Apple’s giving up ground in its App Store fight with Dutch regulators and Tinder

Apple announced on Friday that it’s once again updated its rules about how Dutch dating apps can use third-party payment systems, after the company had “productive conversations with the Netherlands Authority for Consumers and Markets (ACM).” The updated rules give developers more flexibility about which payment systems they use, change the language users see when they go to pay, and remove other restrictions that the previous rules put in place.

While the rules aren’t wide-reaching (again, they only apply to Dutch dating apps), they do show what Apple’s willing to do to comply with government regulation — which it could be facing a lot more of as the EU and US gear up to fight tech monopolies, and potentially even force the company to ditch the iPhone’s Lightning port.

Dutch regulators haven’t been thrilled with Apple’s previous solutions

In December the ACM announced a ruling that Apple had to let dating apps use payment services besides the one built into iOS, after the regulator received a complaint from Match Group, the company behind dating services like Tinder, Match.com, and OkCupid. Since then, Apple has proposed a variety of solutions for complying with the order, which the regulator has said aren’t good enough. In May, the ACM said that Apple’s most recent rules, the ones prior to the Friday update, were improvements over its past ideas, but that they still didn’t comply with Dutch and European laws.

There’s been increasing pressure for Apple to comply: even while the company works on changes, it’s been racking up tens of millions of Euros in fines.

The changes Apple announced on Friday are a significant update to its previous proposal, which it published in March. The rules still make developers show users a message before they’re shown the third-party payment screen, which can be either in the app, or on an external website, but Apple’s new proposed language is less likely to scare potential customers off in my opinion.

Originally, the proposed language read:

> *This app doesn’t support the App Store’s payment system.*
>
> *All purchases in this app will be managed by the developer “<Developer Name>.” You will no longer be transacting with Apple. Your stored App Store payment method and related features, such as subscription management and refund requests, will not be available. Apple is not responsible for the privacy or security of transactions made with this developer.*

Now, it reads:

> *Your payment will be managed by the developer. You will no longer be transacting with Apple.*
>
> *All purchases in this app will be processed by a service provider selected by the developer “developerName”. The developer will be responsible for the payment methods and related features such as subscriptions and refunds. App Store features, such as your stored App Store payment method, subscription management, and refund requests, will not be available.*

The options users will see on the prompt are also different.

Before, they would see buttons to “Continue” or “Cancel.” Those have been replaced with a button that says “I Understand.” The messages users will see if the developer links them out of the app (to a third-party payment site) have also gotten rewrites in the same vein.

Apple will let devs tell you how much something costs before you click their link

Under Apple’s new rules, developers also won’t have to choose between a third-party in-app payment or an external payment link; they can use both if they want, which wasn’t previously the case. They’ll also be able to show how much something will cost — Apple’s removed a rule saying that a link to an external payment couldn’t include “the price of items available on the website you own or have responsibility for.”

The old rules, which you can read from this web archive here, had specific requirements for third-party payment processors if a developer wanted to use their services in their app. Before Friday’s changes, developers would have to find a processor that supported things like:

- “Payment method offering and diversity (support for credit cards, debit cards, etc.)”
- Value-added services such as transaction tax management and handling
- Payment security and privacy policies that “exceed Level 1 Payment Card Industry compliance”

The rules also dictated how reliable the payment processor had to be, saying that it had to have 99.9 percent availability and respond to requests within 300 milliseconds. Apple still has some requirements for third-party payment processors, but they appear to be significantly broader — now they’re things like “meets Level 1 Payment Card Industry (PCI) compliance for handling credit and debit card data” and “denominates all prices for the sale of digital goods and services to users in the Netherlands in the euro currency.”

Apple also says it’s updated the third-party payments commission structure. The previous rules made it seem like Dutch dating app devs would have to pay a 27 percent commission on third-party transactions no matter what. While that’s a three percent discount from Apple’s standard 30 percent cut on in-app purchases, having to pay 27 percent would be a significant increase from the 15 percent that developers in the App Store Small Business Program pay, or from the 15 percent that developers pay out of their recurring subscription revenue after users have maintained their subscription for a year.

Now, Apple says that it’s offering a three percent discount when you go through a third-party payment processor, period — if you would’ve paid Apple 30 percent, you’ll now pay it 27, and if you would’ve paid 15 percent, you’ll pay 12. While such a small discount is still a clear message from Apple that developers just shouldn’t bother looking elsewhere (especially given the extra work involved, and the fact that third-party payment systems will have their own fees), the change at least means that smaller developers won’t be paying the iPhone maker a higher percentage if they choose to go third-party.

The ACM doesn’t seem to have taken issue with Apple’s commission structure in its previous rebuttals of the company’s proposals.

In its Friday news post, Apple makes it clear that it’s not particularly happy about the situation it’s in. “Because Apple is committed to constructive engagement with regulators, we’re making the additional changes at the ACM’s request,” the company says, but also that it doesn’t believe some of the changes “are in the best interests of our users’ privacy or data security.” The company also reiterates that it disagrees with the original order and is appealing it.

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