



**Australian
Competition &
Consumer
Commission**

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5 September 2013

Dear Sir/Madam

**Visa Worldwide Pte Limited & Ors - applications for authorisation A91379 &
A91380
- interested party consultation**

We previously wrote to you on 9 July 2013 regarding the applications for authorisation lodged by Visa Worldwide Pte Limited, Visa AP (Visa) and MasterCard Asia/Pacific Pte Ltd (MasterCard) (collectively, the applicants).

The applicants have now provided the Australian Competition and Consumer Commission (ACCC) with an amended application for their request for substantive authorisation and a new request for interim authorisation.

Background

Visa and MasterCard have sought authorisation to allow them and specific financial institutions (listed in the application) to work cooperatively to remove signature as a method of authorisation for credit card transactions that are completed in person at a point of sale (i.e. at a cash register). This is also referred to as "PIN@POS" by the applicants.

The ACCC previously sought your views on these matters. In particular, we sought submissions regarding applicants' request for interim authorisation regarding the commencement of the communications strategy to encourage the voluntary adoption of PIN@POS by cardholders. The ACCC has only recently received all relevant information from the applicants and interested parties in relation to this matter and will make its decision in due course.

Submissions from the applicant and other interested parties are available on the ACCC's website www.accc.gov.au/AuthorisationsRegister.

Consultation

The purpose of this letter is to advise you of the applicants' amendments to the substantive application and the new (additional) request for interim authorisation, and invite you to make a submission in relation to either or both of these matters.

A full copy of the amended application for authorisation and additional request for interim authorisation are attached and are also available on the ACCC's website.

Submissions may be made in relation to these matters by **13 September 2013**. You may make a submission by emailing adjudication@accc.gov.au. Submissions, including oral submissions, will be placed on the ACCC's public register subject to any request for exclusion. For further information regarding excluding documents from the public register please see www.accc.gov.au/excludinginformationfrompublicregister.

Additional application for interim authorisation

The applicants have sought an additional interim authorisation to enable the applicants and specific financial institutions to participate in meetings and discussions with American Express regarding the feasibility of it also implementing a PIN@POS mandate that has the same or substantially the same effect as Visa's current PIN@POS mandate.

The applicants have also sought interim authorisation to allow the parties to agree a range of matters with American Express regarding the public communications strategy for the adoption of PIN@POS in Australia.

The ACCC decides whether to grant interim authorisation on a case by case basis. The ACCC will usually consider a range of factors including:

- harm to the applicants and other parties if interim is or is not granted;
- possible benefit and detriment to the public;
- the urgency of the matter; and
- whether the market would be able to return to substantially its pre-interim state if the ACCC should later deny authorisation.

The ACCC endeavours to deal with requests for interim authorisation quickly. The ACCC may grant interim authorisation where the ACCC considers it appropriate to allow the parties to engage in the conduct while the ACCC is considering the substantive application for authorisation.

If the ACCC decides to grant the application for interim authorisation it will come into effect immediately.

Amendment to applications for authorisation

The amendments to the application for authorisation have the effect of permitting American Express to also implement mandatory PIN@POS on the same, or substantially the same, terms as Visa – although the terms may differ (e.g. timing of implementation, specific types of transactions that are included or excluded).

The amendments would also permit American Express to be involved in the joint public communications strategy with MasterCard, Visa and financial institutions regarding the implementation of mandatory PIN@POS (e.g. the removal of signature as an option for most cardholders at points of sale).

Timetable

The ACCC will progress its assessment of the application in a timely manner. An indicative timetable of key events is set out below for your information.

4 July 2013	Lodgement of application and supporting submission
2 September 2013	Amended application and further request for interim authorisation received
October 2013	Draft determination
October/November 2013	Public consultation on draft determination including any conference if called
December 2013	Final determination

Please advise if you do not wish to make a submission at this time, but would like to be informed of the progress of the applications at the draft and final determination stages.

You can also forward this letter to any other party who may wish to make a submission to the ACCC regarding the applications.

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 Hayley Parkes on 03 9290 6926.

Yours sincerely



Marie Dalins
Director
Adjudication Branch