



Level 23
1 York Street
SYDNEY NSW 2000

Ms Lyn Camilleri
Director Adjudication
Australian Competition and Consumer Commission

ATTENTION: Fei Wu (by email)

18 August 2016

Dear Ms Camilleri

I write in response to the Commission's letter of 28 July 2016, seeking PayPal's comments on the Application for Authorisation submitted by the Bendigo and Adelaide Bank & others pursuant to subsection(s) 88 (1A)/88 (1) of the *Competition and Consumer Act 2010* ("the Application"). PayPal appreciates the opportunity to offer comments, and I trust the following will be of assistance to the Commission, the Applicants and other interested parties.

Subsequent to a review of the Application, PayPal notes the following:

1. Third Party Wallet Provider Definition and Market

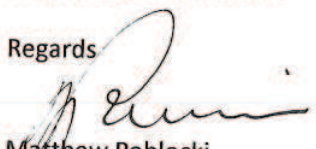
Your letter describes a "mobile wallet" as "*a smartphone application or service that facilitates mobile payments and may also store other information, such as merchant stored value or loyalty cards.*" In common industry usage, this and related terms are often used in different ways by different individuals, and confusion can result. With regard to the specific concerns set forth in the Application, we believe this definition is overly broad particularly in the context of our industry which is dynamic and constantly changing. If the Commission determines to grant relief in the nature requested in the Application, such measures should be carefully tailored.

2. APCA Best Practice Standards

The existing APCA Third Party Digital Wallet Security Industry Guidelines should not be mandated for any of the "Third Party Digital Wallets." These guidelines currently exist as high-level, voluntary guidelines because of a specific decision of APCA that was taken in response to industry concerns. If it is intended that specific standards should be mandated in respect of "Third Party Digital Wallets" then such standards should be created through an open, transparent, inclusive and consensus-based process that applies international best practice to the development of such standards.

PayPal would be pleased to assist the commission with any further inquiries it may have in response to this matter.

Regards



Matthew Poblocki
Director Legal