



ASIC

Australian Securities & Investments Commission

14 July 2014

Ms Tanya Hobbs
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Dear Ms Hobbs

Australian Payments Clearing Association Limited (APCA) - application for revocation of authorisations A91153 & A91154 and substitution of new authorisations

Thank you for your letter dated 27 June 2014 about APCA's application for revocation of existing authorisations and substitution of new authorisations relating to the CECS Regulations. ASIC welcomes the opportunity to make a submission on the proposed arrangements.

ASIC supports APCA's application for a new authorisation for the provisions in the CECS Regulations. ASIC considers that the public benefits of the relevant parts of the CECS Regulations are likely to outweigh the public detriments.

In reaching this view, ASIC noted that APCA is seeking new authorisations on substantially the same terms as A91153 and A91154, which the ACCC provided in 2009.

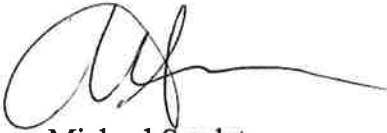
When those previous authorisations were made, ASIC understands that the following matters were important to the ACCC's determination that the public benefits of the CECS Regulation provisions outweighed the public detriments:

- The CECS suspension and termination provisions promote the efficient operation of CECS and enhance its security and integrity. Without these provisions the confidence of users of the CECS would likely be diminished.
- The collective setting of the rules governing CECS reduces transaction costs as these requirements would otherwise be negotiated bilaterally.
- Refusal or termination of CECS membership does not prevent an entity from participating in the EFTPOS or ATM systems - small entities frequently reach agreements with CECS members to process and clear their transactions.
- There are a number of checks and balances in place to mitigate any potential anti-competitive misuse of the relevant provisions in the CECS Regulations.

ASIC considers that these matters remain relevant today.

Please contact Richard McMahon on (02) 9911 2268 or Richard.McMahon@asic.gov.au if you would like to discuss this matter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael Saadat', with a long horizontal flourish extending to the right.

Michael Saadat
Senior Executive Leader
Deposit-takers, Credit & Insurers