BRAZIL MINISTRY OF JUSTICE
Administrative Council for Economic Defense – CADE

Application No. 08700.006953/2025-62
Applicant: Apple Inc. and Apple Services LATAM LLC
Counsel: Barbara Rosenberg, Luís Bernardo Coelho Cascão, and Fernanda Von Borowski

OPINION OF
REPORTING COMMISSIONER VICTOR OLIVEIRA FERNANDES[1]

ADMINISTRATIVE PROCEEDING. CEASE-AND-DESIST AGREEMENT. DIGITAL MARKETS. iOS MOBILE ECOSYSTEM. APPLICATION DISTRIBUTION. PAYMENT PROCESSING. ANTI-STEERING CLAUSES. APPROVAL.

1. Application for Cease-and-Desist Agreement submitted by Apple Inc. and Apple Services LATAM LLC in connection with Administrative Proceeding No. 08700.009531/2022-04, initiated to investigate conduct potentially falling under Items III, IV, VIII, and XVIII of Section 3 of Article 36, in conjunction with Items I, II, and IV of the caput of the same article of Law No. 12,529/11.
2. Conduct under investigation: (i) prohibition on the distribution of third-party digital goods and services through native applications; (ii) mandatory use of Apple's payment processing system (IAP) for in-app transactions; and (iii) imposition of anti-steering clauses, preventing developers from informing users about alternative payment methods.
3. Principal obligations assumed: (i) permitting application distribution through alternative app stores; (ii) enabling the use of alternative payment processors (PSPs) for in-app transactions; (iii) authorizing the promotion of external offers (steering) through static text and/or active links; (iv) implementing a new commission structure with disaggregated and reduced fees.
4. Term: 3 years commencing on the Mandatory New Terms Effective Date, preceded by an implementation period of up to 105 days and a transition period of up to 120 days.
5. Monitoring: appointment of a Monitoring Trustee, with submission of semi-annual compliance reports to CADE's General Superintendence.
6. Penalties for noncompliance: fine of up to R$5,000,000.00 per breach of a principal obligation, and R$150,000,000.00 for total breach of the Cease-and-Desist Agreement, with reinstatement of the Administrative Proceeding and Preliminary Injunction.

[1] This English translation has been prepared solely for informational purposes. This document does not possess any legal force or effect and does not substitute or replace the official decision of the Administrative Council for Economic Defense (CADE) of Brazil, which was rendered in Portuguese and is published in the official case records.

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1. Report

1. This matter comes before CADE's Tribunal on a proposed Cease-and-Desist Agreement (Portuguese: "Termo de Compromisso de Cessação" or "TCC") submitted by Apple Inc. and Apple Services LATAM LLC (collectively, "Apple" or "Respondent"), arising from Administrative Proceeding No. 08700.009531/2022-04. The underlying investigation concerns alleged anticompetitive conduct, specifically: (i) the prohibition on distribution of third-party digital goods and services through native applications; and (ii) the mandatory imposition of Apple's proprietary in-app payment processing system ("IAP") for in-app transactions, reinforced through anti-steering provisions that prevent developers from informing users about alternative payment methods. Such conduct is alleged to constitute violations of Sections 36(3)(III), (IV), (VIII), and (XVIII), read in conjunction with Sections 36(1)(I), (II), and (IV) of Law No. 12,529/2011 (the "Brazilian Competition Act").

1.1 Procedural History of the Administrative Proceeding

2. The Administrative Proceeding was initiated upon receipt of a complaint filed on December 5, 2022, by E.bazar.com.br Ltda. and Mercado Pago Instituição de Pagamento Ltda. (collectively referred to herein as "Mercado Libre," "Meli," or "Complainant") (Dkt. No. 1157256). Thereafter, on December 6, 2022, a Preliminary Investigative Proceeding was commenced pursuant to General Superintendence Order No. 53/2022 (Dkt. No. 1158171).

3. On January 12, 2023, the General Superintendence ("SG") initiated a formal Administrative Inquiry pursuant to Order No. 2/2023 (Dkt. No. 1175546), which adopted the findings and recommendations set forth in Technical Memorandum No. 4/2023/CGAA11/SG/CADE (Dkt. No. 1175546).

4. On November 25, 2024, Order No. 24/2024 (Dkt. No. 1476083) adopted Technical Memorandum No. 63/2024/CGAA11/SGA1/SG/CADE (Dkt. No. 1475850) and directed the imposition of a Preliminary Injunction against Apple, as well as the formal initiation of the Administrative Proceeding. The Order provided, in pertinent part:

> I hereby adopt Technical Memorandum No. 63/2024/CGAA11/SGA1/SG/CADE (Dkt. No. 1475850) and, pursuant to Section 50(1) of Law No. 9,784/99, incorporate its reasoning into this decision as the basis therefor. In light of the grounds articulated in said Technical Memorandum, IT IS HEREBY ORDERED:
> That an Administrative Proceeding be initiated pursuant to Sections 13(V) and 69 et seq. of Law No. 12,529/2011, read in conjunction with Sections 146 et seq. of CADE's Rules of Procedure, against Respondents Apple Inc. and Apple Services LATAM LLC, for the

purpose of investigating conduct potentially constituting violations under Sections 36(3)(III), (IV), (VIII), and (XVIII), read in conjunction with Sections 36(1)(I), (II), and (IV) of Law No. 12,529/2011.

That a Preliminary Injunction be issued to enjoin the anticompetitive effects of the investigated practices, ORDERING Respondent, subject to a per diem fine of R$ 250,000.00 (two hundred fifty thousand Brazilian reais), to:

I - Refrain, pending entry of a final decision on the merits by this antitrust authority, from enforcing Sections 3.3.1(c), 3.3.9(a), 7.2, and 7.6 of the Apple Developer Program License Agreement, Section 1.1 of Exhibit 2 thereto, and Sections 3.1.1 and 3.1.3 of the App Store Review Guidelines, thereby permitting, inter alia, that:

(a) Developers seeking to commercialize goods and services—whether physical or digital, proprietary or third-party, for consumption within their own application or a third-party application—may inform their users of alternative methods for acquiring the products they offer, thereby enhancing transparency and the quality of information available to consumers;

(b) Developers seeking to commercialize goods and services—whether physical or digital, proprietary or third-party, for consumption within their own application or a third-party application—may incorporate within their applications buttons, external links, or other calls to action enabling interested users to access alternative purchasing methods beyond in-app purchases;

(c) Developers seeking to commercialize goods and services—whether physical or digital, proprietary or third-party, for consumption within their own application or a third-party application—may contract with and utilize alternative in-app purchasing systems to offer consumers additional options for processing in-app transactions;

(d) Developers may elect to distribute their native iOS applications through distribution channels and mechanisms other than the Apple App Store exclusively, including, in particular, measures enabling sideloading and the inclusion of alternative native app stores, thereby affording consumers the ability to select the acquisition method they deem most convenient for obtaining desired applications; and

(e) Developers seeking to distribute their applications through the Apple App Store may contract for such distribution services without being required to simultaneously contract for Apple's IAP system, even where such applications involve the commercialization of digital goods and services.

II - Refrain from promulgating any provisions having as their object, or capable of producing—whether directly or indirectly—effects

> substantially similar, in whole or in part, to those of the foregoing provisions, pending entry of a final decision on the merits by this antitrust authority;
> III - Make available to the Brazilian market, within twenty (20) days, mechanisms and tools to provide, within national territory, additional options for application distribution and payment processing systems, thereby enabling realization of the conditions set forth in subparagraphs (a), (b), (c), (d), and (e) of Item (I) above;
> IV - Within five (5) calendar days following publication of this decision in the Official Federal Gazette, publish the full text of this decision regarding the Preliminary Injunction on its website and, within the same period, provide official written notice to iOS application developers of the full text of this decision.

5. Thereafter, Apple filed a Voluntary Appeal (Dkt. No. 1481200), which was assigned to my docket in Case No. 08700.009932/2024-18.

6. Concurrently, Civil Mandamus Action No. 1097967-08.2024.4.01.3400 was pending in Federal Court, filed by Apple on December 2, 2024, challenging the same Preliminary Injunction subsequently affirmed by CADE's Administrative Tribunal.

1.3. Related Federal Court Proceedings

7. As set forth in the Opinion of the Office of the Federal Attorney for CADE (Dkt. No. 1677306), Respondent initiated collateral judicial proceedings by filing Mandamus Action No. 1097967-08.2024.4.01.3400 on December 2, 2024, before the 14th Federal District Court for the Judicial District of Brasília, which case is proceeding under seal. Apple sought preliminary injunctive relief staying enforcement of the Preliminary Injunction and, on final disposition, a declaratory judgment vacating said administrative order.

8. On December 4, 2024, the district court issued an interlocutory order granting Apple's motion for a temporary restraining order, thereby staying the effectiveness of the Preliminary Injunction imposed by SG/CADE. The order was entered ex parte, without prior notice to or hearing from the respondent agency or CADE, on the court's finding that the prerequisites for preliminary relief were satisfied, based upon the purported disproportionality of CADE's remedial measures and the existence of irreparable harm arising from the R$ 250,000.00 daily fine for noncompliance, which would begin to accrue upon expiration of the twenty-day compliance period.

9. CADE, through its Office of the Specialized Federal Attorney and the Regional Federal Attorney's Office for the First Circuit, filed Interlocutory Appeal No. 1004244-13.2025.4.01.0000, which was assigned to the 11th Panel of the Federal Regional Tribunal of the First Circuit, with Federal Circuit Judge Pablo Zuniga Dourado designated as

Reporting Judge. On March 5, 2025, Judge Dourado issued an order granting CADE's alternative motion for anticipatory relief, thereby reinstating the Preliminary Injunction, with the sole modification of extending the compliance period to ninety days.

10. On March 17, 2025, the District Court entered final judgment granting Apple's mandamus petition in full, on the same grounds underlying its prior preliminary injunction order. Upon entry of this judgment on the merits, the interlocutory order issued by Federal Circuit Judge Pablo Zuniga Dourado was rendered moot as a matter of law.

11. CADE subsequently filed a Notice of Appeal, together with a motion for anticipatory appellate relief, Case No. 1010927-66.2025.4.01.0000, which was assigned by operation of relatedness rules to Federal Circuit Judge Pablo Zuniga Dourado. On May 7, 2025, Judge Dourado issued a single-judge order granting the motion for anticipatory relief, thereby reinstating CADE's Preliminary Injunction.

12. Apple filed a motion for panel reconsideration of Judge Dourado's single-judge order, which motion remains sub judice.

13. As noted by the Office of the Federal Attorney for CADE in its Opinion (Dkt. No. 1677306), the most recent material development in this litigation occurred on July 29, 2025, when Apple filed a motion to stay proceedings during the pendency of Cease-and-Desist Agreement negotiations and the suspension of the Preliminary Injunction, pursuant to Section 313(II) of the Code of Civil Procedure. Upon expiration of the stay period, Apple moved to lift the stay and requested that the parties be directed to advise whether a final Cease-and-Desist Agreement had been executed, for subsequent consideration by the Federal Regional Tribunal of the First Circuit.

14. It bears noting that, throughout these judicial proceedings, there have been successive orders staying and subsequently reinstating CADE's Preliminary Injunction.

15. **[CONFIDENTIAL – RESTRICTED ACCESS TO CADE]**

16. **[CONFIDENTIAL – RESTRICTED ACCESS TO CADE]**

17. **[CONFIDENTIAL – RESTRICTED ACCESS TO CADE]**

18. **[CONFIDENTIAL – RESTRICTED ACCESS TO CADE]**

1.4. Disposition of the Voluntary Appeal

19. At the 247th Judgment Session, convened on May 14, 2025, the Tribunal unanimously accepted jurisdiction over the Voluntary Appeal and, on the merits, denied relief, thereby affirming in full the Preliminary Injunction set forth in Item 2 of Order No. 24/2024, and established a ninety-day compliance period commencing upon publication of

the decision, consistent with the vote of the Reporting Commissioner (Dkt. Nos. 1563019 and 1563020).

20. On June 30, 2025, the General Superintendence issued Order No. 12/2025, published in the Official Federal Gazette on July 1, 2025, which: (i) ordered transmission of the record to the Administrative Tribunal for Economic Defense, with a recommendation that Respondent be found liable, on the ground that its conduct constituted a violation of the economic order under Sections 36(3)(III), (IV), (VIII), and (XVIII), read in conjunction with Sections 36(1)(I), (II), and (IV) of Law No. 12,529/2011; and (ii) recommended the imposition of civil penalties for violations of the economic order pursuant to Section 37 of said statute, together with specification by the Tribunal of the remedial measures required to ensure cessation of the unlawful conduct, as provided under Section 79(I) of Law No. 12,529/2011.

21. On July 4, 2025, Administrative Proceeding No. 08700.009531/2022-04 was assigned to my docket by operation of relatedness rules (Dkt. No. 1588370).

1.5. Cease-and-Desist Agreement Proposal and Negotiations

22. In view of the foregoing, Apple ("Petitioner") filed with CADE, on July 9, 2025, a petition to initiate Cease-and-Desist Agreement negotiations.

23. Thereafter, on July 16, 2025, I issued Decision Order No. 37/2025/GAB4/CADE (Dkt. No. 1589921), filed in a separate confidential docket with access restricted to CADE and Apple, which was duly ratified pursuant to the certification of Virtual Deliberative Circuit No. 50/2025. Said Order provided:

> (i) The commencement of a thirty (30) day negotiation period for the Cease-and-Desist Agreement petition, with a Negotiation Committee composed of the members designated herein, pursuant to Section 182, caput and paragraph 1, of CADE's Rules of Procedure ("RICADE");
>
> (ii) The tolling of the compliance deadline for the Preliminary Injunction, as established in paragraph 438 of the Reporting Commissioner's vote in Voluntary Appeal No. 08700.009932/2024-18 (Dkt. No. 1563020), for the duration of the negotiation period; and
>
> (iii) The grant of confidential treatment to the petition filing, its terms, procedural developments, and the negotiation process, except to the extent necessary for public disclosure of the tolling of the compliance deadline for Item 2 of Order No. 24/2024.

24. The Negotiation Committee, whose composition was designated in Decision Order No. 37/2025, included representatives from all chambers of CADE's Tribunal.

25. On July 28, 2025, the public version of Decision Order No. 37/2025/GAB4/CADE was filed in Administrative Proceeding No. 08700.009531/2022-04, by means of Decision Order No. 48/2025 (Dkt. No. 1597598). Through this disclosure, the commencement of Cease-and-Desist Agreement negotiations—and, concomitantly, the tolling of the Preliminary Injunction compliance deadline—entered the public record.

26. Contemporaneously, Apple filed a notice with the Federal Regional Tribunal of the First Circuit advising of the Cease-and-Desist Agreement negotiations and moving the Reporting Judge to stay Mandamus Action No. 1097967-08.2024.4.01.3400 and any related proceedings during the pendency of negotiations, pursuant to Section 313(II) of the Code of Civil Procedure.

27. The negotiation period commenced on August 1, 2025, upon publication in the Official Federal Gazette of Minutes No. 23/2025, concerning Virtual Deliberative Circuit No. 50/2025. The negotiation period for said Cease-and-Desist Agreement was extended by Decision Orders duly ratified by CADE's Tribunal, spanning the period from August 29, 2025, through December 1, 2025.

1.6. Market test of proposed remedies

28. Section 182(2) of CADE's Rules of Procedure ("RICADE") grants the Reporting Commissioner discretionary authority to conduct supplemental discovery during Cease-and-Desist Agreement negotiations, including the power to suspend the negotiation period when deemed appropriate.

29. Accordingly, on October 24, 2025, and October 28, 2025, I issued confidential written interrogatories to twenty-six developers, affording them the opportunity to submit comments regarding the preliminary terms reflecting the status of Cease-and-Desist Agreement negotiations with Apple at that time.

30. The selection of market participants to be consulted regarding the proposed remedies was based on the following criteria: (i) significance within the App Store, as measured by the ten most relevant developers by number of first annual installs and by transaction volume processed through Apple's IAP; (ii) developers with active participation in Administrative Proceeding No. 08700.009531/2022-04, who sought meetings with the Reporting Commissioner's office and made themselves available to contribute to the case; and (iii) developers recommended by Apple—generally, smaller market participants.

31. The following parties contributed to the supplemental voluntary discovery: **[CONFIDENTIAL – RESTRICTED ACCESS TO APPLE AND CADE] [CONFIDENTIAL – RESTRICTED ACCESS TO CADE].**

32. The market test conducted with developers was designed to illuminate the impact of the terms under negotiation with Apple on the relevant markets, identifying points of heightened sensitivity from the developers' perspective. The information obtained was utilized to inform subsequent stages of the negotiations with Apple.

1.7. Submission of Final Proposal

33. On December 1, 2025, I concluded negotiations by issuing Decision Order No. 90/2025/GAB4/CADE (Dkt. No. 1665016), granting Petitioner a ten-day period to submit a final Cease-and-Desist Agreement proposal.
34. On December 11, 2025, Apple filed its final proposed Cease-and-Desist Agreement (Dkt. No. 1675710).

35. Thereafter, a Procedural Order (Dkt. No. 1676423) was issued transmitting the record to the Office of the Federal Attorney for CADE, with a request for an opinion on the legal aspects of the proposed Cease-and-Desist Agreement.

36. The Office of the Federal Attorney for CADE submitted its Opinion (Dkt. No. 1677306), concluding that there are no legal impediments to the proposed Cease-and-Desist Agreement filed by Apple (Dkt. No. 1675710) and emphasizing the advantages of a negotiated resolution in this matter.

2. Verification of statutory and regulatory requirements

37. Section 85 of Law No. 12,529/2011 provides that, in cases involving Preliminary Investigative Proceedings, Administrative Inquiries, or Administrative Proceedings for the imposition of sanctions for violations of the economic order, CADE may enter into Cease-and-Desist Agreements concerning the investigated conduct or its injurious effects, whenever, in the exercise of its discretion, based on duly articulated grounds, the agency determines that such commitment serves the interests protected by law and within the purview of the Brazilian Competition Defense System ("SBDC").

38. In this regard, Section 85(1) of said statute establishes the minimum requirements that must be included in a Cease-and-Desist Agreement, to wit:

> I - specification of the respondent's obligations to refrain from engaging in the investigated conduct or its injurious effects, together with such other obligations as may be deemed appropriate;
>
> II - establishment of the fine amount for total or partial noncompliance with the agreed-upon undertakings;
>
> III - establishment of the amount of the pecuniary contribution to the Fund for the Defense of Diffuse Rights, where applicable.

39. It should be noted that, pursuant to Section 85(2) of Law No. 12,529/2011, the requirement of a pecuniary contribution to the Fund for the Defense of Diffuse Rights is mandatory in cases of coordinated conduct falling within Sections 36(3)(I) and (II) of said statute. Accordingly, Cease-and-Desist Agreement petitioners may be exempted from the pecuniary contribution requirement in cases involving unilateral conduct, subject to CADE's exercise of discretion, taking into account the culpability of the conduct in light of the agency's precedents, as well as the predominance of regulatory objectives over punitive interests.

40. Analysis of the proposed Cease-and-Desist Agreement submitted by Petitioner against the applicable statutory and regulatory requirements leads to the conclusion that all requirements applicable to unilateral conduct cases have been satisfied, as set forth in detail below.

3. Guiding principles for the design of restorative remedies

41. The correction of abuses of dominant position in digital markets requires remedies more sophisticated than those traditionally imposed by competition authorities. The strong tendency toward concentration — driven by network effects and ecosystem formation — renders pecuniary sanctions (even substantial ones) and mere cease-and-desist orders largely ineffective[2]. To overcome the entrenched position of incumbents, genuinely restorative interventions are required that address the self-reinforcing cycle of data-driven concentration, preventing market conditions that induce market tipping[3].

