Coalition for APP FAIRNESS

July 2026

Coalition for App Fairness
Response to the CMA's consultation on steering conduct requirement

1. INTRODUCTION

1. The Coalition for App Fairness (**CAF**) is an independent nonprofit organisation, representing startups, independent and small developers, indie studios and popular apps, many of them based and operating in the UK.

2. This document is the response of CAF to the Competition and Markets Authority's (**CMA**) consultation on its proposed steering conduct requirement (**CR**).[1] This response covers the consultation for both Apple and Google, given the CR is the same for both.

3. CAF welcomes the CMA's overall aim in proposing the CRs and applauds the careful drafting that has gone into them. We welcome the CMA's decision to adopt CRs, rather than accept voluntary commitments. We also welcome a number of features in the CRs, for example the CMA's decision to require Apple and Google to permit links rather than confining developers to free text, and the new obligation on Apple and Google to maintain cost accounting records to support any Steering Fee. We also support the CMA's conclusion that Apple and Google should not be able to block dynamic links or link parameters.

4. However, CAF has some serious concerns on some specific points, most significantly on the ability of Apple and Google to charge for the "value" that they provide to developers, and believes that these will undermine the effectiveness of the CRs if adopted.

5. CAF's overarching submission is that the CMA should adopt CRs that are specific and robust. An effective and robust CR would lead to steering being taken up by developers and consumers introducing competition in payment processing, and, ultimately, leading to commissions in IAP being reduced.

6. In order for the CR to be effective, the requirements should minimise the scope for Apple and Google to [redacted] recoup revenue loss through introducing or increasing fees for adjacent activities, [redacted] while continuing to earn supra-competitive revenues. Experience in other jurisdictions demonstrates that these are sophisticated, commercially-incentivised firms that [redacted]. The most effective way to address this is to rely on objectively verifiable criteria (for example, requiring any fee to be based on demonstrable incremental cost) and to incorporate safeguards that remove the commercial incentive to delay, such as applying a zero fee until the CMA has approved a compliant fee.

7. CAF is concerned the CMA is proposing Apple and Google can charge fees connected to "value" when there is a significant amount of evidence that such a CR is likely to be ineffective – for example from experience in the EU, Korea and the Netherlands.

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[1] CMA, *Proposed steering conduct requirement for Google's mobile platform*,30 June 2026, link [here.](#) CMA, *Proposed steering conduct requirement for Apple's mobile platform*, 30 June 2026, link [here.](#)

8. The CMA's aim of opening up competition in mobile ecosystems is hugely important. Also, the significant public and private resources invested in the Digital Markets, Competition and Consumers Act 2024 (**DMCC Act**) process, including the CMA's own time and the time spent by third parties preparing submissions and responding to requests for information, make it essential that the CMA adopts a remedy that is effective in practice. It would be deeply unsatisfactory if, after that investment, the CMA adopted a remedy that market participants do not take up. Mitigating the effects of such entrenched market power requires bold action rather than splitting the difference and aiming for a situation that is one step short of an abuse of dominance under traditional competition law.

9. This response is structured as follows:

    (a) a summary of features of CRs which CAF welcomes (Section 2);

    (b) a summary of CAF's concerns, along with proposed amendments to the proposed CRs (Section 3);

    (c) CAF's concerns regarding the CMA's fee proposals (Section 4); and

    (d) CAF's concerns regarding the CMA's proposals as they relate to friction (Section 5); and

    (e) CAF's comments on the form and scope of the CRs (Section 6).

2. SUMMARY OF MEASURES CAF SUPPORTS

10. CAF welcomes several features of the proposed Steering CRs which we consider to be genuine, substantive protections for developers. In particular, we welcome:

    (a) the CMA's decision to proceed by way of a CR rather than by accepting voluntary commitments from Apple and Google. A CR is set unilaterally by the CMA, is directly enforceable by the CMA and developers, and does not depend on Apple and Google agreeing to terms adequate to address the CMA's concerns.[2] Both companies generate very substantial revenue from current app store commissions, and delay itself protects that revenue, meaning that a voluntary, unenforceable outcome would have been considerably less likely to deliver an effective remedy;

    (b) the CMA's provisional conclusion that developers should be permitted to use End-user Redirection Mechanisms (i.e. links), rather than being confined to free-text communications, on the basis that there is no evidence free text alone would generate meaningful user uptake of Steered Transactions;

    (c) the fact that the proposed Steering CRs impose, for the first time, a binding obligation on Apple and Google to maintain cost accounting records - including the inputs, allocations and assumptions used - sufficient to demonstrate compliance with the cost-based principle to the CMA's satisfaction, directly addressing the

[2] Digital Markets, Competition and Consumers Act 2024, sections 19, 25-32 and 101, links here, here and here; CMA194, link here, paragraph 3.77.

information asymmetry that has, until now, allowed both platforms to resist scrutiny of their fee structures by pointing to an admitted absence of granular cost data. These cost accounting records do, however, need to be published (in redacted form if need be) so that developers can exercise their rights effectively; and

(d) the CMA's provisional conclusion that an effective CR should ensure that Apple and Google do not restrict the use of dynamic links (or equivalent alternatives) or link parameters by developers when generating steering links.[3] The CMA's reasoning - that the functionalities in question are already widely used elsewhere in the App Store and Play Store ecosystems, that any resulting restriction could easily be circumvented, and that both the US courts in *Epic v Apple* and the European Commission have rejected Apple's equivalent security and privacy justifications - is, in CAF's view, correct. CAF urges the CMA to retain this conclusion in the final version of the CR.

3. SUMMARY OF PROPOSED CHANGES TO CRS

11. CAF considers that a number of targeted amendments are required if the CR is to achieve the CMA's objectives of promoting fair dealing and open choices. CAF's principal proposed amendments are set out below.

(a) **No steering fees.** CAF's position is that Apple and Google should not be permitted to charge any fee for steering.

