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Submitted Online Via Consultation Response Portal

Competition and Markets Authority
25 Cabot Square
London, E14 4QZ
United Kingdom

Re: Consultation on Proposed Steering Conduct Requirement for Google's Mobile Platform

Dear Competition and Markets Authority:

The Software & Information Industry Association ("SIIA") appreciates the invitation to provide these comments on the proposed Steering Conduct Requirement ("Steering CR") for Google's Mobile Platform, published by the Competition and Markets Authority ("CMA") on 30 June 2026.[1]

SIIA is the principal trade association for the software and digital information industries worldwide. Among our nearly 400 members are cloud service providers, developers of software (including AI applications), and platforms, as well as digital content providers and users in academic publishing, education technology, and financial services. SIIA is dedicated to fostering a healthy environment for the creation, dissemination, and productive use of information, and we believe in a competition policy that is focused on promoting innovation, protecting the competitive process, and providing consumers with superior products and services at competitive prices. Our members therefore have a direct and practical interest in how the CMA calibrates conduct requirements under the UK's new digital markets regime.

Our submission begins with a brief description of the Digital Markets, Competition and Consumer Act 2024 ("DMCCA", or "the Act")[2] and the CMA's authority under that law. This is followed by a discussion of our concerns with the proposed Steering CR. We ultimately urge the CMA to substantially revise its proposal before finalizing it, if it is determined that intervention is necessary.

The DMCCA and the CMA's Authority

The DMCCA established a new *ex ante* regulatory regime empowering the CMA to designate firms with Strategic Market Status ("SMS") in respect of specified digital activities and to impose bespoke conduct requirements ("CRs") on those firms. Google was designated as having SMS in relation to its Mobile Platform following the CMA's Final Decision of 22 October 2025.[3] Under the DMCCA, any

[1] Competition and Markets Authority, *Proposed Steering Conduct Requirement for Google's Mobile Platform: Consultation Document* (30 June 2026) (*Google Steering Consultation*), available at https://assets.publishing.service.gov.uk/media/6a4359d2db380b085e94ab73/Consultation_document__Google_steering_.pdf
[2] Digital Markets, Competition and Consumer Act 2024 (c. 13) (*DMCCA 24*).
[3] Competition and Markets Authority, *Strategic Market Status Investigation Into Google's Mobile Platform: Final Decision* (22 October 2025) (*Google SMS Decision*), available at https://assets.publishing.service.gov.uk/media/68f8bf4780cf98c6e8ed8f83/Final_decision_report.pdf

conduct requirement, or combination of conduct requirements, the CMA imposes must be tied to one or more of three statutory objectives—fair dealing, open choices, and/or trust and transparency[4]—and fall within an exhaustive list of permitted types set out in section 20 of the Act. In addition, the CMA must have regard to the benefits for consumers it considers would likely result from a CR, and, under its own guidance[5] and the Government's accompanying strategic steer,[6] to the proportionality, predictability, and evidential rigor of any intervention.

We recognize that the DMCCA provides a novel and significant grant of regulatory authority to the CMA, one that Parliament deliberately designed to be a flexible, forward-looking alternative to traditional *ex post* competition enforcement. Precisely because the powers are so broad, and because the consequences of getting an early designation wrong will shape the CMA's institutional credibility and the UK's investment climate for years to come, we believe it is incumbent upon the CMA to exercise this authority with the utmost discipline, restraint, and fidelity to the framework Parliament and the Government have set for it. It is against that backdrop that we assess the proposed Steering CR for Google's Mobile Platform.

