

Form G

Commonwealth of Australia
Competition and Consumer Act 2010 — subsection 93 (1)
NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Competition and Consumer Act 2010*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. Applicant

- (a) Name of person giving notice:
(Refer to direction 2)

N95666 CMC Markets Stockbroking Limited ABN 69 81 002 851 (**CMC**)

- (b) Short description of business carried on by that person:
(Refer to direction 3)

Securities trading services (including stockbroking services supplied by telephone and internet) and related services.

- (c) Address in Australia for service of documents on that person:

C/- Blake Dawson
Level 36
Grosvenor Place
225 George Street
Sydney NSW 2000

2. Notified arrangement

- (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:

The supply of stockbroking services by telephone and internet (and related services) (**Services**). The Services involve CMC entering into Australian Securities Exchange (**ASX**) transactions on behalf of its customers who are retail investors.

- (b) Description of the conduct or proposed conduct:

CMC settles ASX transactions on behalf of its customers using funds from a bank or cash account opened and/or held by the customer with:

- a specified financial institution; or
- a financial institution selected by the customer from a specified panel of financial institutions,

depending on the identity of the partner who introduced the customer to CMC.

Accordingly, the conduct may be characterised as CMC offering to customers to supply stockbroking services, or offering to supply stockbroking services at a particular price or subject to a discount, allowance, rebate or credit, on condition that they open and/or hold a bank or cash account with:

- a specified financial institution; or
- a financial institution selected by the customer from a specified panel of financial institutions.

See attached supporting submission for further detail.

(Refer to direction 4)

3. Persons, or classes of persons, affected or likely to be affected by the notified conduct

- (a) Class or classes of persons to which the conduct relates:
(Refer to direction 5)

Consumers of stockbroking and related services.

- (b) Number of those persons:

- (i) At present time:

Approximately 4,850

- (ii) Estimated within the next year:
(Refer to direction 6)

Between approximately 7,500 and 20,000

- (c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:

Not applicable.

4. Public benefit claims

- (a) Arguments in support of notification:
(Refer to direction 7)

See attached supporting submission.

- (b) Facts and evidence relied upon in support of these claims:

See attached supporting submission.

5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):
(Refer to direction 8)

See attached supporting submission.

6. Public detriments

- (a) Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:
(Refer to direction 9)

See attached supporting submission.

- (b) Facts and evidence relevant to these detriments:

See attached supporting submission.


7. Further information

- (a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:

Ross Zaurrini
Partner
Blake Dawson
Level 36, Grosvenor Place
225 George Street
Sydney NSW 2000
Tel: (02) 9258 6840
Email: ross.zaurrini@blakedawson.com

Dated 23 December 2011

Signed by/on behalf of the applicant


.....
(Signature)

ROSSANO ZAURRINI
.....
(Full Name)

BLAKE DAWSON
.....
(Organisation)

PARTNER
.....
(Position in Organisation)

DIRECTIONS

1. In lodging this form, applicants must include all information, including supporting evidence that they wish the Commission to take into account in assessing their notification.

Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.

2. If the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (a), not the name of the person signing the notice, and the notice is to be signed by a person authorised by the corporation to do so.
3. Describe that part of the business of the person giving the notice in the course of the which the conduct is engaged in.
4. If particulars of a condition or of a reason of the type referred to in section 47 of the *Competition and Consumer Act 2010* have been reduced in whole or in part to writing, a copy of the writing is to be provided with the notice.
5. Describe the business or consumers likely to be affected by the conduct.
6. State an estimate of the highest number of persons with whom the entity giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.
7. Provide details of those public benefits claimed to result or to be likely to result from the proposed conduct including quantification of those benefits where possible.
8. Provide details of the market(s) likely to be affected by the notified conduct, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the notification.
9. Provide details of the detriments to the public which may result from the proposed conduct including quantification of those detriments where possible.

Supporting Submission

Notification by CMC Markets Stockbroking
Limited of possible third line forcing conduct

23 December 2011

PUBLIC VERSION

1. CONFIDENTIALITY

- 1.1 This supporting submission and its annexures contain certain information which is commercially sensitive and confidential to CMC Markets Stockbroking Limited (**CMC**). Disclosure of that information could result in financial loss and prejudice to CMC.
- 1.2 CMC requests that the commercially sensitive and confidential information be kept confidential by the ACCC. For convenience, the confidential information is indicated by the use of bold square parentheses ([]) around, and shading of, confidential text in the confidential version of the submission. This information has been deleted and replaced with the text '**[CONFIDENTIAL INFORMATION DELETED]**' in the public version of the submission.

