



**Australian  
Competition &  
Consumer  
Commission**

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6 May 2013

Daniel Richmond  
Citigroup Pty Limited  
Citigroup Centre  
Level 22, 2 Park Street  
SYDNEY NSW 2000

Dear Mr Richmond

### **Third line forcing notification N96719 lodged by Citigroup Pty Limited**

I refer to the above third line forcing notification lodged with the Australian Competition and Consumer Commission (the ACCC) on 30 April 2013. The notification has been placed on the ACCC's public register.

Citigroup proposes to offer from time to time a free gift, free upgrade, "VIP treatment" or similar reward item (a "**Reward**") to Citigroup customers on condition that they purchase particular goods from particular merchants and identify themselves as being a Citigroup customer. The Reward will be provided by the relevant merchant on Citigroup's behalf, pursuant to an arrangement Citigroup will have with that merchant.

Whilst Citigroup may fund the relevant benefits, if in practice it is the merchant who supplies consumers with the relevant benefits (such as any additional goods or services) on condition that they are Citigroup customers, the participating merchants may be at risk of contravening the third line forcing provisions of the Act.

Notification may only be initiated by the party engaging in the relevant conduct. As a result, any immunity afforded by this notification will not extend to the participating merchants that will provide consumers with the Rewards on condition that they are Citigroup customers.

The relevant merchants may therefore wish to consider lodging separate third line forcing notifications in order to obtain statutory protection from legal action.

Legal protection conferred by this notification for the conduct engaged in by Citigroup described in the notification will commence on 14 May 2013.

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 legal protection provided 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.

This assessment has been made on the basis that Citigroup and any participating merchants will disclose all relevant terms and conditions to prospective customers.

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 Hayley Parkes on 03 9290 6926.

Yours sincerely

A handwritten signature in blue ink, consisting of a stylized initial 'R' followed by a long horizontal line.

Dr Richard Chadwick  
General Manager  
Adjudication Branch