The Proposed Steering CR is Strikingly Far-Reaching

As an initial matter, we take note of how expansive the proposed Steering CR is relative to the conduct it purports to address. The draft Steering CR does not simply prohibit Google from stopping developers linking out to alternative purchasing channels. It goes considerably further: it prescribes detailed, binding pricing principles—cost-based, value-based, and administrative-simplicity tests—that Google must apply to any steering fee; it dictates the permissible design, timing, and even the language of interstitial screens; it constrains how Google may present its own in-app payment option; and it reaches into technical matters such as the use of dynamic links, link parameters, and WebViews.[7] This is, in substance, a highly detailed regulatory rulebook for a single feature of a single firm's platform—imposed on a provisional, *ex ante* basis, on the CMA's say-so, and without a finding of infringement of the underlying statute.

What is even more notable is that the consultation document itself does not identify a strong demand for a remedy of this scope and intrusiveness. The evidence cited is drawn overwhelmingly from a relatively small number of Section 69 notices and voluntary information requests rather than from a broad cross-section of the developer community expressing a considered view that this is the intervention they need.[8] Indeed, on several of the most consequential design questions—whether steering fees should be pegged to a cost-based methodology, whether interstitial screens are necessary at all, or whether dynamic linking restrictions bite in practice—the Steering CR notes that developers

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[4] *DMCCA 2024*, s. 19(5).

[5] Competition and Markets Authority, *Digital Markets Competition Regime Guidance* (CMA 194, 19 December 2024) paras. 3.11-3.33, available at https://assets.publishing.service.gov.uk/media/6762f4f6cdb5e64b69e307de/Digital_Markets_Competition_Regime_Guidance.pdf

[6] Department for Business & Trade, *Strategic Steer to the Competition and Markets Authority* (15 May 2025) (*Strategic Steer)*, available at https://www.gov.uk/government/publications/strategic-steer-to-the-competition-and-markets-authority/strategic-steer-to-the-competition-and-markets-authority

[7] *Google Steering Consultation* (n 1), ch. 3 ("Our proposed Steering CR and Interpretative Notes"), para. 10 and accompanying Interpretive Notes.

[8] Ibid (n 19) (citing as evidence 8 responses to s. 69 notices and 8 responses to voluntary requests for information).

have given mixed, uncertain, or even contrary evidence.[9] And to be clear, we are not aware of a group of app developers, including small and independent developers who would ostensibly benefit most, clamoring for the specific package of obligations now proposed. A remedy of this magnitude, reaching this far into pricing and product design, warrants a correspondingly clear and well-evidenced case of necessity. We do not believe that case has been made on the record as it currently stands.

Furthermore, the timing and scope of the proposed Steering CR are particularly hard to square with Google's recent announcement of changes to its Play Store business model—changes that speak directly to the concerns stakeholders have raised about steering, and the rollout of which began in June 2026.[10] Imposing a rigid, prescriptive regulatory framework at the very moment the market is absorbing these developments risks pre-empting adaptation and imposing unnecessary regulatory overhead before the impacts of Google's own updates can be properly evaluated.

The Focus on "Steering" Misdiagnoses What Users and Developers Want

Our members' experience of the market points to a different set of priorities than the ones the Steering CR assumes. End-users overwhelmingly want a trusted, seamless, and low-friction experience when they discover, download, and pay for digital content. They value knowing that a single, familiar checkout will handle their card details, refunds, and support, and that Google's review process stands behind the app they are using. Introducing mandated redirections, side-by-side payment prompts, and interstitial screens—however carefully worded—adds steps, choices, and moments of doubt and confusion to a journey that today is largely frictionless and undeniably secure. That is a cost to users, not merely an inconvenience to Google.

On the developer side, the picture is similarly at odds with the premise of the Steering CR. Very few developers—and even fewer among small and mid-sized UK businesses—have any real interest in standing up and maintaining their own parallel payment infrastructure: merchant-of-record functions, PCI-DSS compliant billing, fraud screening, tax handling, refund operations, and customer support across an entirely separate channel.