2. INTRODUCTION AND RELEVANT BACKGROUND

- 2.1 This submission contains additional information in support of the notification of possible third line forcing conduct lodged by CMC Markets Stockbroking Limited dated 23 December 2011 (**Notification**).
- 2.2 The Notification is related to, and applies to conduct which is similar to, conduct notified in the following notifications previously lodged by CMC Markets Stockbroking Limited (**CMC**):

Notification	Notification Number	Date lodged	Conduct Notified
"Suncorp Notification"	N94027	29 June 2009	CMC proposes to offer certain stockbroking services (or offer to supply certain stockbroking services at a particular price or subject to a discount, allowance, rebate or credit) to customers of Suncorp-Metway Limited (Suncorp) on condition that the customer accesses CMC's services via Suncorp's Share Trade website and holds a Suncorp bank account.
"General Notification"	N94714	2 June 2010	CMC proposes to supply or offer to supply stockbroking services to customers on the condition that the customer opens a customer account with a specified financial institution (currently Bank of Western Australia Ltd (BankWest)).
"BOQ Notification"	N95320	17 March 2011	CMC will offer to supply certain stockbroking services, or offer to supply certain stockbroking services at a particular price or subject to a discount, allowance, rebate or credit, on condition that customers use a Bank of Queensland Limited (BOQ) account to settle trades. Relevantly, the BOQ Trading service will be offered to customers who do not have a BOQ account; however, lower fees will apply to customers who settle trades using a BOQ MMDA than to customers who use other bank accounts to settle trades.

- 2.3 CMC has submitted the Notification because it is concerned that its proposed conduct may not be covered by the existing notifications, and wishes to ensure that, going forward, it does not contravene the prohibition on third line forcing.
- 2.4 CMC's stockbroking business is a dynamic business, which is growing and rapidly evolving. The Notification is intended to provide CMC with the flexibility it needs to harness future growth opportunities.
- 2.5 For the avoidance of doubt:

- (a) CMC does not concede that the proposed conduct necessarily amounts to third line forcing but wishes to eliminate any risk that this may be the case; and
- (b) the Notification is not intended to replace the existing notifications referred to above. CMC intends to continue to engage in conduct which is the subject of the existing notifications, and to rely on those notifications.

3. RELEVANT BACKGROUND

- 3.1 CMC is an independent financial services provider that offers, among other things, stockbroking services to consumers.¹
- 3.2 CMC supplies stockbroking services (by telephone and via the internet) to retail investor customers (ie individuals who wish to trade shares).
- 3.3 CMC's stockbroking services involve entering into ASX transactions on behalf of its customers, and settling the ASX transactions using funds from the customer's bank or cash account. The customer places a buy or sell order with CMC by:
 - (a) telephoning CMC (in which case a designated trading representative of CMC will key the order into CMC's Automated Order Processing System which is linked to ASX's trading platform, ASX Trade, submitting the order as a trading message to ASX Trade); or
 - (b) using CMC Retail's online trading service (in which case the order is registered in CMC's system and if accepted for submission into the Automated Order Processing System, submitted as a corresponding trading message to ASX Trade).²
- 3.4 To become a customer of CMC, a person is required to apply for and open an account with CMC, and agree to certain terms and conditions. Subject to the exceptions discussed below, CMC currently requires all of its customers who wish to use its online stockbroking service to open a cash account with a specified financial institution (currently Bank of Western Australia Ltd (**BankWest**)).³ The potential third line forcing conduct involved in those arrangements is the subject of the General Notification.
- 3.5 The present exceptions are:
 - (a) customers introduced to CMC by Suncorp, who use a customised Suncorp service. The potential third line forcing conduct involved in those arrangements is the subject of the Suncorp Notification; and
 - (b) customers introduced to CMC by BOQ, who use a customised BOQ service (BOQ Trading). The potential third line forcing conduct involved in those arrangements is the subject of the BOQ Notification.
- 3.6 CMC currently has "introducing adviser" agreements with **[CONFIDENTIAL INFORMATION DELETED]** partners, pursuant to which those partners "introduce" customers of theirs who are interested in a stockbroking service to CMC, and CMC agrees to supply stockbroking services to those customers who wish to obtain CMC's services. Customers introduced by partners who wish to use CMC's online stockbroking service are currently required to open a cash account with a specified financial institution (currently BankWest).

