

**ATTACHMENT: DECISIONS OF THE PAYMENTS SYSTEM BOARD**

**SAFETY AND STABILITY**

<b>Date</b>	<b>Decision</b>	<b>Description</b>
<i>Payment systems</i>		
March 1999	Provision of legal certainty to RTGS payments.	Ensures the finality of payments made through the RTGS system by protecting them from the risk of a 'zero hour' interpretation by a court. Such an interpretation could date the insolvency of a bank at midnight on the day of insolvency, rendering void RTGS payments made between midnight and the time insolvency was declared.
November 1999, August 2004	Provision of legal certainty for payments netting arrangements.	Ensures that financial institutions' obligations under multilateral net settlement arrangements are limited to their net positions and that the administrator of an insolvent institution could not 'cherry pick' and insist on payment of all the obligations owed to it, without making any of the payments it owed.
August 2004	Legal certainty for cheque clearing.	Ensures that a financial institution that accepts a cheque deposit may treat the cheque as dishonoured if the institution on which it is drawn is unable to settle.
<i>Securities settlement systems</i>		
March 1999	Legal certainty for securities transfers.	Ensures that transfers of title to securities held in the Austraclear system cannot be challenged under the 'zero hour rule'.
May 2003, June 2005	Determination of Financial Stability Standards.	These standards are required to be complied with by the central counterparties and securities settlement systems operated by the Australian Stock Exchange and Sydney Futures Exchange.

**COMPETITION AND EFFICIENCY**

<b>Date</b>	<b>Decision</b>	<b>Description</b>
March 1999	Eligibility for Exchange Settlement Accounts.	Broadened eligibility for Exchange Settlement Accounts to include third-party providers of payments services and central counterparties.
June 2000, March 2004, August 2005, April 2006	Declarations that certain purchased payment facilities are not subject to the <i>Payment Systems (Regulation) Act 1998</i> .	Removed the need for these facilities to comply with the provisions of the Act.

<i>Interchange fees</i>		
August 2002, November 2005, April 2006	Interchange standards for credit card interchange fees.	Set benchmarks capping the weighted-average interchange fee in the Bankcard, MasterCard and Visa credit card systems.
April 2006	Interchange standard for EFTPOS system.	Set a benchmark which would place a cap and floor on interchange fees in the EFTPOS system.
April 2006	Announcement that if Visa does not agree to impose a cap on the weighted-average interchange fees for scheme debit systems, the Bank will move to do so. The Bank also announced it will consider similar arrangements for MasterCard.	Would set a benchmark capping weighted-average interchange fees in scheme debit systems.
<i>Merchant pricing and acceptance</i>		
August 2002	No surcharge standards for MasterCard and Visa.	Required removal of the rules in MasterCard and Visa credit card schemes that prevented merchants passing on the cost of accepting a credit card to cardholders.
August 2002	No surcharge undertakings received from American Express and Diners Club.	American Express and Diners Club provided enforceable undertakings to the Reserve Bank that they would remove the no surcharge rules in their schemes.
April 2006	Announcement that if Visa does not agree to remove the honour all cards rule in its system, the Bank will move to require it to do so. The Bank also announced it will consider similar arrangements for MasterCard.	Would remove the requirement imposed by the international card schemes that merchants wishing to accept credit cards must also accept the scheme's debit cards.
<i>Access</i>		
February 2004	Access Regimes for credit card schemes.	Requires credit card schemes to consider applications for participation by Specialist Credit Card Institutions on the same basis as applications from other authorised deposit-taking institutions. Also required removal of rules that discriminated against members that focused on acquiring rather than issuing.
August 2005	Access Regime for Visa Debit.	Imposes a similar Access Regime on the Visa Debit system to that imposed on the Visa credit card system.
April 2006	EFTPOS Access Regime announced, expected to be gazetted May 2006.	Places a cap on the amount that can be charged by existing participants in the EFTPOS system for establishing a new direct connection.