



**Australian
Competition &
Consumer
Commission**

Our Ref: 50466
Contact Officer: Michael Drake
Contact Number: (03) 9658 6517

GPO Box 3131
Canberra ACT 2601

23 Marcus Clarke Street
Canberra ACT 2601

tel: (02) 6243 1111
fax: (02) 6243 1199

www.accc.gov.au

17 January 2013

Attn: Paula Robinson
Minter Ellison
PO Box 11
Varsity Lakes QLD 4225

By Email: paula.robinson@minterellison.com

Dear Ms Robinson

Third line forcing notification N96491 lodged by Shoebox Australia Pty Ltd

I refer to the above third line forcing notification lodged with the Australian Competition and Consumer Commission (the ACCC) on 20 December 2012. The notification has been placed on the ACCC's public register.

Under the notified arrangement Shoebox Australia Pty Ltd (**Shoebox**), a bookkeeping company based in Queensland, propose to provide franchisees with the right to operate a Shoebox franchise on the condition that the franchisees acquire certain goods and services from preferred suppliers.

Legal immunity conferred by the notifications commenced 3 January 2013.

On the basis of the information that you have provided, it is not intended that further action be taken in relation to the notifications at this stage.

As with any notification, please note that the ACCC may act to remove the immunity afforded by this 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 Shoebox will disclose all relevant terms and conditions to current and prospective franchisees. In particular I note that Shoebox is required to comply with the disclosure requirements of the Franchising Code of Conduct in relation to the notified arrangement. Among other things, these specify that a franchisor must provide information to franchisees in its disclosure document about:

- any restrictions on acquisition of goods or services by the franchisee from other sources
- whether the franchisor or an associate will receive a rebate or other financial benefit from the supply of goods or services to franchisees,

including the name of the business providing the rebate or financial benefit and


- whether any such rebate or financial benefit is shared directly or indirectly with franchisees.

More generally I would note that the Franchising Code of Conduct also requires disclosure of:

- ownership by a franchisor or an associate of a franchisor of an interest in any supplier from which the franchisee may be required to acquire goods or services
- any restrictions by a franchisor on the goods or services that a franchisee may supply and
- any restrictions on the persons to whom a franchisee may supply goods or services.

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 Michael Drake on (03) 9658 6517.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Richard Fleming', with a stylized flourish at the end.

Richard Fleming
Acting General Manager
Adjudication Branch