



**Australian
Competition &
Consumer
Commission**

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Our Ref: N92717
Contact Officer: Louise Hird
Contact Number: (03) 9290 1484

1 December 2006

David King
EKM Legal
Level 1
38-40 Garden Street
SOUTH YARRA VIC 3141

Dear Mr King

Third line forcing Notification N92717 – Nissan Motor Co. (Australia) Pty Ltd

I refer to the above third line forcing notification lodged with the Australian Competition and Consumer Commission (the ACCC) on 28 November 2006. The notification has been placed on the ACCC's public register.

You have described the notified conduct as Nissan Motor Co. (Australia) Pty Ltd (**Nissan**) offering a discount, allowance, rebate or credit in relation to the supply of a new Nissan Maxima vehicle on the condition that the consumer will acquire retail finance services from GE Automotive Financial Services (**GE Automotive**) for the purchase of that vehicle.

The notified conduct also encompasses a provision which would allow Nissan to refuse to offer to provide, or refusing to provide, a discount, allowance, rebate or credit in relation to the supply of a new Nissan Maxima vehicle if the consumer has not acquired retail finance services from GE Automotive for the purchase of that vehicle.

I understand that the arrangement involves Nissan entering into an arrangement with GE Automotive in relation to the sale of the new Nissan Maxima ST-L/Ti motor vehicles. GE Automotive will provide finance with an interest rate of 0% for up to 2 years to consumers who purchase these motor vehicles from a GE Automotive accredited Nissan dealer and who pay 50% of the motor vehicle and other costs up front. Nissan will subsidise the consumer's acquisition of finance on condition that the consumer acquires finance from GE Automotive.

Legal immunity conferred by the notification commences on 12 December 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.

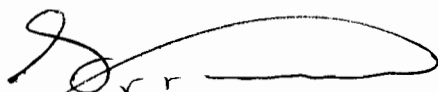


As with any notification, please note that the ACCC may act to remove the immunity afforded by the notification at a later stage if it is satisfied that the likely benefit to the public from the conduct will not outweigh the likely detriment to the public from the conduct.

I also refer to the related notification, N92683, lodged with the ACCC on 6 November 2006. In my letter to you of 9 November 2006 advising that it was not intended that any further action be taken in this matter at that stage, it was incorrectly stated that the notification was lodged on 30 October 2006 and that consequently legal immunity conferred by the notification would commence on 6 November 2006. As the notification was lodged on 6 November 2006, legal immunity in respect of the notified arrangements commenced on 20 November 2006, being 14 days after the date of lodgement. I apologise for the error in the ACCC's initial advice regarding when immunity conferred by the notification would commence.

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 do not hesitate to contact Ms Louise Hird on 03 9290 1484 or at louise.hird@accc.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Gregson', with a long horizontal flourish extending to the right.

Scott Gregson
General Manager
Adjudication Branch