700 K Street NW Suite 600
Washington, DC 20001

COMMENTS OF ITIF

Before the

Competition and Markets Authority

London, United Kingdom

In the Matter of: Proposed Steering Conduct Requirements for Apple's and Google's Mobile Platforms	))))))))	Public Comment

July 28, 2026

CONTENTS

INTRODUCTION AND SUMMARY

On June 30, 2026, the United Kingdom's (UK) Competition and Markets Authority (CMA) issued two consultations (the Consultations) regarding proposed Steering Conduct Requirements (Steering CRs) for Apple's and Google's mobile platforms under the enforcement of the Digital Markets, Competition and Consumers Act 2024 (DMCCA).[1] The Consultations lay out the general restrictions that would be placed on Apple and Google with respect to anti-steering practices, the contours of the experience users would face, and the constraints on both firms' abilities to charge commissions on link-out transactions.

The Information Technology and Innovation Foundation (ITIF), an independent, nonprofit, nonpartisan research and educational institute focusing on the intersection of technological innovation and public policy, appreciates the opportunity to comment on the Consultations. As emphasized in April, the UK has underinvested in innovation and experienced weak productivity growth over the past decade.[2] Digital platforms, including mobile app ecosystems, are critical drivers of economic growth by facilitating digital commerce throughout the UK economy. ITIF is concerned that the proposed Steering CRs will chill innovation in mobile platforms and impose a heavy-handed, public-utility-style DMCCA enforcement model.

ITIF's response broadly addresses the questions put forward by the CMA in its Consultations. First, ITIF sets forth its general views on the merits and scope of the proposed Steering CRs, arguing that while it is unclear what benefits the Steering CRs will bring, the harm in the form of reduced incentives to innovate in mobile platforms would be substantial. Second, ITIF explains that the proposed Steering CRs do not provide firms with an adequate ability to offer privacy, security, and intellectual property (IP) compensation justifications for anti-steering practices and unduly restrict platforms' ability to make disclosures to users being steered away by third-party apps. Finally, the proposed Steering CRs not only set out a heavy-handed, public-utility-style model of regulation to govern link-out fees but also rely upon a flawed pricing framework that fails to properly account for platform pricing dynamics. Recommendations and a brief conclusion follow.

---

[1] UK Competition and Markets Authority, Proposed steering conduct requirement for Apple's mobile platform (June 30, 2026) [hereinafter Apple Consultation]; UK Competition and Markets Authority, Proposed steering conduct requirement for Google's mobile platform (June 30, 2026) [hereinafter Google Consultation].

[2] ITIF, Comments to UK CMA Regarding Recent Developments in Relation to Apple's and Google's App Store Rules (April 24, 2026) [hereinafter ITIF April Comment], https://itif.org/publications/2026/04/24/comments-uk-cma-recent-developments-apple-google-app-store-rules/.

GENERAL

The proposed Steering CRs should only be implemented if they are likely to result in clear benefits for users. While the Consultations suggest that allowing developers to link users to external payment options introduces competition at the point of transaction and constrains app store commissions, they fail to appreciate how doing so would reduce Apple's and Google's ability to recover their platform investments, thereby reducing innovation-intensive competition between the two mobile app ecosystems. It is also unlikely that the proposed Steering CRs' restrictions on steering fees would benefit users, given how developers maintained or raised their prices 90 percent of the time in the EU following Apple's 10-percentage-point reduction in commission rates in March 2024.[3] What's more, the fees historically charged by Apple and Google, rather than being derived from anticompetitive anti-steering tactics, are already competitive relative to those charged by other app stores and content marketplaces.[4]

The proposed Steering CRs are bound to result in serious competitive harms of their own. Placing restrictions on mobile platforms that implement anti-steering policies creates a classic free-rider problem that will dampen Apple's and Google's incentives to invest and innovate, specifically by hindering their ability to monetize their IP investments and other platform investments. As ITIF has explained, by allowing developers to move payments off Apple's and Google's platforms and evade commissions—so-called "link-out" transactions—the proposed Steering CRs risk creating a world of "enforced sharing" that "enables free riding by developers and lessens incentives for them to invest in methods of their own to drive transactions to their preferred payment options."[5] As a result, if developers are able to steer users to transact off the platforms, Apple and Google "may be forced to generate more revenue through fixed payments, such as by starting to charge small developers a core technology fee, which could strain their ability to dynamically compete."[6] Furthermore, in addition to chilling innovation on Apple's and Google's mobile platforms, the proposed Steering CRs threaten user privacy and security, as apps could steer users to untrusted and insecure payment options instead of those provided and maintained by Apple and Google.

