and value to argue that the resulting figure is reasonable. Moreover, this carries the risk of Apple attributing costs of the broader iOS ecosystem to a pricing framework that is meant to take into account only costs related to providing steering links. The proposed cross-check consequently provides limited independent discipline, because each element ultimately depends on Apple's own subjective assessment.

International experience demonstrates the practical risk of "value"-based pricing

10 The experience of other jurisdictions illustrates the concerns set out above. Where Apple has been required to permit steering or alternative payment mechanisms, it has [redacted] preserve the commercial effects of its existing commission structure by introducing alternative fees. Within the European Union, following implementation of the Digital Markets Act, Apple introduced a combination of revised commission structures and additional charges which, taken together, in many circumstances continued to result in charges approaching pre-DMA App Store commission levels. Similar concerns have arisen in the Netherlands and the Republic of Korea, where Apple's revised commercial terms have continued to impose fees of 26% / 27% on transactions completed using alternative payment systems, which together with fees for payment instruments adds up to more than 30% for developers. Similarly, Apple was found in contempt for violating the US District Court's Order for intentionally charging prohibitive steering fees.

11 Whilst the legal frameworks may differ between those jurisdictions and the UK, the economic and policy lessons are consistent. Where the regulatory or judicial framework affords Apple substantial discretion in determining the commercial value of its purported services, Apple has repeatedly exercised that discretion [redacted] pricing outcomes closely resembling those that existed before the regulatory or judicial intervention. This is not surprising, as Apple has significant commercial incentives to minimise substitution away from its in-app payment system. The effectiveness of any steering remedy therefore depends critically upon ensuring that fees do not recreate the very competitive barriers that the Steering Conduct Requirement is intended to remove.

A "value"-based assessment is inappropriate, because value is created reciprocally by Apple and developers

The App Store is a two-sided platform in which developers create significant value for Apple

12 A proper assessment of economic value must recognise that the App Store operates as a two-sided platform in which developers generate tremendous value for Apple. Throughout the Mobile Ecosystems Market Study, the CMA itself recognised that Apple's ecosystem benefits from powerful indirect network effects. A platform containing no meaningful apps would have little commercial value for consumers. Equally, a platform without consumers would be of limited interest to developers. The success of the App Store therefore depends upon the continued

participation of both groups. It cannot therefore be assumed that Apple alone creates purported value which developers merely consume. Rather, developers are active contributors to the attractiveness, competitiveness and commercial success of Apple's ecosystem, including by driving device sales, engagement, and brand loyalty.

13 Moreover, there is no reason to assume that the resulting net value necessarily supports additional steering fees. On the contrary, in many circumstances the reciprocal benefits generated by developers may substantially offset, or even exceed, the value of the services that Apple continues to provide in relation to externally processed payments.

14 The above considerations are especially compelling where developers elect to process transactions using their own payment providers. In those circumstances, Apple no longer performs many of the functions traditionally associated with its in-app payment system: Apple does not process the payment, does not bear payment processing costs, does not manage payment authorisation and does not provide the financial infrastructure supporting the transaction. As such, the remaining services provided by Apple are much more limited, in fact, it is difficult to identify any services that Apple would still be providing for steered transactions, whilst the wider ecosystem value generated by developers remains unchanged.

15 The above arguments demonstrate that a value-based assessment to determine steering fees (if any) is inappropriate, because value is created by developers, and ignoring that economic reality would enable Apple to over-recover through steering fees other than for actual direct costs, to the detriment of developers and ultimately consumers. Instead, the applicable pricing framework should remain firmly grounded in objectively demonstrable cost-based factors only which will result in, at most, a flat, de minimis fee.

The reasoning in Kent v Apple supports a narrow approach to any residual fee

16 The reasoning in *Kent v Apple* further supports the conclusion that any fee payable in respect of externally processed transactions should be limited to direct costs of the services (if any) that Apple actually provides to facilitate steered transactions, rather than reflecting the broader value of the App Store ecosystem.

17 Whilst *Kent* arose in a different legal context, it usefully distinguishes between the different functions performed by Apple in the context of payment transactions: the Tribunal determined that (i) where Apple processes an in-app payment, it provides a range of payment-related services, including payment infrastructure, authorisation and associated transaction management, whereas (ii) where a developer instead uses its own payment provider via steering, those functions are performed by the developer and its chosen payment service provider rather than Apple. As such, any continuing remuneration must be strictly limited to direct costs for services (if any) that Apple actually continues to provide, rather than preserving a commission linked to broader ecosystem values, once payment processing has moved outside Apple's ecosystem. The relevant point should no longer be whether the transaction originated from an iOS app in the Apple ecosystem, but what services Apple continues to perform (if any) after steering has occurred.