42. The orthodox view that antitrust remedies should be limited to purely injunctive relief[4] has proven dramatically insufficient when confronting abusive leveraging practices. Even in traditional industries, conduct such as refusals to deal, margin squeezes, tying arrangements, and bundling schemes frequently necessitate what might fairly be characterized as "quasi-regulatory" remedies[5]—that is, affirmative obligations that define access conditions for third parties and restructure the commercial terms dictated by the monopolist. In digital markets, this imperative is only magnified, given the unique characteristics of platform ecosystems and the ability of their orchestrators to manipulate both technical architectures and commercial frameworks in ways that perpetuate and entrench structural advantages.

43. These realities, however, compel a fundamental rethinking of the institutional role of antitrust enforcers. Effective implementation of restorative remedies presupposes both

[2] Michal S. Gal & Nicolas Petit, *Radical Restorative Remedies for Digital Markets*, 36 Berkeley Tech. L.J. 617, 617–19 (2021).
[3] Daniel Mandrescu, *Designing (Restorative) Remedies for Abuses of Dominance by Online Platforms*, 13 J. Antitrust Enforcement 353, 369–70 (2025)
[4] Pablo Ibáñez Colomo, *Remedies in EU Antitrust Law*, 21 J. Competition L. & Econ. 137 (2025)
[5] Niamh Dunne, *Between Competition Law and Regulation: Hybridized Approaches to Market Control*, 2 J. Antitrust Enforcement 225 (2014)

an adequate legal mandate and specialized institutional capabilities—including resources for ongoing monitoring and genuine expertise in digital systems architecture[6]. Such a combination of attributes is rarely found in traditional competition agencies. For this reason, leading scholars have called for a paradigm shift in how jurisdictions approach these challenges: moving from institutional caution to creative experimentation, embracing more flexible remedies developed through iterative processes and subject to ongoing revision and refinement[7].

44. With appropriate attention to regional context, the OECD took up this very topic at the 2025 Latin American and Caribbean Competition Forum (LACFF). As the background note "Remedies in Digital Markets in Latin America and The Caribbean"[8] makes clear, the sheer complexity of digital market remedies and the profound uncertainties surrounding their real-world effects counsel in favor of more open and experimental decision-making processes. Systematic learning from the experiences of foreign jurisdictions emerges as an indispensable source of evidence for calibrating obligations and fine-tuning commitments.

45. CADE's track record in this domain remains, candidly, in its early stages[9]. While the Agency has successfully negotiated settlements in investigations involving exclusivity clauses and most-favored-nation provisions employed by digital platforms, there simply are no domestic precedents addressing bundling, tying, or self-preferencing conduct. Correcting such practices demands proactive, forward-looking obligations—interoperability mandates, product redesigns, and wholesale revisions to terms of service and conditions of use.

46. In the case at bar, CADE endeavored to surmount the formidable challenges of remedy calibration through an interactive, stakeholder-engaged approach. The complexity of the interventions under consideration, combined with the complete absence of domestic precedent, made it essential to adopt an institutional posture genuinely open to dialogue and iterative learning[10].

47. To that end, the Agency undertook unprecedented transparency and stakeholder participation initiatives throughout the entirety of these proceedings. During the pendency of the Voluntary Appeal, a Public Hearing was convened that provided representatives from the business community, civil society organizations, and the academic world an

[6] *See* Filippo Lancieri & Caio Mario S. Pereira Neto, *Designing Remedies for Digital Markets: The Interplay Between Antitrust and Regulation*, 18 J. Competition L. & Econ. 613 (2022) (proposing a framework that, beyond cost-of-error analysis, disaggregates enforcement of remedies into three functions—conduct identification, remedy design, and monitoring—allocated between competition authorities and sector-specific regulators according to their comparative strengths; this division recognizes that competition authorities offer a generalist perspective and reduced risk of capture, while regulatory agencies possess specialized knowledge and greater capacity for continuous monitoring).
[7] Friso Bostoen & David Van Wamel, *Antitrust Remedies: From Caution to Creativity*, 14 J. Eur. Competition L. & Prac. 540 (2023).
[8] OECD, *Remedies in Digital Markets in Latin America and the Caribbean* (2025)
[9] Bruno Polonio Renzetti & Daniele Eduarda de Oliveira, Is *There a Brazilian Experience with Remedies in Digital Markets? An Empirical Analysis of Decisions by Cade*, 13 Revista de Defesa da Concorrência 36 (2025)
[10] OECD, *Abuse of Dominance in Digital Markets* 49–50 (2020)

opportunity to present their perspectives[11]. This process yielded a far more nuanced understanding of the distinctive features of Apple's mobile ecosystem and the potential downstream consequences of corrective measures for the various affected constituencies.

48. The work of the Negotiation Committee warrants particular recognition. Composed of representatives from every Chamber of CADE's Tribunal, the Committee convened frequent meetings over a period exceeding four months—sessions that included both internal deliberations and discussions with Apple and other interested parties[12]. Notably, negotiations on the present Cease-and-Desist Agreement were conducted in continuous coordination with CADE's General Superintendence. Even after the record was transmitted to the Tribunal, the technical staff responsible for investigating the Administrative Proceeding remained actively involved, providing analytical support and contributing to the progressive refinement of the negotiated terms[13].

49. In a first-of-its-kind procedural innovation, CADE made the settlement negotiations publicly accessible through the docket of Cease-and-Desist Agreement Request No. 08700.006953/2025-62. This departure from standard practice enabled structured engagement with diverse segments of the app developer community, facilitated through technical meetings hosted by the Negotiation Committee and Reporting Commissioner Office. This direct interface with the economic actors poised to benefit from the remedies proved instrumental in surfacing practical implementation challenges and progressively sharpening the contours of the proposed obligations.

50. Once the proposal advanced by Apple had reached sufficient maturity, the Reporting Commissioner Office undertook an extensive market test, soliciting input from developers spanning a broad range of company sizes and market segments. As previously detailed in this opinion, the selection of market participants invited to comment on the proposed remedies was guided by three principal criteria: (i) prominence within the App Store, as measured by the top ten developers ranked by first annual installs and by transaction volume processed through Apple's IAP system; (ii) developers who had actively participated in Administrative Proceeding No. 08700.009531/2022-04, having sought meetings with the Reporting Commissioner's office and volunteered to contribute to the case; and (iii) developers suggested by Apple—typically smaller market participants.

[11] CADE, *Competition in Mobile Device Digital Ecosystems (iOS and Android): Technical Report of the Public Hearing Held on February* 19, 2025, https://drive.google.com/file/d/1lMPwIiPoBessIelVQL2IVV6ISTkokZaC/view.
[12] I express my gratitude to all members of the Committee, whose work was essential to the formulation of this agreement: Bruno Polonio Renzetti, Bertrand Wanderer, Leonardo Vieira Arruda Achtschin, Paulo Henrique de Oliveira, Vitor Jardim Barbosa, Eduarda Militz Santos, and Fabiana Pereira Velloso. I wish to particularly acknowledge the contribution of Gabriel Veroneze Girardi, also a member of the Negotiation Committee from the Reporting Commissioner's Office, whose dedication, diligence, and sense of responsibility were reflected in an especially significant manner in the handling of this case.
[13] I also wish to acknowledge CADE's Superintendent General, Alexandre Barreto, and the staff of the General Coordination of Antitrust Analysis 11, particularly Carolina Helena Coelho Antunes Fontes and Marcus Vinicius Silveira de Sá. The continuous dialogue and collaborative posture demonstrated throughout the negotiation process were decisive in refining the final draft of the agreement, which incorporates valuable contributions from the technical staff.

51. The feedback gathered through this process proved nothing short of invaluable. It exposed significant gaps in the safeguards originally contemplated and flagged potential strategies by which the purposes of the Preliminary Injunction might be circumvented. Armed with these insights, the negotiating team undertook a substantial recalibration of the proposal—adding supplementary obligations, adjusting commission fee structures, and strengthening oversight mechanisms.

52. It would be less than candid not to acknowledge that this remedy design exercise surfaced at least three significant policy dilemmas that warrant disclosure. These observations are offered not as excuses for any shortcomings in the final agreement, but rather to make transparent the inherent tensions in decisions of this magnitude—tensions that ultimately reflect the epistemic and institutional limits of antitrust intervention in digital markets.

53. The first dilemma involves selecting the appropriate counterfactual to guide remedy construction. In conventional injunctive interventions, the overriding objective is to restore competitive conditions to those prevailing before the anticompetitive conduct occurred. The benchmark is the status quo ante: reverse the offending practice and return the market to its pre-violation state.

54. Restorative remedies, by contrast, require construction of a "but for" world—a projection of the market conditions that would have obtained absent the violation. This is an inherently speculative undertaking, demanding hypotheses about paths not taken and outcomes never observed. The difficulty is twofold: the irreducible uncertainty attending any counterfactual projection, and the absence of objective benchmarks against which to test the validity of one's assumptions.

55. In navigating this challenge, the experience of foreign jurisdictions assumes particular salience. At the present moment, when antitrust authorities increasingly operate alongside regulators implementing ex ante digital competition regimes, it is only natural to look to ecosystem-opening models adopted elsewhere as potential points of departure. To be clear, the point is not to uncritically transplant solutions designed for different institutional environments. Rather, it is to recognize that, in the absence of domestic precedent, systematic observation of foreign regulatory experiments constitutes a legitimate—indeed, in some respects unavoidable—source of evidence for constructing a defensible counterfactual.

56. The second dilemma concerns remedy scope: whether to frame obligations in broad, principle-based terms or to specify detailed, granular prescriptions. Principle-based commands offer the advantage of durability, accommodating technological change without requiring constant amendment. Yet they risk being too vague to be effective, creating implementation difficulties by affording the regulated party latitude to devise responses that satisfy the letter of the obligation while substantively preserving the conditions of

entrenchment[14]. During the implementation phase, firms may artfully adjust their commercial terms so as to achieve formal compliance with the authority's directives, even as technical constraints and fees imposed on commercial partners effectively nullify the market opening the remedy was designed to achieve.

57. The third dilemma involves the difficulty of cleanly separating considerations that legitimately fall within antitrust's remit—protection of the competitive process—from considerations that sound in distribution or fairness[15]. At first blush, one might be tempted to argue that competition authorities should steer well clear of disputes over price levels or access fees. But the dynamics of value co-creation characteristic of digital ecosystems render exceptionally difficult any bright-line distinction between monopolistic rent extraction and legitimate compensation for platform orchestration. Efforts to isolate the value attributable to superior technology from the value generated by network effects are plagued by circularity[16]. For these reasons, public utility frameworks and the access pricing methodologies traditionally deployed in regulated industries prove ill-suited to digital markets[17].

58. It therefore becomes necessary to articulate with greater precision the lens through which this inquiry may properly be conducted within the bounds of antitrust enforcement. In my view, the most appropriate standard under Law No. 12,529/2011 is whether the fees at issue are likely to produce exclusionary effects—either by deterring new entry or by rendering hollow the market opening the remedy purports to create. The salient question is not whether a given fee is "fair" in some abstract sense, but whether it is calibrated at a level that makes the alternative the remedy seeks to enable effectively illusory. The

[14] Pablo Ibáñez Colomo, *Remedies in EU Antitrust Law*, 21 J. Competition L. & Econ. 137, 155–58 (2025) (arguing that delegating remedy design to the infringing firm obscures the true complexity of the intervention, creates information asymmetries that the firm can exploit to delay or evade compliance, and defers to a later stage the complex technical assessments that the approach was meant to avoid—as demonstrated in the Microsoft non-compliance decisions).

[15] Under the DMA, the fairness goal reflects the notion that users and producers should be able to capture the fair rewards for their contributions to economic and social welfare, without being usurped by ecosystem-orchestrating platforms. In this regard, Recital 33 of the regulation provides that "unfairness should be related to an imbalance between the rights and obligations on business users where the gatekeeper obtains a disproportionate advantage." See Regulation (EU) 2022/1925 of the European Parliament and of the Council of 14 September 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828 (Digital Markets Act), 2022 O.J. (L 265) 1, Recital 33.

[16] See Jacques Crémer *et al.*, *Access Pricing for App Stores Under the DMA*, J. Competition L. & Econ. 1, 12–13 (2025) (observing, in commenting on how the DMA's legal principle of fairness is projected onto discussions about fair fees, that "[t]he superior technology is due, at least in part, to the fact that the gatekeeper's platform has enjoyed superior learning by doing over the years as well as to the benefits that it derives from the data it has acquired thanks to network effects. Thus, network effects will always be the source of at least one of the gatekeeper's advantage, and these may not be monetized in an Access Fee").

[17] See Victor Oliveira Fernandes, *Lost in Translation? Critically Assessing the Promises and Perils of Brazil's Digital Markets Act Proposal in Light of International Experiment*, 52 Computer L. & Security Rev. 105937, at 105956 (2024) ("While public utility regulation is primarily aimed at preventing natural monopolies from directly exploiting consumers, therefore correcting a market failure, digital ecosystems regulations are far more ambitious in reshaping the market structure, as they aim both to encourage threats to large incumbent platforms and to promote other societal values of economic competition."). For an in-depth discussion of the challenges of FRAND (Fair, Reasonable, and Non-Discriminatory) pricing applied to access fees in app stores under the European DMA, see Shaping Competition in the Digital Age (SCiDA) Podcast, Episode 12 – FRAND Pricing in Digital Ecosystems: Rethinking Fairness in App Stores, with Despoina (Deni) Mantzari (2025), https://open.spotify.com/episode/1SaJIMF3Qe33xbgfoPqOcX (discussing a principle-based framework for recognizing value co-production in digital ecosystems and arguing that platforms should not be compensated for network-effect rent—that is, rents derived from ecosystem lock-in).

criterion of assessment thus shifts: from the intrinsic reasonableness of the price to the competitive functionality of the opening it is meant to secure.

4. Comparative survey of foreign approaches to Apple's mobile ecosystem remedies

59. In the opinion issued in connection with the Voluntary Appeal, the Reporting Commissioner undertook a brief survey of the treatment accorded by foreign authorities and tribunals to Apple's App Store practices under investigation in this Administrative Proceeding. On that occasion, the analysis was confined to the identification of precedents capable of informing the determination of unlawfulness of the investigated conduct.

60. The present decision, by contrast, focuses on the comparison of implementation scenarios for iOS ecosystem opening measures in other jurisdictions. The examination of comparative experiences aims to anticipate the expected results of possible interventions by this Agency, as well as to identify best practices and emerging lessons. Likewise, such review enables recognition of prescriptions that—however well-intentioned—may not have achieved their objectives, proving, in practice, ineffective or counterproductive.

61. This comparative inquiry, however, must be undertaken with heightened methodological caution. The foreign interventions that resulted in the opening of the iOS mobile ecosystem were, in their entirety, grounded in legal frameworks structurally distinct from Law No. 12,529/2011. These consist, as a rule, of ex ante competition legislation directed at the regulation of digital platforms, or of unfair competition statutes, whose objectives, legal principles, and doctrinal categories do not coincide with those that traditionally inform the application of antitrust legislation.

62. The European Digital Markets Act ("DMA"), by way of illustration, explicitly extends beyond the purposes inscribed in Articles 101 and 102 of the Treaty on the Functioning of the European Union[18]. In the American case Epic Games v. Apple, the United States District Court for the Northern District of California expressly rejected the allegations of violation of Section 2 of the Sherman Act, with Apple's liability founded solely on California's Unfair Competition Law[19]. In the remaining jurisdictions where substantial changes in Apple's commercial policies have occurred—notably South Korea and Japan—such alterations likewise derived from autonomous sectoral legislation: respectively, the amendment to the Telecommunications Business Act[20] and the enactment of the Act on Promotion of Competition for Specified Smartphone Software[21].

[18] Regulation (EU) 2022/1925 of the European Parliament and of the Council of 14 September 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828 (Digital Markets Act), 2022 O.J. (L 265) 1, Recital 11. *See also* Heike Schweitzer, *The Art to Make Gatekeeper Positions Contestable and the Challenge to Know What is Fair: A Discussion of the Digital Markets Act Proposal*, 3 Zeitschrift für europäisches Privatrecht 503, 508 (2021).
[19] Cal. Bus. & Prof. Code § 17200 *et seq.* (Unfair Competition Law).
[20] Telecommunications Business Act, as amended by Act No. 18390, Aug. 31, 2021 (S. Kor.) (inserting Article 50, Section 1, Item 4, prohibiting the imposition of exclusive payment systems in application stores).
[21] Act on Promotion of Competition for Specified Smartphone Software, Act No. 60 of June 12, 2024 (Japan).

63. The normative survey undertaken in the preceding lines reveals a finding of singular institutional significance: following this decision, Brazil will occupy an unprecedented position in the global landscape, standing as the only jurisdiction in which Apple will be required to open its mobile ecosystem based exclusively on the application of antitrust law. This singularity confers upon the present case a unique institutional dimension and, simultaneously, demands heightened restraint in the handling of comparative law.

64. In light of these considerations, the following subsections will examine, in systematic fashion, the principal adaptations implemented by Apple along three central thematic axes: (i) the elimination or relaxation of anti-steering clauses; (ii) the admission of alternative payment processing systems for in-app transactions; and (iii) the opening of application distribution channels distinct from the App Store—encompassing alternative stores and sideloading mechanisms.

65. The analysis will seek to identify not only the measures formally adopted, but also their concrete effects on the competitive dynamics of the affected markets. Such an integrative approach is indispensable if the lessons drawn from comparative experiences are to effectively inform the calibration of interventions in the Brazilian context.

4.1. European Union: Implementation of the Digital Markets Act (DMA)

66. Apple was designated as a gatekeeper under the DMA on September 5, 2023. The designation encompassed the following core platform services of the company: the mobile operating system (iOS), the App Store, Safari, and iPadOS. From that point forward, pursuant to Article 3(10) of the statute, a six-month period commenced for the company to adapt its services to the obligations prescribed in Articles 5 through 7 of the DMA. On January 25, 2024, Apple announced its new App Store rules[22]. The compliance report containing the principal modifications implemented by the designated company was submitted to the European Commission on March 7, 2024.

67. The modified contractual architecture of the App Store was predicated on the simultaneous operation of two regimes. On one hand, the terms predating March 7, 2024, comprised of the Apple Developer Program License Agreement ("DPLA") and the App Store Review Guidelines, remained in effect under the traditional App Store rules. On the other hand, Apple introduced the "Alternative Commercial Terms"—denominated the "Alternative Terms Addendum for Apps in the EU to the DPLA" (the "Addendum")—which afford developers access to the new post-DMA rules. Thus, in practice, for developers to avail themselves of the steering and alternative distribution possibilities arising from the DMA, they were required to formalize express adherence to said contractual addendum.

[22] Press Release, Apple Inc., Apple Announces Changes to iOS, Safari, and the App Store in the European Union (Jan. 25, 2024), https://www.apple.com/newsroom/2024/01/apple-announces-changes-to-ios-safari-and-the-app-store-in-the-european-union.

68. This bifurcated structure of contractual conditions requires developers to evaluate, in light of their respective business models, which regime proves more advantageous. On one hand, remaining under the original terms preserves the traditional App Store commission structure—on the order of 15% to 30% on in-app transactions—yet maintains the complete prohibition on steering practices. On the other hand, migration to the Addendum permits the developer to communicate to users the existence of alternative acquisition channels and, in theory, to process payments outside Apple's ecosystem. As will be discussed in detail below, this freedom, however, comes accompanied by a new architecture of fees and commissions that, depending on the volume of installations and the revenue profile of the application, may prove more onerous than the prior regime.