(b) **If fees are permitted, they should be cost-based only.** Any fee should be limited to objectively verifiable incremental costs (or, at most, a pro rata allocation of common costs), with no value-based component.

(c) **Remove the "value" principle.** The proposed value-based approach is unworkable, unsupported by evidence from other jurisdictions, irrational, and inconsistent with the purpose of the DMCCA.

(d) **Specify any permitted margin.** If the CMA allows a return above costs, it should prescribe a clearly defined cost-plus margin rather than allowing Apple and Google discretion.

(e) **Zero fees pending CMA approval.** Until the CMA has approved a compliant fee, the applicable steering fee should automatically be zero.

(f) **Shorten the attribution window.** The current seven-day period for charging steering fees is far too long; any chargeable transaction should be closely linked to the actual redirection event, and should be 24 hours at most.

(g) **Any fee should be one-off:** Any Steering Fee should be a one-off charge, not a commission on subscription renewals that is charged indefinitely, potentially for decades into the future.

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[3] Consultation: Steering Conduct Requirement - Google's Mobile Platform, 30 June 2026, link here, Paras 4.44-4.48 (pp.37-39); Consultation: Steering Conduct Requirement - Apple's Mobile Platform, 30 June 2026, link here, Paras 4.44-4.47 (pp.37-38).

(h) **Permit developers to choose how to present payment options.** Developers should not be required to display in-app purchases alongside steering options and must be free to offer both simultaneously within the same app.

(i) **No mandatory interstitial screens.** If retained, they should be tightly constrained (e.g. a "do not show again" option and strict frequency limits. In addition, developers should have complete freedom to design and word the screens.

(j) **Permit WebViews.** Apple and Google should not be allowed to prohibit WebViews for steering.

(k) **Reverse the burden of proof for security exceptions.** Apple and Google should bear the burden of demonstrating to the CMA that any restriction is strictly necessary.

4. FEES

4.1 *There should not be any fees for steering*

12. The CMA proposes to allow Apple and Google to charge developers for steering. The CMA does not set a fee, but allows Apple and Google to determine it on the basis of certain principles relating to cost, value and simplicity.[4]

13. CAF's position is that no fee should be payable for steering, which simply enables app developers to choose not to use a service offered by Apple or Google. CAF understands that the CMA does not wish to become a price-setter. It need not do so. The appropriate and readily administrable test is whether any fee imposed by Apple or Google can be avoided by a developer that chooses not to use the relevant service. Provided developers have a realistic and commercially viable route to use alternatives, the CMA need not determine the precise level of the fee. That necessarily means that any fee for steering must be zero or close to zero. The purpose of requiring Apple and Google to permit steering is to allow developers to avoid the 30% IAP commission by directing users to competing payment channels. A material steering fee would simply recreate the very charge that the steering remedy is intended to enable developers to avoid.

14. Any relevant service provided by the operating system or app store has already been paid for by users when they buy the (very expensive) device and by developers in the annual developer fee. Any additional matchmaking element only arises where a developer pays the platform for increased prominence in the app store through advertising fees.

15. In previous EC decisions, platform operators have been forced to open their platforms for free. In December 2009, the European Commission made binding a set of commitments requiring Microsoft to offer Windows users a genuine choice of web browser, ending over a decade in which Microsoft had bundled and defaulted users to Internet Explorer to the exclusion of rivals such as the (then-nascent) Google Chrome. Microsoft was required to disclose the Windows APIs needed for competing browsers to function properly, and was

[4] Consultation: Steering Conduct Requirement – Google's Mobile Platform, 30 June 2026, link here, Para 10 (p.22), Consultation: Steering Conduct Requirement – Apple's Mobile Platform, 30 June 2026, link here, Para 10 (p.21).

expressly barred from charging for that access: Microsoft undertook to "*bear the costs of the technical implementation of the remedy" and "shall not charge for the inclusion of a third party web browser…*".[5] Permitting Apple and Google to charge any fee risks the effectiveness of the CR and should be approached with extreme caution. CAF is of the strong view that any fee should be based on *cost* and not *value*. Recoverable costs should be limited to the incremental costs of facilitating steering or, at most, an objectively calculated pro rata allocation of the common costs of operating the app store across all apps (both digital and non-digital) to the extent that these are not already covered by the annual developer fees. There is no justification for a value-based fee, which is unworkable (and is, in any case low, close to zero or even below zero).

4.2 Value is not a workable metric and will render the CR ineffective

16. CAF's central submission is that the value-based principle should be removed, and steering fees should be governed by reference to Apple and Google's incremental costs.

17. The CMA's stated objective is to "*open up opportunities for innovation*" in app store markets (and more widely) and thereby nurture economic growth.[6] CAF strongly supports this objective. However, a CR which allows Apple and Google to charge fees for steered transactions based on their assessment of the economic value of their own app store's services is unworkable and would not be effective. It would preserve the current lack of competition because it would not yield a significant enough change. The proportionality requirement in the DMCC Act only applies to a choice of CRs that are all effective, and so is not relevant here.[7]

18. It is very difficult to define "value" in a context where there is no competition. In both Apple's and Google's case, this is because they have pursued a strategy of prohibiting or introducing significant friction to alternative app stores and/or distribution via sideloading, and make switching between the two of them difficult. Users [redacted] In neither case, therefore, do developers have a genuine option to use alternative app distribution. The whole reason for the CMA's intervention is that this market is not competitive - so the market's normal price-discovery mechanism, on which value-based pricing depends, is exactly what is missing. While the CMA to some extent recognises this issue, by excluding value generated by "substantial and entrenched market power",[8] it gives no indication how this is to be done – effectively allowing Apple and Google to make their own assessment in a grey area [redacted]. Both companies continue to maintain that their existing fees already reflect the value of the app store, making it inherently unlikely that they will voluntarily conclude that those fees contain a material element attributable to market

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[5] Commission Decision of 16 December 2009, Case COMP/C-3/39.530 – *Microsoft (tying)*, making binding the commitments offered by Microsoft on 17 July 2009 (as amended); paras 17 (no-charge obligation).