Unfortunately, the proposed Steering CRs provide little basis for Apple and Google to defend their anti-steering practices. Specifically, the proposed Steering CRs appear to provide Apple and Google with only a narrow exception to limit link-out transactions if "the restriction is strictly necessary for an objectively justifiable purpose of preventing malware, fraud, unlawful content or content harmful to children."[7] So

---

[3] Analysis Group, What Happens to App Prices when Developers Pay Lower Commission Fees: Evidence from the European Union (November 2025), p. 2, https://developer.apple.com/download/files/DMA-Study-Nov-2025.pdf

[4] *See, e.g.*, Analysis Group, Apple's App Store and Other Digital Market Places at 2 (July 22, 2020), https://www.analysisgroup.com/globalassets/insights/publishing/apples_app_store_and_other_digital_marketplaces_a_comparison_of_commission_rates.pdf ("Our study shows that Apple's App Store commission rate is similar in magnitude to the commission rates charged by many other app stores and digital content marketplaces. The commission rates charged by digital marketplaces most similar to the App Store, such as other app stores and video game digital marketplaces, are generally around 30%.").

[5] Brief for the Info., Tech., Innovation Found. as Amicus Curiae supporting Defendant Apple, Inc., No. 25-2935 (9th Cir. June 30, 2025) Dkt. No. 83.1, p. 10.

[6] *Id.*

[7] Apple Consultation p. 24; Google Consultation p. 20.

crafted, the proposed Steering CRs not only omit IP compensation, privacy, and broader security justifications for anti-steering behavior—justifications that have been accepted by American courts under U.S. antitrust laws—but also apply what is effectively strict scrutiny in requiring Apple and Google to prove the limited justifications they can put forward.[8] A significant amount of procompetitive anti-steering behavior will be chilled as a result.

USER EXPERIENCE AND DESIGN

For purposes of informing users that they are being steered off Apple's or Google's mobile platform, both proposed Steering CRs only allow the firms to "introduce a single interstitial screen where an End-user is directed through an End-user Redirection Mechanism" that can "only contain information that is strictly necessary" to inform a user that they are departing Apple's or Google's ecosystem. [9] Specifically, the platforms are prohibited from "presenting warnings, disclosures, or other messaging using language, formatting, or prominence that has the purpose or effect of discouraging an End-user from completing a Steered Transaction through an End-user Redirection Mechanism."[10] In so doing, the proposed Steering CRs place undue limitations on Apple and Google, preventing them from communicating the information necessary to fully inform consumers about the potential implications and risks of moving off their platforms to transact.

With respect to Apple's and Google's abilities to make disclosures to users, the proposed Steering CRs thus appear far more restrictive than requirements in other regimes, such as Japan's Mobile Software Competition Act (MSCA). For example, in addition to allowing platforms to notify users that they are being directed away from the platform, the MSCA does not expressly limit them to using a single interstitial screen to provide users with information, including the destination URL, that would allow them to make a more informed transaction choice. Furthermore, the MSCA allows Apple and Google to communicate to users that for link-out transactions, platform-specific features such as stored payments and refund management will not be available and that the platform will not be responsible for the privacy and security of the transaction.

STEERING FEES

The proposed Steering CRs' attempt to mitigate the harms to innovation they pose by regulating the fees Apple and Google may charge for link-out transactions—rather than prohibiting such fees entirely—comes at the expense of turning the DMCCA into the worst kind of regulation. That is, instead of simply attempting to regulate purportedly anticompetitive conduct *ex ante*, the proposed Steering CRs would effectively turn the CMA into a price regulator in the mobile space. This sort of heavy-handed regulation is particularly problematic in dynamic and innovation-intensive industries like mobile, where "platforms routinely recover fixed and sunk investments asymmetrically across participants in a way consistent with the specific economies and externalities that obtain on the platform."[11]

---

[8] Epic Games, Inc. v. Apple, Inc., 67 F.4th 946 (9th Cir. 2023).

[9] Apple Consultation p. 20; Google Consultation p. 21.

[10] Apple Consultation p. 12, 20; Google Consultation p. 13, 21.

[11] ITIF April Comment.

