



31<sup>st</sup> July 2012.

Mr Tony Richards,  
Head of Payments Policy Department,  
Reserve Bank of Australia,  
65 Martin Place,  
Sydney NSW 2000

Dear Mr Richards,

**The EFTPOS System: New Designation & Consultation on the Future Regulatory Framework - Media Release 2012-15 of 12<sup>th</sup> June 2012.**

We have read with interest the Reserve Bank (the Bank) document on the above subject and we understand and support the reasons for the Bank determining the need for a New Designation, together with the views expressed by the Bank as well as the conclusions reached,

Options for the Future Regulation of Interchange Fees.

Relative to Interchange Fees, our initial view was that Option 4: provided EPAL with the greatest ability to set Interchange Fees in the interests of the System, however we do agree with the view expressed that it would be possible for parties that wished to agree to exchange debit transactions at a bilaterally negotiated fee to do so outside the designated system.

For the reasons stated in the previous paragraph we now believe that Option 3: provides the best approach to harmonise interchange fees across all three debit card systems and removes the regulatory requirement for bilateral interchange fees to flow to the acquirer whilst remaining subject to the \$0.12 cap.

Access Code.

We believe that the Access Code should reflect the new designation based on EPAL'S Scheme Rules.

However a party which chooses to establish a connection for the exchange of Debit transactions, where those transactions are not subject to EPAL'S Scheme Rules, should not automatically have a right to establish a connection under the conditions of this code.

Access Regime. - No Discrimination Provisions.

ASL is supportive of omitting the No Discrimination Provisions from the Access Regime.

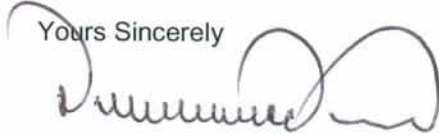
Access Regime - Connection Charges.

ASL is supportive of Option 3: and we are of the view that EPAL should be given the opportunity to propose appropriate arrangements for the setting and ongoing review of connection charges.

Transitional Arrangements

We are of the view that there is no clear evidence which suggests that it is necessary to put Transitional Arrangements in place.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'David Jay', with a large, stylized flourish at the end.

David Jay

Chief Executive Officer.