69. On March 25, 2024, the European Commission initiated non-compliance proceedings to determine whether the new App Store terms announced at the beginning of that month satisfied the prescriptions of the DMA. On June 24, 2024, the European Commission issued a preliminary statement of objections regarding said proceedings. For purposes of the present opinion, it is necessary to examine in greater detail the decisions of the European Commission issued to date, with respect to (i) the compatibility of the steering rules with Article 5(4) of the DMA (investigated in Case DMA.100109) and (ii) the conformity of the alternative terms for application distribution with Article 6(4) of the same statute (investigated in Case DMA.100206).

4.1.1. Anti-Steering Rules: Article 5(4) and Case DMA.100109

70. On April 23, 2025, the European Commission issued its first non-compliance decision in proceeding DMA.100109. Therein, the Commission found that the new steering rules implemented by Apple violated Article 5(4) of the DMA and imposed a pecuniary sanction of €500 million, accompanied by an order that the company effect the necessary corrections within sixty (60) days. This decision was officially published on June 6, 2025, and warrants careful scrutiny.

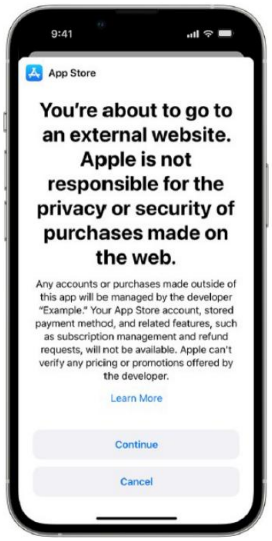
71. Article 5(4) of the DMA[23] provides that gatekeepers must allow business users to communicate and promote their products and services to end users through multiple channels. This provision thus ensures that business users (such as application developers) may promote differentiated offers both on the core platform services and through alternative channels, such that contracts with end users may be concluded in the same manner, irrespective of the use of the gatekeeper's services. The obligation further relates to the objective set forth in Recital 40 of the DMA[24], which provides that business users must enjoy the freedom to promote and choose the distribution channel they consider most appropriate for interacting with end users.

[23] Regulation 2022/1925, art. 5(4) ("The gatekeeper shall allow business users, free of charge, to communicate and promote offers, including under different conditions, to end users acquired via its core platform service or through other channels, and to conclude contracts with those end users, regardless of whether, for that purpose, they use the core platform services of the gatekeeper.").
[24] Regulation 2022/1925, Recital 40.

72. Apple's "Alternative Commercial Terms" came to permit application developers to direct end consumers to websites outside their applications, whether through "static text" displayed in applications or through clickable URLs (link-outs). However, Apple established a 17% commission on digital content transactions completed within seven (7) days following activation of the external link, with such commission extending throughout the entire lifetime of the relationship between the end user and the application.

73. Moreover, the new rules conditioned the exercise of steering on a relatively extensive set of technical and operational requirements. The external link was required to direct the user exclusively to the developer's website, without redirections or intermediary pages, with only one link permitted per application in each European Union store. Its activation was required to open a new window in the device's default browser, with the use of webviews prohibited. The link's URL could not contain additional parameters, which prevented pre-population of fields on the destination page with data already provided by the user in the application. Finally, it was provided that, prior to redirection, the application was required to display a disclosure sheet with a standardized message informing that, by proceeding, the user "will no longer be transacting with Apple."

Figure 1. S*teering screen sheet*



Source: Commission Implementing Decision of Apr. 23, 2025, Case DMA.100109—Apple—Online Intermediation Services—App Stores—AppStore—Art. 5(4) (EC) ¶ 96.

74. The European Commission concluded that these restrictions were incompatible with the requirements of the DMA. The authority determined that "the creation of external links should not be limited to a website that the app developer owns or is responsible for."[25]

[25] Commission Implementing Decision of Apr. 23, 2025, Case DMA.100109—Apple—Online Intermediation Services—App Stores—AppStore—Art. 5(4) (EC).

Additionally, both the quantitative limitation of a single link per store[26] and the prohibition on opening web views integrated into the application environment were found non-compliant[27]. It was further determined that such conditions reduced the attractiveness and practical effectiveness of the external steering functionality[28].

75. With respect to the use of warning screens, the decision adopted a more nuanced posture. The European Commission criticized the fact that the disclosure sheets were displayed repeatedly upon each access or transaction completion, when a single display would suffice to fulfill the informational purpose.[29] It further noted that the wording and design of the warning screens were not conceived according to neutral and objective criteria, which reinforced their dissuasive character to the detriment of developers and end users.[30] The authority conceded that the display of an informational sheet to end users at the moment of activating the external link could, in principle, be justifiable, insofar as it would provide consumers with elements for informed decision-making.[31]

76. The most intricate aspect of the decision resides in the discussion of whether Apple may charge commissions on transactions for digital goods conducted outside the App Store, following the user's redirection via link-out. The question is complex because the two DMA provisions referenced above—Article 5(4) and Recital 40—appear to point in distinct directions. On one hand, Article 5(4) ensures business users the right to direct users to external acquisition channels expressly "free of charge." On the other hand, Recital 40 provides that the same business users must remain free to interact "with any end users that these business users have already acquired through the core platform services provided by the gatekeeper or through other channels." It further clarifies that an "acquired end user" is one who "has already entered into a commercial relationship with the business user and, where applicable, the gatekeeper was directly or indirectly remunerated by the business user for facilitating the initial acquisition of the end user by the business user."

77. The qualification "where applicable" and the express mention of the possibility of remuneration for facilitating initial contact afford room for the interpretation that certain charges—linked to the intermediation preceding the steering—could be permissible, even though the redirection itself must remain free of charge. A substantial portion of the European Commission's decision is devoted to interpretive reasoning of the DMA provisions, with a view to reconciling this apparent normative conflict.

78. The Commission expressly concluded that the Alternative Commercial Terms violate Article 5(4) of the DMA, given that they "do not allow the conclusion of contracts after steering 'free of charge,' since Apple imposes a Commission that cannot be considered

[26] *Id.* ¶ 93
[27] *Id.* ¶ 97.
[28] *Id.* ¶¶ 99, 101
[29] *Id.* ¶ 102.
[30] *Id.* ¶ 103.
[31] *Id.* ¶ 121.

remuneration for facilitating the initial acquisition of the end user by the app developers."[32] The Commission's decision establishes certain premises regarding what would constitute an acceptable range of charges for initial acquisition. First, the decision observes that the European legislature, in establishing the gratuity requirement, sought to prevent gatekeepers from indirectly hollowing out the right of developers to contract directly with end users. The imposition of fees on steered transactions, under this reasoning, would tend to disincentivize recourse to alternative distribution channels, perpetuating developer dependence on the gatekeeper's app store and compromising market contestability.

79. Second, the Commission established that any charge must maintain strict temporal nexus with the service actually rendered—that is, with the intermediation that provides the first contact (matchmaking) between developer and user—and may not extend throughout the duration of the subsequent commercial relationship.[33] Moreover, it was clarified that the notion of "initial acquisition" does not encompass subsequent transactions, such as automatic subscription renewals, by the mere fact that they derive from a preexisting contractual relationship.[34]

80. Finally, with respect to its scope, any remuneration that may be owed must correspond to the specific value of the initial intermediation service, and may not be calculated on the basis of the global value of the commercial relationship or the expected future revenues from the end user[35]. On this point, the Commission made clear that the fee cannot serve to remunerate the gatekeeper for the value that its ecosystem as a whole provides to developers[36]. Thus, the argument advanced by Apple—that the business model historically practiced by Apple, based on recurring commissions on all transactions for digital goods and services, could by itself justify the adoption of an analogous fee structure in the context of DMA compliance—was rejected[37].

81. In sum, the European Commission's conclusion of incompatibility of the fee derives from express normative provision: Article 5(4) of the DMA establishes that steering must be ensured "free of charge." Notwithstanding, the decision acknowledged that Recital 40 of the DMA permits space for possible remuneration linked to facilitating the initial acquisition of the end user, provided it is circumscribed to the intermediation service actually rendered.

4.1.2. Alternative Distribution: Article 6(4) of the DMA and Case DMA.100206

82. The second non-compliance investigation whose understanding is pertinent to the present opinion concerns Case DMA.100206. Therein, the inquiry is whether the Alternative Commercial Terms conform to Article 6(4) of the DMA. This provision was

[32] *Id.* ¶ 237.
[33] *Id.* ¶¶ 185–86.
[34] *Id.* ¶ 190.
[35] *Id.* ¶ 208.
[36] *Id.* ¶ 193.
[37] *Id.* ¶ 211.

explicit in prescribing that gatekeepers must "allow and technically enable the installation and effective use of third-party software applications or software application stores using, or interoperable with, its operating system."

83. Under the Alternative Commercial Terms, Apple came to permit the operation of third-party application stores as native applications, which could be downloaded directly from websites belonging to the respective providers, upon obtaining a specific designated entitlement. Additionally, the sideloading of third-party applications directly from browsers on the mobile device was also authorized.

84. In Case DMA.100206, the European Commission is examining three specific aspects of this new alternative distribution regime.[38] The first consists of the "Core Technology Fee" (CTF), a commission that came to be charged to developers who opted to distribute applications outside the App Store. This commission was set at €0.50 per "first annual install" exceeding the threshold of one million annual installations. It would be levied irrespective of whether the application was free or generated any revenue for the developer.[39]

85. The second object under investigation concerns the eligibility requirements for third-party application stores. Article 6(4) of the DMA provides a safe harbor in favor of gatekeepers: the possibility of adopting measures that prove justified, strictly necessary, and proportionate to safeguard the integrity of the operating system against risks potentially arising from the operation of third-party applications and stores.

86. Under this exception, Apple introduced a security review procedure (notarization) as a mandatory step for all iOS applications distributed outside the App Store. Additionally, it imposed various eligibility requirements set forth in the Alternative App Marketplace Entitlement for the operation of alternative stores or for sideloading, among them the requirement to present a standby letter of credit in the amount of one million euros, issued by a financial institution with an "A" risk rating, or the satisfaction of equivalent financial guarantee requirements.

87. The third object of the investigation relates to warning screens. Apple came to display automatically generated screens alerting users to security risks during the process of installing applications through alternative distribution channels (third-party stores or sideloading).

[38] Press Release, European Comm'n, Commission Sends Preliminary Findings to Apple and Opens Additional Non-Compliance Investigation Against Apple Under the Digital Markets Act (June 24, 2024).
[39] Apple Inc., Update on Apps Distributed in the European Union, Apple Developer (2025), https://developer.apple.com/support/dma-and-apps-in-the-eu/ ("Core Technology Fee (CTF)—for very high volume iOS and iPadOS apps distributed from the App Store and/or alternative distribution, developers will pay €0.50 for each first annual install per year over a one million threshold. Under the alternative business terms for EU apps, Apple estimates that less than 1% of developers would pay a Core Technology Fee on their EU apps. First annual install. The first time an app is installed by an account in the EU in a 12-month period. After each first annual install, the app may be installed any number of times by the same account for the next 12 months with no additional charge.").

88. On April 22, 2025, the European Commission disclosed its preliminary findings in this non-compliance proceeding. The authority signaled that Apple had not demonstrated compliance with Article 6(4) of the DMA, particularly because "developers who intend to use alternative channels for the distribution of applications on iOS are disincentivized from doing so, since this requires them to opt for commercial conditions that include a new fee (Apple's core technology fee).[40]"

89. Although there is, to date, no final decision on the matter, it must be noted that the imposition of the CTF has attracted intense criticism from European developer groups, who accuse Apple of attempting to circumvent the objectives of the DMA. The form of incidence of this commission raises reflections that merit careful consideration.

90. First, because said fee is levied on the number of downloads of applications made available in alternative stores, its institution may disincentivize a significant portion of developers from adhering to the "Alternative Commercial Terms." Under the traditional App Store rules, developers whose business models are not intensively based on the commercialization of digital products do not incur significant commissions. The imposition of the CTF tends to neutralize any economic advantage that alternative distribution could offer, insofar as the developer who opts for a store competing with the App Store would come to bear a commission that previously did not exist.

91. Beyond imposing disincentives on developers' ability to benefit from the changes introduced by the DMA—including the possibility of steering—the CTF impairs the capacity of alternative stores to attract popular applications with a broad installed base. The resulting dynamic compromises the competitive viability of these distribution channels, inasmuch as it becomes more difficult for alternative stores to offer an assortment of applications sufficiently attractive to rival the App Store. For this reason, leading voices in the specialized literature maintain that the CTF charging model may ultimately frustrate the very contestability and fairness objectives that the DMA sought to promote.[41]

4.1.3. Announcement of New Commercial Terms Effective January 2026

92. On June 26, 2025, Apple announced a new set of App Store commercial terms, primarily in response to the European Commission's non-compliance decision. These new terms will be implemented in European Union Member States beginning in January 2026[42].

93. The new framework materializes in two distinct contractual instruments—the Alternative Terms Addendum for Apps in the EU (AEUTA) and the StoreKit External Purchase Link Entitlement (EU) Addendum (StoreKit)—each bearing its own fee structure and operational scope. Developers who adhere to the AEUTA may also optionally adhere

[40] Press Release, European Comm'n, Commission Closes Investigation into Apple's User Choice Obligations and Issues Preliminary Findings on Rules for Alternative Apps Under the Digital Markets Act (Apr. 22, 2025).
[41] *See* Jacques Crémer et al., *Access Pricing for App Stores Under the DMA*, J. Competition L. & Econ. 1 (2025).
[42] Apple Inc., Communication and Promotion of Offers on the App Store in the EU (2025), https://developer.apple.com/support/communication-and-promotion-of-offers-on-the-app-store-in-the-eu.

to StoreKit. For the time being, it remains possible to opt for maintenance of the traditional App Store commercial conditions.

94. The principal consequence of this new contractual architecture is that developers who adhere to StoreKit will be unable to use Apple's In-App Payment system (Apple IAP). Thus, in practice, adherence to this contractual instrument will depend on the developer's assessment of the convenience of renouncing the possibility of using Apple IAP in exchange for differentiated conditions for promoting their own offers.

95. The Alternative Terms Addendum for Apps in the EU (AEUTA) constitutes a contractual instrument of greater amplitude, entailing a comprehensive reformulation of the commercial terms applicable to the developer. Under this regime, the developer is permitted both (i) the use of Apple IAP and (ii) the communication and promotion of offers through alternative channels of its own choosing. For each of these options, however, different fee structures will apply.

96. For the use of Apple IAP, the AEUTA institutes a reduced commission of 17% for iOS and iPadOS applications—or 10% for participants in the App Store Small Business Program and subscription renewals after the first year—and 27% for other platforms (macOS, tvOS, visionOS, and watchOS), with a reduction to 12% in cases of eligibility for the small developer program. To these percentages is added a payment processing fee of 3%, owed for the use of App Store commerce services.

Figura 2. ***Alternative Terms Addendum for Apps in the EU*** **(AEUTA)**

Alternative Terms Addendum for Apps in the EU

Sales of digital goods or services in the EU using Apple's In-App Purchase system are subject to a commission under the terms of the Alternative Terms Addendum for Apps in the EU.

Type	Description	iOS, iPadOS	macOS, tvOS, visionOS, watchOS
App Store Commission	For paid apps, and in-app purchases of digital goods or services, the following rates apply.	17%	27%
	If you're enrolled in the App Store Small Business Program or renew a qualifying auto-renewal subscription beyond one year, the following reduced commission rates apply.	10%	12%
	If you're enrolled in the Apple Video Partner Program or News Partner Program, the following reduced commission rates apply. The App Store payment processing fee of 3% also applies.	10%	12%
Payment processing fee	When using the App Store payment processing and related commerce services for in-app purchases, the following fees apply. This fee also applies to all paid apps.	3%	3%
Core Technology Fee	For iOS and iPadOs apps distributed on the App Store, Web Distribution, and/or an alternative app marketplace that reach significant scale, you'll pay for each first annual install over 1 million first annual installs. For more details, view documentation.	€0.50	No fee

Available at: https://developer.apple.com/support/communication-and-promotion-of-offers-on-the-app-store-in-the-eu.

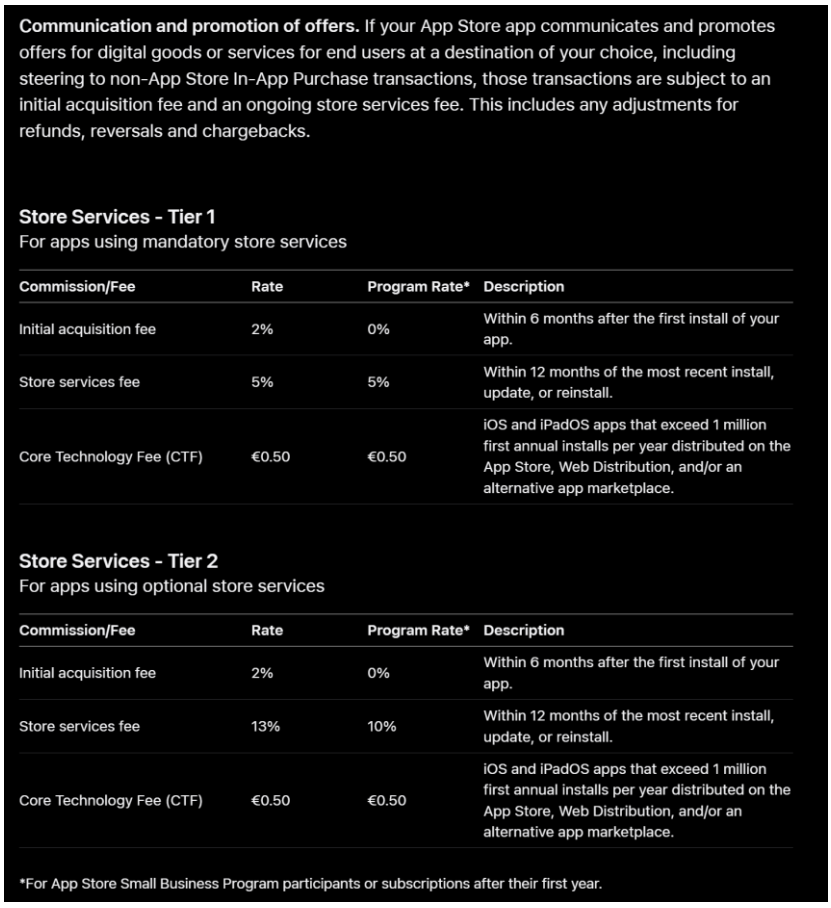
97. With respect to the communication and promotion of offers through alternative channels, the AEUTA permits the developer to display pricing information and promotional messages relating to digital goods and services, to provide actionable links—clickable, tappable, or scannable—that direct the user to websites, other applications, or alternative marketplaces, and to process transactions directly through a payment service provider adhering to PCI standards. In this configuration, Apple ceases to act as the "merchant-of-record," with full responsibility for management of matters relating to payment processing, refunds, taxation, and consumer support transferring to the developer.

98. The fee structure applicable to transactions promoted through in-app communication under the AEUTA comprises two principal categories of fees. The initial acquisition fee, set at 2%—or exempt for participants in the App Store Small Business Program—is levied on transactions completed during the six-month period following the first free installation of the application by the user. This fee, according to Apple, reflects the capabilities that the App Store provides in connecting developers to consumers in the European Union.