Indeed, the pricing framework the proposed Steering CRs would employ is plainly inadequate to ensure that Apple and Google receive a fair return on their investments and that innovation competition in mobile platforms continues to flourish. A core determinant of what Apple and Google are able to charge for link-out transactions is described by the Consultations as a "cost-based principle," which includes consideration of "(i) a forward looking long run incremental cost approach, (ii) an appropriate recovery of common costs, and (iii) a reasonable rate of return as appropriate."[12] In addition to the cost-based principle, the Consultations also lay out a "value-based principle," which allows Apple and Google to take into account in their steering fees "the value provided to Developers by the Native App Distribution services," albeit after adjusting for the companies' supposed "substantial and entrenched market power" and "including the value contributed by Developers (in aggregate)" to the mobile platforms.[13]

The Steering CRs' emphasis on the use of a cost-based principle to calculate steering fees is inapposite to the dynamics of mobile platforms, which differ considerably from the public-utility markets where such a principle has traditionally been applied. Mobile platforms are characterized by dynamic innovation competition rather than static, price-focused competition. Moreover, for example, narrowly considering "the incremental costs of enabling and operating steering links or similar link-out technology" does not properly account for the integrated nature of mobile platforms and the network externalities that drive their value.[14] In fact, the cost principle is likely to encourage false positives, and removing it would further the Consultations' administrative simplicity principle of requiring a mobile platform to "ensure that its steering fee structure and related terms are straightforward to understand and implement," given the difficulties associated with arriving at a pricing structure that is fully compliant with both the cost and value principles.[15]

While ITIF believes a value-based principle that properly apportions mobile platforms' value should be the foundation for any regulatory scheme implemented by the CMA to determine steering fees, the specific formulation put forward in the Consultations is problematic. First, while fair, reasonable, and non-discriminatory pricing schemes in, for example, the standards-development context are typically focused on isolating the incremental value of the product separate from any market power it may have obtained vis-à-vis its incorporation into the standard, no substantial downward adjustment to account for any market power enjoyed by Apple and Google is necessary here: iOS and Android do not owe their success to being selected for inclusion in an industry standard, but rather to competition on the merits—entitling them to the fruits of their success. Likewise, further adjusting downward the fee obtained by application of a value principle to account for "the value contributed by Developers" is both unnecessary if a proper apportionment analysis is undertaken as well as risks overstating, if not double-counting, the contribution of developers to iOS and Android.[16]

---

[12] Apple Consultation p. 21; Google Consultation p. 22.

[13] *Id.*

[14] Apple Consultation, p. 22; Google Consultation, p. 23.

[15] Apple Consultation, p. 22; Google Consultation, p. 22-23.

[16] Apple Consultation, p. 21; Google Consultation, p. 22.

RECOMMENDATIONS

For these reasons, ITIF respectfully offers the following recommendations for the CMA to consider in connection with the proposed Steering CRs:

- **Limitations on anti-steering practices would be counterproductive**: Not only is there no substantial evidence that the mobile space exhibits signs of market failure that the DMCCA needs to correct, but the proposed Steering CRs are likely to do far more harm than good—especially given the limited ability of Apple and Google to present procompetitive justifications for anti-steering practices that may improve privacy and security, as well as allow them to recoup their IP investments and other platform investments.
- **The CMA's approach to user experience and design is unnecessarily restrictive:** Relative to other jurisdictions like Japan, the Consultations' insistence on a single interstitial screen appears to unduly limit Apple's and Google's ability to provide users with the information they need to make an informed choice as to whether they wish to engage in link-out transactions.
- **Eliminate the cost-based principle from the determination of steering fees**: To avoid treating mobile platform markets defined by dynamic innovation and feature competition as static utility markets and to foster a more administrable pricing regime, the CMA, when setting steering fees, should focus on a value-based framework that properly apportions value across the mobile platform and eschews unnecessary downward adjustments that either limit Apple's and Google's ability to exercise legitimately acquired market power or overstate the value developers provide.

CONCLUSION

The proposed Steering CRs' restrictions on Apple and Google that prevent them from implementing anti-steering mechanisms to protect their mobile platforms risk undermining user privacy and security, as well as enabling developers to free-ride on Apple's and Google's investments—chilling procompetitive and innovative behavior in the mobile space that the UK should want to foster. Rather than resort to heavy-handed content and price regulation to address nonexistent market failures, the CMA should follow the lead of the United States and rely on a tried-and-true, *ex post* law enforcement framework to address concerns about anticompetitive behavior associated with anti-steering practices by Apple and Google.

Very truly yours,

Joseph V. Coniglio
Senior Counsel and Director, Schumpeter Project on Competition Policy
Information Technology and Innovation Foundation

Jonathan G. Nicastro
Policy Analyst, Schumpeter Project on Competition Policy
Information Technology and Innovation Foundation