

11 August 2021

Committee Secretary  
Parliamentary Joint Committee on Corporations and Financial Services  
PO Box 6100  
Parliament House  
Canberra ACT 2600

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Dear Sir / Madam

**Inquiry into mobile payment and digital wallet financial services – Responses to questions on notice**

This letter sets out CPA Australia's responses to questions on notice arising from our appearance before the Parliamentary Joint Committee on Corporations and Financial Services on 27 July 2021.

If you have any queries, please do not hesitate to contact Dr. Jana Schmitz, Technical Advisor, Assurance and Emerging Technologies at CPA Australia on [REDACTED]

Yours sincerely

**Dr Gary Pflugrath FCPA**  
Executive General Manager, Policy and Advocacy

## Question 2: How do European regulators address competition and consumer protection issues related to 'big tech'?

The following is a summary of recent regulatory and legislative developments in Europe.

### European Commission view of Apple music streaming apps

The European Commission (EC) has informed Apple of its preliminary view that Apple distorted competition in the music streaming market as it abused its dominant position for the distribution of music streaming apps through its App Store. The Commission took issue with the mandatory use of Apple's own IAP mechanism, which is imposed on music streaming app developers to distribute their apps via Apple's App Store. The Commission is also concerned that Apple applies certain restrictions on app developers preventing them from informing iPhone and iPad users of alternative, cheaper purchasing possibilities.

### Digital Services Act and the Digital Markets Act

The EC proposed two legislative initiatives to upgrade rules governing digital services in the European Union (EU): the Digital Services Act (DSA) and the Digital Markets Act (DMA).

The DSA and DMA have two main goals:

1. to create a safer digital space in which the fundamental rights of all users of digital services are protected
2. to establish a level playing field to foster innovation, growth, and competitiveness, in the EU and globally.

### The ePrivacy Directive and the General Data Protection Regulation

Common EU rules have been established to ensure that there is a high standard of protection for personal data in the EU. Currently, the two main strands of the data protection legal framework in the EU are the ePrivacy Directive (Directive on privacy and electronic communications) and the General Data Protection Regulation (GDPR).

The ePrivacy Directive builds on EU telecoms and data protection frameworks to ensure that all communications over public networks maintain respect for fundamental rights. It requires that there be a high level of data protection and of privacy regardless of the technology used. The GDPR sets out the protection of natural persons with regard to the processing of personal data and on the free movement of such data. The regulation is an essential step to strengthen individuals' fundamental rights in the digital age and facilitate business by clarifying rules for companies and public bodies in the digital market.