99. The store services fee, in turn, is levied on sales made during the twelve-month period from the most recent installation, reinstallation, or update of the application. Its rate varies according to the service tier contracted by the developer: 5% for "Store Services Tier 1," which comprises mandatory distribution, trust and safety, app management, and engagement services; and 13% for "Store Services Tier 2," which adds optional curation, personalization, insights, and marketing features. For participants in the App Store Small Business Program or subscription renewals after the first year, the Tier 2 rate is reduced to 10%.

100. To these fees is further added, for iOS and iPadOS applications exceeding one million first annual installs, the application of the Core Technology Fee (CTF), in the amount of €0.50 per first annual install in excess.

Figura 3. ***Alternative Terms Addendum for Apps in the EU***[43]



Communication and promotion of offers. If your App Store app communicates and promotes offers for digital goods or services for end users at a destination of your choice, including steering to non-App Store In-App Purchase transactions, those transactions are subject to an initial acquisition fee and an ongoing store services fee. This includes any adjustments for refunds, reversals and chargebacks.

Store Services - Tier 1
For apps using mandatory store services

Commission/Fee	Rate	Program Rate*	Description
Initial acquisition fee	2%	0%	Within 6 months after the first install of your app.
Store services fee	5%	5%	Within 12 months of the most recent install, update, or reinstall.
Core Technology Fee (CTF)	€0.50	€0.50	iOS and iPadOS apps that exceed 1 million first annual installs per year distributed on the App Store, Web Distribution, and/or an alternative app marketplace.

Store Services - Tier 2
For apps using optional store services

Commission/Fee	Rate	Program Rate*	Description
Initial acquisition fee	2%	0%	Within 6 months after the first install of your app.
Store services fee	13%	10%	Within 12 months of the most recent install, update, or reinstall.
Core Technology Fee (CTF)	€0.50	€0.50	iOS and iPadOS apps that exceed 1 million first annual installs per year distributed on the App Store, Web Distribution, and/or an alternative app marketplace.

*For App Store Small Business Program participants or subscriptions after their first year.

Available at: https://developer.apple.com/support/communication-and-promotion-of-offers-on-the-app-store-in-the-eu

101. The second contractual instrument consists of the StoreKit External Purchase Link Entitlement (EU) Addendum, which is presented as an addendum to the Apple Developer Program License Agreement with a scope more specifically directed toward enabling

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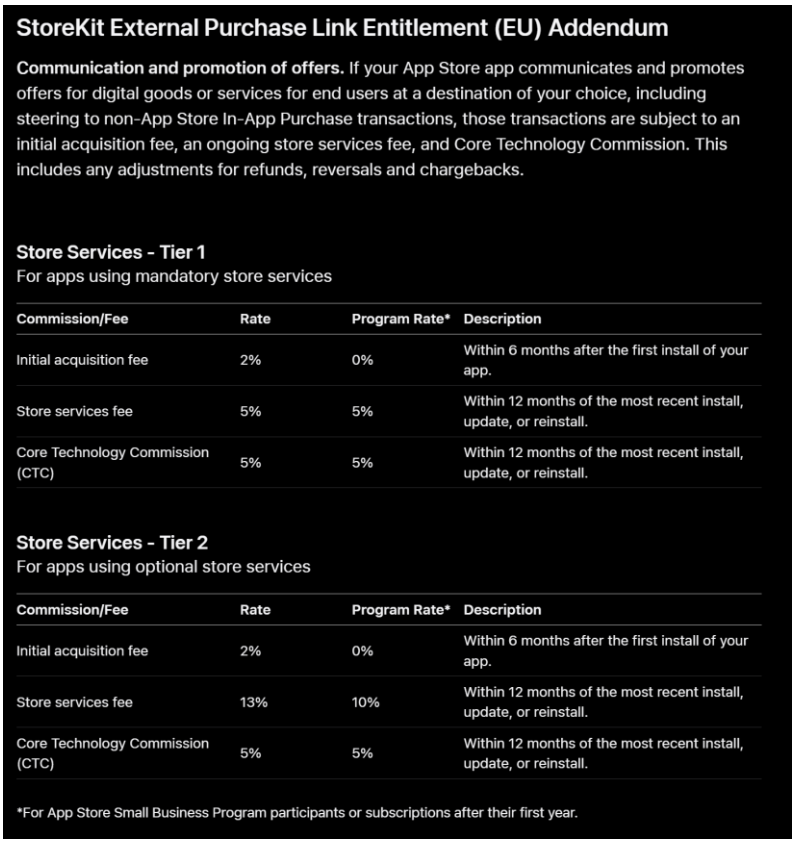
communication and promotion of external offers. Unlike the AEUTA, StoreKit does not contemplate the possibility of concomitant use of the In-App Purchase system with reduced commissions. Thus, it is intended for developers who exclusively seek to implement external acquisition flows without comprehensively reformulating the commercial terms of their relationship with Apple.

102. Under this regime, the developer may likewise communicate and promote offers for digital goods and services, provide actionable links that direct the user to channels of its choosing, and process transactions directly. The technical implementation requires integration of the StoreKit External Purchase Link APIs and the display of a standardized informational screen (disclosure sheet) prior to each redirection, informing the user that the transaction will be conducted with the developer and not with Apple. The user may opt not to view such notice in subsequent purchases.

103. The fee structure of the StoreKit External Purchase Link Entitlement (EU) Addendum is distinguished from the prior regime by the institution of a third category of fee: the Core Technology Commission (CTC). Beyond the initial acquisition fee of 2%—likewise exempt for participants in the App Store Small Business Program—and the store services fee of 5% or 13% depending on the service tier, the developer is subject to payment of a CTC corresponding to 5% on all sales of digital goods and services made during the twelve-month period from the installation, reinstallation, or update of the application.

104. The CTC, according to Apple, reflects the value provided to developers through ongoing investments in tools, technologies, and services that enable the creation and distribution of innovative applications. This commission applies uniformly, regardless of the service tier contracted or eligibility for the App Store Small Business Program, admitting no reductions. The cumulation of the three categories of fees may therefore result in a total fee burden of up to 20% on transactions—considering Tier 2—a percentage that approaches the commissions traditionally charged by the App Store under the conventional regime.

Figura 4. ***StoreKit External Purchase Link Entitlement (EU) Addendum***



StoreKit External Purchase Link Entitlement (EU) Addendum

Communication and promotion of offers. If your App Store app communicates and promotes offers for digital goods or services for end users at a destination of your choice, including steering to non-App Store In-App Purchase transactions, those transactions are subject to an initial acquisition fee, an ongoing store services fee, and Core Technology Commission. This includes any adjustments for refunds, reversals and chargebacks.

Store Services - Tier 1
For apps using mandatory store services

Commission/Fee	Rate	Program Rate*	Description
Initial acquisition fee	2%	0%	Within 6 months after the first install of your app.
Store services fee	5%	5%	Within 12 months of the most recent install, update, or reinstall.
Core Technology Commission (CTC)	5%	5%	Within 12 months of the most recent install, update, or reinstall.

Store Services - Tier 2
For apps using optional store services

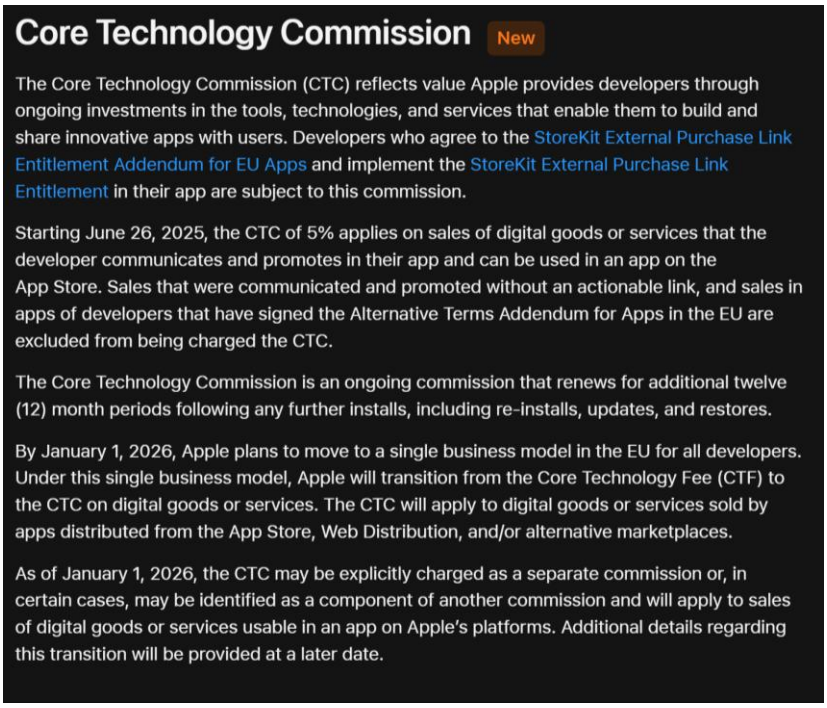
Commission/Fee	Rate	Program Rate*	Description
Initial acquisition fee	2%	0%	Within 6 months after the first install of your app.
Store services fee	13%	10%	Within 12 months of the most recent install, update, or reinstall.
Core Technology Commission (CTC)	5%	5%	Within 12 months of the most recent install, update, or reinstall.

*For App Store Small Business Program participants or subscriptions after their first year.

Available at: https://developer.apple.com/support/communication-and-promotion-of-offers-on-the-app-store-in-the-eu.

105. Finally, it is observed that Apple has announced its intention to adopt a single business model in Europe beginning in January 2026. This would principally involve effecting a complete transition from charging the CTF (still contemplated in the AEUTA) to the CTC model. However, it remains unclear what the scope of CTC charging will be.

Figura 5. *Core Technology Commission* – Definição Apple



Core Technology Commission New

The Core Technology Commission (CTC) reflects value Apple provides developers through ongoing investments in the tools, technologies, and services that enable them to build and share innovative apps with users. Developers who agree to the StoreKit External Purchase Link Entitlement Addendum for EU Apps and implement the StoreKit External Purchase Link Entitlement in their app are subject to this commission.

Starting June 26, 2025, the CTC of 5% applies on sales of digital goods or services that the developer communicates and promotes in their app and can be used in an app on the App Store. Sales that were communicated and promoted without an actionable link, and sales in apps of developers that have signed the Alternative Terms Addendum for Apps in the EU are excluded from being charged the CTC.

The Core Technology Commission is an ongoing commission that renews for additional twelve (12) month periods following any further installs, including re-installs, updates, and restores.

By January 1, 2026, Apple plans to move to a single business model in the EU for all developers. Under this single business model, Apple will transition from the Core Technology Fee (CTF) to the CTC on digital goods or services. The CTC will apply to digital goods or services sold by apps distributed from the App Store, Web Distribution, and/or alternative marketplaces.

As of January 1, 2026, the CTC may be explicitly charged as a separate commission or, in certain cases, may be identified as a component of another commission and will apply to sales of digital goods or services usable in an app on Apple's platforms. Additional details regarding this transition will be provided at a later date.

Available at: https://developer.apple.com/support/dma-and-apps-in-the-eu/#core-technology-commission.

106. It must be noted that, although Apple has undertaken interlocutions with the European regulatory authority with a view toward defining the new commercial terms, the European Commission has not yet formally opined on the conformity of the regime now instituted with the provisions of the DMA. This circumstance counsels caution in the evaluation of the model adopted.

4.2. United States: Judicial Decisions in Epic Games v. Apple

107. In the United States, in August 2020, Epic Games filed suit against Apple in the United States District Court for the Northern District of California, alleging, in essence: (i) restraint of transactions in the iOS application distribution and iOS in-app payment markets; (ii) tying, generated by the integration of the App Store with Apple's IAP; and (iii) monopoly maintenance. The action was motivated, essentially, by three provisions contained in Apple's Developer Program License Agreement (DPLA):

> (i) Distribution restriction: Developers may distribute applications on iOS only through the App Store—in Epic Games' case, it could not make the Epic Games Store available to users;
>
> (ii) IAP requirement: Developers must use Apple's IAP to process payments within applications—whether at the time of download (for

> paid applications) or for purchases made within applications—with Apple applying a commission of 30% on revenues obtained;
>
> (iii) Anti-steering provision: Developers may not communicate to users about payment methods outside the application, whether through certain mechanisms such as links or buttons within the application or through emails, for example, that encourage users to use payment methods other than Apple's IAP.

108. On September 10, 2021, Judge Yvonne Gonzalez Rogers of the District Court issued a decision in which, summarily, she rejected Epic Games' allegations that Apple had violated Sections 1 and 2 of the Sherman Act, but confirmed that the company had violated California's Unfair Competition Law by imposing anti-steering clauses on application developers on the App Store.[44] The decision ordered that Apple, within 90 days, make the necessary changes to allow developers to direct users to external payment options in their applications.

109. It is important to emphasize that the absolution of the conduct under Sections 1 and 2 of the Sherman Act did not preclude the Court from undertaking a competition analysis in applying California law. In this regard, the passages below consolidate the principal conclusions of the Court regarding the anticompetitive character of the practices imputed to Apple:

> The evidence presented demonstrated anticompetitive effects and excessive operating margins under any normative measure. The lack of competition resulted in a diminution of information, which also resulted in a diminution of innovation relative to the profits obtained. Developer costs are higher because competition is not exerting pressure on the commission rate. As described, the commission rate that drives excessive margins was not justified.
>
> Apple's own records reveal that two of the three "most effective marketing activities for retaining existing users" in the United States, and therefore increasing revenues, are "push notifications" (No. 2) and "email outreach" (No. 3). Apple not only controls these channels but also acts anticompetitively by preventing developers from using them for Apple's own unrestricted gain.
>
> (...) In the context of technology markets, the open flow of information becomes even more critical. As explained above, information costs can create "lock-in" for platforms, since users lack information about costs over the lifetime of an ecosystem. Users also may lack the ability to attribute costs to the platform rather than to the developer, which

[44] *Epic Games, Inc. v. Apple Inc.*, No. 4:20-cv-05640-YGR, 2021 WL 4128925 (N.D. Cal. Sept. 10, 2021).

> further prevents them from making informed choices. In these circumstances, developers' ability to provide cross-platform information is crucial. Although Epic Games failed to carry its burden to demonstrate actual lock-in on this record, the Supreme Court has recognized that such information costs can create the potential for anticompetitive exploitation of consumers. Eastman Kodak, 504 U.S. at 473–75, 112 S. Ct. 2072.[45]

110. On April 24, 2023, the United States Court of Appeals for the Ninth Circuit denied Epic Games' appeal, largely affirming the district court's decision, including its finding that Apple's anti-steering policy was unlawful under California law.

111. On January 16, 2024, the United States Supreme Court denied the writ of certiorari, declining to review both Epic Games' appeal and Apple's appeal from the Court of Appeals decision.[46]

112. On April 30, 2025, Judge Yvonne Gonzalez Rogers of the District Court issued a new decision, this time finding that Apple had failed to comply with the obligations imposed by the 2021 decision. The judge concluded that "Apple deliberately chose not to comply with this Court's injunction. It did so with the express intent to create new anticompetitive barriers."[47]

113. The decision found that Apple adopted principally two new measures intentionally designed to hollow out the Court's prior determinations, namely: (i) it imposed a new 27% commission on purchases made through external links, even for transactions occurring outside the application; and (ii) it restricted the manner in which developers could communicate with users about alternative payment options, including limitations on the placement of links or buttons leading to external payment sites and the use of "warning screens.[48] For this reason, Judge Rogers stated that "Apple, despite knowing its obligations under the injunction, frustrated the objectives of the injunction and continued its anticompetitive conduct with the sole purpose of maintaining its revenue stream."[49]

114. In this same decision, the United States District Court for the Northern District of California prohibited Apple from barring or restricting application developers from including steering mechanisms (in other words, "including in their applications and metadata buttons, external links, or other calls to action that direct customers to purchase mechanisms beyond In-App Purchase"). The decision imposed the following restrictions on Apple's conduct, on a permanent basis:

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[45] *Id.*
[46] *Epic Games, Inc. v. Apple, Inc.*, 67 F.4th 946 (9th Cir. 2023).
[47] *Epic Games, Inc. v. Apple Inc.*, No. 4:20-cv-05640-YGR (N.D. Cal. Apr. 30, 2025) (order granting motion to enforce injunction).
[48] *Id.*
[49] *See* https://cand.uscourts.gov/wp-content/uploads/cases-of-interest/epic-games-v-apple/Epic-v.-Apple-20-cv-05640-YGR-Dkt-813-Injunction.pdf.

Accordingly, for the reasons set forth herein, and good cause appearing, the Court **PERMANENTLY RESTRAINS AND ENJOINS** Apple Inc. and its officers, agents, servants, employees, and any person in active concert or participation with them, from:

1. Imposing any commission or fee on purchases consumers make outside an app and, as a consequence thereof, there is no reason to audit, monitor, track, or require developers to report purchases or any other activity consumers engage in outside an app;

2. Restricting or conditioning developers' style, language, formatting, quantity, flow, or placement of links to purchases outside an app;

3. Prohibiting or limiting the use of buttons or other calls to action, or otherwise conditioning the content, style, language, formatting, flow, or placement of such devices for purchases outside an app;

4. Excluding certain categories of apps and developers from obtaining link access;

5. Interfering with consumers' choice to enter or leave an app using anything other than a neutral message informing users that they are going to a third-party website; and

6. Restricting a developer's use of dynamic links that take consumers to a specific product page in a logged-in state, rather than a statically defined page, including restricting apps from transmitting product details, user details, or other information relating to the user intending to make a purchase.

Because these are restrictions on the specific actions Apple took to violate this Court's Injunction and because they do not require any affirmative action by Apple, the **INJUNCTION IS EFFECTIVE IMMEDIATELY**. The Court will not entertain a stay motion, given the repeated delays and the gravity of the conduct.

[75] The Court pre-authorizes Apple's “dialog” version of the screen in advance so as not to hinder developers' progress:

CX-520.39 (middle example); see Feb. 2025 Tr. 1333:25–1334:17, 1335:10–16 (Onak).

115. On December 11, 2025, the United States Court of Appeals for the Ninth Circuit, in an opinion authored by Judge Milan D. Smith, Jr., affirmed in part and reversed in part the district court's order.[50] The central controversy resides in Apple's response to the injunction prohibiting it from preventing developers from including buttons, external links, or other calls to action directing customers to purchase mechanisms external to the App Store. The court concluded that Apple, by implementing a 27% commission on linked purchases and imposing restrictive constraints on link design, violated both the letter and spirit of the injunction, constituting civil contempt demonstrated by clear and convincing evidence.

116. With respect to the possibility of Apple imposing commissions on purchases made via link-out, the court established a fundamental distinction between prohibitive commissions and reasonable commissions. The decision expressly stated that "charging a 27% commission has a prohibitive effect, in violation of the injunction,"[51] because Apple deliberately structured such fee so as to render economically unviable the alternatives to its in-app purchase system (IAP). As recorded in the decision, "Apple knew that processing linked purchases would cost developers more than 3% in additional processing costs, such that the total commission would exceed the 30% charged for IAP."[52]

117. Notwithstanding, the court expressly rejected the absolute prohibition on commissions imposed by the District Court. It was clarified that "it is not true that the Injunction prevents any commission and any fee. It only prohibits prohibitive commissions or fees."[53] The total prohibition on commissions was considered excessively broad, resembling more a punitive sanction for criminal contempt than a civil coercive remedy, inasmuch as it denied Apple "any means of purging its contempt, e.g., by imposing a reasonable, non-prohibitive commission or fee to ensure security and privacy for users." Accordingly, that portion of the order was reversed and remanded to the district court for reformulation.

