

Dear MEPs of the ECON and IMCO Committees,

This is a pivotal moment for the EU's ambition to lead the way in making digital markets fairer and more competitive.

Several years ago, the EU recognised that the monopoly power wielded by Apple and Google in the digital economy had a deep and detrimental impact on European app developers and innovators. They have been using their enormous gatekeeping power to prevent fairness and effective competition in their respective app stores and mobile ecosystems. This has led to higher prices for businesses and consumers, less innovation, and limited choices. In particular, Apple and Google have consistently abused their dominance to extract monopoly rents from the digital economy and provide an unfair advantage to their own services. And this problem persists in the EU even today.

Many app developers are prevented from competing fairly for the hearts and minds of EU consumers. This is particularly true for developers of "digital goods and services", such as the undersigned publishers, music and audiovisual streaming providers, gaming developers, dating apps, financial services providers, and email providers. These developers are restricted from freely communicating with customers about offers or discounts. Gatekeepers force consumers to use their stores and in-app purchasing systems, charging an excessive tax on each transaction – up to 30%. And if a consumer or app developer does not like these terms, they have no alternative.

The undersigned companies and organizations have all suffered due to Apple and Google's anti-competitive practices.

Recognizing that the EU's traditional competition tools needed updating, the Digital Markets Act (DMA) was introduced to ensure fair competition. The DMA received broad support. Not only the IMCO and ECON committees, but the entire European Parliament showed its commitment to end the anti-competitive behavior by gatekeepers. In the end, the 27 member states and the three EU institutions reached an agreement in record time.

**But the job is not finished yet.**

Apple and Google are actively circumventing the DMA, thwarting European innovation, extracting monopoly rents from developers, and harming consumers across continents. Their sham compliance strategies (or even outright defiance) undermine the political ambition behind the DMA. They have been using the DMA to spin a political war, making it even more inhospitable for businesses to compete and thrive in the EU.

Concrete examples of Apple and Google's non-compliance strategy include:

- Apple keeps its old business terms for developers, even if they are now illegal. To benefit from their rights under the DMA, developers need to sign up to new, anticompetitive fees which violate the DMA. In doing so, Apple has positioned itself as the gatekeeper of the DMA, and created new revenue streams from charging for DMA freedoms.
- With new fees and complex install procedures, it is impossible for any alternative app store, web app, or independent distribution channel to compete fairly with Apple and

Google. The same friction to download apps from alternative stores or directly from the web does not apply to downloads from Apple's App Store or Google's Play Store.

- The DMA states Apple and Google cannot make developers pay for communicating to users and selling them special deals or offers. Yet, both companies introduced new taxes on exactly those things.

So far, the Commission has shown early commitment to enforcing the rules. It has launched several investigations into gatekeeper compliance, reaching a preliminary conclusion that Apple is in breach of the DMA. We welcome and support these enforcement actions. However, these preliminary charges have not led to effective compliance proposals by Apple or Google. More action must be taken against both gatekeepers to bring them into compliance. Otherwise, Apple and Google's portrayal of the EU (ever since the DMA has passed) could become a reality: no longer a home to fair competition and tech innovation.

**The European Parliament can make a difference in this time of political transition by taking the following three actions:**

1. As Commissioner-designates prepare to take on their new roles, ensure that they prioritize and fully resource DMA compliance and enforcement to bring real benefits to European consumers and businesses.
2. Join forces in a renewed Working Group on the Implementation of the Digital Markets Act, building on the work done in this Working Group during the last legislature.
3. As European legislators, hold Apple and Google directly accountable for their compliance with EU digital laws such as the DMA. Circumventing DMA compliance - as done by Apple and Google - is a clear offense to the spirit and letter of the law.

Gatekeepers are investing enormous resources to challenge DMA compliance and preserve their anticompetitive and unfair practices. If the EU allowed them to do so, it would be a massive failure for the DMA and the credibility of EU technology regulation.

Digital markets are moving ever faster. For the next EU legislature, swift and vigorous DMA enforcement should be an urgent priority. We count on your invaluable support as MEPs, to turn the DMA's political ambition into reality.

## CO-SIGNATORIES

Representing over 65,000 business and app developers across the world, as well as dozens of national associations, this joint letter was co-signed by the following organisations.

