

Apple plans to loosen App Store payment policy

September 2 2021



Tech giant Apple has come under fire for its tight control of the App Store, where developers are required to use its payment system.

Apple announced on Wednesday it will loosen some of its App Store policies, allowing media apps to steer customers directly to their websites without paying commission.



The change, to be implemented early next year, is being introduced to end an investigation by the Japan Fair Trade Commission.

The modification will spare so-called reader apps that provide <u>digital</u> <u>content</u> such as newspapers, books, music or video from having to use the App Store <u>payment</u> system and thus avoid paying a 30 percent commission.

"We have great respect for the Japan Fair Trade Commission and appreciate the work we've done together, which will help developers of reader apps make it easier for users to set up and manage their apps and services, while protecting their privacy and maintaining their trust," Apple Fellow Phil Schiller said in a blog post.

Developers of the digital content apps will be able to link to their websites where users can create or manage accounts, according to Apple.

While the change resulted from an agreement with the JFTC, it will apply globally to all reader apps at the App Store, the Silicon Valley tech giant said.

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Apple charges a commission of as much as 30 percent on sales of digital content or subscriptions at the App Store, with the payment system making certain the company gets its piece of the action.

"Because developers of reader apps do not offer in-app digital goods and services for purchase, Apple agreed with the JFTC to let developers of these apps share a single link to their website to help users set up and manage their account," Apple said in a post.



Apple last week agreed to loosen payment restrictions on its App Store, a major change announced in a settlement with small developers as the US technology giant faces growing scrutiny and <u>legal challenges</u> over its tightly controlled online marketplace.

The change will allow small developers to inform their customers of alternative payment options beyond the official App Store.

In a class-action lawsuit, the developers had accused Apple of monopolistic distribution practices by operating the sole gateway to get apps or other content onto iPhones and other devices powered by iOS software.

The proposed settlement is pending court approval.

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Citation: Apple plans to loosen App Store payment policy (2021, September 2) retrieved 2 May 2024 from <u>https://techxplore.com/news/2021-09-apple-loosen-app-payment-policy.html</u>

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