Coalition for
APP FAIRNESS

Aug. 21, 2026

Mr. Kenta Suzuki
Counselor for Digital Affairs
Japan Fair Trade Commission
Toranomon Alcea Tower
2-2-3 Toranomon, Minato-ku
Tokyo 105-0001
Japan

Re: Apple and Google Compliance Reports Under Japan's Mobile Software Competition Act

Dear Mr. Suzuki,

The Coalition for App Fairness (CAF) is an independent nonprofit organization representing a wide variety of independent app developers, including startups, independent and small developers, independent studios and popular apps that run on mobile devices.

CAF works around the world to support legislation and enforcement to bring fair competitive conditions to the mobile app marketplace, stop the abusive and extractive conduct of the dominant mobile app platforms and enable independent developers to compete on a level playing field with the dominant providers.

CAF was and is supportive of the Mobile Software Competition Act (MSCA) and the leadership it represents for Japan, as well as the opportunity it presents for Japanese consumers and businesses. Properly enforced, the MSCA promises to usher in a new era of competition on and with today's dominant mobile platforms owned by Apple and Google.

Following up on our letter and meeting earlier this year, I write to you on behalf of CAF in regard to the recently released reports from Apple and Google concerning their compliance, or, more accurately, lack thereof, with the MSCA. It is apparent that neither company intends to comply, to cease their unfair and anticompetitive conduct, nor relinquish the significant market power as required and intended by the MSCA absent strong enforcement and orders from courts. This is entirely consistent with their behavior and approach in other jurisdictions around the world.

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Until there are enforcement actions, confirmed by courts, the goals and intent of the MSCA to open up competition on mobile platforms in a way that benefits Japanese consumers, businesses and the Japanese economy will remain unrealized. Therefore, we urge you to begin the process that will be required to compel these companies to comply and bring competitiveness to the digital mobile space.

While Apple's and Google's reports describe what they call new options, the reality for independent app developers is that they remain completely at the mercy of these essential dominant platforms, unable to exercise any alternative paths that would avoid unfair and restrictive conditions and avoid extractive fees for services that they simply don't want or need. All of which means the Japanese consumer won't realize the potential benefits of lower prices, greater choice and more innovation that the Act was designed to deliver.

Unsurprisingly, just as we have seen in the rest of the world, neither company is willingly giving up the ability to force and tie unfair and discriminatory fees and services, including fees for steering, payment processing and interoperability. While CAF believes that both companies should be able to competitively offer whatever services they wish to provide at whatever fees they wish to charge, including payment processing and distribution, those services and fees cannot be mandatory simply as a condition of existing on their platforms.

Unfortunately, both companies' reports clearly demonstrate that they will not give up this ability to extract rents, rather than compete. Continued platform fees, restrictions on alternative payments and distribution, high barriers to alternative app stores and limited transparency all are aimed at preserving the monopoly power that the MSCA was meant to address.

We understand that the reports reflect the companies' views, not the assessment of the JFTC. We urge the JFTC to independently evaluate the reports and assess the conduct in the context of whether developers of all sizes are using, or able to use, the options the companies claim to be providing, and importantly, whether the companies either explicitly or impliedly are still imposing unavoidable and mandatory fees and services on developers and consumers. It is apparent that they are and will not relent unless and until the JFTC takes formal action.

We also wanted to provide an update on developments in the US as courts are dealing with the issue of what, if any, fee might be appropriate for developers exercising the right to "steer" users toward alternative payment processing for the sale of digital goods and subscriptions.

As we indicated in our last letter, the US Ninth Circuit decided that:

> *"Apple should be able to charge a commission on linked-out purchases based on the costs that are genuinely and reasonably necessary for its coordination of external links for linked-out purchases,* ***but no more****."* (p. 41, emphasis added)

The case was remanded to the District Court for fact-finding as to what those costs might be, if any.

On Aug. 11 2026, the District Court denied Apple's request to stay proceedings on this question pending the Supreme Court review of the finding of contempt. The court noted that the Supreme Court ruling would not negate the need to resolve this evidentiary question as even if her contempt order were to be vacated by the Supreme Court, ultimately her injunction would be amended to reflect the instructions on allowable fees from the Ninth Circuit. (Court order is attached).

On Aug. 13, the US Supreme Court denied Apple's request for a stay, and Apple filed it's required proffer in the District Court later that day. In that filing, Apple confirmed that the costs associated with facilitating steering were essentially zero. Those proceedings in the District Court will continue, and in the meantime, Apple will continue to be allowed to charge no commission on developers that steer and process payments outside of the app and App Store environment.

What is apparent is that in the US, Apple will likely be limited to whatever necessary costs they can actually demonstrate to the court, which, based on the August 13 filing, by their own admission, is zero. Similar proceedings are moving forward in Europe and the UK. The European Commission has fined Apple and Google over anti-steering restrictions, despite changes the companies claimed complied with the law. Based on reports this week, Apple has introduced new terms in the European Union which CAF believes violate the plain language of the Digital Markets Act and which will be challenged by developers in court in Europe. The UK's Competition and Markets Authority is considering what conduct remedies to impose and are expected to reach a decision in the near future.. The current state of non-compliance could leave Japan as an outlier in permitting these monopolistic platforms to extract unfair and discriminatory rents from developers and consumers. We urge Japan to do what will be necessary to change their conduct: bring an enforcement action and have a court confirm it.

CAF believes that Apple and Google's new terms in Japan violate Articles 6, 7 and 8 of the MSCA as it unjustly and unfairly discriminates against particular app developers and imposes terms, conditions, and fees that effectively deter or prohibit alternative app stores and limit functionality and processing of payments by independent apps and browsers. The JFTC should conclude that Apple and Google are in violation of the MSCA and impose appropriate fines and conduct remedies to bring Apple into compliance. If the JFTC does not do so, it risks "endorsing" a set of terms that not only are clearly violative of both the MSCA as well as traditional competition laws, it also risks leaving Japanese consumers and businesses at the mercy of these two giant firms and leave Japan behind other jurisdictions like the US as attractive places to build digital mobile businesses.

Finally, we would like to emphasize the opportunity for Japanese consumers and businesses that effective enforcement of this law represents. There is longstanding precedent for "free access" to a dominant operating system platform like iOS. In the early 2000's, Microsoft was required to grant equal access to its platform for programs like browsers and media players, against which Microsoft was directly competing. Notably, they were not permitted to charge for that access (for the same reasons outlined by the Ninth Circuit in Apple's case against Epic). Among the companies taking most advantage of this were Apple itself, who was able to launch iTunes for Windows and market iPods, and later iPhones, to the huge market of PC owners, all without having to pay 30% of their PC-generated revenues to Microsoft. Indeed, absent that "free" access requirement, it's not clear that Apple even exists today, nor is it clear that the unprecedented business and economic boom in Silicon Valley emerges as it did.

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Japan has an opportunity to be a leader in creating similar pro-competitive circumstances on mobile devices as the United States and later the European Union did in the early 2000s on PCs. The JFTC must reject Apple and Google's cynical and defiant "new" terms and enforce the MSCA to realize the promise that this landmark legislation represents.

Sincerely,

Gene Burrus
Global Policy Counsel
Coalition for App Fairness
gene@burruscompstrategies.com