The CMA's own consultation document acknowledges as much, noting that developers expect steering to carry real fixed and variable costs, that conversion rates on steered transactions are likely to fall relative to IAP (with developer estimates ranging from around 30-60% for steered transactions, against consistently above 60% for IAP, and drop-off estimates on interstitial screens ranging as high as 60%), and that smaller developers in particular are the least equipped to absorb this operational burden.[11] Building and running a second checkout stack is a distraction from what most developers actually want to invest in: their product. Steering is, for most developers, a fallback to be used sparingly and opportunistically to manage fees—not the centerpiece of a healthier app ecosystem. A remedy built

[9] *Google Steering Consultation* (n 1), ch. 4 ("Provisional Effectiveness Assessment of Our Proposed Steering CR") and ch. 5 ("Provisional Proportionality Assessment").
[10] See Google Android Developers Blog, *A New Era for Choice and Openness: Expanding Billing Flexibility and Updated Service Fees on Google Play* (4 March 2026); see also Google Play Console Help, *About Google Play's Business Model and Billing Choice Program in the UK, EEA, and US* (effective 30 June 2026) (outlining expanded out-link and alternative billing choices, restructured base service fees starting at 10%, and separate billing fees across regional markets, including the UK).
[11] *Google Steering Consultation* (n 1), ch. 4, paras. 4.61-4.62 (n 88) and ch. 5, paras. 5.18-5.28.

around maximizing the availability of steering therefore risks solving a problem few developers have, while imposing real costs and complexity that many will not want and cannot easily absorb.

Utility-Style Regulation and Price Controls are the Wrong Model for a Dynamic Digital Ecosystem

At its core, the proposed Steering CR does not merely remove a restriction—it installs the CMA as the permanent arbiter of a specific price, the steering fee, set according to prescriptive cost-based and value-based principles more familiar from the regulation of utilities such as water, energy, or telecoms networks. We have serious concerns about the importation of this model into a dynamic digital market.

This concern is not merely an industry view. It has been echoed by experts, some of whom have themselves overseen the enforcement of UK competition policy. Andrea Coscelli, the former Chief Executive of the CMA, who was instrumental in designing the case for a pro-competition digital markets regime in the first place, has repeatedly cautioned—including in his own speeches while in office—that competition, not prescriptive regulation, should remain the preferred tool wherever it can deliver results, and that poorly designed, inflexible rules risk entrenching incumbents and chilling the innovation they are meant to unlock.[12] That caution should carry particular weight here, as it comes from the very architect of the regime being used to justify this remedy, not from an outside critic of it.

Broader economic analysis of multi-sided digital platforms reinforces this concern from a conceptual standpoint. A rigid pricing framework is inherently ill-suited to mobile app stores given the rapid pace of innovation, unpredictable demand, and the practical impossibility of neatly allocating shared infrastructure costs to individual services. Platform fees are better understood as reflecting joint value creation between the platform provider and developers, rather than a simple pass-through of operational costs. Curtailing a platform's ability to monetize its ecosystem risks diminishing long-term investment incentives while giving rise to substantial free-riding.

Without taking a position on what fee levels may ultimately be appropriate, we agree with the underlying methodological principle: cost- and value-based formulas are a poor tool for pricing a fast-evolving platform service. Google's experience implementing an analogous, heavily negotiated fee structure in the EU—comprising an Initial Acquisition Fee and Ongoing Service Fee under its External Offers Program—is instructive here. The CMA's own consultation document notes that adoption of steering under that structure has so far been low, attributed in part to the level of those fees.[13] That a bespoke, extensively negotiated pricing methodology can still fail to deliver the intended competitive outcome illustrates the practical limits of importing utility-style price regulation into a fast-moving digital market, and the risk that the CMA's proposed principles-based approach will fare no better.

[12] See, e.g., Coscelli, Andrea. *Beesley Lecture: A New Route Forward for Regulating Digital Markets* [Speech Transcript]. Gov.UK. Available at https://www.gov.uk/government/speeches/beesley-lecture-a-new-route-forward-for-regulating-digital-markets; see also Digital Competition Expert Panel, *Unlocking Digital Competition: Report of the Digital Competition Expert Panel*, chaired by Jason Furman (London: HM Treasury, March 2019), available at https://assets.publishing.service.gov.uk/media/5c88150ee5274a230219c35f/unlocking_digital_competition_furman_review_web.pdf

[13] *Google Steering Consultation* (n 1), ch. 4, para. 4.100.

