

Audit implementation report referred to in Article 6 of Delegated Regulations

Section A: General Information

1. Audited provider:	
Apple Distribution International Limited ("Apple")	
2. Address of the audited provider:	
Hollyhill Industrial Estate Hollyhill Cork Ireland	
3. Audit report on which this implementation report is based	
Independent audit of the App Store for the period 28 August 2023 to 31 May 2024, With Reasonable Assurance Report of Independent Accountants regarding Regulation (EU) 2022/2065, the Digital Services Act (DSA)	
Date of Adoption of the report:	27 August, 2024
Reference to the audit report (for example an URL):	https://www.apple.com/legal/dsa/
4. Information on the underlying audit and the involved parties:	
• <u>Audited Provider:</u> Apple Distribution International Limited • <u>Auditing Organisation:</u> Ernst & Young, Chartered Accountants ("EY") • <u>Audit of:</u> Obligations set out in Chapter III of Regulation (EU) 2022/2065 • <u>Audit Period Covered:</u> 28 August, 2023 to 31 May, 2024 • <u>Auditing standards applied:</u> Audit conducted in accordance with ISAE 3000 (Revised) • <u>Quality management standards auditing organisation adheres to:</u> International Standard on Quality Management 1 (ISQM 1)	
5. Does the audit implementation report refer to an audit report on compliance with all the obligations and commitments pursuant to Article 37 (1) of Regulation (EU) 2022/2065 applicable to the audited provider?	
Yes. Please refer to the applicable obligations and commitments in Appendix 1 to the Independent audit of the App Store for the period 28 August 2023 to 31 May 2024 , With Reasonable Assurance Report of Independent Accountants regarding Regulation (EU) 2022/2065, the Digital Services Act (DSA)	
6. Where applicable, references to other audit reports resulting from audits pursuant to Article 37 of Regulation (EU) 2022/2065 that the audited provider is or will be subject to concerning the audited period:	
N/A	

SECTION B: Follow-up to the operational recommendations concerning audited obligations set out in Chapter III of Regulation (EU) 2022/2065

B.1 Recommendation Article 30.3	
<u>Article 30.3:</u> <i>Where the provider of the online platform allowing consumers to conclude distance contracts with traders obtains sufficient indications or has reason to believe that any item of information referred to in paragraph 1 obtained from the trader concerned is inaccurate, incomplete or not up-to-date, that provider shall request that the trader remedy that situation without delay or within the period set by Union and national law.</i>	
<u>Description of non-compliance:</u> <i>For a portion of February 2024 until the end of May 2024, several traders that failed the verification process had apps published on the EU App store. All these apps were removed from the App Store by the end of May 2024; however, a number of those removals were not made in a ‘swift’ manner as defined by Apple.</i>	
<u>Operational recommendation:</u> <i>A weekly review process to be implemented to identify and remove from the App Store all apps from non-compliant developers that have not been updated with trader information 14 days post communication from Apple regarding a failed Trader information verification. Apps should be taken down swiftly, as defined by Apple, from the date the trader has failed verification, unless rectified.</i>	
1 Measures to implement the operational recommendation	
See 1.1 a) for description of the planned measures.	
1.1 Planned measure(s)	
a) Description of the measure(s) (indicate the objectives(s), any milestones, revisions steps and, where applicable, performance indicators):	A weekly review process to be implemented to identify and remove from the App Store all apps from non-compliant developers that have not been updated with trader information 14 days post communication from Apple regarding a failed Trader information verification. Apps should be taken down swiftly, as defined by Apple, from the date the trader has failed verification, unless rectified.
b) Timing for implementation:	29 May, 2024 – Complete
1.2 Measures taken since the end of the period on which the audit report is based	
a) Description of the measures:	No additional measures taken since the end of the period other than the operational execution of the weekly process described in 1.1 a).

b) Time when the measure(s) were implemented or are planned to be implemented:	Measure implemented on 29 May, 2024 prior to the end of the audit period
c) Result (include references to external sources, for example links to websites, as applicable):	As at 29 May, 2024 all apps from non-compliant developers 14 days post communication from Apple of a failed Trader information validation up to that date were taken down.
d) Explanation of how the measure(s) implement the recommendation from the audit report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately observable:	Since 29 May, 2024 the recommended process has been fully implemented and is operating weekly. All apps from non-compliant developers 14 days post communication from Apple of a failed Trader information validation are being taken down swiftly as per Apple's definition.
1.3 Where applicable description of any measure(s) to adjust benchmarks for compliance and internal controls:	
N/A	
2 Reasons for not implementing the recommendation, if applicable	
a) Justification for not implementing the recommendation:	N/A
b) Alternative measure(s) taken to achieve compliance:	N/A

B.2 Recommendation Article 30.7

Article 30.7:

The provider of the online platform allowing consumers to conclude distance contracts with traders shall make the information referred to in paragraph 1, points (a), (d) and (e) available on its online platform to the recipients of the service in a clear, easily accessible and comprehensible manner. That information shall be available at least on the online platform's online interface where the information on the product or service is presented.

