



Our Ref:

N31537

Contact Officer: Carl Toohey

Contact Number: (03) 9290 1480

23 February 2006

PO Box 1199 Dickson ACT 2602

470 Northbourne Ave Dickson ACT 2602

ph (02) 6243 1111 fax (02) 6243 1199

www.accc.gov.au

Ms Shauna Wong General Counsel's Office Level 28 175 Liverpool Street Sydney NSW 2000

Dear Ms Wong

Third line forcing notification No N31537 lodged by American Express Australia Limited (American Express)

I refer to the above third line forcing notification lodged with the Australian Competition and Consumer Commission (the ACCC) on 24 January 2006. The notification has been placed on the ACCC's public register.

American Express has described the conduct as follows:

American Express has entered into an arrangement with Qantas Airways Limited (Qantas) to provide:

- i. holders of certain new American Express cards with a bonus amount of Qantas Frequent Flyer (QFF) points when the cardholder makes a purchase from Qantas on Qantas services for the first time using their card;
- ii. holders of certain new American Express cards with an additional QFF point for every dollar spent using their card on purchases with Qantas on Qantas services;
- iii. holders of a new American express 'premium plus' card with one return economy flight on Qantas each year after the cardholder uses their card to make a purchase from Qantas on Qantas services for the first time that year; and
- holders of a certain new American Express 'premium' card with two Qantas iv. Club entry passes each year after the cardholder uses their card to make a purchase from Qantas on Qantas services for the first time that year.

Legal immunity conferred by the notification commenced on 7 February 2006.



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

Please note that the ACCC may act to remove the immunity afforded by the 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.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Carl Toohey on (03) 9290 1480.

Yours sincerely

Scott Gregson

General Manager

Adjudication Branch