118. The Court provided certain specific guidance for the lower court to determine what the appropriate commission amount should be. The following parameters were established:[54] (i) Apple may charge a commission based on "costs that are genuinely and reasonably necessary for its coordination of external links," denominated "necessary costs"; (ii) compensation for the use of intellectual property must consider that "most of the intellectual property at issue is already used to facilitate IAP," and costs attributed to linked purchases should be "reduced equitably and proportionally"; (iii) Apple "should not

[50] *Epic Games, Inc. v. Apple Inc.*, No. 25-2935 (9th Cir. Dec. 11, 2025).
[51] *Id.* at 26.
[52] *Id.* at 38.
[53] *Id.* at 38–39.
[54] *Id.* at 41–42.

receive a commission for the security and privacy features it offers for external links"; and (iv) no commission may be charged "until the district court approves an appropriate fee." The court further suggested the possibility of establishing a "Technical Committee" to assist in determining a reasonable fee, as adopted in In re Google Play Store.

119. Beyond the commission issue, the Ninth Circuit established what might be termed the "visual parity principle" or "equitable treatment principle": developers may not be compelled to present their external purchase options in a manner less attractive than Apple's options, but neither may they configure them so as to obscure or unduly minimize the IAP purchase alternative. The resulting operative rule ensures developers the right to present their link-out options with at least the same visual prominence as Apple's options, without, however, permitting them to exceed that level of prominence.[55]

120. In sum, the very recent decision of December 11, 2025, established that the injunction did not per se prohibit the charging of commissions on link-out transactions, but only those of prohibitive magnitude that, in practice, nullify the competitive alternative that the injunction itself sought to ensure. The District Court must, on remand, reformulate the commission prohibition, permitting Apple to propose a commission structure grounded in effective, non-prohibitive costs, subject to judicial approval.

4.3. South Korea: The Telecommunications Business Act Amendment

121. In August 2021, the South Korean Parliament approved an amendment to the Telecommunications Business Act, legislation that entered into force in September of that year. The legislative amendment introduced an express prohibition on the imposition, by application store operators, of conditions that linked developer access to the platform to the exclusive adoption of proprietary payment processing systems. The provision thus specifically addressed the practice of tying between in-app payment mechanisms and application distribution.

122. In June 2022, Apple implemented technical and contractual adaptations to conform to the new legal framework, embodied in the "StoreKit External Purchase Entitlement."[56] This mechanism permits developers to integrate alternative payment processing systems for transactions conducted in applications distributed through the South Korean App Store.

123. With respect to the fee structure, Apple set a 26% commission on transactions processed through alternative payment systems[57]—a percentage representing a four-point reduction from the standard 30% rate applicable to the proprietary system. It must be noted that third-party payment processors typically charge fees ranging between 4% and 6% per transaction. Accordingly, the aggregate cost incurred by the developer who opts for the

[55] *Id.* at 34.
[56] Apple Inc., Update on Apps Distributed in South Korea, Apple Developer News (June 30, 2022), https://developer.apple.com/news/?id=q0feipe4.
[57] Apple Inc., Distributing Apps Using a Third-Party Payment Provider in South Korea, Apple Developer Support, https://developer.apple.com/support/storekit-external-entitlement-kr/.

alternative channel may equal or exceed the amount expended under the traditional regime.[58]

124. The Korea Communications Commission (KCC), the competent sectoral regulatory authority, proceeded to analyze the adequacy of the measures implemented by Apple to the new legal framework. In October 2023, the KCC disclosed preliminary findings to the effect that the company had engaged in practices constituting abuse of dominant position, embodied in: (i) imposition on local developers of specific payment methods, notwithstanding the formal existence of alternatives; (ii) delays in application review allegedly linked to adherence to the platform's billing system; and (iii) application of a commission structure deemed discriminatory against South Korean developers.[59]

125. The authority proposed a pecuniary sanction in the amount of 20.5 billion won—subsequently recalculated to 21 billion won—and ordered the adoption of corrective measures.[60] It must be noted that, notwithstanding the prior notice of penalty issued by the KCC in October 2023, the final decision on the proposed sanctions against Apple (20.5 billion won) remains pending.[61]

4.4. Japan: Implementation of the Mobile Software Competition Act (MSCA)

126. In Japan, the Mobile Software Competition Act (MSCA) was enacted in 2024. The legislation prescribes a set of obligations for platform-controlling companies, but with a more specific focus on rules for mobile digital ecosystems. Some commentators understand this law to represent a middle ground between the DMA and the United Kingdom's DMCC Bill, insofar as it combines both self-executing obligations and obligations subject to some calibration of defense.[62]

127. In March 2025, the Japan Fair Trade Commission (JFTC) designated three companies as specified software providers—Apple Inc. and its Japanese subsidiary iTunes K.K., as well as Google LLC—subjecting them to the obligations prescribed in Articles 5 through 13 of the statute.

128. With respect to anti-steering provisions, the MSCA contemplates, in its Article 8(ii), an express prohibition on designated application store providers from preventing developers from directing end users to external acquisition channels. As clarified in the MSCA Guidelines issued by the JFTC in July 2025,[63] developers must be able, during use of the application, to display prices of products and services offered through external

[58] *Id.* ("Apple will charge a 26% commission on the price paid by the user, gross of any value-added taxes.").
[59] *Google, Apple Face 680 Billion Won Fine for 'Forcing In-App Payments'*, Bus. Kor. (Oct. 6, 2023).
[60] Ivan Mehta, *Google, Apple Face Fines in South Korea for Breaching In-App Billing Rules*, TechCrunch (Oct. 6, 2023).
[61] *Korea's National Assembly to Question Apple, Google Execs for In-App Purchase Fees*, Korea Times (Oct. 4, 2024).
[62] Alba Riber Martínez, *Japan's Mobile Software Competition Act Grows its Guidelines*, Kluwer Competition L. Blog (Oct. 6, 2025).
[63] Japan Fair Trade Comm'n, Mobile Software Competition Act Guidelines (July 2025), https://www.jftc.go.jp/file/MSCA_Guidelines_tentative_translation.pdf.

channels, as well as to provide links that direct consumers to their own websites for completing transactions. It should be noted, however, that—unlike Article 5(4) of the European DMA—the Japanese legislation does not expressly establish a gratuity requirement for steering. Notwithstanding, the Guidelines establish that any fees or conditions imposed by the ecosystem orchestrator will be permissible only to the extent they do not constitute an effective impediment or blockage to the use of alternative channels.

129. With respect to alternative methods of payment processing, Article 8(i) of the MSCA prohibits designated application store providers from conditioning developer access to the platform on the use of their proprietary payment systems. The provision likewise prohibits conduct that hinders or obstructs, through technical or contractual means, the adoption of competing payment service providers.

130. To comply with these provisions, Apple announced substantial alterations to the distribution and payment processing architecture of the iOS ecosystem in Japan on December 17, 2025.[64] The new rules introduce the possibility of using alternative payment processors for in-app transactions, as well as permission for developers to direct users to external websites for completing purchases (steering). Notwithstanding, unlike the regime adopted in the European Union under the aegis of the DMA, the Japanese regulation does not impose unrestricted application sideloading, restricting alternative distribution to authorized marketplaces that must meet requirements established by the company itself.

131. With respect to the commission structure, the new model contemplates different percentages depending on the distribution and payment modality adopted by the developer. For applications distributed through the App Store that use Apple's proprietary payment system (IAP), a base commission of 21% plus a processing fee of 5% applies, totaling 26% for developers generally and 15% for participants in the Small Business Program.

132. In cases of use of alternative in-app processors, the 21% base commission remains applicable, although without the imposition of the processing fee. For transactions conducted via steering, the Store Services Commission of 15% applies, reduced to 10% for small and medium enterprises. Finally, for applications distributed through alternative marketplaces, only the Core Technology Commission of 5% on sales of digital goods and services applies.

133. Particular note is warranted of the mandatory simultaneous presentation requirement for Apple IAP whenever the developer opts to offer alternative payment methods—a requirement that proves more restrictive than certain implementations observed in the European context. This requirement means that developers may not use third-party payment processors exclusively, but must always make available the IAP

[64] Press Release, Apple Inc., Apple Announces Changes to iOS in Japan (Dec. 17, 2025), https://www.apple.com/newsroom/2025/12/apple-announces-changes-to-ios-in-japan.

payment option with prominence equivalent to the alternatives offered. Additionally, specific restrictions apply to applications intended for child audiences, prohibiting steering to external websites for transactions in Kids category applications and for users under 13 years of age.

4.5. Key Takeaways from International Experiences

134. Scrutiny of international experiences reveals convergent and divergent patterns in regulatory approaches to opening mobile ecosystems. It is appropriate to systematize, in schematic form, the principal elements of each jurisdiction examined, so as to permit identification of lessons applicable to the Brazilian context.

135. With respect to normative foundation, a clear distinction is observed between ex ante models—embodied in specific sectoral legislation, such as the European DMA, the Japanese MSCA, and the amendment to the South Korean Telecommunications Business Act—and ex post models, grounded in the application of unfair practice prohibition laws, as occurred in the United States.

136. The table below consolidates the core elements of each regulatory intervention:

Table 1. Scope of Regulatory Interventions in the iOS Ecosystem Across Examined Jurisdictions

	European Union (DMA)	**United States (Epic v. Apple)**	**Japan (MSCA)**	**South Korea (TBA)**
Legal Basis	Ex ante sectoral regulation (Digital Markets Act)	Judicial decision grounded in California Unfair Competition Law	Ex ante sectoral regulation (Mobile Software Competition Act)	Ex ante sectoral regulation (Telecommunications Business Act)
Anti-Steering	Permitted subject to commission	Permitted subject to commission	Permitted subject to commission	Not permitted
Alternative PSPs	Permitted subject to commission	Not permitted	Permitted subject to commission	Permitted subject to commission
Alternative Distribution	Third-party stores and sideloading permitted	Not permitted	Third-party stores permitted	Not permitted

137. The comparison of international experiences permits extraction of valuable lessons for calibrating the possible interventions of this Agency. The first concerns the heterogeneity in the scope of interventions verified in different jurisdictions. Not all regimes examined intervene across all three major themes addressed in the present opinion, namely (i) the elimination or relaxation of anti-steering clauses; (ii) the admission of alternative payment processing systems; and (iii) the opening of distribution channels distinct from the App Store.

138. In the United States, the decision issued in *Epic Games v. Apple* was circumscribed to the prohibition of anti-steering clauses, ensuring developers the faculty to disclose and promote external offers to end users, without any resulting obligation to admit alternative payment processors or distinct application distribution channels. In South Korea, differently, the amendment to the Telecommunications Business Act focused specifically on the possibility of using alternative payment processing systems for in-app transactions, without contemplating provisions relating to steering or alternative distribution.

139. Only the European DMA and the Japanese MSCA enshrine obligations of amplitude comparable to those informing the Preliminary Injunction imposed by CADE—encompassing, in integrated fashion, the three fronts of ecosystem opening. Once again,

this finding evidences Brazil's peculiar position in the comparative landscape, insofar as it is the only jurisdiction in which an intervention of such comprehensive scope will be implemented without promulgation in our jurisdiction of ex ante competition legislation with purposes similar to the European and Japanese experiences.

140. A second lesson of significance concerns the importance of the App Store commercial terms architecture being designed so as to genuinely incentivize developers to opt for adherence to the rules implemented following the intervention. In particular, European experience evidences that the simultaneous maintenance of pre- and post-DMA commercial terms engenders contractual lock-in effects that may compromise the effectiveness of opening measures.

141. The new commercial terms announced by Apple for effectiveness beginning in January 2026 in the European Union do not appear to fully dispel this concern. The new contractual engineering—embodied in the Alternative Terms Addendum for Apps in the EU (AEUTA) and the StoreKit External Purchase Link Entitlement (EU) Addendum—operates a kind of "slicing" of access to DMA benefits. Developers who opt for communication and promotion of external offers through adherence to the StoreKit Addendum are prevented from concomitantly using Apple's proprietary payment system (Apple IAP). This prohibition imposes an exclusionary choice between functionalities that could be cumulative, artificially fragmenting the benefits arising from regulation and restricting developers' freedom to compose commercial arrangements that best suit their respective business models.

142. A third dimension warranting attention relates to the importance of technological design solutions for the effectiveness of regulatory measures. Scrutiny of the European Commission's decision in Case DMA.100109 illustrates how apparently neutral technical and operational requirements may, in practice, obstruct or impede the exercise of faculties ensured to developers. The restrictions imposed by Apple on the format of external links—quantitative limitation of a single link per store, prohibition on use of webviews, prohibition on additional parameters in the URL—were deemed non-compliant with the DMA precisely because they reduced the attractiveness and practical effectiveness of the external steering functionality.

143. Likewise, the disclosure sheets—warning screens displayed prior to user redirection—revealed themselves to be an instrument susceptible to strategic utilization to dissuade the completion of transactions outside Apple's ecosystem. The European Commission criticized both the repeated display of these screens and the adoption of non-neutral wording and design, which reinforced their dissuasive character to the detriment of developers and end users. The decision issued in the United States by Judge Yvonne Gonzalez Rogers followed similar guidance, pre-authorizing exclusively a version of the informational screen devoid of elements that might intimidate or discourage the user.

144. These findings denote that formal compliance with ecosystem-opening obligations does not, by itself, ensure achievement of the regulatory objectives pursued. The effectiveness of measures depends, to a large extent, on adequate calibration of the technical parameters and user interfaces that mediate the exercise of new faculties. This circumstance requires that CADE dedicate special attention to the technological implementation aspects of the measures ordered, so as to prevent merely formal compliance from coexisting with the practical frustration of competition objectives.

145. Finally, comparative analysis reveals the elevated complexity of fee regimes instituted by ecosystem orchestrators in response to regulatory obligations, a complexity that manifests with particular intensity in the European context. The multiplicity of fee categories—initial acquisition fee, store services fee, Core Technology Fee, Core Technology Commission—each levied on different calculation bases and periods, makes it exceedingly difficult for developers to evaluate the economic convenience of migration to the new contractual regimes.

Table 2. Comparison of Fee Structures Applicable to the iOS Ecosystem Across Examined Jurisdictions

	EU (DMA) — 2026 Terms	United States	Japan (MSCA)	South Korea
App Store with IAP (traditional)	17% + 3% processing (iOS/iPadOS)	30%	26%	30%
App Store with alternative processors	Not contemplated under AEUTA	Not permitted	21%	26%
Steering (link-out for external transactions)	IAF 2% + SSF 5-13% + CTF (AEUTA) or IAF 2% + SSF 5-13% + CTC 5% = up to 20% (StoreKit)	"Reasonable" fee to be set bellow 27%	15%	Not permitted
Distribution via alternative stores	IAF 2% + SSF 5-13% + CTF €0.50/install	Not permitted	5%	Not permitted
Sideloading	Permitted (same fees as alternative distribution)	Not permitted	Not permitted	Not permitted

146. Beyond mere difficulty of comprehension, the fee structure may be strategically designed to neutralize the expected benefits of ecosystem opening. The cumulation of fees

may result in an aggregate fee burden that approaches—or even exceeds—the commissions traditionally charged under the conventional App Store regime, emptying the economic incentive for adoption of alternative channels. In this regard, the European Commission's preliminary findings in Case DMA.100206 are eloquent in stating that developers who intend to use alternative distribution channels are disincentivized from doing so due to commercial conditions that include the Core Technology Fee.

147. It must be weighed, however, that the charging of commissions to remunerate technological costs actually incurred finds support in comparative experiences. The decision of the United States Court of Appeals for the Ninth Circuit of December 11, 2025, reinforced this understanding by admitting the charging of a "reasonable" fee linked to genuinely necessary costs. Under this guidance, no jurisdiction in the global landscape authorizes steering in an entirely free manner—which shifts the focus of analysis from the existence of the charge to its proportionality.

148. In sum, the lessons drawn from the comparative exercise point to the necessity of an integrated approach that contemplates not only the amplitude of opening obligations, but also the contractual architecture that implements them, the technological design solutions that mediate their exercise, and the fee structure that conditions their economic attractiveness.

149. International experience demonstrates that each of these dimensions may be instrumentalized to frustrate, by indirect means, the regulatory objectives formally enshrined. This finding recommends that this Agency, in the exercise of its attributions, dedicate special vigilance to the implementation aspects of the measures ordered, so as to ensure that the opening of Apple's mobile ecosystem in Brazil produces concrete effects on the competitive dynamics of the affected markets.

5. Analysis of the convenience and appropriateness of the proposed Cease-and-Desist Agreement

150. Having determined that Apple's proposal satisfies all statutory and procedural requirements, and having set forth the relevant considerations for crafting remedies in digital markets, CADE’s Tribunal now turns to the question of whether entering into the proposed Cease-and-Desist Agreement serves the public interest.

151. This analysis requires a detailed examination of three principal aspects: (i) the nature and scope of the obligations assumed by Apple and their effectiveness in addressing the competitive concerns identified in this proceeding; (ii) the resolution of collateral litigation; and (iii) the penalties applicable in the event of noncompliance with the terms of the agreement.

152. At the outset, CADE’s Tribunal notes that Apple expressed its willingness to negotiate a settlement with CADE before the ninety-day period for implementing the terms

of the preliminary injunction—unanimously upheld by this Tribunal in Voluntary Appeal No. 08700.009932/2024-18—had expired. Accordingly, notwithstanding the imposition of the preliminary injunction—which was designed to address the most pressing competitive concerns on an emergency basis—the benefits and advantages of the negotiated resolution warrant approval of the proposed Cease-and-Desist Agreement.

153. As set forth in the Opinion issued in Voluntary Appeal No. 08700.009932/2024-18, any pro-competitive modifications to Apple's mobile digital ecosystem that effectively address the concerns raised must encompass three core issues: (i) the anti-steering rules; (ii) the mandatory link between Apple's payment processing service (In-App Purchase, or "IAP") and in-app transactions; and (iii) the prohibition on distributing applications through alternative channels. These three pillars guided the negotiations and are reflected in the proposed Cease-and-Desist Agreement, as discussed below.

5.1. Modification of Anti-Steering Rules

154. During the investigative phase of Administrative Proceeding No. 08700.009531/2022-04, the General Superintendence identified the specific provisions of Apple's Terms and Conditions that formed the basis of the anticompetitive conduct under investigation. With respect to the Apple Developer Program License Agreement, the General Superintendence cited Sections 3.3.1(c), 3.3.9(a), 7.2, and 7.6, as well as Section 1.1 of Schedule 2, which are reproduced below in relevant part:

> 3.3.1 APIs, Functionality, and User Interface
>
> (c) Additional Features or Functionality
>
> Without Apple's prior written approval or as permitted under Section 3.3.9(A) (In-App Purchase API), an Application may not provide, unlock, or enable additional features or functionality through distribution mechanisms other than the App Store, Custom App Distribution, or TestFlight.
>
> 3.3.9 Transactions and Passes
>
> (A) In-App Purchase API – All use of the In-App Purchase API and related services must comply with the terms of this Agreement (including the Program Requirements) and Schedule 2 (Additional Terms for In-App Purchase API).
>
> 7. Distribution of Custom Applications and Libraries:
>
> Applications developed under this Agreement for iOS, iPadOS, macOS, tvOS, visionOS, or watchOS may be distributed: (1) through

the App Store, if selected by Apple, (2) through ad hoc distribution in accordance with Section 7.3, and (3) for beta testing through TestFlight in accordance with Section 7. 4. Applications developed for iOS, iPadOS, macOS, and tvOS may also be distributed through Custom App Distribution if selected by Apple. Applications for macOS may also be distributed separately as described in this Agreement.
(...)