Description of non-compliance:

For a portion of February 2024 until the end of May 2024, several developers that self-certified as traders had apps available on the App Store without the information referred to in Article 30.1 points (a), (d) and (e) being displayed.

Operational recommendations:

- 1. A weekly review process to be implemented to identify and remove from the App store all apps from non-compliant developers that have not been updated with trader information 14 days post communication from Apple regarding a failed Trader information verification. Apps should be taken down swiftly, as defined by Apple, from the date the trader has failed verification, unless rectified.*
- 2. In addition, a system block should be implemented to prevent confirmed traders from publishing an app onto the App Store prior to completing the verification process successfully.*

1 Measures to implement the operations recommendation

See 1.1 a) for description of the planned measures.

1.1 Planned measure(s)

a) Description of the measure(s) (indicate the objectives(s), any milestones, revisions steps and, where applicable, performance indicators):	1. A weekly review process to be implemented to identify and remove from the App Store all apps from non-compliant developers that have not been updated with trader information 14 days post communication from Apple regarding a failed Trader information verification. Apps should be taken down swiftly, as defined by Apple, from the date the trader has failed verification, unless rectified. 2. A system block to be implemented to prevent confirmed traders from publishing an app onto the App Store prior to completing the verification process successfully
b) Timing for implementation:	1. 29 May, 2024 – Complete 2. 25 February, 2025

1.2 Measures taken since the end of the period on which the audit report is based

a) Description of the measures:	1. No additional measures taken since the end of the period other than the operational execution of the weekly process described in 1.1 a).
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	2. No additional measures taken since the end of the period. System block to be implemented by 25 February, 2025.
b) Time when the measure(s) were implemented or are planned to be implemented:	1. Measure implemented on 29 May, 2024 prior to the end of the audit period 2. 25 February, 2025
c) Result (include references to external sources, for example links to websites, as applicable):	1. As at 29 May, 2024 all Apps from non-compliant developers 14 days post communication from Apple of a failed Trader information validation up to that date were taken down. 2. N/A - System block to be implemented on February 25, 2025
d) Explanation of how the measure(s) implement the recommendation from the audit report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately observable:	1. Since 29 May, 2024 the recommended process has been fully implemented and is operating weekly. All Apps from non-compliant developers 14 days post communication from Apple of a failed Trader information validation are being taken down swiftly as per Apple's definition. 2. Post February 25, 2025 no confirmed Traders will be able to publish an app to the App store without having their Trader information validated and published on the App store - thus ensuring compliance with Article 30.7.
1.3 Where applicable description of any measure(s) to adjust benchmarks for compliance and internal controls:	
N/A	
2 Reasons for not implementing the recommendation, if applicable	
a) Justification for not implementing the recommendation:	N/A
b) Alternative measure(s) taken to achieve compliance:	N/A

B.3 Recommendation Article 39.1 (Positive with Comments)

Article 39.1:

Providers of very large online platforms or of very large online search engines that present advertisements on their online interfaces shall compile and make publicly available in a specific section of their online interface, through a searchable and reliable tool that allows multicriteria queries and through application programming interfaces, a repository containing the information referred to in paragraph 2, for the entire period during which they present an advertisement and until one year after the advertisement was presented for the last time on their online interfaces.

They shall ensure that the repository does not contain any personal data of the recipients of the service to whom the advertisement was or could have been presented, and shall make reasonable efforts to ensure that the information is accurate and complete.

Description of non-compliance:

Immaterial non-compliance was noted with regard to the publishing of ads data related to Search Tab placements to the Ad Repository during the audit period.

Operational recommendations:

1. The naming convention denoted for the Search Tab placement in the ads data to be updated so that all ads data is collected and published onto the Ad Repository as expected.
2. Monitoring of metrics to be added to ensure issues with the publication of data to the Ad Repository are detected timely and corrected.

1 Measures to implement the operations recommendation

See 1.1 a) for description of the planned measures.

1.1 Planned measure(s)

a) Description of the measure(s) (indicate the objectives(s), any milestones, revisions steps and, where applicable, performance indicators):	1. Naming convention denoted for the Search Tab placement in the ads data to be updated so that all ads data is collected and published onto the Ad Repository as expected. 2. Additional data quality metrics to be implemented to ensure any issues with the publication of data to the Ad Repository are detected timely and corrected.
b) Timing for implementation:	1. 24 July, 2024 – Complete 2. 30 September, 2024