¹ CMC is a member of the CMC Markets group of companies, which includes CMC Markets Asia Pacific Pty Ltd (ABN 11 100 058 213, AFSL 238054) and CMC Markets Pty Ltd (ABN 75 100 058 106, AFSL 279437). CMC is a market participant of the Australian Securities Exchange Limited (ASX); a clearing participant of ASX Clear Pty Limited (the clearing and settlement facility for the derivatives markets operated by ASX); and a participant of CHESSE, the clearing and settlement facility operated by ASX Settlement Pty Limited.

² Customers can also authorise their advisers to place trades on their behalf, through the customer's account with CMC.

³ It is possible that CMC may use another specified financial institution instead of BankWest in the future.

- 3.7 Some of CMC's existing partners have requested that CMC enable customers introduced by them to use accounts held with a financial institution other than BankWest (**Type A Partners**) to settle trades placed online.
- 3.8 In order to accommodate the requests of existing and potential future Type A Partners, and to optimise the opportunities for growth of its stockbroking business, CMC has sought to establish links (ie technical connectivity⁴) with financial institutions other than BankWest (and BOQ and Suncorp), and, subject to the Notification being allowed to stand, intends to enliven those links and enable customers introduced by particular Type A Partners to use a bank or cash account held with a financial institution chosen by the customer from a panel agreed between the Type A Partner and CMC Markets to settle trades. That panel will still include BankWest.
- 3.9 In addition to the Type A Partners, CMC is also in discussions with financial institutions which, like BOQ and Suncorp, seek a customised stockbroking solution for their customers (**Type B Partners**). CMC does not currently have any Type B Partners (save for BOQ and Suncorp, which are already the subject of separate notifications), but is in discussions with potential partners who would fall within this category. The typical arrangements with Type B Partners are described below, but in essence they involve CMC imposing a condition that the customer introduced by the Type B Partner opens and/or holds a bank or cash account specified by the Type B Partner, or alternatively, CMC requiring that customer to pay a lower fee when using a bank or cash account specified by the Type B Partner.

4. THE PARTIES

- 4.1 A description of CMC was provided in the section above.
- 4.2 CMC requests that the Notification cover its arrangements with customers of and/or introduced by:
- (a) existing Type A Partners who are listed in the table in Annexure A; and
 - (b) potential future Type A Partners, including but not limited to those listed in the table in Annexure B; and
 - (c) potential future Type B Partners, including but not limited to those listed in the table in Annexure C.
- 4.3 If required by the ACCC, CMC will advise it of those Type A and Type B Partners with which it enters into an arrangement after the date of this Submission by providing an updated list of Partners to the ACCC on a quarterly basis (if the list of Partners has changed since the previous quarter).

Type A Partners

- 4.4 CMC's Type A Partners operate in sectors of the financial services industry. They include dealers of Australian equities, options and contracts for difference, administrators of self-managed superannuation funds, and providers of financial advisory services.
- 4.5 They often have existing ongoing relationships with their customers and trade on their behalf. Some Type A Partners also offer either trading education services or general financial advice as part of their services.

⁴ This involves the banking institution establishing technical connectivity to the GBST Shares Real Time Cash Management Interface and to CMC via a private VPN or a secure internet VPN. This is required in order to provide CMC with real time access to the financial institution's accounts with functionality including placing funds holds, which ensures that CMC does not submit orders to the ASX without knowing that the customer has sufficient funds available to settle the trade, and enables CMC to offer Straight Through Processing of orders.