7.2 Addendum 2 and Addendum 3 for Paid Licensed Apps; Receipts
If Your App qualifies as a Licensed App and You intend to charge end users a fee of any kind for Your Licensed App or within Your Licensed App through the use of the In-App Purchase API, You must enter into a separate agreement (Attachment 2) with Apple and/or an Apple Subsidiary before any commercial distribution of Your Licensed Application occurs through the App Store or before any commercial delivery of additional content, features, or services for which You charge end users a fee can be authorized through the use of the In-App Purchase API in Your Licensed Application. If you want Apple to sign and distribute your App for a fee through Custom App Distribution, you must enter into a separate agreement (Exhibit 3) with Apple and/or an Apple Subsidiary before such distribution occurs. If You enter into (or have previously entered into) Addendum 2 or Addendum 3 with Apple and/or an Apple Subsidiary, the terms of Addendum 2 or Addendum 3 shall be deemed incorporated into this Agreement by this reference.
(...)

7.6 No Other Distributions Authorized Under this Agreement

Except for the distribution of Licensed Applications available for free through the App Store or Custom App Distribution in accordance with Sections 7.1 and 7.2, the distribution of Applications for use on Registered Devices as set forth in Section 7.2 (Ad Hoc Distribution), the distribution of Applications for beta testing through TestFlight as set forth in Clause 7.4, the distribution of Libraries in accordance with Clause 7.5, distribution of Tickets in accordance with Appendix 5, delivery of Safari Push Notifications on macOS, distribution of Safari Extensions on macOS, distribution of Applications and libraries developed for macOS, and/or as otherwise permitted herein, no other distribution of programs or applications developed with Apple Software is authorized or permitted under the terms of this document. In the absence of a separate agreement with Apple, You agree not to distribute Your Application for iOS, iPadOS, tvOS, visionOS, or

> watchOS to third parties through other distribution methods or allow others to do so. You agree to distribute Your Covered Products only in accordance with the terms of this Agreement.
> (...)
> Appendix 2 (to the Agreement)
>
> Additional Terms for Use of the In-App Purchase API
>
> 1. Use of the In-App Purchase API
>
> 1.1 You may use the In-App Purchase API only to allow end users to access or receive content, functionality, or services that You make available for use in Your App (e.g., digital books, additional game levels, access to a point-to-point map service). You may not use the In-App Purchase API to offer goods or services to be used exclusively outside of Your App.[65]

155. As the foregoing contractual provisions demonstrate (in effect at the time of the investigation), Apple's agreements required developers to offer additional functionality or conduct transactions exclusively through Apple's In-App Purchase API and through Apple-approved distribution channels, such as the App Store, TestFlight, or Custom App Distribution. Any deviation from these channels required express authorization and execution of separate agreements.

156. In the Opinion accompanying Voluntary Appeal No. 08700.009932/2024-18, this Administrative Tribunal found substantial evidence that the arbitrary imposition of anti-steering clauses constituted a violation of the economic order, cognizable as anticompetitive discrimination under Article 36, Section 3, Item X of Law No. 12,529/2011.

157. The Administrative Tribunal concluded that the prohibition on third-party applications selling digital goods and services from other developers erected artificial barriers to entry in the market for digital product distribution on iOS. The principal theory of harm underlying this practice rested on the preservation of Apple's position as orchestrator of its mobile ecosystem through a strategy of defensive leveraging. Put differently, were third-party applications permitted to offer digital goods and services from other developers, such applications could emerge as substitutes—even if imperfect ones—for the distribution services provided by the App Store itself.

158. The analysis identified three mutually reinforcing categories of anticompetitive harm flowing from the imposition of anti-steering clauses: (i) the creation of artificial

[65] Previously available at: https://developer.apple.com/support/downloads/terms/apple-developer-program/Apple-Developer-Program-License-Agreement-20241206-Portuguese-Brazil.pdf.

barriers to entry in the market for distributing third-party digital goods and services on iOS; (ii) the creation of competitive distortions among developers; and (iii) the conferral of competitive advantages on Apple's native applications, which are not subject to the same restrictions imposed on rival developers.

159. In adopting the Preliminary Injunction that this Tribunal subsequently affirmed in its entirety, the General Superintendence ordered Apple to cease application, pending final judgment on the merits, of the above-referenced provisions of its Apple Developer Program License Agreement and App Store Review Guidelines.

160. The Administrative Tribunal notes that the versions of the App Store Review Guidelines initially examined by the General Superintendence have been successively amended. Nevertheless, at the time of the Voluntary Appeal, the principal anti-steering restrictions remained in effect for Brazil. The most relevant provisions are reproduced below:

> 3.1 Payments
>
> 3.1.1 In-App Purchases
>
> • If you want to unlock features or functionality in the app (e.g., subscriptions, in-game currency, game levels, access to premium content, or unlocking a full version), you must use in-app purchases. Apps may not use their own mechanisms to unlock content or functionality, such as license keys, augmented reality markers, QR codes, cryptocurrencies, and cryptocurrency wallets, etc. (...)
>
> 3.1.1(a) Link to Other Purchase Methods
>
> Developers may request rights to provide a link in the app to a website owned or operated by the developer for the purpose of purchasing digital content or services. These rights are not required for developers to include buttons, external links, or other calls to action in their apps in the U.S. store. See more information below.
>
> • StoreKit External Purchase Link Rights: Apps in the App Store in specific regions may offer in-app purchases as well as use a StoreKit External Purchase Link Right to include a link to the developer's website that informs users about other ways to purchase digital goods or services. Learn more about these rights. According to the rights agreements, the link may inform users about where and how to purchase these in-app purchase items and the fact that these items may be available at a comparatively lower price. The rights are for use only on the App Store for iOS or iPadOS in specific stores. In all other

> stores, except for the U.S. store, where this prohibition does not apply, apps and their metadata may not include buttons, external links, or other calls to action that direct customers to purchase mechanisms outside of in-app purchasing. (...)
>
> 3.1.3 Other Purchase Methods
>
> The following apps may use purchase methods other than in-app purchasing. Apps in this section may not, within the app, encourage users to use a purchase method other than in-app purchase, except for apps in the US store and as set forth in sections 3.1.1(a) and 3.1.3(a). Developers may send communications outside the app to their user base about purchase methods other than in-app purchase.

161. During the course of negotiations, Apple represented that the conduct described in item (i) of the Administrative Proceeding—namely, the prohibition on disclosing offers for third-party digital goods and services—ceased upon publication of the updated App Store Review Guidelines on June 9, 2025.[66] According to Apple, the revised terms eliminated the provision barring developers from offering third-party digital goods and services; accordingly, this restriction no longer applies to Brazil.

162. Be that as it may, a truly restorative remedy must aim to dismantle the artificial barriers to entry in the market for distributing digital goods and services within the iOS ecosystem. The objective is to foster conditions of contestability that permit independent developers to offer content and functionality through channels alternative to the App Store, without compulsory intermediation by the In-App Purchase API.

163. Ultimately, the intervention must guarantee developers the freedom to inform consumers of alternative means of acquiring digital goods and services, without such disclosure triggering any form of discriminatory treatment against the developer.

164. It is against this restorative framework that the comments gathered during market testing must be understood. The developers consulted identified a set of operational conditions they consider indispensable for the communication and promotion of external offers to constitute a genuinely effective alternative within the iOS ecosystem.

165. The most frequently expressed concern relates to preserving freedom of choice for both developers and users between external purchases and Apple's IAP. Respondents asserted that Apple's contractual instruments should not be permitted to present these options as mutually exclusive alternatives. [67] In the view of certain respondents, the isolated

[66] APPLE. Updated agreements and guidelines now available. Cupertino: Apple Developer, 9 jun. 2025. Disponível em: https://developer.apple.com/news/?id=r9dcmrvs.
[67] **[[CONFIDENTIAL — RESTRICTED ACCESS]**

use of steering could, under some circumstances, prove economically unviable.[68] Any friction introduced into external purchase flows could undermine incentives for promoting external offers. For these reasons, respondents advocated for a hybrid and more flexible model that combines both mechanisms as dynamic options.

166. Another frequently raised concern relates to the availability of links without quantitative restrictions. Developers maintained that limitations on this front—such as restricting developers to a single active URL—lack legitimate justification and would compromise sales conversion rates by introducing additional steps and unnecessary friction into the purchase flow.

167. Equally significant is the question of autonomy in designing promotional elements. Participants emphasized that developers must be free to determine how and where to display their offers, without unjustified restrictions on format or placement. It was further argued that users should be afforded the ability to copy and paste informational text—functionality that, to be effective in practice, presupposes that such text may include active links.

168. Having delineated the principal concerns raised by market participants, the Administrative Tribunal must now assess the extent to which the commitments set forth in the Cease-and-Desist Agreement adequately and sufficiently address each of these thematic areas. The analysis that follows demonstrates that the normative architecture of the agreement was designed to incorporate, to a substantial degree, the operational conditions developers deemed essential for the effectiveness of steering as an alternative sales channel.

169. Section 4.1.3 of the Cease-and-Desist Agreement—which forms part of the core Principal Obligations of the agreement—establishes Apple's commitment to permit developers to promote external offers available on their websites through Static Steering Text and/or Active Links within their applications:

> 4.1.3. Promotion of External Offers. Apple shall permit Developers to promote external offers available to users on their websites through Static Steering Text and/or Active Links within their Applications, provided that whenever Active Links are offered to users, Apple's IAP shall also be offered side-by-side.
> 4.1.3.1. Apple may establish operational procedures and information disclosure requirements, as set forth in Schedule I.

170. The text of this provision signals the adoption of a hybrid model, providing that whenever Active Links are offered to users, Apple's IAP must also be made available side-

[68] **[CONFIDENTIAL — RESTRICTED ACCESS]**

by-side. This configuration directly addresses the first concern identified in market testing: it preserves freedom of choice for developers and users without imposing mutually exclusive alternatives between sales modalities.

171. With respect to the operational details governing developers' communication and promotion of offers, Section 3 of Schedule I to the agreement reflects lessons learned from international regulatory experience and addresses the various issues raised by developers during market testing:

> Section 3. Promotion of External Offers (Steering)
>
> 3.1. Developers may promote external offers through Active Links, such as hyperlinks or active buttons, and/or Static Text (e.g., a URL to a webpage without a hyperlink, which users may manually copy or type into a browser). Active Links shall redirect users to a webpage owned or controlled by the Developer, accessible only through a browser application, and not through an in-app web-view within the Application in question. Developers using Active Links must also offer Apple's IAP side-by-side with any Active Link.
>
> 3.1.1. Developers may use an unlimited number of Active Links and Static Texts, without the need for prior notification to Apple.
>
> 3.2. Developers shall have autonomy to choose the design and language used to promote external offers through steering, provided they observe principles of equity when displaying Apple's IAP side-by-side with external offers. Developers may also include a "copy and paste" functionality for Static Steering Text.
>
> 3.3. Developers may offer more attractive conditions and specific promotions for external offers. Apple shall not create unjustified barriers or prejudice Developers who choose to promote external offers to users.
>
> (...) 3.6. The Compromising Party may only inform users that (i) any purchases and accounts created outside the Application will be managed by the Developer; (ii) the Developer will be responsible for managing security and privacy issues; and (iii) certain App Store features, stored payment methods, and other commercial features will not be available. The notices must include an option allowing users to dismiss the notice and not see it again under the same circumstances.
>
> 3.6.1. Notices to users must (i) be written in neutral and objective language; (ii) contain only the steps necessary to convey the

information listed in Clause 3.6 above, avoiding the creation of unnecessary friction for the user experience.

172. Regarding the availability of links, Section 3.1.1 provides that developers may use an unlimited number of Active Links and Static Texts, without the need for prior notification to Apple. This provision thus forecloses quantitative restrictions that could otherwise compromise sales conversion rates and introduce unnecessary friction into the purchase flow.[69]

173. With respect to autonomy in designing promotional elements, Section 3.2 affords developers freedom to choose the design and language used in promoting external offers, subject to observance of equity principles in the side-by-side display with Apple's IAP. The same provision expressly contemplates the possibility of including a copy-and-paste functionality for Static Steering Text, directly addressing the specific demand voiced during market testing. Section 3.3, in turn, makes explicit that developers may offer more attractive conditions and specific promotions for external offers, while prohibiting Apple from creating unjustified barriers or discriminating against those who opt for this channel.

174. The provisions governing user disclosure screens set forth in Sections 3.6 and 3.6.1 of Schedule I also warrant attention. Although Apple is permitted to inform users of certain characteristics of purchases made outside the application—such as management by the developer and the unavailability of certain App Store features—such notices must employ neutral and objective language, be limited to the steps strictly necessary to convey the permitted information, and avoid creating unnecessary friction. The option for users to dismiss the notice and not see it again reinforces the concern to prevent such alerts from operating as deterrent mechanisms. The Administrative Tribunal further notes that, as a consequence of the Cease-and-Desist Agreement, the alternative sales channels enabled—including steering and the use of alternative payment processors—may likewise be employed by developers for the sale of third-party digital goods and services.

175. A systematic analysis of these provisions demonstrates that the normative architecture of the Cease-and-Desist Agreement was designed to incorporate, to a substantial degree, the operational conditions developers deemed essential for the effectiveness of steering as an alternative sales channel. Accordingly, the aggregate commitments undertaken by Apple constitute an appropriate response to the competitive concerns underlying this Administrative Proceeding. By ensuring that developers and users enjoy a genuine choice among sales channels, the Cease-and-Desist Agreement promotes conditions of contestability in the market for distributing digital goods and services on iOS, consistent with the restorative objective of opening the mobile ecosystem.

[69] Restrictions of this nature have also been rejected by the European Commission in its DMA non-compliance decision. *See* European Commission, Commission Implementing Decision of 23.4.2025 in Case DMA.100109 – Apple – Online Intermediation Services – App Stores – AppStore – Art. 5(4) (Apr. 23, 2025), discussed in Section 4.1.1.

5.2. Unbundling the Payment Processing Service (Apple IAP) from In-App Transactions

176. Under the current framework, the App Store constitutes the exclusive distribution channel for iOS applications, and its usage guidelines require all developers to undergo an approval process mandating exclusive use of Apple's proprietary In-App Purchase (IAP) system for all digital content transactions. Use of IAP, in turn, is subject to a compulsory commission of thirty percent (30%) on the value of each transaction.

177. This bundling of the application distribution service (App Store) with the in-app transaction processing service (IAP) was examined in the Opinion accompanying Voluntary Appeal No. 08700.009932/2024-18. On that occasion, the Administrative Tribunal found that the practice constitutes tying, with the anticompetitive potential to (i) exclude alternative payment service providers from the iOS ecosystem and (ii) extract consumer surplus, particularly affecting developers whose business models depend on recurring transactions, such as games and streaming services.

178. To address the concerns raised in this proceeding, it was necessary to craft terms that decouple IAP from the App Store. To this end, among other measures, developers were consulted during market testing to ascertain their views on the operational conditions indispensable to the effectiveness of such relief.

179. The comments received demonstrated, first, the importance of ensuring freedom of choice for both developers and users. According to participants, a model that would require developers to make a prior and exclusive choice between IAP and alternative payment processors ("PSPs") would be inadequate. Apple's proprietary system possesses significant competitive advantages—notably, the storage of user credentials—such that its compulsory replacement by PSPs could entail substantial switching costs and reduce sales conversion rates. Similarly, respondents noted that an exclusivity regime would also harm consumers who prefer to use a processor other than the one selected by the developer. The solution advocated, therefore, was the adoption of a hybrid model permitting the simultaneous offering of IAP and PSPs as payment processing options.

180. With respect to user warning screens—commonly referred to as "scare screens"—concerns centered on the potential for such interventions to create unnecessary friction in the purchase flow. According to developers, excessive additional steps can generate friction and significantly increase abandonment rates. For this reason, respondents maintained that the language of such notices must be neutral and objective, limited to identifying the service providers involved, and must not unduly emphasize the alleged disadvantages of not using Apple's proprietary system.

181. Regarding eligibility requirements for PSPs, the comments received converged on the view that companies operating in this segment already comply with global standards ensuring high levels of security. In Brazil, such companies are, moreover, authorized and

supervised by the Central Bank, the legally competent authority for this purpose. In this context, any requirements imposed by Apple should be guided by objective, transparent, and proportionate criteria, adhering exclusively to technically verifiable parameters applied on a nondiscriminatory basis.

182. Finally, participants emphasized the importance of an express provision authorizing communication to users of more favorable conditions and offers available through the use of PSPs. Such authorization was considered essential for the decoupling to produce effective competitive effects, enabling any efficiency gains from the use of alternative processors to be passed through to end consumers.

183. The negotiation process resulted in commitments that address, in structured fashion, each of the concerns raised by developers during market testing. Section 4.1.2—forming part of the core Principal Obligations of the agreement—establishes the central obligation regarding alternative payment processors:

> 4.1.2. Alternative Payment Processors. Apple shall permit Developers distributing Applications through the App Store in Brazil the option to offer Alternative PSPs for transactions involving digital products and services within their Applications, provided that Developers also offer users Apple's IAP side-by-side for such transactions.
>
> 4.1.2.1. Apple may establish eligibility criteria and implementation requirements applicable to Alternative PSPs, as set forth in Schedule I.

184. The foregoing provision is elaborated in Section 2 of Schedule I to the agreement:

> Section 2. Alternative Payment Processors
>
> 2.1. Developers offering digital products and services for purchase within Applications distributed through the App Store in Brazil shall offer Apple's IAP for all transactions involving digital products and services and shall have the option to offer other eligible Alternative PSPs for such transactions side-by-side with Apple's IAP. When a Developer offers an Alternative PSP option, the Developer shall control the user interface relating to such Alternative PSPs, provided that principles of equity are observed when displaying Apple's IAP side-by-side with other payment options.
>
> 2.1.1. Developers may offer more attractive pricing conditions and specific promotions for purchases made through Alternative PSPs. Apple shall not create unjustified barriers or discriminate against Developers who choose to offer eligible Alternative PSPs.

2.2. Apple may only inform users that (i) the relevant payments are processed by the Developers, not by Apple; and (ii) certain App Store commerce features are unavailable for transactions processed by third parties.

2.2.1. User notices shall (i) employ neutral and objective language; and (ii) include only the steps necessary to convey the information set forth in Section 2.2 above, avoiding the creation of unnecessary friction in the user experience.

2.2.2. Notices shall include an option permitting users to dismiss the notice and not see it again under the same circumstances.

2.3. Apple may prevent Developers from offering users unauthorized Alternative PSPs for payment processing (i) when the user holds a Managed Apple Account, or (ii) when the user is a minor and the user's legal guardian has disabled in-app purchase functionality.

2.4. Apple may require Developers to observe certain conditions when offering alternative payment options to users between the ages of 16 and 17, namely: (i) use of the Declared Age Range API or other appropriate means to confirm that the user is 16 years of age or older prior to completion of the transaction; and (ii) compliance with the "Ask to Buy" functionality, when enabled, requiring parental and/or guardian consent.

2.5. Eligibility requirements for Alternative PSPs shall be objective, transparent, and proportionate.

2.5.1. Apple may require that Alternative PSPs: (i) satisfy minimum industry-applicable requirements for the secure handling of payment data; and (ii) maintain customer service procedures for transaction disputes, refund requests, or access to support, where such procedures are not provided directly by the Developer.

2.6. Apple may require Developers offering Alternative PSPs to monitor and report applicable transactions through technical means provided by Apple.

