



**Australian
Competition &
Consumer
Commission**

Our Ref: C2006/1172
Contact Officer: Shannon Bona
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7 July 2006

Glenn Watts
Executive Manager
Group Compliance
Commonwealth Bank of Australia
Level 8, 48 Martin Place
SYDNEY NSW 1155

Dear Mr Watts

Third line forcing notifications:

N31629 lodged by Commonwealth Bank of Australia (CBA)
N31630 lodged by Carlson Marketing Group (Aust) Pty Ltd (CMG)
N31631 lodged by Napoleon Perdis Cosmetics Pty Ltd (Napoleon)
N31632 lodged by Red Balloon Pty Ltd (Red Balloon)

I refer to the above third line forcing notifications lodged with the Australian Competition and Consumer Commission (the ACCC) on 19 June 2006. The notifications have been placed on the ACCC's public register.

The conduct is described as follows:

The CBA will offer bonus points and other non-cash benefits to members of its credit card loyalty program, 'Commonwealth Awards Program' (the Program), on condition that they acquire specific goods and services from Bonus Partners in full or in part with the member's CBA credit card that is linked to the Program. The Bonus Partners are CMG, Napoleon and Red Balloon.

Further, Bonus Partners will offer customers discounted goods and services, and other non-cash benefits on condition that a customer is either a member of the Program or that the customer acquires the goods or services with the member's CBA credit card that is linked to the Program.

Legal immunity conferred by the notifications commenced on 3 July 2006.

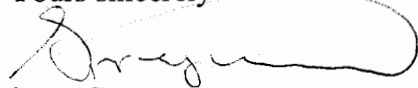
On the basis of the information that you have provided, it is not intended that further action be taken in this matter at this stage.



As with any notification, the ACCC may act to remove the immunity afforded by the notifications 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.

A copy of this letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please contact Shannon Bona on 03 9290 1479.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Scott Gregson', written over a horizontal line.

Scott Gregson
General Manager
Adjudication Branch