Type B Partners

- 4.6 CMC does not currently have any Type B Partners (save for BOQ and Suncorp, which are already the subject of separate notifications). CMC anticipates that any potential future Type B Partners are likely to be either banks, credit unions or superannuation funds.⁵

5. PROPOSED CONDUCT

Type A Partner Customers

- 5.1 As noted above, existing and potential Type A Partners have requested that CMC enable customers introduced by them to use accounts held with a financial institution in addition to BankWest (**Type A Partners**) to settle trades.
- 5.2 To accommodate these requests, CMC proposes to engage in conduct which may be characterised as:
- (a) CMC offering to supply certain stockbroking services to customers on the condition that the customer opens and/or holds a bank or cash account held with a financial institution chosen by the customer from a specified panel of financial institutions; or
 - (b) CMC offering to supply certain stockbroking services at a particular price or subject to a discount, allowance, rebate or credit, on the condition that the customer opens and/or holds a bank or cash account held with a financial institution chosen by the customer from a specified panel of financial institutions.
- 5.3 The composition of the specified panel will depend on the outcome of bilateral commercial negotiations between CMC and the particular Type A Partner. However, it will, in all instances consist of no less than two and currently up to eight (but in future, potentially more) financial institutions.⁶
- 5.4 Subject to the outcome of negotiations between CMC and the Type A Partner, a specified panel of financial institutions (and relevant accounts) may include two or more of the financial institutions listed below:
- (a) Suncorp-Metway Ltd ABN 66 010 831 722;
 - (b) DDH Graham Limited ABN 28 010 639 219;
 - (c) Bank of Western Australia Ltd ABN 22 050 494 454; and
 - (d) Macquarie Bank Limited ABN 46 008 583 542.
- 5.5 CMC may, in the future, also seek to establish connectivity with **[CONFIDENTIAL INFORMATION DELETED]** thus expanding the pool of potential panellists.
- 5.6 Customers introduced by Type A Partners who wish to acquire stockbroking services from CMC will be required to complete application forms, and read and agree to CMC's terms and conditions, and any documentation prepared by the Type A Partner (including financial services guides).
- 5.7 CMC will continue to offer and provide:
- (a) securities trading / stockbroking services (via its platform) to other customers; and
 - (b) stockbroking solutions to other partners or potential partners.

⁵ See paragraph 6.7 below.

⁶ As noted above, CMC has recently established connectivity with a number of financial institutions and intends to establish links with other financial institutions in the near future, which (once live) will enable CMC to action trades using funds from those institutions' accounts.

- 5.8 These services will not be affected by the arrangements between CMC and any existing and future Type A Partners.
- 5.9 CMC does not and will not require that Type A Partners (or any of its partners), in turn, require their customers to acquire stockbroking services from CMC as a condition of their services / products.

Type B Partner Customers

- 5.10 CMC proposes to enter into arrangements with Type B Partners, pursuant to which CMC will:
- (a) design and develop a customised trading platform (**Customised Platform**) for the relevant Type B Partner; and
 - (b) offer stockbroking (and related) services to the Type B Partner's customers (individuals who are introduced by the partner to CMC) through the Customised Platform (**Customised Services**).⁷
- 5.11 CMC anticipates that Type B Partners will typically insist that:
- (a) customers introduced by them nominate an account held with the relevant partner or the partner's preferred financial institution for settling trades actioned by CMC on their behalf; or
 - (b) customers introduced by them who nominate an account held with the relevant partner or the partner's preferred financial institution for settling trades actioned by CMC on their behalf are subject to lower stockbroking fees than those who nominate other accounts.
- 5.12 Thus, CMC's proposed conduct with respect to customers introduced by Type B Partners may be characterised as:
- (a) CMC offering to supply certain stockbroking services on the condition that the customer opens and/or holds a bank or cash account with a financial institution specified by the Type B Partner; or
 - (b) CMC offering to supply certain stockbroking services at a particular price or subject to a discount, allowance, rebate or credit, on the condition that the customer opens and/or holds a bank or cash account with a financial institution specified by the Type B Partner.
- 5.13 Customers introduced by Type B Partners who wish to acquire the Customised Services will be required to complete application forms, and read and agree to CMC's customised terms and conditions for the relevant Customised Services, and any other documentation prepared by the Type B Partner (including financial services guides).
- 5.14 CMC will continue to offer and provide:
- (a) securities trading / stockbroking services (via its platform) to other customers; and
 - (b) stockbroking solutions to other partners or potential partners.
- 5.15 These services will not be affected by the arrangements between CMC and any future Type B Partners.
- 5.16 CMC does not and will not require that Type B Partners (or any of its partners), in turn, require their customers to acquire stockbroking services from CMC as a condition of providing their services / products.

