



Antitrust: Commission opens investigation into Apple practices regarding Apple Pay

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The European Commission has opened a formal antitrust investigation to assess whether Apple's conduct in connection with Apple Pay violates EU competition rules. The investigation concerns Apple's terms, conditions and other measures for integrating Apple Pay in merchant apps and websites on iPhones and iPads, Apple's limitation of access to the Near Field Communication (NFC) functionality ("tap and go") on iPhones for payments in stores, and alleged refusals of access to Apple Pay.

The investigation concerns the above conducts of Apple in the European Economic Area (EEA).

Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said: *"Mobile payment solutions are rapidly gaining acceptance among users of mobile devices, facilitating payments both online and in physical stores. This growth is accelerated by the coronavirus crisis, with increasing online payments and contactless payments in stores. It appears that Apple sets the conditions on how Apple Pay should be used in merchants' apps and websites. It also reserves the "tap and go" functionality of iPhones to Apple Pay. It is important that Apple's measures do not deny consumers the benefits of new payment technologies, including better choice, quality, innovation and competitive prices. I have therefore decided to take a close look at Apple's practices regarding Apple Pay and their impact on competition."*

Apple Pay is Apple's proprietary mobile payment solution on iPhones and iPads, used to enable payments in merchant apps and websites as well as in physical stores.

Following a preliminary investigation, the Commission has concerns that Apple's terms, conditions, and other measures related to the integration of Apple Pay for the purchase of goods and services on merchant apps and websites on iOS/iPadOS devices may distort competition and reduce choice and innovation.

In addition, Apple Pay is the only mobile payment solution that may access the NFC "tap and go" technology embedded on iOS mobile devices for payments in stores. The investigation will also focus on alleged restrictions of access to Apple Pay for specific products of rivals on iOS and iPadOS smart mobile devices.

The Commission will investigate the possible impact of Apple's practices on competition in providing mobile payments solutions.

If proven, the practices under investigation may breach EU competition rules on anticompetitive agreements between companies (Article 101 of the Treaty on the Functioning of the European Union (TFEU)) and/or on the abuse of a dominant position (Articles 102 TFEU).

The Commission will carry out its in-depth investigation as a matter of priority. The opening of a formal investigation does not prejudice its outcome.

In parallel, [today](#) the Commission has opened also formal antitrust investigations to assess whether Apple's rules for app developers on the distribution of apps via the App Store violate EU competition rules.

Background on antitrust investigations

[Article 101](#) of the TFEU prohibits anticompetitive agreements and decisions of associations of undertakings that prevent, restrict or distort competition within the EU's Single Market. [Article 102](#) of the TFEU prohibits the abuse of a dominant position. The implementation of these provisions is defined in the Antitrust Regulation ([Council Regulation No 1/2003](#)), which can also be applied by the national competition authorities.

Article 11(6) of the Antitrust Regulation provides that the opening of proceedings by the Commission

relieves the competition authorities of the Member States of their competence to apply EU competition rules to the practices concerned. Article 16(1) further provides that national courts must avoid adopting decisions that would conflict with a decision contemplated by the Commission in proceedings it has initiated.

The Commission has informed Apple and the competition authorities of the Member States that it has opened proceedings in this case

There is no legal deadline for bringing an antitrust investigation to an end. The duration of an antitrust investigation depends on a number of factors, including the complexity of the case, the extent to which the undertakings concerned cooperate with the Commission and the exercise of the rights of defence.

More information on the investigation will be available on the Commission's [competition website](#), in the public [case register](#) under case number AT.40452 (Apple – Mobile Payments – Apple Pay).

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