



Mercedes-Benz

1 June 2012

Mercedes-Benz
Financial Services
Australia Pty Ltd
A Daimler Company

Adjudication Branch
Australian Competition & Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

FILE No:
DOC:
MARS/PRISM:

Dear Sir/Madam

Mercedes-Benz Financial Services Australia Pty Ltd – Notification of Exclusive Dealing

We refer to the above matter and enclose the following:

1. Form G – Notification of Exclusive Dealing;
2. Cheque in the sum of \$100.00 being your fees in relation to the lodgement of the above.

Should you have any queries in relation to the enclosed form, please feel free to contact the writer on (03) 8854 3332 or sasha.trakilovic@daimler.com

Yours faithfully
Mercedes-Benz Financial Services Australia Pty Ltd


Sasha Trakilovic
Corporate Lawyer

Encl.





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:

N95931 Mercedes-Benz Financial Services Australia Pty Ltd ACN 074 134 517
("MBFSAu")

(b) Short description of business carried on by that person:

MBFSAu specialises in providing motor vehicle finance and insurance products.

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

Attention: Sasha Trakilovic
Corporate Lawyer
Mercedes-Benz Financial Services Australia Pty Ltd
1/41 Lexia Place
Mulgrave VIC 3170

2. Notified arrangement

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

The proposed conduct relates to supply of motor vehicle finance.

(b) Description of the conduct or proposed conduct:

MBFSAu proposes to offer a “12 Month Interest-Free” feature to their standard finance products on the condition the customer purchases selected new, demonstrator or used motor vehicles from Patterson Cheney Pty Ltd ACN 005 805 247 (“PC”).

All of MBFSAu’s finance products involve a fixed interest rate for the term of the loan (including contracts impacted by the proposed conduct). Interest accrued during the “12 Month Interest-Free” period will be paid for upfront, in full, to MBFSAu by PC on behalf of the customer.

The proposed conduct will be limited to a campaign period of approximately 3 months.

There is a possibility the above proposal may involve conduct described within s47(6) and/or s47(7) of the *Competition and Consumer Act 2010* (Cth) as MBFSAu may not offer the same “12 Month Interest Free” feature to customers financing other types of motor vehicles from PC or, alternatively, motor vehicles from any other motor vehicle dealers.

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:

Customers who satisfy MBFSAu’s credit criteria and subsequently enter into a motor vehicle finance contract with it.

(b) Number of those persons:

(i) At present time:

None

(ii) Estimated within the next year:

Estimated to be in excess of 50.

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

N/A

4. Public benefit claims

(a) Arguments in support of notification:

The proposed conduct will result in a public benefit to consumers.

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

- (i) Customers will benefit from the proposed conduct as the “12 Month Interest Free” feature will provide them with greater flexibility with their finance product.
- (ii) There is a direct financial gain on behalf of the customer by saving the otherwise payable interest accrued during the first 12 months of the loan term.
- (iii) Customers will also benefit from the proposed conduct as it may stimulate other financiers and other motor vehicle dealers to provide beneficial and alternative financial stimuli.

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):

Motor vehicle finance and motor vehicle sales are the two relevant markets for the conduct described in paragraph 2 herein. Both markets are highly competitive in nature and the abundance of both motor vehicle dealerships and financiers provide for significant substitutability.

The conduct referred to in paragraph 2 herein is restricted to PC dealerships however, at all times during the offer period, MBFSAu will not restrict consumers to:

- (i) purchase any specific make and/or model of vehicle from PC;
- (ii) obtain finance only from MBFSAu in relation to any vehicle purchase allowing the customers flexibility in their choice of financiers;
- (iii) the finance offer itself, allowing customers to seek alternative financial arrangements either through MBFSAu or alternative financiers.

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:

MBFSAu does not believe the proposed conduct is likely to result in any public detriment as the customer will not be compelled to obtain finance from MBFSAu in order to purchase a vehicle from PC. Alternatively, the customer will not be compelled to purchase a vehicle from PC in order to obtain finance from MBFSAu.

The price of the motor vehicles being sold at PC will not be affected by the proposed conduct.

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

The highly competitive nature of the motor vehicle and accompanying financier markets allows for broad consumer choice and the customers are not restricted in any way to deal with any other motor vehicle dealership or financier and to take advantage of any other competitive offers from those parties.

7. Further information

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

Sasha Trakilovic
Corporate Lawyer
Mercedes-Benz Financial Services Australia Pty Ltd
1/41 Lexia Place
Mulgrave VIC 3170
(03) 8554 3332
sasha.trakilovic@daimler.com

Dated..... 30/5/2012

Signed by/on behalf of the applicant

(Signature) LORRAINE PARROTT

(Full Name)

MERCEDES-BENZ FINANCIAL

(Organisation) SERVICES AUSTRALIA. PLC

GENERAL COUNSEL

(Position in Organisation)

Dated..... 1/6/2012

Signed by/on behalf of the applicant

(Signature) SASHA TRACILOVIC

(Full Name)

MERCEDES-BENZ FINANCIAL

(Organisation)

CORPORATE LAWYER

(Position in Organisation)

AUST. COMPETITION &
CONSUMER COMMISSION
CANBERRA
05 JUN 2012

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