⁷ For completeness, it is noted that CMC also offers Type A Partners the option of a customised trading platform.

6. MARKET DEFINITION

- 6.1 The market in which the relevant services are supplied by CMC is the national market for the supply of stockbroking services to retail investors. We understand this to be the market in which the Suncorp Notification, General Notification and BOQ Notification were considered by the ACCC. Suppliers in this market can be grouped into two broad categories:
- (a) full service brokers; and
 - (b) non-advisory brokers.
- 6.2 Competition in this market is vigorous. The ASX website lists over 40 brokers operating on the ASX.⁸ While full service and non-advisory stockbroking may constitute separate markets, a narrower market definition does not affect this submission.
- 6.3 As described above, CMC's existing or likely future partners operate in a range of sectors. CMC understands that its existing partners operate in markets which are subject to vigorous and effective price and non-price competition.
- 6.4 CMC's existing and any likely future partners that are banking institutions supply banking services to retail customers in a national retail banking market. While retail banking products (eg. transaction accounts, home loans, personal loans etc) may be supplied in separate markets, a narrower market definition does not affect this submission.
- 6.5 The retail banking market in Australia is dominated by the four major banks, Commonwealth Bank, ANZ, NAB and Westpac.
- 6.6 Each of the major banks includes securities trading services in the suite of products offered to its customers. For instance, ANZ offers its customers securities trading services through E*TRADE Australia, Commonwealth Bank offers CommSec, NAB offers NAB OnLine Trading and Westpac offers Westpac Online Investing.
- 6.7 CMC's existing partners that are banking institutions are smaller players in the market. In the event that CMC enters into an arrangement with one of the four major banks in the future, CMC intends to lodge a separate third line forcing notification.
- 6.8 CMC expects that its future partners which are banking institutions will benefit from their arrangements with CMC in circumstance where some of those partners will not have an existing offering of securities trading services, and others who have an existing offering of securities trading services will be able to provide their customers an enhanced service offering through a customised trading platform. The ability to offer an enhanced customised trading platform will improve those partners' offerings to their customers and enhance their ability to compete with their competitors

7. COUNTERFACTUAL

- 7.1 If the Notification is not allowed to stand, CMC would not engage in the proposed conduct, and would continue to require all of its customers (except customers using the customised BOQ or Suncorp services) to open a bank or cash account with a specified financial institution (currently BankWest).
- 7.2 If the Notification is allowed to stand, CMC will permit some of its customers (customers introduced by existing or future Type A Partners) to use a bank or cash account with a financial institution selected by the customer from a specified panel of financial institutions, which will include no less than two and currently potentially up to eight (but in the future, possibly more) financial institutions (consistent with the General Notification).

⁸ See ASX website, at: <http://www.asx.com.au/asx/research/findABroker.do#>

8. PUBLIC BENEFITS

Type A Partner customers

- 8.1 The proposed conduct with respect to Type A Partner customers is of benefit to the public because it will:
- (a) result in greater choice for customers of Type A Partners who will be able to nominate a bank or cash account from a specified panel of financial institutions, rather than being limited to a single bank account;
 - (b) continue to deliver efficiencies by reducing credit risk to CMC by controlling the quality and number of institutions with which CMC deals in settling trades. This will reduce the operating, management and administration costs associated with offering stockbroking services. As a result of these efficiencies, CMC will be able to offer more attractive service fees to its Partners than it would have otherwise, which will allow Partners to offer lower fees to customers;
 - (c) enable customers to earn interest from funds deposited in one of a range of interest earning accounts;
 - (d) continue to allow for more timely processing of orders to buy and sell securities, since CMC will have connectivity with all financial institutions on the specified panel;
 - (e) continue to provide additional convenience to customers should they wish to trade at short notice. If the funds were not in the specified financial institution account, it could take up to two working days for the client funds to be processed, and the client may have missed the trading opportunity;
 - (f) allow Type A Partners to broaden the product range available to their customers;
 - (g) increase competition in markets involving retail stockbroking services by introducing greater choice, product/service innovation, convenience and flexibility for retail investors; and
 - (h) contribute to the intense price and non-price competition which already characterises the relevant markets.

