[Business user]'s confidential response to the CMA's public consultation on the proposed steering conduct requirements for Google and Apple

28 July 2026

1. *[Business user]* welcomes the CMA's steering conduct requirements proposal ("**CRs**") under the Digital Markets, Competition and Consumer Act ("**DMCCA**") to address Apple's and Google's unjustified app store fees and anticompetitive restrictions on how developers communicate and conclude transactions with their own users. The CRs represent a major step forward but require some adjustments to be fully effective.

2. *[Confidential]*, *[business user]* agrees that it is crucial to take into account the value that developers bring to Apple's and Google's app stores when determining any app store fees (whether related to steering or more broadly). Properly accounting for this value should lead to fees for steered transactions being set at zero, even after considering Apple's and Google's costs and the value of services provided by their app stores. Moreover, the fee-setting mechanism requires a clearer procedural framework and *ex-ante* control with proper independent verification over Apple's and Google's calculation of fees, as it otherwise risks resulting in unreasonably long compliance discussions which have, to date, not yielded meaningful improvements for developers or consumers, as we have seen in other jurisdictions (**Section 1**).

3. *[Business user]* also considers that the CRs would allow Apple and Google to impose unjustified non-pricing restrictions. In particular, allowing Apple and Google to require their own in-app payment solutions (Apple's In-App Purchase ("**IAP**") and Google Play Billing ("**GPB**")) to be displayed side by side to the steering alternative would effectively impose (suboptimal) payment solutions on developers, and further entrench Apple's and Google's payment solutions. Instead, developers should be permitted to display steering alternatives without displaying IAP or GPB side by side, or otherwise. In addition, any interstitial screens, even those with neutral language, would place steering options at a competitive disadvantage by introducing friction and unnecessary additional steps. Instead, Apple and Google should not be permitted to display any interstitial screens (**Section 2**). Finally, the CRs should ensure that the existing options for certain developers to operate as reader apps are preserved (**Section 3**).

1. Fees imposed on the apps that engage in steering should be zero

4. *[Business user]* considers the CMA's proposed fee framework as a strong and meaningful step toward limiting the unjustified fees that Apple and Google currently impose on developers through their app stores. It is helpful that the CRs' definition of 'Steering Fee' is broad, covering all fees "*in connection with, or by reference to*" steered transactions or any such fee which has "*an equivalent effect*".[1] We understand that such definition would cover the "Store services commission",[2] "service fees",[3] core technology fee[4] or similar fees that both Apple and Google have started imposing on developers in other jurisdictions where external links are now allowed. The CMA's

[1] Consultation: Steering conduct requirement, Apple's mobile platform ("**Apple CR Consultation**"); Consultation: Steering conduct requirement, Google's mobile platform ("**Google CR Consultation**"), paras. 3.1, CR 2(k).
[2] See (here) or (here)
[3] See (here)
[4] See (here)

framework presents a real opportunity to directly address app store fees that have gone unchecked for many years.

5. *[Business user]* fully agrees that, in accordance with the administrative simplicity principle set out in the CRs,[5] the fee structure should not impose constraints that limit the effectiveness of steering or otherwise prevent or limit the developers' ability to steer. Steering will only be effective if developers have a real commercial incentive to use external purchase options. In this context, fees on steered transactions must be such that they do not deter effective steering, taking into account all options available to developers, including the option of foregoing in-app conversions altogether. We fully agree with the CMA that any fees should be "*significantly lower*" than current app store fees.[6] Frictionless, free of charge steering *[confidential]* would deliver significant consumer benefits by enabling genuine choice, lower costs, and greater convenience as a benefit of real competition with Apple's and Google's payment systems.

6. Overall, *[business user]* agrees that cost-based and value-based approaches can constitute an appropriate framework to achieve fair app store fees. When these principles are correctly applied in this instance, they should result in fees being set at zero (**Section 1a and 1b**). The proposed mechanism requires clear procedural deadlines and *ex-ante* control over Apple's and Google's calculation of fees. *Ex-post* oversight is unlikely to be sufficient and will result in prolonged and potentially unproductive compliance discussions (**Section 1c**).

a) The cost-plus principle must account for costs that are already recovered through other revenue streams

7. The CRs suggest a "cost-plus" approach as one of the relevant fee-setting principles,[7] which consists of (i) long run incremental costs directly incurred in providing app store services to the extent that those services are used by developers to a material and direct extent in facilitating or supporting steered transactions; (ii) incremental costs of enabling and operating steering links or similar link-out technology, if any; (iii) an appropriate allocation of common costs incurred in providing app store services, where such services are used by developers in connection with both steered and non-steered transactions; and (iv) a reasonable rate of return on the investments in infrastructure and services supporting app stores.

