



Australian Competition & Consumer Commission

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Our Ref: C2002/864, C2002/862 C2002/1055, and C2002/1059
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6 August 2002

Mr Tim Heasley
Legal Counsel Australasia
ANZ Investment Bank
Level 12, 530 Collins Street
MELBOURNE VIC 3000

Dear Mr Heasley

Notifications Exclusive Dealing – ANZ Protected Equity Portfolio (N31161, N91013, N91014) and ANZ Protected Equity Portfolio Plus (N31160, N91015, N91016, N91017, N91018)

I refer to the above third line forcing notifications lodged by the Australia and New Zealand Banking Group Limited (ANZ) with the Australian Competition and Consumer Commission (the Commission). Notification N31160 and N31161 were lodged on 6 June 2002. Legal immunity from the Trade Practices Act for these notifications came into effect on 20 June 2002. Notifications N91013, N91014, N91015, N91016, N91017 and N91018 were lodged on 8 July 2002. Legal immunity from the Trade Practices Act for these notifications came into effect on 22 July 2002. These notifications have been placed on the public register.

Notifications relating to the ANZ Protected Equity Portfolio Product (APEP)

Notification N31161 details a proposed arrangement in which ANZ will offer the APEP on condition the borrower purchases shares through ANZ Securities Limited (ANZ Securities) or a broker approved by ANZ.

A feature of the APEP is the Passive Switch Option (PSO). Notification N91013 details a proposed arrangement in which ANZ will direct a holder of the APEP who chooses to exercise the PSO to use ANZ Securities as the executing broker.

Notification N91014 details a proposed arrangement in which ANZ will direct a holder of the APEP to hold any net proceeds in a unit trust nominated by ANZ if the holder chooses to exercise the PSO.



Notifications relating to the ANZ Protected Equity Portfolio Plus Product (APEP Plus)

Notification N31160 details a proposed arrangement in which ANZ will offer APEP Plus on condition the borrower purchases shares through ANZ Securities or a broker approved by ANZ.

Under APEP Plus a holder may seek ANZ's consent to use the shares that form part of his or her portfolio as collateral for written call options with the Options Clearing House. Notification N91015 details a proposed arrangement in which ANZ will direct a holder of the APEP Plus who wishes to write call options to use ANZ Securities as the clearing participant.

A feature of the APEP Plus is the Active Switch Option (ASO). Notification N91016 details a proposed arrangement in which ANZ will direct a holder of APEP Plus who chooses to exercise the ASO to use ANZ Securities as the executing broker.

Notification N91017 details an arrangement in which ANZ will direct the holder of APEP Plus to hold any net proceeds in unit trust nominated by ANZ if the holder chooses to exercise the PSO.

Notification N91018 details an arrangement in which ANZ will direct the holder of APEP Plus who chooses to exercise the PSO to use ANZ Securities as the executing broker.

On the basis of the information that you have provided, it is not intended that further action be taken in this matter at this stage.

Please note that the Commission may act to remove the immunity afforded by this notification at a later stage if it is satisfied that the likely benefit to the public from the conduct will not outweigh the likely detriment to the public from the conduct.

If you wish to discuss any aspect of this matter, please contact Danielle Staltari on (02) 6243 1362.

Yours sincerely



Tim Grimwade
General Manager
Adjudication Branch