[6] Consultation: Steering Conduct Requirement - Google's Mobile Platform, 30 June 2026, link here, Para 1.10 (p.7); Consultation: Steering Conduct Requirement - Apple's Mobile Platform, 30 June 2026, link here, Para 1.10 (p.7).

[7] CMA, 'Digital markets competition regime guidance' ('CMA194'), 19 December 2024, link here, paragraph 3.20(b)-(c).

[8] Consultation: Steering Conduct Requirement - Google's Mobile Platform, 30 June 2026, link here, proposed CR, Para 10(b) (p.22); Consultation: Steering Conduct Requirement - Apple's Mobile Platform, 30 June 2026, link here, proposed CR, Para 10(b) (p.21).

power. The CMA will inevitably become engaged in the slow and unsatisfactory ‘game of cat and mouse’ in which the European Commission currently finds itself.

19. There is the added complexity that any “value” assessment will take into account the value that app developers provide to Apple and Google.[9] While CAF strongly agrees with this in principle, this is again very difficult to ascertain and [redacted]

20. There is no evidence from other jurisdictions that steering remedies based on a "value provided" approach are effective. The CMA's decision to adopt such an approach is therefore irrational. The available evidence, from jurisdictions where the commission exceeded any possible cost-based levels, points in the opposite direction:

    (a) in the EU, fees remain at ~20%, which has rendered steering unattractive to developers;[10]

    (b) in South Korea, Apple continues to charge commissions of up to 26%, meaning developers achieve little or no meaningful cost saving once payment processing fees are taken into account. A market survey by the Korean Communications Commission found that the biggest problem with in-app purchases was still “excessive commission fees”, suggesting the remedy has been far from effective;[11] and

    (c) a similar issue arises in the Netherlands, where Apple’s effective commission remains at 27%, rendering the regime commercially unattractive for developers.[12]

21. The only jurisdiction where steering remedies have been provably effective is in the US Apple injunction in April 2025, where developers adopted steering at scale. Until the recent appeal, no fees were allowed at all. Even following an appeal to the Ninth Circuit, Apple is only allowed to charge fees on the basis of costs not value, limited to costs which are *“genuinely and reasonably necessary for its coordination of external links for linked-out purchases, but no more.”* The Ninth Circuit did also allow for limited intellectual property (**IP**) compensation, but only that which is directly used in permitting developers to consummate linked-out purchases. The court stated that most of the IP in question is already used for IAP and the costs linked to external purchases should be equitably and proportionately reduced.[13]

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[9] Consultation: Steering Conduct Requirement - Google’s Mobile Platform, 30 June 2026, link here, proposed CR, Para 10(b) (p.22); Consultation: Steering Conduct Requirement - Apple’s Mobile Platform, 30 June 2026, link here, proposed CR, Para 10(b) (p.21).
[10] See Clause 3.4C Alternative Terms Addendum. Note (1) a developer can, in theory, opt for Tier 1 services only, reducing their commission by 8%. However, given how essential Tier 2 services are (link to Apple’s description here) – for example in relation to expedited app review times and automatic app updates – it is unlikely that many developers can feasibly opt for this; (2) the Core Technology Commission was planned to replace the Core Technology Fee, which was a EUR 0.50 installation fee, in January 2026.
[11] The Korean Communications Commission, Market Survey 2024, summary, link here.
[12] Developer, Apple, Support: *Distributing dating apps in the Netherlands*, link here.
[13] United States Court of Appeals for the Ninth Circuit, Epic Games, Inc. v Apple Inc., 11 December 2025, link here, pages 41-42

22. Finally, the CMA's formulation which requires Apple and Google to combine value and cost is too complex: the Interpretative Notes accompanying the CR states that Apple/Google "*may for example start by taking one of those principles into account and subsequently considering the second principle as a cross-check, adjusting the resultant Steering Fee downward or upward as applicab*le."[14] This formulation gives Apple and Google an effectively free choice as to which principle to start from, no guidance on how the "cross-check" should operate, and no floor or ceiling on the extent of any resulting adjustment. It is difficult to see how the CMA could hold Apple or Google to account for having applied the principles other than in good faith, still less how a developer could challenge a fee it considered too high.

23. Given the scope for debate on value, any fee permitted by the CMA should be anchored in something concrete and ascertainable: the costs of managing steering links, and nothing more. This follows the US position.[15] Apple and Google should adduce evidence to prove their marginal costs for steered links. If the CMA considers that some uplift is necessary (which CAF does not agree with), it could adopt a cost-plus approach by allowing a clearly defined margin. That would at least provide an objective, enforceable benchmark, rather than leaving Apple and Google free to set fees at levels that would undermine the effectiveness of steering.

24. This conclusion is reinforced by the recent report of Professor Nancy Rose, the independent court-appointed economic expert in *Epic v Google*.[16] Professor Rose concluded that, even where linking out is formally permitted, a fee set at or near the Play Store service fee reproduces the prohibited conduct through price: Google can achieve through a prohibitive charge the same practical result as an outright ban. She further observed that, where the developer completes the transaction on its own website and bears the costs of hosting and delivering the content, the transaction may involve only nominal Google resources. Professor Rose therefore recommended that any fee on link-outs or alternative-payment transactions should be limited to Google's demonstrated actual cost of any service it in fact provides, with the burden of justification resting on Google. She considered that such an actual-cost limitation may be necessary to prevent fees from recreating or perpetuating the effects of the underlying restriction.[17]

25. The arguments advanced against this approach are not sustainable. While the CMA correctly states in its consultation document that the CR test is entirely independent from the competition law framework,[18] it is clear that the CMA has incorporated value into the analysis because of *United Brands* caselaw.[19] This is an entirely irrelevant consideration:

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[14] Consultation: Steering Conduct Requirement – Google's Mobile Platform, 30 June 2026, link here, Para 9 (p.27), Consultation: Steering Conduct Requirement – Apple's Mobile Platform, 30 June 2026, link here, Para 9 (p.27).
[15] United States Court of Appeals for the Ninth Circuit, Epic Games, Inc. v Apple Inc., 11 December 2025, link here, pages 41-42.
[16] Nancy L Rose, *Declaration of Prof. Nancy L. Rose* (10 July 2026), *In re Google Play Store Antitrust Litigation*, Case No 3:21-md-02981-JD, Dkt 1231, paras 57 and 63.
[17] Nancy L Rose, *Declaration of Prof. Nancy L. Rose* (10 July 2026), *In re Google Play Store Antitrust Litigation*, Case No 3:21-md-02981-JD, Dkt 1231, paras 57 and 63.
[18] Consultation: Steering Conduct Requirement - Google's Mobile Platform, 30 June 2026, link here, Para 4.83 (p.47); Consultation: Steering Conduct Requirement - Apple's Mobile Platform, 30 June 2026, link here, Para 4.82 (pp.46-47).
[19] Case 27/76, *United Brands v Commission*, 14 February 1978, link here.

a. *United Brands* is Article 102 (and Chapter II) jurisprudence and has no application to the design of a CR. The legal test for a CR is that set out in sections 19 and 20 of the DMCC Act: the requirement must be of a permitted type, imposed for the purpose of one or more of the statutory objectives (here, fair dealing and open choices), and proportionate to that objective, having regard to the benefits for consumers.[20] That framework does not import the *United Brands* "economic value" test,[21] and the CMA's own guidance frames its discretion by reference to effectiveness and proportionality.[22] The question for the CMA is not whether a fee meets the abuse of dominance tests, but whether it is consistent with an effective and proportionate steering remedy. In other words, the CMA is tasked with improving competition, not with overseeing a situation that is one small step short of abusive.

b. Importing *United Brands* would reintroduce the very difficulties the DMCC Act was designed to avoid. A central rationale for the new regime was that *ex post* enforcement under the Chapter II prohibition and Article 102 TFEU - and excessive-pricing cases in particular - is too slow, backwards-looking, evidentially complex and ill-suited to fast-moving digital markets to discipline conduct effectively. Grafting an open-ended "value" inquiry onto the CR would resurrect precisely that complexity: aside from the fact that it would be worse, in that it would be an Apple and Google (rather than court)-led valuation exercise in which Apple and Google control the relevant cost and revenue data and can contest every input. That is the antithesis of the clear, predictable and enforceable standard the regime is intended to deliver.

26. CAF wrote a letter to the CMA on 19 December 2025, which explained that the recent judgment in *Kent v. Apple* supports a zero steering fee.[23] Even if the CMA does wish to look at abuse of dominance caselaw, it is drawing the wrong conclusions if it thinks that caselaw supports the inclusion of a fee for value.

27. Even in the UK's existing competition law framework, there are better analogies than abuse of dominance cases:

a. The CMA's market investigations regime, which requires the CMA to decide whether there is a feature of a market that is causing an adverse effect on competition, in which case it has very wide remedy powers to (e.g.) impose price caps, break up companies, or dictate the way in which the industry operates. There is no need for a company to be abusing a dominant position or otherwise breaking the law or acting inappropriately, the CMA merely needs to think that the industry would function better with such a remedy. In passing the DMCC Act, Parliament decided that even this market investigation regime is not strong enough for the unique challenges of the tech sector.

b. Regulated markets with an incumbent monopolist, such as Arqiva's broadcasting infrastructure or BT's broadband infrastructure. Regulated prices are always linked closely to costs, not value. One can imagine how difficult, and absurd, it would be to

[20] DMCC Act, section 19, link here; DMCC Act, section 20, link here.
[21] Case 27/76, *United Brands v Commission*, 17 December 1975, link here, paragraph 250.
[22] CMA, 'Digital markets competition regime guidance' ("**CMA194**"), 19 December 2024, link here, paragraph 3.20.
[23] *Dr. Rachael Kent v Apple Inc. and Apple Distribution International Ltd* [2025] CAT 67, judgment available here.

calculate the value to British households and businesses of having access to television or the internet and allow Arqiva and BT to charge for that.

28. The position in the US demonstrates that steering can be permitted without undermining one of the world's most dynamic digital economies. By contrast, the current model allows Apple and Google to extract significant revenues from UK developers and remit that value back to the US. The impact on UK growth should not be underestimated. A high commission rate can be the difference between a viable and non-viable business model. It inevitably affects entry, investment and innovation, including by businesses that may never launch because their margins cannot sustain the fee.

4.3 *The value provided is in any case low or close to zero (and may be negative)*

29. As explained below, there are good arguments that "value" should be low, close to zero, or negative. This has two implications: (i) the impact of excluding value from the fee is in any case negative; and (ii) if the CMA insists on retaining value as a metric, then it should use the principles below as an appropriate guide to assessing whether fees proposed by Apple or Google are "*fair and reasonable*."

30. The CMA correctly states that Apple and Google must adjust for the effects of their substantial and entrenched market power.[24] It is not clear what, if any, value these app stores provide, once the reach generated by Apple's and Google's market power is stripped out. That reach is not the product of competition on the merits. It is, at least in significant part, the result of Apple's and Google's restrictions on alternative app distribution to date and the result of many years in which users have been trained to operate within the two parallel monopolies. App stores were not invented by Apple and Google: they pre-existed the App Store and Play Store.[25] Unlike some Google and Apple products, the App Store and Play Store do not carry any particularly innovative features compared to other app stores – they do the same thing: broadly, they store apps and offer tools allowing app developers to distribute their apps and they offer search functions allowing device users to find the right app.