18 That approach is also consistent with the objectives of the proposed Steering Conduct Requirement. One purpose of the conduct requirement is to enable effective competition between payment providers, but that objective would be undermined if Apple were permitted to recover fees reflecting services that it no longer performs, but that are instead performed by a different entity who should be entitled to charge for them. Any residual fee charged by Apple must be limited to the objectively demonstrable <u>costs</u> of the services (if any) Apple continues to provide to

facilitate steered transactions, rather than a subjective assessment of the broader "value" of the App Store.

A “value”-based framework will lead to a significantly slower process than a direct and necessary costs-based framework

The DMCCA was enacted because existing competition law processes are unsuitable to address digital markets effectively

19 One of the principal objectives of the DMCCA is to address a structural weakness in traditional competition law enforcement. The CMA has consistently observed, both in its Mobile Ecosystems Market Study and through the development of the digital markets regime, that ex post competition law investigations are frequently incapable of keeping pace with rapidly evolving digital markets.

20 The Mobile Ecosystems Market Study identified precisely these concerns in relation to Apple’s control over the iOS ecosystem. The CMA concluded that Apple’s market position enabled it to impose restrictions on app distribution and payment systems that were not effectively constrained by competition and that existing competition law powers, whilst important, were often too slow and uncertain to provide timely solutions. Those findings formed an important part for the rationale for recommending an ex ante regulatory regime for firms with Strategic Market Status. The architecture of the DMCCA reflects that policy choice.

21 The proposed Steering Conduct Requirement should therefore be interpreted consistently with that legislative objective. It should establish obligations that are capable of being monitored, understood and enforced without requiring extensive economic assessment whenever questions arise regarding compliance. A pricing framework based principally upon objectively identifiable costs is consistent with that objective, but a framework incorporating an open-ended and highly subjective assessment of economic value where the entity with Strategic Market Status holds all the cards is not.

Incorporating “value” into the framework imports an undesirable analytical structure that the DMCCA was designed to avoid

22 The CMA proposes that any steering fee may reflect both relevant costs and the value of purported services provided by Apple. Whilst the Consultation does not expressly seek to apply excessive pricing jurisprudence, the practical consequence of introducing value as a pricing criterion is that the CMA would inevitably be drawn in to undertake many of the same enquiries that have characterised excessive pricing cases under Article 102 and Chapter II, which have a long and difficult history.

23 Introducing value as a central component of the Steering Conduct Requirement risks reintroducing that same analytical complexity through the back door. Rather than asking whether Apple has complied with a clear conduct obligation, the CMA would instead be required to determine whether Apple’s assessment of value is economically justified and whether alternative valuation methodologies would produce different outcomes

Any relevant evidence is controlled by Apple

24 The difficulties connected to the evidentiary position in the context of a value assessment are compounded by the significant asymmetry of information that exists between Apple and app developers. Apple holds all of the internal information it must utilize in an assessment of purported commercial value. Developers possess no such equivalent information, nor does the CMA have ready access to Apple’s internal commercial data (absent the exercise of its formal investigative

powers). By contrast, a pricing framework focussed on assessing objectively identifiable costs is not only more robust but materially narrows the scope for dispute. Of course, questions of cost allocation may still arise, but the relevant evidence is less subject to manipulation [redacted] and is considerably more capable of independent verification.

"Value" assessment gives rise to prolonged evidentiary processes where challenges or disputes arise

25 A further consequence of incorporating value into the pricing framework is that it would significantly increase the complexity of any subsequent dispute regarding the level of steering fees. If Apple charges a steering fee on the principle of a value-incorporating framework under the Steering Conduct Requirement, developers will be far more likely to challenge that fee before the CMA (and then potentially the Competition Appeal Tribunal) on the basis that it does not comply with the Steering Conduct Requirement. Such challenges would inevitably require prolonged evidentiary processes, because a steering fee based on subjective assessments of value would inevitably lead to extensive economic evidence, competing expert analyses and detailed examinations of Apple's valuation methodology, assumptions and internal data, much of which would be within Apple's sole control and discretion. Resolving those issues would be considerably more complex and time-consuming than assessing objectively verifiable costs, resulting in prolonged processes, regulatory uncertainty and delayed implementation of effective steering

26 The result of the above would be a prolonged process of economic evidence bearing considerable resemblance to complex competition litigation rather than ongoing regulatory supervision. This is particularly problematic in the context of conduct requirements, which are intended to provide commercially workable rules capable of guiding day-to-day business decisions. Developers considering whether to implement steering mechanisms require timely certainty regarding the applicable commercial terms. A pricing framework that depends on contestable economic valuation exercises cannot provide that certainty. Such lengthy processes would also be fundamentally at odds with the purpose of the DMCCA to facilitate timely and effective ex ante regulation of firms with Strategic Market Status.

