

20 April 2012

Dr Tony Richards
Head of Payments Policy Department
Reserve Bank of Australia
GPO Box 3947
Sydney NSW 2001

Submission via email: pysubmissions@rba.gov.au

Dear Dr Richards

Submission on Review of the Regulatory Framework for the eftpos System: Consultation on Designation

Transactions Network Services (TNS) appreciates the opportunity to provide a submission to the Reserve Bank of Australia in response to the Review of the Regulatory Framework for the eftpos System: Consultation on Designation March 2012.

TNS provides the following responses to the two options proposed by the Reserve Bank of Australia.

1) Comments on Option 1

TNS believes that an eftpos definition based on ePAL membership and rules would be too restrictive, inflexible and therefore not in the national or in the industry's best interest.

Under this definition, there is potential for key participants in the payments system (including TNS) to be excluded from consultation and involvement in the industry. There would be no incentive for innovation in this closed environment. Given the rapid take up of non-traditional payment methods including mobile payments, such as Google Wallet and payments via Facebook, the traditional eftpos System may risk losing its significance in the market. Consideration must also be given to the fact that a restrictive definition may exclude non-traditional eftpos transactions, which raises issues of standards, rules and enforcement.

2) Comments on Option 2

TNS agrees that this option will better allow for the capture of parts of the system that sit outside of the current scope of ePAL membership and scheme rules, and therefore believes that such a broader definition is the better option.

TNS believes that expanding participation will encourage and provide greater incentive for innovation, and provides opportunities for participants with regional and global perspectives and experience to participate. Expanded participation provides a greater capability and capacity to harness technology and avoid commercially disruptive changes. It also allows for a wider framework of regulation and standards, which is vital for the stability and integrity of the system.

We look forward to expanding on our comments outlined in our submission.

Yours Sincerely

John Banfield
General Manager Asia Pacific

About TNS:

TNS provides payment processing services globally to many household names in industry sectors including banking and finance, insurance, airline and travel, online retail and telecommunications. Both in Australia and abroad, the TNS portfolio of services includes eCommerce, Automated Teller Machine (ATM) and Point-of-Sale (POS) solutions, all of which are provided through the TNS Secure Payments Network: a unique, highly resilient PCI DSS certified environment designed to securely and quickly deliver critical and sensitive payment information to banks, merchants, processors and other payment institutions. TNS works with all major eftpos terminal types and manufacturers, and currently provides payment processing services to acquirers, issuers, third party processors and all major card schemes in Australia.