



Commission fines Apple over €1.8 billion over abusive App store rules for music streaming providers

Brussels, 4 March 2024

The European Commission has fined Apple over €1.8 billion for abusing its dominant position on the market for the distribution of music streaming apps to iPhone and iPad users ('iOS users') through its App Store. In particular, the Commission found that Apple applied restrictions on app developers preventing them from informing iOS users about alternative and cheaper music subscription services available outside of the app ('anti-steering provisions'). This is illegal under EU antitrust rules.

The infringement

Apple is currently the sole provider of an App Store where developers can distribute their apps to iOS users throughout the European Economic Area ('EEA'). Apple controls every aspect of the iOS user experience and sets the terms and conditions that developers need to abide by to be present on the App Store and be able to reach iOS users in the EEA.

The Commission's investigation found that Apple **bans music streaming app developers from fully informing iOS users about alternative and cheaper music subscription services** available outside of the app and from **providing any instructions** about how to subscribe to such offers. In particular, the anti-steering provisions ban app developers from:

- Informing iOS users within their apps about the prices of subscription offers available on the internet outside of the app.
- Informing iOS users within their apps about the price differences between in-app subscriptions sold through Apple's in-app purchase mechanism and those available elsewhere.
- Including links in their apps leading iOS users to the app developer's website on which alternative subscriptions can be bought. App developers were also prevented from contacting their own newly acquired users, for instance by email, to inform them about alternative pricing options after they set up an account.

Today's decision concludes that Apple's anti-steering provisions amount to **unfair trading conditions**, in breach of Article 102(a) of the Treaty on the Functioning of the European Union ('TFEU'). These anti-steering provisions are **neither necessary nor proportionate** for the protection of Apple's commercial interests in relation to the App Store on Apple's smart mobile devices and **negatively affect the interests of iOS users**, who cannot make informed and effective decisions on where and how to purchase music streaming subscriptions for use on their device.

Apple's conduct, which lasted for almost **ten years**, may have led many iOS users to **pay significantly higher prices for music streaming subscriptions** because of the high commission fee imposed by Apple on developers and passed on to consumers in the form of higher subscription prices for the same service on the Apple App Store. Moreover, Apple's anti-steering provisions led to non-monetary harm in the form of a degraded user experience: iOS users either had to engage in a cumbersome search before they found their way to relevant offers outside the app, or they never subscribed to any service because they did not find the right one on their own.

Apple's anti-steering provisions for music streaming services



Fine

The fine was set on the basis of the [Commission's 2006 Guidelines on fines](#) (see [press release](#) and [MEMO](#)).

In setting the level of the fine, the Commission took into account the duration and gravity of the infringement as well as Apple's total turnover and market capitalization. It also factored in that Apple submitted incorrect information in the framework of the administrative procedure.

In addition, the Commission decided to add to the basic amount of the fine an additional lump sum of €1.8 billion to ensure that the overall fine imposed on Apple is sufficiently deterrent. Such lump sum fine was necessary in this case because a significant part of the harm caused by the infringement consists of non-monetary harm, which cannot be properly accounted for under the revenue-based methodology as set out in the Commission's 2006 Guidelines on Fines. In addition, the fine must be sufficient to deter Apple from repeating the present or a similar infringement; and to deter other companies of a similar size and with similar resources from committing the same or a similar infringement.

The Commission has concluded that the total amount of the fine of over €1.8 billion is proportionate to Apple's global revenues and is necessary to achieve deterrence.

The Commission has also ordered Apple to remove the anti-steering provisions and to refrain from repeating the infringement or from adopting practices with an equivalent object or effect in the future.

Background to the investigation

In [June 2020](#), the Commission opened formal proceedings into Apple's rules for app developers on the distribution of apps via the App Store. In [April 2021](#), the Commission sent Apple a Statement of Objections, to which Apple responded in September 2021.

In [February 2023](#) the Commission replaced the 2021 Statement of Objections by another Statement of Objections clarifying the Commission's objections, to which Apple responded in May 2023.

Procedural background

[Article 102 of the TFEU](#) and [Article 54 of the European Economic Area Agreement](#) prohibit the abuse of a dominant position.

Market dominance is, as such, not illegal under EU antitrust rules. However, dominant companies have a special responsibility not to abuse their powerful market position by restricting competition, either in the market where they are dominant or in separate markets.

Fines imposed on companies found in breach of EU antitrust rules are paid into the general EU budget. These proceeds are not earmarked for particular expenses, but Member States' contributions to the EU budget for the following year are reduced accordingly. The fines therefore help to finance the EU and reduce the burden for taxpayers.

In accordance with the [EU-UK Withdrawal Agreement](#), the EU continues to be competent for this case, which was initiated before the end of the transition period ("continued competence case") for the UK. The EU will reimburse the UK for its share of the amount of the fine collected by the EU once the fine has become definitive.

More information on this case will be available under the case number AT.40437 in the [public case register](#) on the Commission's [competition](#) website, once confidentiality issues have been dealt with.

Action for damages

Any person or company affected by anti-competitive behaviour as described in this case may bring the matter before the courts of the Member States and seek damages. The case law of the Court of Justice of the European Union and Regulation 1/2003 both confirm that in cases before national courts, a Commission decision constitutes binding proof that the behaviour took place and was illegal. Even though the Commission has fined the company concerned, damages may be awarded by national courts without being reduced on account of the Commission fine.

The [Antitrust Damages Directive](#) makes it [easier for victims of anti-competitive practices to obtain damages](#). More information on antitrust damages actions, including a practical guide on how to quantify antitrust harm, is available [here](#).

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Quotes:

"For a decade, Apple abused its dominant position in the market for the distribution of music streaming apps through the App Store. They did so by restricting developers from informing consumers about alternative, cheaper music services available outside of the Apple ecosystem. This is illegal under EU antitrust rules, so today we have fined Apple over €1.8 billion."
Margrethe Vestager, Executive Vice-President in charge of competition policy - 04/03/2024

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