B DIRECT COSTS ARE AN APPROPRIATE FACTOR FOR THE CONDUCT REQUIREMENT

Direct costs should form the only relevant factor for a costs-based framework

27 Epic welcomes the CMA's proposal to place costs at the centre of the pricing framework for the Steering Conduct Requirement. A direct cost-based approach is the only appropriate foundation for determining any fee payable in respect of steering because it provides an objective, transparent and administrable basis for remuneration.

28 Any potential steering fee should be limited to the costs directly associated with facilitating external payment links and related steering functionality. This approach is consistent with the approach adopted in other jurisdictions, including the United States, where judicial interventions have focused on ensuring that developers are able to provide external payment options without Apple imposing charges that undermine the competitive viability of those alternatives. The key advantage of a direct cost-based approach is that the relevant costs are capable of being identified, quantified and independently assessed. Unlike value-based assessments, which require subjective judgements regarding the economic significance of Apple's ecosystem and the benefits generated by platform participation, a cost assessment focuses on the resources required to provide the functionality in question. This makes the resulting framework considerably more predictable for developers and significantly easier for the CMA to monitor and enforce to the benefit of consumers.

Correct fee is a flat de minimis fee, rather than a percentage of revenue

29 The nature of the relevant costs also supports the conclusion that any steering fee should take the form of a flat, de minimis charge rather than a percentage of transaction value. The costs associated with enabling a developer to include an external link, process a transaction through its own payment provider and provide appropriate user disclosures are completely independent of the value of the underlying transaction. A percentage-based fee is therefore disconnected from the actual costs incurred by Apple and instead operates as a mechanism to preserve a share of developers' revenues.

30 Such an outcome would be inconsistent with the purpose of the Steering Conduct Requirement. The purpose of the remedy is not to create an alternative basis for Apple to participate economically in transactions processed by third parties, but to ensure that developers can make meaningful use of alternative payment solutions to the benefit of consumers.

Costs-based framework should not include common costs or differentiate between physical and digital goods

31 In this context, there is no principled basis for including Apple's common costs. Apple has historically [redacted] allocating costs associated with external payment functionality in a common fashion, instead [redacted] attribute broader ecosystem costs to alternative payment transactions. However, many of the costs associated with operating the iOS ecosystem would exist irrespective of whether a developer uses Apple's payment system or an alternative provider. For example, costs associated with maintaining device security, providing software development tools and supporting the broader App Store infrastructure benefit the entire ecosystem; they are not costs incurred because Apple permits developers to use external payment links. The distinction between digital and physical goods is similarly unpersuasive in this context. The relevant question is not the nature of the underlying product being sold, but the costs incurred by Apple in enabling steering for that transaction.

32 Including common costs would transform a narrow assessment of the costs of facilitating steering into a broader exercise in allocating the costs of operating the entire App Store ecosystem. That would recreate many of the same difficulties associated with value-based approaches and provide Apple with significant discretion to allocate unrelated costs to external payment transactions.

A costs-based framework is consistent with the wider UK regulatory framework

33 A costs-based framework is consistent with the broader approach adopted across the UK's economic regulation: the CMA and other regulators have long recognised that effective regulation of essential infrastructure and bottleneck services does not require a determination of the subjective "value" of access. Instead, regulatory frameworks commonly focus on ensuring that regulated firms are able to recover appropriate costs whilst preventing the exercise of market power.

Costs-based frameworks across UK industries

34 This principle is reflected across a range of regulated sectors. For example, in telecommunications, regulated access prices have historically been based on cost-oriented methodologies rather than attempts to quantify the economic value of access to particular networks. The regulation of BT's wholesale broadband infrastructure illustrates this approach: regulators have sought to ensure that wholesale access prices reflect appropriate costs and investment incentives rather than allowing the incumbent operator to charge based on the value that connectivity provides to downstream users. Similarly, in broadcasting infrastructure,

regulation of operators such as Arqiva has focused on ensuring fair access and appropriate cost recovery rather than attempting to determine the value of access to the UK's broadcasting infrastructure. The same logic applies across other sectors. It would be neither practical nor economically desirable to determine the "value" of access to British households in order to regulate prices for essential services such as electricity networks, water infrastructure, rail access, postal services or healthcare facilities. Instead, UK regulators establish frameworks that permit appropriate cost recovery while constraining the ability of firms with market power to extract monopoly rents. The reason is straightforward, where a firm possesses significant market power over an essential input, allowing prices to be determined by the subjective value of access risks entrenching that market power rather than constraining it. The same principle applies to digital platforms and to the digital markets regime.