2.7. For the avoidance of doubt, Brazil's Instant Payment System (Pix) may qualify as an eligible Alternative PSP, subject to the eligibility requirements set forth above.

185. Section 2.1 provides that developers "shall have the option to offer other eligible Alternative PSPs for these transactions side-by-side with Apple's IAP." This language ensures adoption of the hybrid model demanded during market testing, precluding any exclusivity regime that would require developers to choose in advance between the proprietary system and alternative processors.

186. The same provision further stipulates that, when offering PSPs, the developer "shall control the user interface," subject to observance of "principles of equity" in the joint display of payment options. This guarantees autonomy in designing the purchase experience without prejudice to visual parity between available alternatives.

187. Section 2.1.1, in turn, provides that developers "may offer more attractive pricing conditions and specific promotions" for purchases made through PSPs, while prohibiting Apple from "creating unjustified barriers or discriminating against" those who opt to make such alternatives available. This provision directly addresses the demand for express authorization to disclose more favorable offers through channels alternative to IAP.

188. With respect to user warning screens, Sections 2.2 through 2.2.2 of Schedule I delimit, on a closed-list basis, the permissible content and parameters for disclosure. Apple "may only inform" users of two categories of information: that payments are processed by the developer, and that certain App Store features are unavailable for transactions processed by third parties. The closed-list nature of this enumeration precludes inclusion of additional warnings that could operate as deterrent mechanisms.

189. Furthermore, such notices must employ "neutral and objective language," include "only the steps necessary" to convey the permitted information, and "avoid creating unnecessary friction." Section 2.2.2 complements this framework by requiring an "option permitting users to dismiss the notice and not see it again." Taken together, these provisions embody the commitment to prevent alerts from being converted into deterrent devices—a central concern raised during market testing.

190. Similarly, should Apple elect to impose eligibility criteria for alternative payment processors, Section 2.5 of Schedule I provides that such criteria must be objective, transparent, and proportionate. Under Section 2.5.1, any such criteria may encompass only: (i) demonstration of compliance with minimum industry-applicable requirements for secure handling of payment data; and (ii) the existence of customer service procedures for transaction disputes, refund requests, and similar matters, whether provided by the developer or the entity responsible for payment processing.

191. Finally, Section 2.7 clarifies that "Brazil's Instant Payment System (Pix) may be an eligible Alternative PSP." This express reference is of particular significance in the Brazilian context, given the widespread adoption of this payment method and its operation under Central Bank supervision—a circumstance that, of itself, attests to compliance with the security standards required by the agreement.

192. The Administrative Tribunal concludes that the negotiated terms ensure the conditions necessary to guarantee the model's effectiveness, restricting the possibility of excessive friction and expanding the range of choices available to users through the decoupling of IAP from the App Store for in-app transactions.

5.3. Opening Alternative Application Distribution Channels (Alternative App Stores)

193. Another anticompetitive practice under investigation in this Administrative Proceeding concerns anticompetitive discrimination. Under the current regime, App Store rules impose restrictions on the distribution of third-party products, manifested in two principal dimensions: the prohibition on independent applications distributing third-party digital goods and services, and the prohibition on developers informing consumers about the possibility of acquiring digital goods and services outside the application environment.

194. The starting point for negotiating the Cease-and-Desist Agreement was an effort to remedy the potential anticompetitive effects identified in the Opinion accompanying Voluntary Appeal No. 08700.009932/2024-18. These effects include the foreclosure of alternative distribution channels for Apple's current and potential competitors, the imposition of competitive disadvantages on developers unable to distribute third-party digital content, the restriction of application diversity available to users, and the artificial maintenance of a monopoly over application distribution.

195. Additionally, developers commented on the opening for distribution of third-party digital goods and services, particularly through alternative app stores, in the context of market testing conducted during negotiations. The comments received may be organized into four principal thematic areas.

196. Regarding user warning screens, referred to as "scare screens," developers maintained that such notices must employ neutral language and be presented in reasonable quantity, with an express prohibition on unnecessary steps or screens for downloading third-party app stores.

197. With respect to eligibility requirements, the comments converged on the view that criteria for entities wishing to offer alternative app stores on iOS must not be discriminatory and must be grounded in objective technical parameters and security standard compliance. Concern was also expressed that requirements adopted in other jurisdictions—such as the requirement to present a letter of credit in the amount of USD 1 million or to have registered at least 1 million First Annual Installs on iOS in the prior year—may constitute barriers to entry for new competitors, particularly smaller developers.

198. Regarding the notarization process, developers warned that such procedures could give rise to arbitrary discretion in the review process. From this perspective, respondents argued that notarization must be limited to objective, nondiscriminatory, and transparent

security verifications based on publicly disclosed technical standards, with clear approval and rejection criteria. Where possible, the process should be automated and auditable, with reasonable review timeframes and equitable treatment of all developers. It was further argued that applications previously approved for distribution on Apple's App Store should not be required to undergo a new review process for distribution on alternative stores.

199. Finally, with respect to nondiscrimination and developers' ability to promote their offerings broadly, comments advocated for express permission allowing developers to widely publicize alternative distribution methods. Respondents also urged robust nondiscrimination provisions prohibiting any form of penalization of developers who opt for alternative distribution methods.

200. The negotiation process thus culminated in the commitments set forth in Section 4.1.1, which is among the Principal Obligations of the agreement and governs the obligation regarding alternative application distribution:

> 4.1.1. Alternative Application Distribution. Apple shall permit the distribution of Applications for the iOS system in Brazil through Alternative App Stores.
>
> 4.1.1.1. Apple may require that Alternative App Stores: (i) be new Applications (i.e., an Application that is not currently nor has previously been available on the App Store in Brazil) created and distributed in accordance with the terms of this Cease-and-Desist Agreement; (ii) be an Application primarily intended for the discovery and distribution of other Applications; (iii) be an Application distributed solely through the developer's own website; and (iv) comply with applicable eligibility and security requirements, as set forth in Schedule I.
>
> 4.1.1.2. Apple may maintain a Notarization Process for Applications distributed through Alternative App Stores, as described in Schedule I, designed to mitigate the risk that such Applications may compromise the integrity, privacy, security, and safety of consumer devices.

201. The rule governing alternative application distribution is set forth in Section 1 of Schedule I to the agreement, which reflects lessons learned from international experience and the results of market testing, as follows:

> Section 1. Alternative Application Distribution

1.1. Apple shall permit Developers to distribute Applications on the iOS system through Alternative App Stores operating in Brazil. Apple may require that such stores satisfy the following eligibility criteria:

1.1.1. The Alternative App Store Application is a new Application distributed in accordance with the terms of this Cease-and-Desist Agreement;

1.1.2. The Application must be primarily intended for the discovery and distribution of other Applications, whether the Developer's own Applications or third-party Applications that comply with the terms of the Alternative App Store;

1.1.3. The Application must be distributed solely through the Developer's own website;

1.1.4. The Developer operating the Alternative App Store shall agree to comply with certain Apple program requirements, including: (i) publishing transparent data collection policies and providing users with control over how their data is collected and used; (ii) acknowledging compliance with applicable laws of all jurisdictions in which it operates; (iii) providing mechanisms for receiving and resolving intellectual property disputes, removing content that infringes intellectual property rights and Developers who frequently provide content containing such infringements; (iv) receiving and administering governmental and other requests to remove a distributed Application that is illegal, violates Apple's and/or third parties' intellectual property rights, and/or violates the Developer's terms for Applications; (v) engaging in ongoing monitoring and detection of fraudulent, malicious, or illegal activity on its websites, in its applications, and in Applications distributed through its Alternative App Store, and taking appropriate action when such activity is detected; (vi) being responsive to Apple's communications regarding the Alternative App Store, its website, or Applications distributed through the Alternative App Store, particularly with respect to fraudulent, malicious, or illegal conduct or any other matter Apple believes may impact the security or privacy of end users; (vii) not infringing Apple's or third parties' intellectual property rights and implementing a mechanism to review other Developers' Applications for intellectual property infringement prior to distribution; (viii) not scraping, extracting, retrieving, caching, analyzing, or indexing Developer or Application metadata from the App Store for use by the Alternative App Store, and not aggregating or displaying links directing end users to the App Store (e.g.,

operating as a virtual storefront or marketplace); and (ix) providing, at no charge, restoration (via iOS and/or iPadOS backups to iCloud or to a computer) of downloads of Applications previously acquired through the Alternative App Store.

1.1.5. To ensure financial stability and reliability, Developers offering Alternative App Stores must satisfy at least one of the following criteria: (i) provide and maintain a standby letter of credit in the amount of USD 1,000,000 (one million dollars) or the equivalent in local currency; or (ii) be a member in good standing of the Apple Developer Program for two or more consecutive years and have an Application that had at least one million First Annual Installs on iOS globally in the preceding year.

1.1.6. Apple may only provide notices to users before or during the installation of any Alternative App Store for the purpose of informing users that (i) the Alternative App Store is operated by a third party and is not administered by Apple; (ii) any Applications installed through the Alternative App Store may access user data; and (iii) any purchases and accounts created through the Alternative App Store will be managed by its Developer, and as a result, App Store features, stored payment methods, and other App Store commerce features will not be available.

1.1.6.1. User notices shall (i) employ neutral and objective language; and (ii) include only the steps necessary to convey the information set forth in Section 1.1.6 above, avoiding the creation of unnecessary friction in the user experience.

1.1.6.2. Users shall have the option to determine whether subsequent downloads of Alternative App Stores will require user approval in settings or may be permitted without requiring such approval. For any installation of an Alternative App Store, Apple may notify the user (using neutral and objective language) that the Alternative App Store in question is not administered by Apple.

1.1.7. Apple may require Developers that distribute Alternative App Stores and that distribute Applications through Alternative App Stores to monitor and report applicable transactions through technical means provided by Apple.

1.2. Apple may maintain a review process for all Applications distributed through Alternative App Stores, for the purpose of

ensuring compliance with applicable eligibility requirements and standards (the "Notarization Process").

1.2.1. As part of the Notarization Process, Apple may require Developers to submit their Applications to Apple for review, where they will be checked for potential malicious code and evaluated in accordance with Apple's Notarization Review Guidelines.

1.2.2. Apple shall apply the Notarization Process in a transparent and nondiscriminatory manner, ensuring equitable treatment of Developers and providing clear information regarding approval and rejection criteria.

1.2.3. The Notarization Process shall observe reasonable timeframes for review.

1.2.4. The review process for Applications distributed on iOS shall not be duplicated, such that Applications that have already undergone a review process when distributed through the App Store shall not be subject to a new Notarization Process for distribution of identical Applications through Alternative App Stores.

202. Under the terms of the agreement, developers will be able to choose how their applications are distributed to users on iOS: (i) through Apple's App Store, or (ii) through alternative app stores authorized for iOS in Brazil, subject to a reduced commission, as detailed in the following section.

203. Section 1.1 of Schedule I establishes a closed list of requirements that Apple may impose for an application to be made available as an alternative store and for a developer to be eligible to operate an alternative store. Accordingly, Sections 1.1.1 through 1.1.4 of Schedule I to the agreement detail the potential requirements applicable to alternative app stores, as summarized in Section 4.1.1.1: "(i) be new Applications (i.e., an Application that is not currently nor has previously been available on the App Store in Brazil) created and distributed in accordance with the terms of this Cease-and-Desist Agreement; (ii) be an Application primarily intended for the discovery and distribution of other Applications; (iii) be an Application distributed solely through the developer's own website; and (iv) comply with applicable eligibility and security requirements, as set forth in Schedule I."

204. Section 1.1.5 of Schedule I, in turn, establishes two alternative criteria that Apple may require of developers wishing to offer an iOS-dedicated app store: (i) provision and maintenance of a standby letter of credit in the amount of USD 1,000,000 (one million dollars) or the equivalent in local currency; or (ii) membership in good standing in the

Apple Developer Program for two or more consecutive years along with an Application that had at least one million First Annual Installs on iOS globally in the prior year.

205. During market testing, certain developers raised significant concerns regarding the imposition of these requirements by Apple. **[RESTRICTED ACCESS TO CADE]**

206. To address these concerns, Apple committed to ensuring that the criteria are objective, transparent, and proportionate, applied consistently on a nondiscriminatory basis.

207. Developers also provided important input regarding user warning screens and the steps required to install an alternative store. **[RESTRICTED ACCESS TO CADE]**

208. To avoid creating excessive friction in the user journey that could, in practice, render the new model unworkable, Section 1.1.6 of Schedule I limits Apple's ability to display user notices, with Section 1.1.6.1 expressly providing that any such notices must employ neutral and objective language and include only the steps strictly necessary to convey the information. Likewise, Section 1.1.6.2 guarantees users the option to permit subsequent downloads of alternative stores without requiring approval for each download.

209. Thus, Apple may inform users before downloading alternative app stores; however, in doing so, it may not create excessive steps or add "scare screens" that render the download process unduly burdensome and ultimately discourage users from proceeding.

210. The review process for applications to be distributed through alternative stores—the notarization process—is likewise circumscribed by Section 1.2 of Schedule I, should Apple elect to implement it. Under Section 1.2.2, any notarization process must be transparent and nondiscriminatory, with guaranteed equitable treatment for developers and access to clear information regarding approval and rejection criteria.

211. Pursuant to Sections 1.2.3 and 1.2.4 of Schedule I, Apple must observe reasonable timeframes for reviewing applications through the notarization process and must adhere to a non-duplication rule, such that applications that have already undergone review for distribution on the App Store will not be subject to a new notarization process for distribution on alternative stores. These provisions are designed to ensure expeditious processing and to prevent Apple from using the notarization process as a means of obstructing alternative application distribution.

212. Together with the new rules regarding the purchase of digital goods—relating to steering and PSPs—the rules governing distribution of third-party digital goods and services, particularly applications, on iOS provide a broader range of choices for both developers and end users.

213. A brief comment is warranted regarding the exclusion of sideloading (downloading an application directly from the internet or loading it directly via transfer from another device) from the obligations negotiated in the agreement. As discussed in the Opinion accompanying the Voluntary Appeal, there may be legitimate technical concerns regarding the security risks associated with sideloading operations. Unlike the Android ecosystem, Apple has never authorized lateral loading of applications, maintaining that such downloads introduce significant security risks to the iOS ecosystem. The Administrative Tribunal finds that the distribution of third-party alternative stores, as structured in the agreement, permits enhanced competition within the iOS ecosystem without compromising potential security considerations.

214. In sum, the commitments assumed by Apple regarding alternative application distribution are adequate to address the competitive concerns raised in this proceeding. The establishment of eligibility requirements on a closed-list basis, the requirement of neutral language in warning screens, the prohibition on unnecessary steps in the installation flow, and the governance of the notarization process constitute safeguards designed to ensure that the opening formally enshrined translates into effective contestability in the application distribution market within the Brazilian iOS ecosystem.

5.4. Commissions and Fees Applicable to Developers

215. Under Apple's current rules, application distribution may be accomplished only through the App Store, just as the commercialization of digital services and goods within the iOS ecosystem is restricted to Apple's proprietary payment processor, known as In-App Purchase (IAP). As a result of this architecture, every digital transaction—whether from the sale of paid applications on the App Store or the commercialization of digital goods within already-installed applications—is subject to a compulsory commission of thirty percent (30%) for mandatory use of IAP.

216. The commitments assumed by Apple through the Cease-and-Desist Agreement, however, significantly alter this structure. With implementation of the new rules, it will become possible to conduct digital transactions within applications (in-app) through third-party payment processors (PSPs), to conduct digital transactions outside applications through the steering mechanism, and to distribute applications through alternative distribution channels.

217. For the measures analyzed in preceding sections to have practical effect, Apple has also committed to restructuring the commission and fee framework applicable to developers. This restructuring contemplates disaggregation of pricing components related to payment processing from those related to application distribution, differentiation of any fees applicable to payments made within applications (via IAP or PSPs) from those made outside applications (via steering), and establishment of a reduced commission that may be charged to developers who opt to distribute their applications through alternative stores—that is, outside the App Store environment.

218. With respect to potential commitments related to the commission structure, developers commented during market testing. Their input may be summarized as follows.

219. Regarding correlation between fees and specific services, developers maintained that fees charged must genuinely reflect a service rendered by Apple, advocating for the right to choose which services to contract and remunerate.

220. Concerning the App Store commission and IAP commission, comments converged on the view that the sum of potential fees for use of the App Store and IAP could render alternative solutions impracticable for developers. Respondents further expressed the perception that the thirty percent (30%) rate currently applied by Apple as a commission is abusive.

221. With respect to the Core Technology Commission (CTC), developers questioned whether there exists an objective justification for charging a commission to those using alternative distribution methods. Respondents warned that imposition of the CTC could constitute a barrier to competition, particularly if set at elevated levels, which would render both steering and alternative application distribution economically unviable. Clarity was also sought regarding the transactions to which the CTC would apply.

222. Regarding the commission on steering, comments maintained that such a charge does not reflect the rendering of any service by Apple. Respondents argued that imposition of a steering fee could constitute an aggravating factor on top of existing frictions in the user purchase process, rendering the model economically unviable. It was further argued that any services rendered by Apple in the steering context would already be adequately remunerated through the CTC.

223. Finally, with respect to tracking of purchases made through steering, developers expressed concern that charging a commission for up to seven days after activation of an Active Link could generate elevated costs if the tracking responsibility falls on the developer. Respondents maintained that a seven-day attribution window is inconsistent with market practices and should be limited to at most seventy-two hours. It was further noted that an excessively long period could generate duplicate charges to developers and compensate Apple for purchases made days later, without any effective connection to the steering mechanism.

224. Accordingly, the provision implementing Apple's new fee structure is contained in Section 4.1.4 of the Cease-and-Desist Agreement:

> 4.1.4. Alternative Commercial Terms. To implement the obligations described in Sections 4.1.1, 4.1.2, and 4.1.3, Apple shall implement a fee structure, which shall follow the terms set forth in Schedule II.

> 4.1.4.1. The new commercial terms shall become mandatory for developers as of the Mandatory New Terms Effective Date, as defined in Section 5.5.

225. The detailed fee structure is set forth in Schedule II to the Cease-and-Desist Agreement and provides for four new commissions and fees: (i) App Store Commission; (ii) Payment Processing Fee; (iii) Core Technology Commission (CTC); and (iv) Steering Commission.

Table 3. Fee Structure — Brazil Cease-and-Desist Agreement

Channel	Fee Type	Rate
App Store	Payment Processing Fee (IAP)	5%
	App Store Commission	25% (10% Small Biz)
Steering on App Store	Steering Commission	15%
Alternative Distribution	Core Technology Commission (CTC)	5%

226. The App Store Commission is described in Section 1 of Schedule II:

> Section 1. App Store Commission
>
> 1.1. Pursuant to Section 1.3 of this Schedule II, for all sales of Digital Products and Services made on the App Store or in Applications distributed through the App Store, the Developer shall pay Apple a commission on Net Sales of twenty-five percent (25%) (the "Standard Rate") or, if the Developer qualifies under a Special Program, a reduced rate of ten percent (10%) (the "Reduced Rate"). The availability, eligibility criteria, and duration of any Special Program shall be determined by Apple.
>
> 1.2. The App Store Commission compensates Apple for the value of App Store platform services and tools, including but not limited to distribution, discovery, curation, Developer tools, technologies, and related services. The App Store Commission is payable on all sales of digital products and services on the App Store, regardless of whether the Developer uses Apple's IAP or an Alternative PSP.
>
> 1.3. For transactions conducted on the App Store or in Applications distributed through the App Store, Apple shall not separately charge the CTC set forth in Section 4 of this Schedule in addition to the App

> Store Commission. The amount covered by the CTC is subsumed within the App Store Commission.