8. Costs captured under (ii) seem to cover only those costs directly associated with enabling steering, consistent with the judgment of the US Court of Appeals for the 9th Circuit of 11 December 2025.[8] As the CMA notes,[9] we expect these to be zero or very low both on an absolute and per-app basis. It is unclear, however, what additional costs (i) is intended to capture. The costs of providing app store services are already accounted for under (iv), while steering-specific costs are covered under (ii). There is therefore no justification or need for a separate category of app store costs related to steering, as such costs are already addressed under (ii) or (iv).

9. It is important to ensure that the (iii) common costs of providing app store services or the (iv) reasonable rate of return are critically assessed and determined as part of the fee-setting process.

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[5] Apple CR Consultation; Google CR Consultation, paras. 3.1, CR 10(c).
[6] Apple CR Consultation, para. 4.113; Google CR Consultation, para. 4.111.
[7] Apple CR Consultation; Google CR Consultation, paras. 3.1, CR 10(a), 12.
[8] United States Court of Appeals for the Ninth Circuit, Case No. 25-2935, 11 December 2025.
[9] Apple CR Consultation; Google CR Consultation, paras. 4.107(a).

Both the running costs of operating the app store (search, security, review, etc.) and the remaining non-amortised investment costs of setting up the app store are likely to be very small, given economies of scale, extensive automation, and the fact that most setup costs have already been recouped over many years of high app store revenues and high margins on their premium devices. Based on the evidence discussed in *Epic v Apple*, the App Store has an operating margin of over 70%, which the Court noted was "*extraordinarily high*".[10] In 2025, Apple also reported $149 billion in sales of digital goods and services through the App Store,[11] on which it collects commission.

10. Moreover, common costs should be allocated across *all* apps benefiting from app store services, including those that do not sell digital content, rather than being disproportionately borne solely by apps selling digital content. Expanding the pool of apps over which common costs are spread would reduce the burden on any individual app. Under the current model, apps that sell digital content effectively cross-subsidise other apps (including those that sell non-digital products or services), even though they receive the same app store services. This arbitrary distinction between apps that sell digital content and those that do not is therefore unjustified and risks distorting both cost allocation and fee design.

11. The CMA rightly notes that Apple and Google should not double count costs already recovered through other developer fees.[12] For example, on iOS, developers already pay an annual fee of USD 99,[13] which covers, among other things, "*app distribution*" and "*access to a comprehensive set of development tools*". In addition to developer fees, however, the CMA should also take into account the revenues that Apple and Google derive from the sale of their other highly profitable products. Given that the app store comes as a strict complement to smartphones (sold at a premium), the revenues derived from the overall bundle of devices, ads, and app store are sufficient to cover the app store's costs and a reasonable rate of return, even if the access price for developers is very low or even zero.

b) For developers like *[business user]*, the value-based principle can only reduce the cost-based fee, not increase it

12. *[Business user]* welcomes the value-based principle that should be applied in addition to the cost-based approach, as it explicitly recognises the "*two-way exchange*"[14] between the value of Apple's and Google's app store services and the value that developers bring to these app stores, adding immense value to both companies' app store businesses. When these are properly netted against each other, the net value of app stores for apps such as *[confidential]* is likely zero or even negative. For developers like *[business user]*, the value-based component of the fee-setting mechanism can only *reduce* the cost-based fee, not increase it.

