



JCB International (Oceania) Pty Limited

ABN: 28 002 687 023

05 SEPTEMBER 2013

General Manager
Adjudication Branch
Australia Competition and Consumer Commission
Level 20
175 Pitt Street
Sydney NSW 2000

Dear Manager

JCB International (Oceania) Pty Limited – Notification under section 93(1) of the Competition and Consumer Act 2010

We act for JCB International (Oceania) Pty Limited ("JCB Australia"), an Australia subsidiary of JCB international Co., Ltd.

We enclose a Notification of Exclusive Dealing under section 93(1) of the Competition and Consumer Act 2010(Cth)("CCA") in respect of conduct which may constitute third line forcing as defined by sub-section 47(6) and 47(7) of the CCA.

We also enclose a cheque for \$100 payable to the Australian Competition and Consumer Commission, being the prescribed lodgment fee.

For the reasons set out in the attached notification, JCB Australia submits that the proposed conduct will result in a number of public benefits and no discernible public detriment.

If you have any questions in relation to the proposed conduct or require any further information, JCB Australia would be pleased to assist.

Yours sincerely

Fumiaki Inoue
Managing Director
JCB International (Oceania) Pty Limited

Level 18, 44 Market Street
Sydney NSW 2000 Australia
(PO Box Q925, QVB Post Office NSW 1230)
Tel: (02) 9263 8000 Fax: (02) 9263 8050

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)

N96953

JCB International (Oceania) Pty Limited ("**JCB Australia**") ~~and~~ on behalf of JTB Australia Pty Ltd ("**JTB Australia**").

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

(Refer to direction 3)

- i. JCB Australia is an Australian subsidiary of the Japanese credit card company, JCB International Co., Ltd ("**JCB International**"). JCB International is a major Japanese credit card company which issues credit cards that are accepted globally under the brand name of "JCB Card". JCB International also offers a range of card member services, payment solutions, and financing, credit guarantee and other financial services. The main business activity of JCB Australia is to promote the use of JCB Cards in Australia by the JCB cardholders and to increase the number of merchants in Australia which will accept JCB cards. JCB Australia does not issue credit cards in Australia or get involved in the actual card related transactions.
- ii. JTB Australia is a wholly owned Australian subsidiary of JTB Corporation which is a major Japanese tourist agency company having its head office in Tokyo with 323 branches in Japan and 70 offices throughout the world. For further information on JTB Co., refer to www.jtbcorp.jp/en/company/profile/index.asp. JTB Australia was incorporated in Australia in 1987. It has offices in Sydney, Melbourne, Gold Coast, and Cairns. Through its group companies JTB Australia provides a range of travel services as follows:
 - Travelling to Australia:
Package tours, Group tours, School/language training tours, Events and Meeting services in Australia, and Tour desk services

- Travelling from Australia:

Fully escorted tours to Japan and other countries, Student and Group tours to Japan and other countries, Events and Meeting services, and Corporate travel arrangements.

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

Mr Fumiaki Inoue
Level 18, 44 Market 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:

JCB Australia and JTB Australia are proposing to engage in a joint promotional activity whereby JTB Australia will give a 10% discount for its products to those customers who make payments using JCB Cards (the "Promotion").

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

The Promotion may constitute third line forcing in contravention of s47 (6) and (7) of the Competition and Consumer Act, because the customers wishing to obtain the 10% discount from JTB Australia would be required to use JCB Cards. JCB Australia and JTB Australia are unrelated.

(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)

The current and prospective customers of JTB Australia, and current and prospective holders of JCB Cards who become aware of the Promotion.

- (b) Number of those persons:

- (i) At present time:

It is not possible to provide a definitive estimate. As at July 2013, JCB had 77.46 million card members worldwide. The majority of JCB's Card is issued in Japan and none were issued in Australia. In 2012, JTB's share of the Japanese tourists who came to Australia was 4.4%.

Estimated within the next year:

(Refer to direction 6)

See the response to question 3(b)(i) above.

- (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)

JCB Australia submits that the notified conduct will involve a number of public benefits and no discernible public detriments. This is because:

- (i) The Promotion will provide increased value and benefits to JCB Card members, including JCB Card members located in Australia and to the customers of JTB Australia;
- (ii) The Promotion will encourage and facilitate the acquisition of additional travel-related services goods in Australia, and promote the supply of those goods or services to Japanese travellers;
- (iii) The Promotion will increase competition between JCB and other credit card companies and, through the provision of additional value and benefits, facilitate JCB's ability to compete in Australia with credit card companies that have a larger presence in Australia; and
- (iv) The Promotion will increase competition between JTB Australia and other tourism companies by JTB providing more cost competitive products.

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

See the response to question 4(a) above.

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)

JCB Australia considers that the relevant markets in relation to the notified conduct are the various markets for the supply of credit card services in Australia which are highly competitive. In respect of JTB Australia, the relevant markets are the various markets for supply of travel related services (both inbound and outbound) in Australia which are also highly competitive.

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)

JCB considers that the notified conduct will not give rise to any discernible public detriments.

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

See the response to question 6(a) above.

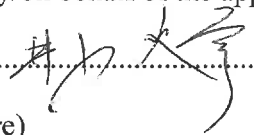
7 Further information

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

Mr Fumiaki Inoue
Level 18, 44 Market Street,
Sydney NSW 2000
Phone +61 2 9263 8002

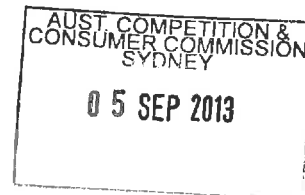
Dated..... 5 September 2013

Signed by/on behalf of the applicant

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(Signature)

Mr Fumiaki Inoue
Managing Director
JCB International (Oceania) Pty Limited



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 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.