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Apple Backs Down On Controversial In-App Purchasing Rules

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Apple recently revised its App Store Review Guidelines to remove some of the most controversial rules governing subscription apps and in-app purchases. The changes come just weeks before the June 30th deadline by which developers had to bring their existing apps into compliance with the in-app purchasing rules announced in February. Under the February rules, if developers wanted to use content purchased outside of the app, they also had to offer the content for in-app purchase and it had to be offered at the same price or less than it was offered elsewhere, despite the fact that Apple takes a 30% cut. Apps also could not link to external mechanisms that could be used to purchase content for use in the app. This meant that Amazon's vast library of digital books would have to be offered for sale within their Kindle app but Amazon could not increase their prices in order to compensate for Apple's 30% commission. Furthermore, the app could no longer link to Amazon's website. Under the new rules, developers are no longer required to offer in-app purchasing for all content used in the app but they are free to charge any price if they do choose to do so. However, the new rules still prohibit developers from linking to external stores from within the app. Keeping with the Kindle app example, after June 30th, Amazon will still have to remove their link from the Kindle app, but Amazon is not forced to sell their books within the app, and if they do, they can charge a premium to compensate for Apple's cut. Apple's revised policies notably came just a few days after the Financial Times, which won an award last year for the design of its iPad app, announced its new web-based app. The new app can be accessed through a browser, allowing users to bypass Apple's app store altogether. The Financial Times didn't say that they would be discontinuing their iOS app, but they encouraged their users to switch to the web-based app immediately, stating that it would be the focus of their development efforts going forward. With Apple's revised policies, it is unclear whether other app developers will follow FT's lead or if Apple's new rules will placate the discontented developers.

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