13. *[Business user]* disagrees that Apple and Google should have a "*degree of flexibility*"[15] in applying these principles in practice. Any flexibility granted to Apple and Google would give them room to

[10] *Epic Games v Apple*, United States District Court, Northern District of California, Rule 52 Order after trial on the merits, Findings of Fact, 10 September2021 (here), pages 1, 43, 94.
[11] https://www.apple.com/newsroom/2026/06/app-store-ecosystem-reaches-1-point-4-trillion-usd-as-developers-thrive-globally/
[12] Apple CR Consultation; Google CR Consultation, para. 3.1, CR 12(c).
[13] https://developer.apple.com/support/compare-memberships/
[14] Apple CR Consultation, para. 4.122(b); Google CR Consultation, para. 4.120(b).
[15] Apple CR Consultation; Google CR Consultation, Interpretative Notes, paras. 9.

[redacted]. Both the cost-based and value-based principles should be strictly applied, with the value-based limb serving as a critical mechanism adjusting the fee.

14. The value that Apple's and Google's app stores provide is limited. Most of this "value" is created by the network effects as a result of their monopoly power, which would not exist in a normally competitive environment, and in any event largely reflects the investments that third-party developers have made in creating apps for these ecosystems - not the other way around. Accordingly, the CRs correctly note that the value should be adjusted for the effects of Apple's and Google's substantial and entrenched market power,[16] as the benefits of providing platform access and a means to acquire customers would be competed away in the presence of effective competition.[17] Once one sets aside network effects, most app stores are essentially interchangeable: they mainly provide a central place where users and developers can find each other and transact. Because this "aggregation" function is relatively standard and commoditised, the incremental value any app store adds over an alternative is likely very small.

15. Developers, conversely, bring significant value to Apple's and Google's respective app stores. *[Confidential]*. By keeping control over the app store, Apple and Google also control access to users, collect valuable usage and payment data, and monetise this through ads, first-party apps, and higher device sales. If there were little benefit in hosting apps themselves, they could outsource app store functions to third parties, but instead they focus heavily on keeping tight control showing that hosting apps is strategically very important and highly valuable to them.

c) The fee-setting mechanism can only be effective if it is subject to strict *ex-ante* oversight

16. *[Business user]* considers the CMA's approach to app store fees to be constructive, as it clearly defines the elements that have to be considered and, in doing so, significantly limits Apple's and Google's ability to undermine the steering obligation by imposing unjustified fees. That said, the proposed approach requires some procedural adjustments to be effective. For example, in its current form, the mechanism appears to still give Apple and Google scope [redacted]

17. The CMA proposes that the CRs come into force three months following the final decision on steering CRs. During these three months, Apple and Google should submit an implementation plan (within one month of the final decision) and "*engage constructively*" with the CMA and third parties to comply with the CRs.[18] This *ex-ante* approach is helpful, but should be further strengthened, as there is a real risk that, just like in other jurisdictions, Apple and Google initially propose fees at levels that [redacted] and deter [redacted] steering. The administrative simplicity principle should also prevent endless debates over Apple's and Google's costs and how they value their services.

18. During the three-month implementation period, Apple and Google should not only "*constructively engage*", but should be required to put forward a clear proposal setting out in detail how each of the principles has been applied, accompanied by all relevant evidence and data enabling independent

[16] Apple CR Consultation; Google CR Consultation, paras. 3.1, CR 10(b).

[17] Apple CR Consultation; para. 4.122(a); Google CR Consultation, para. 4.120(a).

[18] Apple CR Consultation; para. 4.149; Google CR Consultation, para. 4.148.

verification of their calculations. In addition to the CMA having access to Apple's and Google's compliance proposals, it is essential that developers have the right to access and, if necessary, challenge Apple's or Google's claims and calculations in this review, *e.g.*, through a confidentiality ring (*i.e.*, a "clean team" of developers' external advisers) to ensure that the fees are fair and the steering regime has the desired effect of promoting competition.

19. Instead of relying predominantly on *ex-post* enforcement of any fees that Apple and Google may propose, the CRs should provide for active involvement of the CMA and developers before any such fees are implemented. Without effective *ex-ante* controls, there is a significant risk of extensive litigation seen in other contexts where "fair and reasonable" pricing is left to negotiation – such as standard-essential patents – despite the existence of well-developed valuation methodologies.