Parliament's introduction of the DMCCA to address insufficiencies in the existing legislative landscape

35 The introduction of the DMCCA reflects Parliament's recognition that existing competition law tools were ineffective in addressing the characteristics of digital markets. The Market Investigation Regime already provides the CMA with broader remedial powers than traditional abuse of dominance enforcement, including the ability to intervene where competition could be improved without necessarily establishing an infringement. However, Parliament nevertheless determined that even this framework was insufficient for certain digital platforms and, therefore, introduced the Strategic Market Status regime with targeted conduct requirements. Against that background, it would be a significant step backwards to incorporate into the DMCCA framework precisely the type of value-based analysis associated with traditional excessive pricing claims. Put differently, if the Article 102 TFEU and Chapter II Competition Act 1998 tools were considered unsuitable to address digital markets issues, and even the Market Investigation Regime was considered insufficient, it would be inconsistent with Parliament's intention to reintroduce the most complex aspects of that earlier framework through the pricing methodology for a conduct requirement. The direction of travel intended by Parliament was towards clearer obligations, greater predictability and faster intervention. A cost-based framework advances those objectives.

The return on investment for innovation rationale is misplaced in this context

36 Epic is further concerned about the inclusion of return on investment (**ROI**) considerations within the framework of relevant costs. Epic recognises that, in some circumstances, allowing firms to recover an appropriate ROI may be necessary to preserve incentives to innovate and invest. However, such considerations must be applied carefully and in context. In particular, ROI considerations may be relevant where a firm has made a significant first-mover investment in developing a new technology or infrastructure, or where temporary protection is required to incentivise innovation before competitive conditions emerge. Neither circumstance applies here.

37 First, Apple did not invent the concept of an app marketplace. App stores existed before Apple's App Store launched in 2008: Apple's success undoubtedly transformed the market, but it did not create the underlying concept of digital app distribution.

38 Second, even if Apple had been responsible for creating a novel and innovative market, the relevant investment occurred almost two decades ago. Allowing Apple to continue recovering monopoly returns indefinitely would go far beyond the traditional justification for rewarding innovation. The CMA itself appears to recognise this principle in the Consultation. At paragraph 4.130, the CMA acknowledges, in the context of value assessments, that innovation-related considerations should not provide an unlimited basis for remuneration. The same principle must apply when considering costs.

C APPLE MUST SET A PROPOSED STEERING FEE WITHIN 60 DAYS OF THE CONDUCT REQUIREMENT

39 The effectiveness of the proposed Steering Conduct Requirement will depend not only on its substantive obligations, but also on its timely implementation. Epic is concerned that, absent clear implementation deadlines, the practical benefits of the Steering Conduct Requirement will be significantly delayed.

40 Apple has a [redacted] history of challenging and delaying regulatory and judicial interventions concerning its App Store policies across multiple jurisdictions. Apple has already indicated to the CMA that it does not currently possess the cost information necessary to determine an appropriate steering fee. If Apple is not required to produce that information within a defined timeframe, there is a significant risk that the implementation of the pricing framework will be delayed whilst Apple develops its own methodology, provides supporting evidence and engages in extended discussions with the CMA. If questions regarding steering fees ultimately require a formal non-compliance investigation before they are resolved, it is conceivable that developers may not benefit from an effective steering remedy until late 2027 or even 2028.

41 Epic therefore considers that the Steering Conduct Requirement should include a clear implementation timetable and that, in particular, Apple should be required to submit a proposed steering fee, supported by appropriate cost evidence, within 60 days of the Steering Conduct Requirement taking effect. The CMA should then be afforded sufficient time to review and approve the proposed fee before it comes into force.

III. ANALYSIS OF NON-PRICE ASPECTS OF THE PROPOSED STEERING CONDUCT REQUIREMENT

The non-price aspects of the Steering Conduct Requirement should be strengthened to ensure that steering is effective in practice

42 Epic supports the CMA's proposed approach to the non-price aspects of the Steering Conduct Requirement. In particular, Epic welcomes the CMA's recognition that effective steering requires more than simply permitting developers to display static text. The proposed rights to use dynamic links, deep links and other technical functionality, together with the objective of ensuring a user journey broadly equivalent to Apple's own in-app payment process, are important features of the proposed Conduct Requirement.