The Proposed Steering CR is at Odds with the 4Ps Framework and the Government's Strategic Steer

The Government's Strategic Steer to the CMA,[14] issued to guide implementation of the digital markets regime, asks the CMA to ensure its interventions are Proportionate, Predictable, timely (Pace), and fair in Process—the "4Ps." We do not believe the proposed Steering CR, as currently drafted, sits comfortably within that framework.

- Proportionate: A detailed, prescriptive pricing methodology, mandated interface requirements, and binding constraints on link technology go well beyond what is necessary to address the specific restriction identified (the prohibition on steering). This is particularly acute in relation to dynamic links and link parameters, which present well-established security and privacy risks. Dynamic links are inherently difficult to police, since a link can resolve to a compliant destination at the point of review and subsequently be redirected to an unvetted destination. Similarly, link parameters can be utilized to pass user data to third parties—for example, via tracking mechanisms—without user knowledge or an effective means of redress. The CMA's provisional response is that restricting these mechanisms would deliver only "limited incremental privacy and security benefits,"[15] without fully engaging with how these technical vectors operate across Android, where Google's Play review and vetting process serves as a critical trust anchor for users downloading apps through the Play Store. Given the distinct security and privacy risks associated with unvetted post-review redirections, we believe this evidentiary gap warrants further scrutiny before the Steering CR is finalized.
- Predictable: A principles-based fee methodology resting on open-ended concepts such as "material net value"[16] and adjustments for "substantial and entrenched market power"[17] gives Google, developers, and third-party payment providers very little *ex ante* certainty as to what fee will ultimately be lawful, undermining the predictability the regime was expressly designed to provide relative to *ex post* enforcement.
- Pace: A remedy of this complexity, entailing ongoing cost-accounting obligations, contested valuations, and continuous CMA oversight of compliance, is likely to generate exactly the kind of protracted, resource-intensive dispute the Government's strategic steer sought to avoid, slowing rather than accelerating the delivery of benefits to developers and users.
- Process: Given the acknowledged gaps and mixed evidence in the record—including the CMA's own invitation for further views on core questions such as third-party steering destinations and the treatment of dynamic links[18]—we believe the current proposal would benefit from a more thorough process of engagement with the full range of developers who build for Android, including smaller UK businesses, before conduct requirements of this specificity are finalized.

The Steering CR Risks Substantial Harm to the UK Developer Ecosystem

We are concerned that, notwithstanding its stated aim of benefiting developers, the proposed Steering CR could inflict substantial damage on the UK developer ecosystem it seeks to help. As

[14] *Strategic Steer* (n 6).
[15] *Google Steering Consultation* (n 1), ch. 4, para. 4.44.
[16] Ibid ch. 3, para. 10(b).
[17] Ibid.
[18] Ibid ch. 6 ("Questions for Consultation").

mentioned, the CMA's own evidence indicates that smaller developers are least able to absorb the fixed and variable costs of standing up alternative payment, refund, and customer-support infrastructure, and are most sensitive to reduced conversion rates arising from added friction.

A remedy that assumes widespread, confident developer uptake of steering may in practice be adopted mainly by the largest developers who already operate parallel billing infrastructure elsewhere, while smaller UK developers are left navigating new complexity, uncertain fee exposure, and compliance risk for little practical benefit. Diverting developer resources, time, and attention toward building and maintaining bespoke payment and support channels, rather than into product development, security, and growth, is a real opportunity cost for the UK's software and app economy, at a moment when the Government has identified gaming, FinTech, and other app-driven sectors—many of which rely on Android for global reach, scale, and customer acquisition—as priorities for growth.[19]

There is also a wider systemic risk. If the UK's approach to this first major conduct requirement is seen internationally as prescriptive, uncertain in its pricing methodology, and slow to resolve, that will inform how global platforms and developers alike assess the attractiveness of the UK as a place to launch new digital products and services first. A predictable and proportionate UK regime is a competitive advantage; an unpredictable, utility-style one is not.