227. App store commission relates to the services and tools of the App Store platform. Accordingly, it may apply to the sale of paid applications within the App Store and to the sale of digital products and services through applications (paid and free) installed via the App Store, whether payments are made using IAP or a PSP.

228. In terms of rates, Apple shall apply two different percentages: (i) a standard rate of up to twenty-five percent (25%); and (ii) a reduced rate of up to ten percent (10%) for developers who qualify for an Apple Special Program—for example, the App Store Small Business Program, launched in Brazil in January 2021.

229. The Payment Processing Fee is set forth in Section 2 of Schedule II:

> Section 2. Payment Processing Fee
>
> 2.1. If the Developer elects to use Apple's IAP to process transactions for digital products and services conducted through Applications distributed on the App Store, the Developer shall pay Apple an additional fee of five percent (5%) of Net Sales processed through Apple's IAP (the "Payment Processing Fee").
>
> 2.2. The Payment Processing Fee compensates Apple for the payment processing and commerce features available exclusively through Apple's IAP, including functionalities such as Family Sharing and subscription management. The Payment Processing Fee shall not apply to transactions for which the Developer does not use Apple's IAP, specifically when: (i) the Developer processes payments through an Alternative PSP within an Application distributed on the App Store; (ii) users complete transactions via the web (steering); or (iii) the Developer distributes Applications through Alternative App Stores.

230. The Payment Processing Fee relates to the payment processing and commerce features offered by Apple's IAP. Apple may therefore apply this fee to all digital transactions conducted by developers using IAP—that is, whenever a user purchases a digital good or service within the developer's application and selects Apple's IAP to process the payment.

231. Conversely, the fee shall not apply to transactions not processed using Apple's IAP. Certain circumstances under which the Payment Processing Fee shall not be charged are expressly set forth in Section 2.2 of Schedule II, namely when the developer: (i) processes payments through a PSP within an Application distributed on the App Store; (ii) directs

users to complete transactions on the web (steering); or (iii) distributes Applications through Alternative App Stores.

232. The Core Technology Commission (CTC), set forth in Section 3 of Schedule II:

> Section 3. Core Technology Commission (CTC)
>
> 3.1. The Developer shall pay Apple a Core Technology Commission ("CTC") equal to five percent (5%) of Net Sales from certain transactions involving digital products and services.
>
> 3.2. The CTC is payable with respect to sales of digital products and services (i) conducted on the Developer's website when the Developer uses Active Links in an Alternative App Store or in an Application distributed through an Alternative App Store; (ii) within an Alternative App Store or within an Application distributed through an Alternative App Store; or (iii) when the transaction involves the paid download of an Alternative App Store or an Application distributed through an Alternative App Store. For the avoidance of doubt, the CTC applies to subscriptions and subsequent automatic subscription renewals, including when the subscription provides access to an Alternative App Store or its catalog of Applications.

233. CTC may be charged by Apple to compensate for the value developers derive from the platform. The fee may be set at up to five percent (5%) of the value of sales of digital goods and services, restricted to circumstances where: (i) the sale is finalized outside the application through use of an active link made available in an alternative app store or in an application distributed through an alternative store; (ii) the sale occurs within an Alternative App Store or within an Application distributed through an Alternative App Store; or (iii) the transaction involves the paid download of an Alternative App Store or an Application distributed through an Alternative App Store.

234. Under Section 3.2 of Schedule II, no CTC shall be charged for sales of digital goods and services conducted within the App Store—i.e., where payment is made within an application distributed through the App Store, whether through Apple's IAP or an alternative payment processor. Similarly, no CTC shall be charged for sales of digital goods and services conducted through steering where the application is distributed through the App Store, such that there shall be no overlap between the steering commission and the CTC, as explained below.

235. The Steering Commission is described in Section 4 of Schedule II:

> Section 4. Steering Commission
>
> 4.1. If the Developer includes an Active Link within an Application distributed through the App Store, the Developer shall pay Apple a commission equal to fifteen percent (15%) of Net Sales of digital products and services completed on the Developer's external website within the Attribution Period.
>
> 4.2. The Steering Commission compensates Apple for App Store services, including distribution and discovery, from which Developers benefit even when users are directed to the web to complete transactions.
>
> 4.3. The decision as to which users to present the Active Link and the duration of such presentation shall rest solely with the Developer.
>
> 4.4. If the Developer distributes Applications through the App Store and uses only Static Steering Text (without any Active Link) to inform users of promotions or offers available on its website, Apple shall not charge any commission on sales made on the website owned and controlled by the Developer. When Static Steering Text is used in conjunction with an Active Link, the Steering Commission shall be charged only on transactions completed through activation of the Active Link, subject to the Attribution Period.

236. The Steering Commission relates to compensation for App Store services, including application distribution and discovery, that may be utilized by developers who distribute their applications through the App Store and sell digital goods and services through steering.

237. This commission may apply only to applications distributed through the App Store where a user opts to purchase a digital good or service via an Active Link (outside the application), if the developer makes such functionality available.

238. Under Section 4.1 of Schedule II, through the Steering Commission, Apple may charge a fee of up to fifteen percent (15%) of sales of digital goods and services completed on the developer's external website within seven (7) days after each instance in which the user exits the Application via the Active Link—a period referred to as the "attribution period."

239. The Steering Commission may be charged only when the transaction is conducted through activation of an active link. Under Section 4.4 of Schedule II, no charge shall apply to the developer's use of static text. Accordingly, if a developer includes only static text as a steering mechanism within an application, no Steering Commission shall apply, even if

the user completes the purchase of a digital good or service outside the application. Similarly, even if a developer makes both static text and active links available in parallel within an application, the fee may be charged by Apple only if the purchase is made through activation of an active link and falls within the attribution period.

240. Finally, Sections 5 and 6 of Schedule II detail the procedures for calculating any commissions owed to Apple by developers, including information regarding data to be provided to Apple, billing methods, and deadlines for disputes:

> Section 5. Calculation and Determination
>
> 5.1. All commissions and fees under this Schedule shall be calculated monthly on Net Sales denominated in the transaction currency and converted to the remittance currency in accordance with Apple's standard exchange rate methodology, if applicable.
>
> 5.2. Within a commercially reasonable period following the end of each month, Apple shall provide the Developer with a statement setting forth the calculation of commissions and amounts due under this Schedule. The Developer shall furnish Apple with accurate and complete transactional data reasonably necessary for Apple to calculate the CTC and the Steering Commission, in accordance with the deadlines and format specified by Apple in its documentation.
>
> Section 6. Payment Terms and Dispute Resolution
>
> 6.1. Amounts due under this Schedule shall be invoiced or offset against amounts otherwise payable to the Developer, in accordance with Apple's standard settlement processes. All undisputed amounts shall be due and payable within the period specified in the Cease-and-Desist Agreement.
>
> 6.2. Should the Developer dispute any amount, Apple shall be notified in writing within sixty (60) days following the date the relevant statement is made available, specifying the grounds for the dispute. Apple and the Developer shall use good faith efforts to resolve the dispute. Undisputed amounts shall be paid on the due date.

241. The fee structure to be adopted in Brazil following execution of the Cease-and-Desist Agreement thus represents a simplified model, adapted based on developer input during market testing and lessons learned from international experience.

242. At the outset, the possibility of charging a Core Technology Fee ("CTF")—the commission in effect under the current European Union model and the target of significant developer criticism, as evidenced by the European Commission's preliminary findings in Case DMA.100206—was rejected. Priority was given instead to a commission that would not disincentivize developers from using alternative distribution channels, resulting in the Core Technology Commission ("CTC").

243. The Steering Commission, in turn, was set at fifteen percent (15%), considerably lower than the twenty-seven percent (27%) deemed abusive by the United States Court of Appeals for the Ninth Circuit. Once again, the intent is that the fee not represent a prohibitive amount that would preclude developers from utilizing the steering mechanism.

244. Moreover, the simplified character of the Brazilian fee structure model constitutes an important element in ensuring its effectiveness, with clear triggering circumstances and the absence of fee overlap. Under the terms of the Cease-and-Desist Agreement, there shall be no stacked charges in instances of steering or alternative distribution, unlike the European model, which has drawn criticism from developers.

245. In comparative perspective, the Brazilian framework, which is more open and simplified, may be visualized in the following table:

Table 4. Comparison of Fee Structures Applicable to the iOS Ecosystem Across Examined Jurisdictions

Remedy	European Union (DMA) — 2026 Terms	United States	Japan (MSCA)	South Korea	Brazil
App Store with IAP (traditional regime)	17% + 3% processing (iOS/iPadOS)	30%	21% + 5% processing = 26%	30%	30%
App Store with alternative processors	Not provided under AEUTA	Not permitted	21%	26%	25%
Steering (link-out for external transactions)	IAF (2%) + Store Fee (5-13%) + CTF €0.50/install (AEUTA) or IAF (2%) + Store Fee (5-13%) + CTC 5% (StoreKit)	"Reasonable" commission to be determined	15%	Not permitted	15%

Remedy	European Union (DMA) — 2026 Terms	United States	Japan (MSCA)	South Korea	Brazil
Distribution via alternative stores	IAF 2% + SSF 5-13% + CTF €0.50/install	Not permitted	5%	Not permitted	CTC 5%
Sideloading	Permitted (same fees as alternative distribution)	Not permitted	Not permitted	Not permitted	Not provided

246. Furthermore, as detailed in the Section 5.6, monitoring of the remedies set forth in the Cease-and-Desist Agreement shall be conducted through a Monitoring Trustee, with submission of periodic reports. Accordingly, monitoring results may also yield new market findings that could, in the future, prompt reassessment of the adequacy of the commission structure.

247. In light of the foregoing, the Court finds that the new fee structure is aligned with the other commitments assumed and ensures their effectiveness, guaranteeing that the pro-competitive effects of the new terms will be perceived by developers and users alike.

5.5. Resolution of Judicial Litigation

248. As set forth in Section 1.2, Apple filed Writ of Mandamus No. 1097967-08.2024.4.01.3400 in the 14th Federal Court of the Judicial Section of Brasília on December 1, 2024, which proceeding is sealed. Since then, successive orders have alternately stayed and reinstated the preliminary injunction imposed by CADE.

249. As a demonstration of good faith in resolving the controversy through consensual means, Apple committed to suspending its judicial action upon commencement of negotiations for the Cease-and-Desist Agreement. The most recent relevant development occurred on July 29, 2025, when Apple filed a motion to stay the proceedings for the duration of negotiations, pursuant to Article 313, Item II of the Code of Civil Procedure.

250. Section 11 of the agreement governs termination of the judicial litigation:

> Section 11. Termination of Judicial Litigation
>
> 11.1. Upon execution of this Cease-and-Desist Agreement, Apple and CADE agree to the termination of the litigation arising from Writ of Mandamus No. 1097967-08.2024.4.01.3400 and any related proceedings, with Apple filing a petition with the court within five (5) days of approval of the Cease-and-Desist Agreement informing of its waiver of the right underlying the action and requesting dismissal of

> the proceeding, with resolution on the merits, pursuant to Article 487, Item III, subparagraph (c) of the Code of Civil Procedure. The waiver pertains to rights arising from the same facts or legal grounds that gave rise to the referenced writ of mandamus and does not extend to matters extraneous to that proceeding.
>
> 11.2. Apple shall submit to CADE proof of filing of the petition referenced in Section 11.1 within five (5) calendar days of such filing.

251. Upon review of the terms of the Cease-and-Desist Agreement, the Office of Federal Attorney for CADE issued an Opinion concluding that the election of a consensual administrative solution as a means of resolving the dispute is appropriate.

252. In essence, the Office of Federal Attorney concluded that a consensual resolution offers benefits over the imposition of unilateral sanctions, insofar as such sanctions tend to generate protracted proceedings, elevated litigiousness, enforcement difficulties, and, frequently, limited effectiveness in inducing behavioral change. According to the Office, consensual mechanisms permit swift responses tailored to the realities of regulated sectors and possess greater capacity to induce ongoing compliance.

253. The convenience of the agreement is thus also manifest in the termination of judicial litigation through a consensual solution that prioritizes the public interest.

5.6. Breach of Obligations and Applicable Penalties

254. The Cease-and-Desist Agreement distinguishes between breach of (i) Principal Obligations—i.e., Apple's obligation to enable alternative application distribution, alternative payment processors, promotion of external offers, and new commercial terms—and (ii) Accessory Obligations—the remaining obligations assumed by Apple under the Cease-and-Desist Agreement, such as restrictions on warnings Apple may display to users (scare screens) and characteristics of the notarization procedure.

255. Pursuant to Section 8.2 of the Cease-and-Desist Agreement, if breach of any Principal Obligation is found to result from an act or omission attributable to Apple, CADE shall notify Apple, granting a period of twenty (20) days to cure such partial breach, without imposition of fines or other sanctions.

256. Should the breach of Principal Obligations not be cured within this period: (i) a declaration of breach of the Cease-and-Desist Agreement shall be issued; (ii) a fine of up to R$5,000,000.00 per breach event shall be imposed, taking into account the gravity and effects of the breach; and (iii) a period of thirty (30) days shall be granted for Apple to cure the breach (the "Final Cure Period for Principal Obligations"), without prejudice to the fine established in subitem (ii).

257. Should the breach not be cured following the Final Cure Period for Principal Obligations, a declaration of total breach of the Cease-and-Desist Agreement shall be issued ("Declaration of Total Breach"). Following a Declaration of Total Breach by CADE's Tribunal, or if total breach is otherwise established as a result of an act or omission by Apple: (i) a fine of R$150,000,000.00 shall be imposed; and (ii) the Administrative Proceeding shall be reinstated against Apple, as shall the Preliminary Injunction imposed by CADE's General Superintendence and upheld by CADE's Tribunal.

258. With respect to Accessory Obligations, the Cease-and-Desist Agreement provides that CADE shall notify Apple and grant a cure period of twenty (20) days. Should the breach not be cured following this period, a declaration of breach shall be issued, with fines payable depending on the duration of the continuing breach. Accordingly, a fine of R$500,000.00 shall be imposed per breach event; a doubled fine of R$1,000,000.00 shall apply if the breach persists for more than ten (10) days; and a fine of R$5,000,000.00 shall apply if the breach event persists for more than thirty (30) days.

259. Such fines shall be paid to the Fund for Defense of Diffuse Rights within thirty (30) calendar days, subject to accrual of interest and late-payment penalties if paid after this period.

260. The Administrative Tribunal observes that the penalty amounts stipulated—particularly in the case of total breach of the agreement—are significantly elevated, reflecting the intent to confer deterrent effect and discourage Apple from incurring any violation of the assumed obligations.

6. Procedural matters

6.1. Term of the Cease-and-Desist Agreement

261. The framework adopted is designed to afford Apple adequate time to implement the necessary technical and contractual adaptations, without indefinitely postponing the pro-competitive effects sought. To this end, Section 10 of the Cease-and-Desist Agreement provides that the agreement shall become effective on the first business day following the Effective Date and shall remain in force for a period of three (3) years, commencing on the first business day following the conclusion of the Transition Period.

262. The Effective Date is defined as the first business day after the date on which CADE issues a certificate of finality attesting that the decision of CADE's Tribunal approving this Cease-and-Desist Agreement is final and non-appealable (pursuant to Section 5.1). Upon the Effective Date, the Implementation Period commences, during which Apple shall take all measures necessary to ensure effective implementation of the obligations set forth in the Cease-and-Desist Agreement (Section 5.2). This is followed by the Implementation Date (Section 5.3), on which the obligations set forth in Section 4.1 shall become effective and binding upon Apple.

263. Notably, pursuant to Section 5.3.1, Apple may terminate the Implementation Period early upon written notice to CADE, designating an earlier business day as the end of the Implementation Period.

264. Following the Implementation Date, the agreement provides for a Transition Period, as set forth in Section 5.4, meaning a period to be established by Apple of not more than one hundred twenty (120) days, during which developers may continue distributing Applications through the App Store subject to the currently applicable commercial terms. Accordingly, the new commercial terms shall become mandatory for developers in Brazil following the Transition Period, on the Mandatory New Terms Effective Date.

265. The timeline below illustrates the periods delineated in the Cease-and-Desist Agreement:

Figure 6. Timeline of the Cease-and-Desist Agreement

266. For the avoidance of doubt, the Cease-and-Desist Agreement becomes effective as of the Effective Date, and the three-year term set forth in Section 10 commences only upon the Mandatory New Terms Effective Date. In other words, the Cease-and-Desist Agreement shall remain in force for the Implementation Period (105 days, subject to early termination upon written notice to CADE), plus the Transition Period (up to 120 days), plus three years following the conclusion of the Transition Period, as set forth in the agreement.

6.2. Monitoring of Obligations and Sectoral Oversight

267. Pursuant to applicable law, CADE's General Superintendence shall be responsible for monitoring compliance with the terms and conditions set forth in the Cease-and-Desist Agreement. To this end, a Monitoring Trustee shall be appointed to oversee the remedies provided for in the Cease-and-Desist Agreement and to prepare semi-annual periodic reports, as set forth in Sections 6.1 and 6.2.

268. Apple shall have up to thirty (30) days from the Effective Date to submit up to three (3) proposed monitoring trustee candidates for CADE's evaluation, pursuant to Section 6.6. The Trustee must satisfy certain requirements regarding technical qualifications and absence of conflicts of interest, as set forth in Section 6.8, and shall be appointed by CADE's Tribunal pursuant to Section 6.7.

269. Section 6.5 of the Cease-and-Desist Agreement provides that, pursuant to Article 9, Item XVIII, and Article 13, Item VI, subparagraph (a) of Law No. 12,529/2011, during the term of this Cease-and-Desist Agreement, CADE may at any time request that Apple and/or the Trustee provide such data and information as may reasonably be deemed necessary to monitor compliance with the commitments set forth herein.

270. Schedule III to the Cease-and-Desist Agreement sets forth the procedural aspects governing monitoring of the obligations assumed thereunder. Pursuant to Section 3 of Schedule III, the Trustee shall prepare and submit semi-annual reports regarding compliance with the obligations concerning Alternative Application Distribution (Section 3.1.1 of the Cease-and-Desist Agreement), Alternative Payment Processors (Section 3.1.2), Promotion of External Offers (Steering) (Section 3.1.3), and Alternative Commercial Terms (Section 3.1.4).

271. CADE may request additional information and clarifications, including through submission of supplemental reports, pursuant to Section 4 of Schedule III. Furthermore, pursuant to Section 5 of Schedule III, the content and format of the Reports may be revised and updated, following consultation with the Trustee, to reflect operational adjustments or to enhance the effectiveness of the monitoring procedure.

6.3. Modifications

272. Section 9 of the Cease-and-Desist Agreement provides that the terms may be modified by CADE, by mutual agreement with Apple, under two circumstances. First, modification may be made in Apple's favor should significant market changes arise that render certain obligations unnecessary or disproportionately burdensome for Apple to perform, provided such modification does not prejudice third parties or the public interest. This provision implements Article 85, Section 12 of Law No. 12,529/2011.

273. Additionally, modification is permitted should it be determined that the objectives of the agreement are not being adequately achieved by the measures adopted, pursuant to Section 9.

7. ORDER

274. For the foregoing reasons, and having determined that the proposal before this Tribunal satisfies all statutory requirements and serves the convenience and interests of the public administration, with the potential to generate beneficial effects for the affected markets, I vote to approve the proposed Cease-and-Desist Agreement submitted by Apple Inc.

So ordered.

VICTOR OLIVEIRA FERNANDES
Commissioner and Reporting Member