

# European Union Competition Proceedings

Jurisdiction: European Commission, Directorate-General for Competition

Nature of Claim: Alleged anti-competitive practices related to App Store rules and music streaming (Spotify complaint).

Status: Statement of objections issued; hearings scheduled.

Potential Impact: Potential fines and mandated changes to App Store policies in the EU.

Resolution Outlook: Pending outcome of EU proceedings.

## Detailed Summary:

The European Commission initiated formal antitrust proceedings against Apple following complaints from Spotify and other digital service providers regarding App Store rules. The allegations center on Apple's 30% commission, restrictions on steering users to alternative payment systems, and preferential treatment for Apple Music. In 2023, the Commission issued a Statement of Objections, signaling a preliminary finding of anti-competitive conduct. Hearings are scheduled for late 2024. Potential remedies include substantial fines—up to 10% of Apple's global revenue—and mandated changes to App Store operations within the EU. The case carries significant strategic implications for Apple's Services segment, which is a growing portion of revenue. Management is preparing for various outcomes, including appeals, potential settlements, or mandated policy changes.

This matter continues to be closely monitored by management and legal counsel. Given the complexity of the case, outcomes may vary depending on regulatory review, judicial interpretation, and potential settlement opportunities. Apple remains committed to vigorously defending its interests while exploring resolutions that minimize business disruption. This matter continues to be closely monitored by management and legal counsel. Given the complexity of the case, outcomes may vary depending on regulatory review, judicial interpretation, and potential settlement opportunities. Apple remains committed to vigorously defending its interests while exploring resolutions that minimize business disruption. This matter continues to be closely monitored by management and legal counsel. Given the complexity of the case, outcomes may vary depending on regulatory review, judicial interpretation, and potential settlement opportunities. Apple remains committed to vigorously defending its interests while exploring resolutions that minimize business disruption.