Microsoft says Apple’s new App Store rules are ‘a step in the wrong direction’

Apple’s new plan to comply with the European Union’s tech regulations has already drawn criticism from Epic Games CEO Tim Sweeney and Spotify. Now Microsoft is weighing in with its own concerns, calling the App Store changes in the EU “a step in the wrong direction.”

Apple has proposed a new Core Technology Fee for apps that want to operate on third-party app stores in the EU. It will require developers using third-party app stores to pay €0.50 for each annual app install after 1 million downloads. Apple will also still take a 17 percent commission from the developers who choose to use third-party payment processors.

“Apple’s new policy is a step in the wrong direction,” says Xbox president Sarah Bond in a post on X. “We hope they listen to feedback on their proposed plan and work towards a more inclusive future for all.”

Bond is now responsible for overseeing all of Microsoft’s Xbox platform and hardware work, just as the company is hoping to launch its own Xbox mobile store. Microsoft has been quietly building a mobile Xbox store that may launch as soon as this year. The Xbox mobile store is designed as an alternative to Apple and Google’s mobile gaming store dominance, and it will rely on content from Activision Blizzard like *Call of Duty: Mobile* and *Candy Crush Saga* — two hugely popular mobile games published by Activision and King, respectively.

Microsoft Gaming CEO Phil Spencer previously discussed the

potential for the Xbox mobile store last year, referencing the EU’s Digital Markets Act as a “huge opportunity” for Microsoft.

Spotify has also accused Apple of “extortion” with this new App Store tax, and calls on the EU regulators to take action. The European Commission says it will issue a response to Apple’s changes when the regulations officially go into effect in March, and it promises “strong action” if Apple’s “proposed solutions are not good enough.”

Microsoft’s reaction to Apple’s latest policy changes could also spell trouble for a potential Xbox Cloud Gaming app on iOS. Apple opened the App Store to cloud gaming services last week, at the same time that it announced its new App Store policies for EU markets. “Developers can now submit a single app with the capability to stream all of the games offered in their catalog,” Apple wrote in a blog post.

Nvidia, Microsoft, and other cloud gaming providers haven’t reacted to Apple’s acceptance of cloud gaming services. We’re still waiting to hear if Apple’s changes are enough to convince these providers to publish iOS apps for their services.

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