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

Dear Tony

ANZ is pleased to provide a submission on the various issues relating to the development of the regulatory framework for the eftpos System for consideration.

In ANZ's opinion, the appropriate way forward under an eftpos System designation based on ePAL's Scheme Rules is to:

- eliminate bilateral interchange fees by preventing the payment of interchange fees outside of ePAL;
- retain 'no-discrimination' provisions; and
- retain the connection charges at the current level.

### Regulating Interchange Fees

In terms of regulating Interchange fees, ANZ's preference is '*Option 4: Eliminating bilateral interchange fees by preventing the payment of any interchange fee other than a multilateral fee set by ePAL.*'

ANZ is of the opinion that Option 4 is a more productive approach to achieving the designation objectives. This option supports no discrimination open access to provide a level playing field that is in the public interest. The existing ePAL rule that allows for two parties to agree an individual rate 'within' the ePAL scheme rules could continue to operate in parallel without prejudice.

### Access Regime

ANZ is in favour of continuation of an Access Regime. This will further support no-discrimination, and provide the ability to maintain integrity and public trust in the system. If non ePAL members wish to connect to and participate in eftpos transaction processing, they would need to meet and maintain a minimum set of entry criteria and security standards. This logically leads to the stewardship of the Access Regime transitioning to ePAL.

Therefore ANZ supports '*Option 1: Imposing no-discrimination provisions that are workable under new interchange fee arrangements.*'

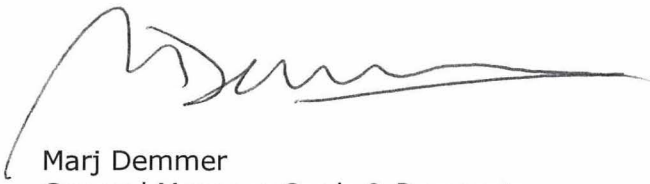
Connection Charge

Finally, in relation to Connection Charge options, ANZ's preference is '*Option 1: Put in place an access charge benchmark that is the same as provided for in the current Access Regime.*' ANZ sees this option as less onerous than implementing the alternatives, considering the next benchmark survey is to be conducted during 2013 for implementation in January 2014.

In ANZ's opinion, implementation of the options outlined above supports existing participants, enables easy market entrance for new providers, and is in the public interest.

ANZ would be pleased to meet to discuss this Submission with the RBA.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Marj Demmer', with a long horizontal flourish extending to the right.

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