



Dr Tony Richards
Head of Payments Policy Department
Reserve Bank of Australia
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8 February 2017

Dear Dr Richards,

Thank you for the opportunity to respond to the consultation paper *Dual-Network Cards and Mobile Wallet Technology*.

As you know, Mastercard has long supported dual-network cards in Australia. We agree with the Reserve Bank's view that a wide range of payment options is likely to result in a more competitive and efficient payments system – one where the best product succeeds as consumers and merchants demonstrate their brand, form factor and technology preference.

As the RBA's paper points out, in 2013, the three existing debit card networks (eftpos, Mastercard and Visa) agreed to a number of voluntary undertakings to maintain dual-network arrangements in relation to contactless transactions. This agreement was the result of discussions between the schemes facilitated by the RBA. Mastercard's position throughout those discussions was that consumer choice must be basis of any agreement. This remains Mastercard's position.

We support the proposition that the consumer and merchant choice principles that currently apply to physical dual-network cards, should also apply to digital wallets. Issuers and third-party mobile wallet providers – who hold the relationships with cardholders and the individual networks on dual-network cards – should provision competing products consistent with the principles that apply to physical dual network cards, noting Mastercard will not prevent our issuers with existing dual-network cards from provisioning eftpos concurrently with Mastercard on a mobile wallet, where it is technically possible using eftpos' own Token Service Provider and token BINs.

Mastercard has made significant investment in digital payments innovation, including building a proprietary token vault and managing our EMV-assigned token BIN resources to ensure interoperability within Mastercard's digital payments ecosystem. These initiatives have resulted in enhanced consumer experiences and advanced safety

and security for our cardholders in mobile payments. Any other network wishing to offer a mobile wallet service would of course need to undertake its own investment in such initiatives.

Mastercard looks forward to working with the RBA to ensure robust competition continues to facilitate the growth of electronic payments and delivers the best outcomes for Australian consumers, businesses and the broader economy.

We would be pleased to provide further information on any aspect of this submission. If you would like any more information please contact Chris Siorokos Vice President Public Policy at chris.siorokos@mastercard.com or (02) 9466 3720.

Yours sincerely



Andrew Cartwright
Country Manager Australia