31. Arguments related to "matchmaking" or customer acquisition are not convincing. For many brands, the majority of acquisition occurs offline, so app stores do not drive customer acquisition. For example, in the EC's music streaming decision, it references that 94% of Match's marketing comes from off-platform marketing (e.g. users hear of Tinder offline and then search for it directly).[26] The EC recognised this is the case for many app developers in its App Store Practices decision, in which it held "*[e]vidence shows that large developers typically bring their own audience to their iOS apps typing the name of the service provider they are looking for*."[27] Matchmaking can be a relevant service where a developer is given

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[24] Consultation: Steering Conduct Requirement – Apple's Mobile Platform, 30 June 2026, link here, Para 10(b)(ii) (p.21),
Consultation: Steering Conduct Requirement – Google's Mobile Platform, 30 June 2026, link here, Para 10(b)(ii) (p.22).
[25] Handango, for example, launched a mobile app store in the early 2000s and was later acquired by rival app store PocketGear (Reuters, 'PocketGear buys Handango', 24 February 2010, link here).
[26] Case AT.40437 – *Apple – App Store Practices (music streaming)*, 4 March 2024, link here, paragraph 111.
[27] Case AT.40437 – *Apple – App Store Practices (music streaming)*, 4 March 2024, link here, paragraph 111.

prominence in the app store rankings, but this is already paid for separately from any steering process.

32. Apple and Google's arguments related to the value provided by their security and privacy are unsubstantiated. Both platforms already permit steering, including link-out to external websites, for apps offering physical goods and services. Even developers of digital apps do not have Apple and Google safeguarding their websites' security and privacy and yet do not have systemic privacy or security issues when consumers complete transactions through web. Another comparison in desktop apps: apps are safely downloaded onto Windows or Mac computers without being intermediated through the Play Store or App Store. Also, Apple and Google have not explained why security and privacy should be paid for by digital apps in addition to the price paid by the consumer when buying the device with the use of the operating system and app store, or by the developer in paying the annual developer fee.

33. A connected point is that a sensible way of considering the value created by Apple's services is comparing to related or similar services. Apple and Google do not charge any fees to app developers whose apps do not sell digital content (likely due to the fact they do not compete with these companies).[28] Considering that they use the exact same app store services as those used by digital apps, the fees charged to this latter category of apps should also be zero unless Apple and Google provide compelling evidence that a difference in treatment is justified. It is non-sensical that Apple and Google can claim the value of their services amounts to a 30% commission, while it is providing these services for free to the majority (about 85% in the case of Apple, over 95% in the case of Google)[29] of developers. This also vastly distorts competition downstream between app categories: an audiobook platform is subject to fees, whereas the same book being sold as a physical copy by Waterstones is not subject to those fees.

34. As mentioned above, this conclusion is supported by *Kent v. Apple*, referenced by the CMA in which the Competition Appeal Tribunal (“**CAT**”) ruled that, on the basis of the extensive evidence reviewed, in the case of in-app payment (which represents the vast majority of app store transactions) the counterfactual fee should be 10%.[30] However, the proper inference from *Kent* is that the commission due to Apple in such a case is zero. Indeed, the 10% counterfactual fee calculated by the CAT was based on the fee that Paddle, a payment service provider also offering merchant of record services analogous to those offered by Apple's In-app Purchase functionality (“**IAP**”), would charge for the service if the app developer decided not to use IAP.[31] It follows that when app developers use the payment solution of their choice, Apple would not receive any fee.

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[28] Assuming the costs of providing the service are not quite zero, and the ultimate price is a combination of cost plus value, the zero fees for physical apps arguably implies that the value provided by developers to Google/Apple is very slightly larger than the value provided by Google/Apple to developers.
[29] Geradin, Damien, ‘Why the Apple App Store and the Google Play Store Fees Should Be Low or Even Zero’ (28 May 2025), link here.
[30] *Dr. Rachael Kent v Apple Inc. and Apple Distribution International Ltd* [2025] CAT 67, judgment available here, [959].
[31] Dr Rachael Kent v Apple Inc. and Apple Distribution International Ltd [2025] CAT 67, link here, paragraphs 858 and 925-960, in particular paragraph 959.

35. The timeline for the introduction of fees further demonstrates commission fees are a product of market power, not cost or value. Apple introduced IAP in 2009 without restricting developers from steering to cheaper alternatives; only in February 2011 - once Apple had reached significant scale - did it require digital-content apps to transact through IAP and restrict steering, the direct origin of the restriction this CR now unwinds. That tightening came barely a year after Apple's own "There's an App for That" campaign (2009–2010), which credited developers, not Apple, with the platform's value. Google's pattern is similar: its Play billing requirement existed on paper but, by Google's own admission, went unenforced until September 2020, with compliance only required from September 2021. Both fees emerged once competitive alternatives disappeared - not from any cost or value newly provided.

36. This leads to the conclusion that any fee chargeable in relation to the true value of the app store should be minimal. The small fee that the App Store and the Play Store would be able to command once their gatekeeper power is excluded would be further reduced once the significant benefits brought by app developers to Apple and Google's ecosystem is taken into consideration. With true competition between app stores, these fees could amount to zero or even be negative. In particular:

   (a) First, but for the presence of apps, consumers would not care as much about their hardware. Without apps, phones would simply be a machine to make calls, send texts and take pictures, which would make them significantly less valuable. Some consumers buy or upgrade hardware precisely because of apps, for example young adults may buy phones with better cameras to take better social media pictures or in order to take photos for dating apps, or a faster processor in order to play games.

   (b) Second, app developers bring consumers to their respective app stores, which Apple and Google monetise through advertising. For instance, in the fiscal year 2022, Apple's search ads in the App Store were estimated to bring in about $5.3 billion in revenue, with some estimates suggesting that Apple could build out a $20 billion mobile search ad business in the coming years.[32]

   (c) Third, the value of apps for mobile ecosystems is demonstrated by the fact that app store owners who have struggled to attract apps have been willing to pay large amounts of money to app developers to develop apps for their ecosystem. For instance, both Microsoft and Huawei were willing to pay large sums of money to app developers to develop apps for their ecosystem.[33]

   (d) Finally, there are also significant ecosystem benefits to being an app store operator, such as the fact it allows the operator to sell devices (in the case of Apple), have unparallel insights into app innovation (as all apps are reviewed by the app store), collect a large amount of data on app activities (in terms of

[32] See 618media, 'Revenue Projections for Apple Search Ads: Comprehensive Analysis for 2024', 27 August 2024, link here.
[33] See Jenna Wortham and Nick Wingfield, 'Microsoft Is Writing Checks to Fill Out Its App Store', 5 April 2012, link here; Saheli Roy Choudhury, 'Huawei says it will invest $1.5 billion in its developer program', CNBC, 18 September 2019, link here.

downloads, usage, pricing, financial information if they use the in-built payment system, etc.), and so on.