Type B Partner customers

- 8.2 The proposed conduct with respect to Type B Partner customers is of benefit to the public because it:
- (a) will introduce new user-friendly customised trading platforms into the market;
 - (b) will enable customers to acquire financial services (such as banking, insurance and securities trading) through a single web site, resulting in increased convenience for customers;
 - (c) will allow Type B Partners to broaden the product range / offering available to their customers;
 - (d) will increase competition in markets involving retail stockbroking services by introducing greater choice, product/service innovation, convenience and flexibility for retail investors;
 - (e) will contribute to the intense price and non-price competition which already characterises the relevant markets particularly given Type B Partners will determine the features and functionality of the customised platform; and

- (f) will generally, allow customers to access their stockbroking account from their existing banking facilities;
- (g) may enable Type B Partners to offer special rates, promotional offers or other loyalty services or products to preferred customers; and
- (h) may enable existing customers of Type B Partners to provide identification and other customer details to CMC more easily if the Type B Partner already holds the customer's identification, electronic verification and/or other information.

9. PUBLIC DETRIMENTS

9.1 In CMC's view, the notified conduct will result in very limited public detriment. Competition in both the stockbroking services market and the retail banking market is vigorous.

Type A Partner customers

9.2 The potential public detriments arising from the proposed conduct with respect to Type A Partner customers are very limited. They result from the customer being able to choose a bank or cash account from a specified panel rather than being limited to a single bank account, and include:

- (a) potentially additional paperwork for the customer, in that the customer may need to provide identification to CMC and to the nominated financial institution (rather than CMC only, which is currently the case with respect to BankWest accounts); and
- (b) the customer will need to manage its relationship with the relevant financial institution (currently CMC liaises with BankWest on behalf of customers).

9.3 The proposed conduct with respect to customers of Type A Partners will not lessen competition because:

- (a) markets involving the provision of retail stockbroking services are characterised by a significant number of competitors;
- (b) markets involving the provision of retail stockbroking services are characterised by intense price and non-price competition;
- (c) customers can acquire stockbroking services (including online and telephone) from a range of alternative suppliers. There are and will remain many substitutes for CMC services and other services described in this submission, and CMC does not have power in any relevant market nor do any of its existing or potential Type A Partners;
- (d) there is no exclusivity obligation on CMC – that is, CMC will not be restricted from entering into similar arrangements with other partners, or from providing stockbroking services to other customers; and
- (e) financial services markets which involve the provision of online services are dynamic and innovative.

9.4 Any potential public detriments are clearly outweighed by the benefits of the proposed conduct (as described above).

Type B Partner customers

9.5 CMC considers that the proposed conduct with respect of Type B Partner customers will not result in any public detriment. The proposed conduct will not lessen competition because:

- (a) markets involving the provision of retail stockbroking services are characterised by a significant number of competitors;

- (b) markets involving the provision of retail stockbroking services are characterised by intense price and non-price competition;
- (c) customers of the Type B Partner will be able to continue to acquire or commence acquiring services from the partner, irrespective of whether they acquire stockbroking services or any other services from CMC;
- (d) there are and will remain many substitutes for the CMC stockbroking services and other services described in this submission, and neither CMC nor any potential Type B Partner has power in any relevant market;
- (e) customers of the Type B Partner can and will be able to acquire securities trading / stockbroking services (including online and telephone) from a range of alternative suppliers;
- (f) there is no exclusivity obligation on CMC – that is, CMC will not be restricted from entering into similar arrangements with other partners, or from providing stockbroking services to other customers; and
- (g) financial services markets which involve the provision of online services are dynamic and innovative.

9.6 The benefits from the proposed conduct (as referred to above) will clearly outweigh any possible detriment considered to arise from it.

ANNEXURE A
EXISTING TYPE A PARTNERS

[CONFIDENTIAL INFORMATION DELETED]

ANNEXURE B
POTENTIAL FUTURE TYPE A PARTNERS

[CONFIDENTIAL INFORMATION DELETED]

ANNEXURE C
POTENTIAL FUTURE TYPE B PARTNERS

[CONFIDENTIAL INFORMATION DELETED]