Apple Faces Antitrust Charges In The EU Over Its App Store

Apple Inc (NASDAQ:AAPL) faces antitrust charges in the European Union after a complaint filed by Spotify Technology SA (NYSE:SPOT) two years ago. The iPhone maker will have to pay a sizable fine and could be forced to change its policies. Q1 2021 hedge fund letters, conferences and more Apple faces antitrust charges over App Store […]

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Q1 2021 hedge fund letters, conferences and more

Apple faces antitrust charges over App Store

Spotify accused Apple of stifling competition with its App Store policies. European Commission antitrust regulator Margrethe Vestager tweeted that “consumers are losing out” because Apple Music competes with other music streaming services.

However, Apple charges high commission fees on rivals in the App Store and does not allow them to inform customers of alternative subscription options.

> *Our preliminary conclusion: @Apple is in breach of EU competition law. @AppleMusic compete with other music streaming services. But @Apple charges high commission fees on rivals in the App store & forbids them to inform of alternative subscription options. Consumers losing out.*
>
> *— Margrethe Vestager (@vestager) April 30, 2021*

Apple now faces charges of breaking EU competition rules over its App Store. The iPhone maker previously denied any wrongdoing in the matter.

Details on the case

The case studies how Apple's App Store policies affect music streaming apps. It was filed originally in 2019 by Spotify co-founder Daniel Elk, who alleged that Apple was "limiting choice and stifling innovation."

According to the BBC, the European Commission said in a statement that Apple's rules "distort competition in the market for music streaming by raising the costs of competing music streaming app developers." It added that the result is "higher prices for consumers for their in-app music subscriptions on iOS devices."

Apple responded by saying that it doesn't receive any commission on 99% of Spotify's subscribers. The company added that the core of the case is "Spotify's demand they should be able to advertise alternative deals on their iOS app, a practice that no store in the world allows."

Apple accused the music streaming app of wanting all the benefits of the App Store without having to pay anything for them. It also said that the EC's argument in support of Spotify "is the opposite of fair competition."

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