# Subscription Billing & Entitlement — One-Page Reference

Fora Soft Learn

Billing collects the money; entitlement decides who can watch, on every play. Build the entitlement record and the store-notification sync first; the paywall is the last and easiest piece. Engineering guidance; app-store commissions and rules change in 2026 — confirm live.

### 1 · THE ENTITLEMENT CHECK (runs on every play)

- ☐ **Plan** — subscription in an access-granting state: trialing, active, or in grace.
- ☐ **Payment** — current, or being retried inside the grace window.
- ☐ **Region** — title licensed in this viewer's territory (geo-rules).
- ☐ **Devices** — under the plan's concurrent-stream limit.
- ☐ **Rights** — title is inside this plan's catalog and availability window.

### 2 · THE LIFECYCLE (access = state, not last payment)

- ☐ **Trialing -> Active** — entitlement ON; convert cleanly on the trial's last day.
- ☐ **Active -> Past-due / Grace** — keep entitlement ON while dunning retries the card.
- ☐ **Recovered** — the retry clears -> back to Active; most declines are transient.
- ☐ **Canceled -> Expired** — retries exhausted -> entitlement OFF; a win-back path follows.

### 3 · BILLING ROUTING — STORE vs DIRECT

- ☐ **In-app** — the store takes 15-30%; the store owns PCI; you must consume its notifications.
- ☐ **Direct (web)** — you keep ~97%, but you own PCI scope, dunning, refunds, and tax.
- ☐ **Reader-app carve-out** — video apps may sign up / pay on the web, then just log in.
- ☐ **~$3.2M/yr** — the store-cut vs card-fee gap on 100k subs at $9.99. Route deliberately.

### 4 · INVOLUNTARY-CHURN PLAYBOOK (recover with engineering)

- ☐ **Dunning** — a smart retry schedule plus update emails recovers ~50-70% of failures.
- ☐ **Card updater** — Visa/Mastercard account updater clears ~20% before any retry.
- ☐ **Grace period** — keep the viewer watching during retries; don't manufacture churn.
- ☐ **PSD2 SCA** — authenticate the FIRST charge; flag renewals as MIT (exempt) or they decline.

### BUILD ORDER — ENTITLEMENT FIRST, PAYWALL LAST

Model the lifecycle states and the App Store Server Notifications V2 / Google Play RTDN sync before you build the paywall screen. Make one server-side entitlement record the single source of truth that the player, paywall, analytics, and finance all read — never trust a client's local 'I bought it' flag. For every store notification: verify the signature, call the store's server API for the authoritative state, deduplicate on the notification ID, then update the record. Treat entitlement as a state derived from a reconciled ledger, not a boolean tied to the last payment; recognize subscription revenue over the service period (ASC 606 / IFRS 15), so build billing events as an immutable, queryable ledger from day one. Confirm current app-store commissions and rules; they are changing in 2026.




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