1.2 Measures taken since the end of the period on which the audit report is based

a) Description of the measures:	1. Naming convention denoted for Search Tab ad placements in the ads data was updated on 24 July, 2024.
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	2. Data quality metrics to be added to review ads data for each placement at a more granular level. Updated metrics to be implemented as at 30 September, 2024
b) Time when the measure(s) were implemented or are planned to be implemented:	1. 24 July, 2024 2. 30 September, 2024
c) Result (include references to external sources, for example links to websites, as applicable):	1. After the 24 July, 2024 update to the naming convention denoted for Search Tab ad placements, all ads data is being collected and published onto the Ad Repository as expected. 2. N/A - Additional data quality metrics to be implemented on 30 September, 2024
d) Explanation of how the measure(s) implement the recommendation from the audit report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately observable:	1. The update to the naming convention denoted for Search Tab ad placements in the ads data on 24 July, 2024 ensures that all ads are collected for publishing to the Ad Repository. The data post publication was tested to ensure all Search Tab placements flowed to the Ad Repository, no issues were noted. 2. Post 30 September, 2024 the review of more granular data quality metrics will ensure that any minor issues in the publication of data to the Ad Repository are identified timely and corrected.
1.3 Where applicable description of any measure(s) to adjust benchmarks for compliance and internal controls:	
N/A	
2 Reasons for not implementing the recommendation, if applicable	
a) Justification for not implementing the recommendation:	N/A
b) Alternative measure(s) taken to achieve compliance:	N/A

B.4 Recommendation Article 39.3 (Positive with Comments)

Article 39.3:

As regards paragraph 2, points (a), (b) and (c), where a provider of very large online platform or of very large online search engine has removed or disabled access to a specific advertisement based on alleged illegality or incompatibility with its terms and conditions, the repository shall not include the information referred to in those points. In such case, the repository shall include, for the specific advertisement concerned, the information referred to in Article 17(3), points (a) to (e), or Article 9(2), point (a)(i), as applicable.

The Commission may, after consultation of the Board, the relevant vetted researchers referred to in Article 40 and the public, issue guidelines on the structure, organisation and functionalities of the repositories referred to in this Article.

Description of non-compliance:

Immaterial non-compliance was noted with regard to the publishing of ads data related to Search Tab placements to the Restricted Advertising section of the Ad Repository during the audit period.

Operational recommendations:

1. The naming convention denoted for the Search Tab placement in the ads data to be updated so that all ads data is collected and published onto the Restricted Advertising section in the Ad Repository as expected.
2. Monitoring of metrics to be added to ensure issues with the publication of data to the Ad Repository are detected timely and corrected.

1 Measures to implement the operations recommendation

See 1.1 a) for description of the planned measures.

1.1 Planned measure(s)

a) Description of the measure(s) (indicate the objectives(s), any milestones, revisions steps and, where applicable, performance indicators):	1. Naming convention denoted for the Search Tab placement in the ads data to be updated so that all ads data is collected and published onto the Restricted Advertising section of the Ad Repository as expected. 2. Additional data quality metrics to be implemented to ensure any issues with the publication of data to the Ad Repository are detected timely and corrected.
b) Timing for implementation:	1. 24 July, 2024 – Complete 2. 30 September, 2024

1.2 Measures taken since the end of the period on which the audit report is based

a) Description of the measures:	1. Naming convention denoted for Search Tab ad placements in the ads data was updated on 24 July, 2024.
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	2. Data quality metrics to be added to review ads data for each placement at a more granular level. Updated metrics to be implemented as at 30 September, 2024
b) Time when the measure(s) were implemented or are planned to be implemented:	1. 24 July, 2024 2. 30 September, 2024
c) Result (include references to external sources, for example links to websites, as applicable):	1. After the 24 July, 2024 update to the naming convention denoted for Search Tab ad placements, all ads data is being collected and published onto the Restricted Advertising section of the Ad Repository as expected. The data post publication was tested to ensure all Search Tab placements flowed to the Ad Repository, no issues were noted. 2. N/A - Additional data quality metrics to be implemented on 30 September, 2024
d) Explanation of how the measure(s) implement the recommendation from the audit report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately observable:	1. The update to the naming convention denoted for Search Tab ad placements in the ads data on 24 July, 2024 ensures that all ad restrictions are publishing to the Ad Repository. 2. Post 30 September, 2024 the review of more granular data quality metrics will ensure that any minor issues in the publication of ad restrictions are identified timely and corrected.
1.3 Where applicable description of any measure(s) to adjust benchmarks for compliance and internal controls:	
N/A	
2 Reasons for not implementing the recommendation, if applicable	
a) Justification for not implementing the recommendation:	N/A
b) Alternative measure(s) taken to achieve compliance:	N/A

SECTION C: Follow-up to the operational recommendations concerning audited commitments undertaken by the audited provider pursuant to the codes of conduct referred to in Articles 45 and 46 of Regulation (EU) 2022/2065 and the crisis protocols referred to Article 48 of Regulation (EU) 2022/2065: **N/A**

SECTION D: Any other information the audited provider wishes to convey: **N/A**