4.4 *The cost-based principle should only include incremental, not common, costs and any "reasonable margin" should be specified*

37. CAF's strong preference is that, if Apple or Google are able to charge a Steering Fee, this should be based on *cost* not *value*. This cost-based fee would be a flat fee, rather than a commission on percentage of the developer's revenue, which reflects the one-time 'service' being provided to the developer that has no connection to the price being charged by the developer to the user. It is the same 'service' whether the developer is charging the user £1 or £100, and whether the user is paying once or monthly.

38. The CR permits Apple/Google to recover "*an appropriate allocation of common costs*" from developers who steer, on the basis that they benefit from shared app store infrastructure such as hosting, distribution, discovery and review.

39. Allowing recovery of an allocation of common costs and a return on investment risks reproducing, through a different route, the very commission levels the CR is designed to discipline.

40. Further, if digital apps are to be treated as contributing to Apple's and Google's common costs, so should physical-goods apps - and there is no principled basis for the current distinction: developers who sell physical goods and services use precisely the same underlying infrastructure, yet Apple and Google currently allocate them no share of those common costs at all, charging no commission on physical-goods transactions. Apple and Google cannot have it both ways – either the common costs of running an app store are genuinely shared across all developers who use it, in which case physical-goods developers should also contribute to them, or they are not, in which case there is no basis for allocating any share of them to steered digital transactions either. The CMA's own findings confirm that this distinction is not, in fact, principled. The consultation document records that "*Apple has distinguished between the approach it takes to digital and physical goods and services for operational reasons, and not because of a different magnitude of risks to user security and privacy*."[34] In other words, on the CMA's own understanding, Apple's and Google's differential treatment of physical and digital goods reflects a business choice about where it is operationally convenient to draw the line - not any assessment that digital transactions draw more heavily on common app store infrastructure, or pose materially different risks. This is arbitrary and punishes developers that compete with Apple/Google in the provision of digital content.

41. If the CMA considers that some uplift is necessary, it could adopt a cost-plus approach by allowing a clearly defined margin.[35] That would at least provide an objective, enforceable

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[34] Consultation: Steering Conduct Requirement – Apple's Mobile Platform, 30 June 2026, link here, Para 4.20 (p.32).

[35] The CMA's mobile ecosystems market study included an analysis of the excessive profitability of Apple's and Google's mobile platforms, and this included a benchmark figure for a reasonable rate of return. This shows that setting a specific figure is a credible exercise to do.

benchmark, rather than leaving Apple and Google free to set fees that undermine the effectiveness of steering.

4.5 ***The interim position should be zero fees until a fair and reasonable fee is approved by the CMA***

42. CAF understands that the current proposal is for the CR to enter into force three months after the CMA's final decision. Apple and Google would then be permitted to set their own self-certified fees, provided they consider those fees to be fair and reasonable.[36] If the CMA disagreed, it would need to rely on its enforcement powers under the DMCC Act by opening a non-compliance investigation.[37]

43. If the CR enters into force in September, Apple and Google would have until December to implement their proposed fees. The CMA would then require time to assess whether those fees comply with the CR before deciding whether to open a non-compliance investigation. Any investigation could take 9 months to conclude.[38] During that period, Apple and Google could continue charging fees that the CMA may ultimately determine are unlawful.

44. The European experience demonstrates that this is not a theoretical concern, and the CMA should take care not to put itself into the same difficult position as the European Commission. When the Digital Markets Act (**DMA**) required Apple to permit steering, Apple introduced new contractual terms and fees which the Commission considered capable of disincentivising developers from using the very alternatives that the DMA was intended to enable. The Commission was required to open non-compliance proceedings, and Apple continued revising its terms only after preliminary findings, a formal infringement decision, a €500 million fine and the threat of periodic penalty payments.[39] CAF's strong view is that the new terms offered by Apple still infringe the DMA and are under investigation now. The outcome is that there is negligible uptake of steering in the EU nearly four years after the DMA entered into force. Unfortunately, this cycle of events seems set to continue.

45. Apple has therefore already demonstrated the commercial value of adopting terms that preserve its existing revenues while requiring the regulator to challenge those terms through a lengthy enforcement process. The same incentives would arise under the proposed CR. Apple and Google generate substantial revenues from app store commissions. The immediate benefit of imposing an excessive fee would accrue to the platforms, while the consequences of non-compliance would be deferred until the CMA had completed its investigation. The risk is that non-compliance - [redacted] - becomes a commercially rational [redacted]

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[36] Consultation: Steering Conduct Requirement - Google's Mobile Platform, 30 June 2026, link here, Paras 4.148 and 4.81 (pp.63 and 46) and proposed CR, Para 9(a) (p.21); Consultation: Steering Conduct Requirement - Apple's Mobile Platform, 30 June 2026, link here, Paras 4.149 and 4.80 (pp.63 and 46) and proposed CR, Para 9(a) (pp.20-21);

[37] Digital Markets, Competition and Consumers Act 2024, section 26, link here; CMA194, link here, paragraph 3.77.

[38] Digital Markets, Competition and Consumers Act 2024, sections 30, 32 and 104, links here, here and here.

[39] European Commission, 'Commission finds Apple and Meta in breach of the Digital Markets Act', 23 April 2025, link here.