20. The experience in the European Union concerning fee-setting is also instructive in this regard: Apple and Google were required to comply with the "free of charge" steering obligation on 7 March 2024, yet more than two years later, they [redacted]. Google's recent proposal[19] to charge up to 20% service fee for steered transactions remains commercially unviable and unfair. Moreover, a trivial fee reduction (*i.e.*, 5%) relative to the use of GPB leaves developers with no effective choice, meaning no genuine competition for alternative payment services can emerge. These fees have no connection to the actual value of the service provided, and the CMA should not accept similar solutions in the UK. As explained in detail above, the app store fees should be set at zero, and any proposal put forward by Apple or Google should be assessed against that benchmark.

2. <u>Non-pricing restrictions should be further limited</u>

a) Developers should not be required to show IAP or GPB alongside the steering alternatives

21. *[Confidential]*, *[business user]* is concerned about the harmful trend[20] that requires developers to include IAP or GPB alongside the steering link, thereby [redacted] between app distribution and Apple's and Google's payment options. Such a requirement forces developers to integrate Apple's and Google's payment solutions irrespective of their merit and quality. It also effectively preserves and reinforces their market power due to incumbency advantages, making it very difficult for any alternatives to succeed.

22. Google and Apple present the side-by-side functionality as one that would "*mitigate*" some of the alleged "*privacy and security risks*" arising from steering.[21] These risks [redacted] even when these payment systems are demonstrably suboptimal, *[confidential]*. *[Confidential]*. Against this background, [redacted] suggestion that steering introduces additional privacy and security risks is [redacted] unfounded.

23. It is also worth noting that Apple appears to adjust its security arguments [redacted] In *Epic v. Apple*, for instance, Apple took the opposite position, claiming that

[19] https://android-developers.googleblog.com/2026/06/play-expanded-billing.html

[20] See CADE's settlement with Apple, Case No. 08700.006953/2025-62, January 2026 (here), as well as Apple's (here) and Google's (here) compliance with the Japan Smartphone Act.

[21] Apple CR Consultation, para. 4.50; Google CR Consultation, para. 4.52.

its *prohibition* on displaying links on the same page as IAP was necessary to protect user security.[22] The Court rightfully found Apple's security justifications to be "*pretextual*" and "*outright misrepresentations to the Court*".[23]

24. The requirement to integrate IAP and GPB is highly problematic as it forces developers to use services they would not otherwise choose. *[Confidential]*.

25. Integrating IAP and GPB is not a neutral option. We would be forced to use solutions *[confidential]*, and that, as the CMA also notes,[24] disintermediate us from our own *[users]*. *[Confidential]*. By contrast, when we handle our own transactions on our website *[confidential]* we are not dependent on Apple or Google to exercise our responsibilities to our customers but reliant only on ourselves, enabling us to provide the best possible service to our customers without facing increased risk and costs due to the use of IAP/GPB.

26. The DMCCA's fair dealing objective is meant to ensure that developers are treated fairly and on reasonable terms;[25] this cannot be achieved if gatekeepers are allowed to continue imposing their own [redacted] payment services on developers. We urge the CMA to impose a more proportionate CR that would allow Apple and Google to give developers an *option* to include IAP or GPB alongside the steering link if they so wish, including the right to display different prices of payment options, but they should not be *compelled* to do so.

b) Apple and Google should not be allowed to impose any interstitial screens

27. *[Business user]* agrees with the CMA that steering can only be effective without "*undue friction, deterrence or distortion arising from* [...] [restrictive] d*esign choices or technical constraints*".[26] To achieve this, *[business user]* considers that the user experience should not be subjected to any more friction than experienced through Apple's or Google's payment solutions, and there is no need to retain even a single interstitial screen.

28. Apple and Google claim that the informational screens are needed to prevent "*end-user confusion*" and harm resulting from end-users choosing to "*transact with parties they would not otherwise consider trustworthy*".[27] This argument is not convincing. As the CMA also observes,[28] both Apple and Google already allow developers that offer physical goods to use alternative payment options without any interstitial screens. There is no justification for treating developers of digital goods differently, and no evidence that the risks are higher in that context. Imposing an extra step when users purchase digital goods appears to serve [redacted] introduce [redacted] friction, negatively impacting developers' conversion rate.