Concerns Arising From the Parallel Apple Steering CR Consultation

While this consultation specifically concerns Google's Mobile Platform, the CMA has published a parallel consultation proposing a Steering CR for Apple's Mobile Platform, to which we are responding in a separate submission. We note, however, that the two draft Steering CRs share a substantially similar structure and operative framework. While a desire for consistency across proceedings is understandable, we believe that applying a standardized regulatory template uniformly to both platforms raises important questions regarding proportionality, given the fundamental structural, technical, and economic differences between the two ecosystems.

The underlying platforms operate under distinctly different structural models. The Android ecosystem encompasses a multi-OEM licensing model that accommodates multi-channel distribution—including direct downloads and third-party storefronts—alongside a tiered fee and discount framework. By contrast, Apple's ecosystem operates as an integrated, single distribution channel featuring a uniform headline fee framework. These architectural distinctions have direct implications for regulatory design:

- Security and Technical Governance: Measures governing link mechanisms, in-app transitions, and security protocols in an ecosystem that inherently accommodates external distribution channels and alternative app sources do not align cleanly with those designed for an integrated, single-channel model.
- Pricing and Valuation Mechanics: A multi-tiered rate framework and existing alternative billing programs (such as User Choice Billing) do not translate seamlessly onto a standardized steering-fee methodology designed around a single base commission structure.

We raise this concern not to suggest that either platform requires greater or lesser regulatory oversight, but rather to emphasize the importance of bespoke, platform-specific calibration under the DMCCA framework. Regulating digital markets effectively requires interventions to be carefully tailored to the specific operational realities and technical architecture of each designated firm. Because of this,

[19] *Google SMS Decision* (n 3), paras. 1.5-1.6.

we urge the CMA to ensure that the final Conduct Requirement for each platform is independently calibrated to its distinct ecosystem rather than reliant on a common regulatory template.

Conclusion and Recommendations

In evaluating proposed conduct requirements under the DMCCA, a central priority must be ensuring that the regulatory framework remains sufficiently flexible to accommodate the wide diversity of commercial strategies and business models across the digital ecosystem. As the CMA moves forward with this process, the final intervention should achieve its statutory purpose without imposing overly rigid operational templates or unintended market distortions.

To that end, we recommend that the CMA:

- Focus the Conduct Requirement on core steering enablement: Target the requirement directly at removing unnecessary restrictions on steering communications and out-link redirection, while avoiding overly prescriptive product-design rules and ongoing fee-setting frameworks that risk introducing technical and administrative complexity;
- Adopt clear, predictable fee-evaluation mechanisms: Utilize streamlined, practical criteria to evaluate steering fees, favoring predictable benchmarks over complex cost-allocation or value-assessment formulas that are difficult to apply to dynamic digital platforms;
- Align technical provisions with the 4Ps framework and Strategic Steer: Re-examine the technical rules governing dynamic links, link parameters, and interstitial screens in light of the principles of proportionality, predictability, and evidential rigor, taking full account of the distinct security requirements and technical governance of multi-channel, mobile ecosystems; and
- Broaden developer consultation prior to implementation: Expand direct engagement with the wider UK developer community—particularly small and medium-sized enterprises—to ensure the practical operational, technical, and compliance impacts on business models are fully understood before the Steering CR is finalized.

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SIIA thanks the CMA for considering our views. We look forward to continuing our engagement with the Authority on this important issue, and we would welcome the opportunity to answer any additional questions that you may have.

Respectfully submitted,

S/Morten C. Skroejer
Vice President, Competition & Trade Policy