46. The CR should instead provide that: (i) Apple and Google must submit a proposed fee within three months of the CR entering into force; (ii) the CMA must approve or reject that proposal within a specified period (for example, one month); and (iii) if the CMA rejects the proposal, the applicable fee should automatically be zero unless and until the CMA approves a replacement fee. That approach places the commercial risk of delay on Apple and Google, rather than on app developers, and gives the platforms a strong incentive to propose a genuinely fair and reasonable fee from the outset.

4.6 *Seven days following a transaction is too long*

47. The CR permits a Steering Fee to be charged on any transaction completed within seven days of the end-user reaching a link destination via the redirection mechanism.[40] It does not require any actual link between the redirection and the transaction that is eventually completed.

48. An end-user who clicks a link, buys nothing at the time, and returns independently two, four or six days later - prompted by an unrelated search, a bookmark, a marketing email, or simply because they always intended to buy the item - will still generate a chargeable steered transaction under the current drafting, even though the redirection did not cause, and cannot meaningfully be said to have facilitated, that particular purchase.

49. The longer the window, the greater the proportion of "steered" purchases that will in truth be attributable to the developer's own website, marketing or existing customer relationship rather than to anything Apple or Google did - which is the same evidential difficulty the CMA has already recognised in the context of free text communications, namely that it is very difficult to attribute a sale to a particular prompt rather than to other channels.[41] Here, the drafting resolves that difficulty by simply presuming causation for seven days, rather than by declining to charge a fee where causation cannot be shown.

50. For subscription apps, this unfairness is particularly acute: even a tenuous link to the initial acquisition enables the platform to claim an indefinite share of all future subscription revenue.

51. A shorter, and certainly no longer than 24 hours, link between the redirection event and the chargeable transaction would be both more defensible in principle, since only at the point of redirection can a causal connection genuinely be inferred.

4.7 *Any Steering Fee should be a one-off charge, not an indefinite, recurring commission on subscription renewals*

52. As the CR is currently drafted, CAF understands that wherever a subscription is entered into as a result of a steered transaction, Apple and Google remain free to charge a Steering Fee on every subsequent automatic renewal of that subscription, indefinitely, for as long as the

[40] Consultation: Steering Conduct Requirement - Google's Mobile Platform, 30 June 2026, link here, proposed CR, Paras 2(j) and 9(b)(i) (pp.19 and 22); Consultation: Steering Conduct Requirement - Apple's Mobile Platform, 30 June 2026, link here, proposed CR, Paras 2(j) and 9(b)(i) (pp.19 and 21).

[41] Consultation: Steering Conduct Requirement - Google's Mobile Platform, 30 June 2026, link here, Para 4.25 (pp.33-34); Consultation: Steering Conduct Requirement - Apple's Mobile Platform, 30 June 2026, link here, Para 4.25 (p.33).

end-user remains subscribed - months or years or decades after the single redirection event that gave rise to it. CAF's strong view is that this should be replaced with a requirement that this is a one-off fee only.

53. A recurring percentage levied on each renewal is not a cost- or value-reflective charge for a service rendered; it is a share of the developer's ongoing revenue, extracted indefinitely by reference to a single redirection event that becomes progressively less connected to each successive renewal. It is a tax levied by a company that has the power of a quasi-government.

54. CAF's position is reinforced by the European Commission's in its DMA investigation into the App Store. The Commission held that a fee "*due for an indefinite period of time, so long as the end user continues using the app*" cannot be treated as compliant with the DMA. The Commission expressly rejected Apple's argument that it was entitled to be remunerated for the "*overall value which the developer obtains from the referral*", holding that "*that kind of perpetual remuneration cannot be considered as the remuneration for the facilitation of the initial acquisition*."[42]

55. If the CMA adopts the CR in its current form, UK developers will be left materially worse off than their EU counterparts, where the Commission has now authoritatively established that an indefinite, recurring commission on subscription renewals cannot lawfully be justified as a fee for platform access or initial acquisition.

5. FRICTION

56. The CMA's CR also provides requirements designed to ensure Apple and Google do not introduce contractual or technical restrictions which undermine developers' ability to steer.

5.1 *Requirement for side-by-side presentation*

57. CAF's starting position is that developers should have complete freedom to choose which payment mechanism to display to users and should be able to display just the steered payment option, if they so choose. Apple and Google have used their gatekeeper position to exclude third-party payment providers and steering for well over a decade; the CR is a corrective measure needed to redress an imbalance of Apple's and Google's own making.

58. CAF's greater concern, however, is that developers must not be forced to elect between offering in-app purchase methods and offering steering. The CMA should not, in finalising the CR, permit Apple or Google to replicate the flaw in Apple's compliance with the EU's Digital Markets Act, under which a developer that wants to use external purchase links must give up in-app purchase entirely, for the same app on the same storefront. Apple's own developer guidance is explicit that the two cannot be combined.[43]

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[42] Case DMA.100109, [191], link here.

[43] Apple Developer, 'Communication and promotion of offers on the App Store in the EU', link here.

59. In-app purchase has become the payment experience UK consumers expect. This is not because it is inherently superior, but because Apple and Google have, through the very restrictions the CR is designed to address, made it the only realistic option available for well over a decade. A developer forced to give up in-app purchase entirely to gain the benefit of steering would therefore be asked to forgo a payment method a meaningful proportion of its users still expect, in exchange for an unfamiliar, fee-bearing alternative.

60. CAF asks the CMA to add an express provision stating that Apple and Google must permit a developer to offer in-app purchase and steering concurrently, within the same app and on the same storefront, and must not require a developer to elect between the two as a condition of exercising its steering rights.

61. Conversely, developers should maintain the right to choose which payment options to offer – being able to select either IAP, steering or both. As such we ask that the CR be explicit in maintaining a developer's right to choose which payment methods to offer and how to present them.

