

GROUNDS FOR AUTHORISATION

The applicant Australian Payments Clearing Association Limited (“APCA”) submits that:

- to the extent (if any) that any of the suspension and termination provisions of the Regulations for the Bulk Electronic Clearing System is or may be an exclusionary provision within the meaning of Section 4D of the Trade Practices Act 1974 (“the Act”), such provision in all the circumstances has resulted and will continue to result in such a public benefit that the contract, arrangement or understanding constituted by such Regulations should be allowed to remain in place.
- to the extent (if any) that any of the suspension and termination provisions of the Regulations of the Bulk Electronic Clearing System has the purpose or likely effect or effect of substantially lessening competition in a market within the meaning of Section 45 of the Act, such provision in all the circumstances has resulted and will continue to result in a benefit to the public and that benefit outweighs the detriment to the public constituted by any lessening of competition that results from any such provision.

The benefit to the public that results from the relevant provisions is as follows:

1. To function well, the economy requires the secure and efficient processing of transactions between financial institutions through a clearing framework of the kind constituted by APCA’s Regulations and Procedures for the Bulk Electronic Clearing System.
2. Access to the Bulk Electronic Clearing System is and will continue to be available to potential participants on reasonable and clearly understood terms.
3. The Bulk Electronic Clearing System does not discriminate between different institutional types. Banks, non-bank financial institutions and other bodies corporate can participate provided they meet the required terms and conditions.
4. APCA’s payments clearing framework contributes towards protecting and enhancing the integrity of payments clearance and settlement, and reducing risk within the payments system. It also contributes towards the efficiency with which payment instructions are cleared, and the timeliness and certainty with which value is provided to customers.
5. The ability to suspend or terminate a member is critical for ensuring that the clearing system can maintain efficiency and integrity. The provisions for suspension or termination of a member from the Bulk Electronic Clearing System at APCA’s instigation are reasonable and would only be relied upon in circumstances where the member’s continuing membership would impair the efficiency and/or integrity of the System. The provisions, therefore, result in a benefit to the public by contributing to the System’s integrity and efficiency.