

## Google's New User Choice Billing (UCB) System

### Why in news?

Google's new user choice billing (UCB) system will allow users to opt for an alternative billing option next to Google Play's billing system.

### What is the new billing system?

- In user choice billing (UCB) system the app developers can use third party billing system but the app developer's needs to pay a service fee of 11-26%.
- Google introduced the user choice billing due to the order of competition commission of India, which asked Google to allow developers to use a third-party billing system.

### What are the issues with the Indian startups?

- **Loss of revenue** - The service charge takes away a big portion of part of their revenue and that will impact their profitability.
- **Lack of choice** - Start-ups don't have much choice as the mobile market is a duopoly of Apple and Google.
- **Google's dominance** - Google is leveraging its dominance in the app marketplace to impose entry barriers for other digital payments service providers.
- **Delay in adjudication** - Due to poor bench in competition commission of India, which needs quorum to hear a case, the adjudication is getting delayed.
- **Doctrine of necessity** - The user choice billing (UCB) is noncompliance with the essential regulatory functions.
- **Payment processors charges** - The app developers will also have to pay payment processors charge which range from 1-4%.

### What are the possible solution?

- Google should have a service fee slab in user choice billing (UCB).
- Creating a level playing fields for app developers.
- Removal of anti-competitive practices in payments system.

### Quick facts

**Competition Commission of India(CCI)**

- CCI was established by the Central Government in October 2003.
- CCI consists of a Chairperson and 6 Members appointed by the Central Government.
- The functions of the CCI
  - To eliminate practices having adverse effect on competition,
  - Promote and sustain competition,
  - Protect the interests of consumers and
  - Ensure freedom of trade in the markets of India.
- Quorum (3 members) must be maintained in adjudication conducted by CCI.

## References

1. [The Hindu Business Line | Impacts On Startups](#)
2. [The Hindu Business Line | Issues Of User Billing System](#)
3. [CCI | About CCI](#)