5.2 Interstitial screens

62. CAF notes, and endorses, the CMA's own observation that "*Apple's [and Google's] respective app stores do not make their in-app payment systems available to apps offering physical goods and services, instead directing such apps to use alternative payment methods, including steering, without the use of any interstitial screens.*"[44] If a developer selling event tickets, ride-hailing services or a hotel room can direct an end-user off the app with no interstitial screen at all, there is no principled basis for requiring one for a developer selling, say, an e-book or a subscription.

63. If the CMA's issue is confusion over the contracting party, then this can be addressed on the same page as the payment options ("Conclude your contract with A on B's website for £C"). There is no need for a pop-up screen. In any case, there is current confusion for consumers, who assume they are contracting with the app. In the US, interstitial screens were prohibited with no discernable negative impact. CAF's strong preference is that no interstitial screen should be required; if the CMA nonetheless retains this requirement, the safeguards discussed below are essential.

64. The consultation document itself identifies several ways in which the impact of an interstitial screen could be mitigated, for example, "*putting a limit on how many times a screen can be shown per month/week for the same app*", and "*having a default 'do not show this screen again' setting*".[45] However, none of these actually appear in the operative text of the CR. CAF asks the CMA to build a specific frequency cap to once per six months and a mandatory tick-box to "do not show again" displayed each time the screen is shown. This will avoid leaving

[44] Consultation: Steering Conduct Requirement - Google's Mobile Platform, 30 June 2026, link here, Para 4.65 (p.43); Consultation: Steering Conduct Requirement - Apple's Mobile Platform, 30 June 2026, link here, Para 4.64 (p.42).

[45] Consultation: Steering Conduct Requirement - Google's Mobile Platform, 30 June 2026, link here, Para 4.67 and footnotes 99-101 (p.43); Consultation: Steering Conduct Requirement - Apple's Mobile Platform, 30 June 2026, link here, Para 4.66 and footnotes 79-81 (p.43).

these questions to future guidance or enforcement action, since this is precisely the kind of granular design choice that Apple and Google will otherwise resolve in their own favour.

65. Beyond these specific safeguards, Apple and Google should have no ability to dictate the design, wording, or visual presentation of the interstitial screen itself. The screens constitute a developer's communication with its own customer, and a gatekeeper with every commercial incentive to suppress steering uptake should not also control how that screen looks or reads.

5.3 WebViews

66. CAF does not consider that Apple or Google should be permitted to prohibit the use of WebViews for steering. The CMA's own evidence review found that "*a number of developers submitted that WebView use is unlikely to cause end-user confusion*", with some reporting using WebViews "*without end-user comprehension issues*", and that prohibiting WebViews could itself create confusion by "*forcing end-users unexpectedly out of the app*".[46]

67. The CMA's provisional conclusion nonetheless leans towards allowing Apple and Google to restrict WebViews, on the basis that "*the evidence is weak*" that their absence would materially affect uptake. CAF's submission is that, on the CMA's own account of the evidence, there is no reliable basis for finding user confusion, whereas a browser-based redirection is – as the consultation document itself records – "*clunky and slow*" compared with a WebView, which "*can load faster, involve fewer steps, and reduce friction*".[47] Restricting WebViews therefore risks materially reducing the effectiveness of steering for a benefit that, on the CMA's own analysis, remains speculative. This was recognised in the EC's Apple infringement decision, which held Apple's restriction on web view "*is neither objectively necessary to inform and protect end users appropriately of the alleged security risks involved in linking-out, nor proportionate in view of that objective.*"[48] UK app developers will therefore be disadvantaged vs EU app developers.

6. FORM AND SCOPE OF CR

6.1 Reversing the burden of proof under paragraph 3(b)

68. Paragraph 3(b) of the CR provides that Apple/Google must not prevent, restrict or limit a developer's use of a link, "*except where such conduct is strictly necessary for an objectively justifiable purpose of preventing malware, fraud, unlawful content or content harmful to children.*"[49] Unlike paragraph 9(a) of the CR, which expressly requires Apple/Google to "*demonstrate to the satisfaction of the CMA*" that a Steering Fee is fair and reasonable,

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[46] Consultation: Steering Conduct Requirement - Google's Mobile Platform, 30 June 2026, link here, Para 4.70 (p.44); Consultation: Steering Conduct Requirement - Apple's Mobile Platform, 30 June 2026, link here, Para 4.69 (p.43).

[47] Consultation: Steering Conduct Requirement - Google's Mobile Platform, 30 June 2026, link here, Paras 4.71-4.72 (pp.44-45); Consultation: Steering Conduct Requirement - Apple's Mobile Platform, 30 June 2026, link here, Paras 4.70-4.71 (pp.43-44).

[48] European Commission, Case DMA.100109 - Apple - Online Intermediation Services - App Stores, 23 April 2025.

[49] Consultation: Steering Conduct Requirement - Google's Mobile Platform, 30 June 2026, link here, proposed CR, Paras 3(b) and 9(a) (pp.20-21); Consultation: Steering Conduct Requirement - Apple's Mobile Platform, 30 June 2026, link here, proposed CR, Paras 3(b) and 9(a) (pp.19-20).

paragraph 3(b) contains no equivalent evidential requirement. As drafted, it would be open to Apple or Google simply to assert that a given restriction falls within the exception, leaving developers (or the CMA) to establish the contrary – a significantly harder burden to discharge, given that the underlying evidence (for example, the specific malware, fraud or child-safety risk said to justify the restriction) will typically be in Apple's or Google's possession, not the developer's.

69. CAF asks the CMA to amend paragraph 3(b) so that the burden of establishing that a restriction is strictly necessary for one of the permitted purposes rests on Apple/Google, and so that Apple/Google must be able to demonstrate this to the CMA's satisfaction, mirroring the evidential standard already applied to Steering Fees under paragraph 9(a). Without this change, paragraph 3(b) risks becoming a general-purpose route by which Apple and Google can reintroduce restrictions on steering [redacted] undermining the effectiveness of the CR as a whole and allowing circumvention of the steering right that paragraph 3 is intended to guarantee.