29. It is also noteworthy that Apple chose not to impose any screens in the US after the contempt order despite being allowed to present a screen with a neutral message informing users that they were

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[22] *Epic Games v Apple*, United States District Court, Northern District of California, April 30, 2025, Order Granting Epic Games's motion to enforce injunction (here), pages 30 and 31.
[23] *ibid.*, page 31.
[24] Apple CR Consultation, Google CR Consultation, paras. 1.8(b).
[25] Apple CR Consultation, Google CR Consultation, paras. 2.8(a)(i).
[26] Apple CR Consultation, Google CR Consultation, paras. 2.5(c).
[27] Apple CR Consultation, para. 4.59; Google CR Consultation, para. 4.60.
[28] Apple CR Consultation, para. 4.64; Google CR Consultation, para. 4.65.

leaving the App Store.[29] In the US, *[confidential]*, we are not aware of any concerns or complaints related to insufficient information or end-user confusion. *[Confidential]*.

30. *[Confidential]*.

31. *[Business user]* considers that for steering to be fully effective, the user experience should be as close as possible to the in-app payment solutions offered by gatekeepers. Even in its best form, steering is inherently more cumbersome than in-app payments because users must leave the app to complete their purchase. In the context where, for example, iOS users can complete payments using IAP with a single tap and Face ID, it would be unfair to further burden the steering flow with unnecessary additional screens.

32. If the CMA nevertheless considers that some form of informational screen is necessary, it should be strictly limited to high-risk transactions where Apple and Google can demonstrate a genuine risk of harm. Imposing interstitial screens across the board, including on trusted, long-standing developers *[confidential]*, with low fraud rates and robust fraud prevention mechanisms would be unnecessary and unsupported by any evidence of actual consumer harm. There are also less intrusive ways to convey information to users. For example, Apple and Google could require that an app's product page in their app stores clearly state that any transactions are handled directly by the developer.

c) WebView can contribute to the effectiveness of steering

33. Allowing Apple and Google to prohibit steering to WebView, as currently foreseen by the CRs,[30] would remove a valuable option for improving the user journey. *[Business user]* would consider using WebView if permitted, because it can materially reduce friction by avoiding an app-to-browser switch and thereby improve conversion.[31]

34. Our preference is to retain flexibility: developers should be able to use WebView, direct users to their default browser, or offer both paths, depending on what best serves their users. A blanket prohibition on steering to WebView would unduly constrain that choice and further entrench platform control over how external transactions may occur. Instead, both options should be available, and neither should be undermined by platform-imposed user experience or technical restrictions.

35. Apple's and Google's claims that WebView could create "*additional user confusion*" are not compelling, as users are already accustomed to navigating WebView interfaces. On Instagram's, Facebook's and TikTok's iOS and Android apps, for example, this is the default way links are opened. Evidently, Apple and Google do not view WebView as inherently problematic, except when they are used to complete transactions for digital goods and services. This selective concern undermines the credibility of their safety-based arguments.

[29] *Epic Games v Apple*, United States District Court, Northern District of California, April 30, 2025, Order Granting Epic Games's motion to enforce injunction (here), pages 75-76.
[30] Apple CR Consultation, para. 4.71; Google CR Consultation, para. 4.72.
[31] *[Confidential]*.

36. In the absence of any demonstrated downside or harm from enabling steering links to open in WebView, the CMA should err on the side of developers, enabling them to use WebView if they wish to do so, and optimise the steering experience to the fullest extent possible.

d) Fraud and child protection measures should be limited to high-risk transactions

37. *[Business user]* is concerned that permitting Apple and Google to restrict steering on the grounds of preventing "*malware, fraud, unlawful content or content harmful to children*"[32] risks creating an overly broad exception that could be misused as a loophole to unjustifiably restrict effective steering. *[Business user]* fully agrees that user security, and in particular the protection of minors, is of paramount importance. This is a priority we take very seriously, and we already operate robust fraud prevention and trust-and-safety systems. *[Confidential]*.

38. Against this background, a blanket carve-out enabling Apple and Google to restrict steering appears unnecessary and disproportionate. The CRs should be clarified to specify that any steering-related restrictions are strictly limited to objectively identified high-risk transactions. Applying such limitations to trusted and reputable developers like *[business user]* with strong existing safeguards is neither necessary nor justified.

3. [Confidential]

39. *[Confidential]*.

40. [Confidential].

41. *[Confidential].*

42. *[Confidential]*.

[32] Apple CR Consultation; Google CR Consultation, paras. 3.1, CR 3(b).