43 Overall, Epic considers that the proposed non-price provisions provide a strong foundation for effective steering. Epic nevertheless considers that several aspects of the proposed drafting could be strengthened to ensure that the Steering Conduct Requirement delivers effective competition in practice. The non-price provisions must enable developers to compete on a level playing field while ensuring that any restrictions imposed by Apple remain genuinely necessary, objectively justified and subject to effective regulatory oversight.

The proposed seven-day attribution window is unnecessarily long

44 Epic does not consider that the proposed seven-day attribution window is justified. The purpose of any attribution period should be limited to capturing transactions that are genuinely attributable to a user's interaction with a steering link. Extending that period to seven days risks attributing transactions that are no longer meaningfully connected to the original interaction and would permit Apple to levy fees in circumstances where the steering link was not the effective cause of the purchase. In Epic’s view, an attribution window of no more than one day would strike an

appropriate balance between recognising transactions genuinely resulting from steering and avoiding over-inclusive attribution.

Developers should not be required to choose between steering and in-app payments

45 The CMA should avoid introducing any requirement that developers must choose between offering external payment links and Apple's in-app payment system. Instead, developers should remain free to offer both payment options simultaneously and to allow consumers to select the option that best meets their preferences. Requiring developers to make an exclusive choice would unnecessarily restrict commercial flexibility and reduce consumer choice.

46 The experience under the EU regime illustrates the risks of such an approach. The requirement effectively to choose between external steering and Apple's in-app payment system has created unnecessary complexity and reduced the practical effectiveness of the remedy for many developers. Rather than facilitating competition between payment solutions, it risks replacing one form of restriction with another. The CMA's proposed Steering Conduct Requirement should instead preserve genuine competitive choice by allowing developers to offer external payment links alongside Apple's in-app payment system. Consumers, rather than Apple, should determine which payment option they prefer.

The Steering Conduct Requirement should not prohibit the use of WebViews

47 Epic encourages the CMA not to impose any blanket prohibition on the use of WebViews unless there is clear evidence that such a restriction is necessary and proportionate. The Consultation itself recognises that WebViews may provide a faster, more seamless and lower-friction purchasing experience than directing users to an external browser. Those characteristics are consistent with the CMA's broader objective of ensuring that externally processed transactions provide a user experience broadly equivalent to in-app payments.

48 Indeed, recent enforcement action by the European Commission has recognised that restrictions imposed by Apple on the use of WebViews may themselves impede effective steering by increasing friction and reducing the commercial viability of alternative payment solutions. The appropriate approach is therefore not to prohibit WebViews as a category, but to permit their use subject to appropriate safeguards where genuinely necessary to address identified security or consumer protection concerns.

Apple should bear the burden of demonstrating that any security restriction is objectively justified

49 Epic recognises that the proposed Steering Conduct Requirement appropriately preserves Apple's ability to impose restrictions where legitimately necessary to protect the security or integrity of its platform. However, Epic considers that the drafting should make clear that the burden of demonstrating the necessity and legitimacy of any such restriction rests with Apple. In particular, paragraph 3(b) should be aligned with paragraph 9(a) by requiring Apple to demonstrate, to the satisfaction of the CMA, that any restriction imposed on security grounds is objectively justified, necessary and proportionate. Without such wording, there is a risk that broad assertions regarding security could become a mechanism through which Apple reintroduces restrictions that are [redacted] and undermine effective steering.

Use of parental control features

50 Epic notes Apple's submission that steering may prevent users from benefiting from certain parental control features because those protections cannot automatically extend to externally processed transactions. Whilst the protection of children is clearly an important objective, Epic

does not consider that this point justifies broader restrictions on steering. Rather, where Apple identifies specific parental control concerns, those concerns should be supported by evidence and assessed against the same standard of objective necessity and proportionality.

IV. CONCLUSION

51 In Epic's view, the principal issue requiring further refinement is the proposed pricing framework. The Steering Conduct Requirement will only achieve its intended objective if steering is not only legally permitted but also commercially viable. That requires a pricing framework that is objective, predictable and capable of timely enforcement and supervision. Epic therefore encourages the CMA to adopt a framework based solely on objectively demonstrable costs directly attributable to facilitating steering, whilst avoiding subjective concepts such as value, common costs and indefinite return on historic innovation. Together with the implementation and drafting amendments proposed in this response, this would ensure that the Steering Conduct Requirement delivers the effective and durable competition that Parliament intended the DMCCA to achieve.