

# Apple settles antitrust case, letting US developers tell users about non-App Store payments

Article

**The news:** Apple will let developers tell users about purchasing options available outside the iOS App Store, per Ars Technica. The iPhone-maker agreed to this and other concessions to settle a class-action lawsuit filed by two app developers in 2019.

**How we got here:** Apple and Google have been under fire from their developer communities because of monopolistic practices regarding mobile apps and in-app purchases. **Consumers spent \$72.3 billion in the Apple App Store in 2020**, which Apple claims **supports 2.1 million jobs in the US**.

- The lawsuit was [filed in June 2019](#) by developers who claimed Apple had an “abusive monopoly” in the iOS App Store and in-app distribution service. The complaint zeroed in on Apple’s high commission fees, the lack of alternatives to the App Store, developers’ store access charge, and how Apple dictates app price points.
- US senators [introduced](#) a bill this month to curb anticompetitive app store policies. The **Open App Markets Act** would ban companies from forcing developers to use their app store’s payment systems.
- Apple typically charges a 30% commission but takes 15% from developers earning less than \$1 million a year. Google recently lowered all commissions on its Play Store from 30% to 15%.

**What does Apple have to do?** Apple’s settlement includes a **\$100 million Small Developer Assistance fund** and important changes to App Store practices in the US.

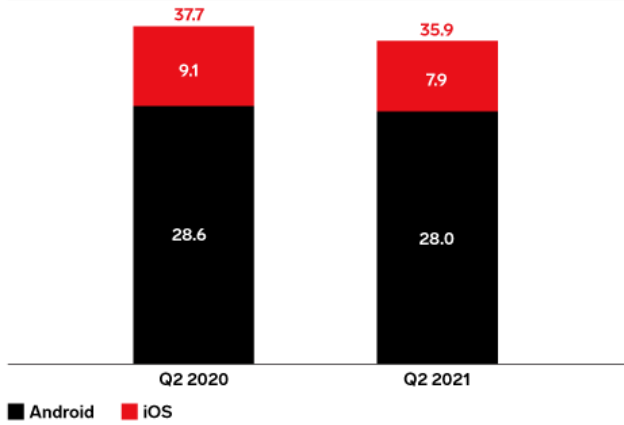
- iOS app developers that make less than \$1 million per year in App Store sales can receive **hundreds or thousands of dollars** from the fund.
- Apple will capitulate on the number of price points offered for iOS apps from **less than 100 to more than 500** to give developers more pricing flexibility.
- Apple will “permit developers to communicate directly with users” about alternative purchase options, ostensibly opening the door for non-Apple payment options.

**The bigger picture:** Increasing pressure from government regulators at home and [abroad](#), continued pushback from developers, and the high-profile antitrust lawsuit with Epic Games are eroding Apple’s grip on developers.

**While the settlement is a win for small iOS developers, it’s limited to the US.** But it could trigger regulators in the EU and China to push for similar concessions in other countries.

## Mobile App Store Downloads Worldwide, Android vs. iOS, Q2 2020 & Q2 2021

billions



Source: Sensor Tower, "Store Intelligence Data Digest: Q2 2021," July 15, 2021

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