

# 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)

N99283 This notification is made by Macquarie Bank Limited ABN 46 008 583 542 (**MBL**).

- (b) *Short description of business carried on by that person:*  
(Refer to direction 3)

MBL is an authorised deposit taking institution. MBL supplies banking, financial, advisory, investment and funds management services to customers in Australia.

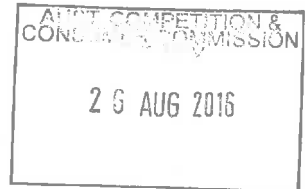
- (c) *Address in Australia for service of documents on that person:*

Level 1, 1 Shelley 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:*

Debit card and credit card accounts offered to retail customers by MBL, including the Macquarie Transaction Account and the Macquarie Platinum Transaction Account (**MBL Card Account**).



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

From time to time, MBL in conjunction with MasterCard Asia Pacific (Australia) Pty Limited and/or Visa International Service Association (**Scheme Providers**), may give or allow, or offer to give or allow, incentives to eligible MBL customers who make purchases at Participating Merchants using the Scheme Provider's card for their MBL Card Account. Incentives include discounts, rebates, bonuses and promotional gifts.

In addition, MBL, in conjunction with a Scheme Provider, may refuse to give or allow an incentive to eligible MBL customers who have not made purchases at a Participating Merchant using the Scheme Provider's card for their MBL Card Account.

MBL and the Scheme Providers propose that the participating merchants will be merchants approved by each Scheme Provider (**Participating Merchants**) including retailers and service providers such as MyUS, eBags and eVitamins.

*(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)*

Eligible Customers who apply and are approved for an MBL Card Account.

(b) *Number of those persons:*

(i) *At present time:*

Nil.

(ii) *Estimated within the next year:*  
*(Refer to direction 6)*

Substantially more than 50.

(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)*

The proposed conduct offers benefits to the public including the following:

- (i) Approved customers may be entitled to certain benefits for the acquisition and continued use of an MBL Card Account. For example, Customers who hold a MBL Card Account may receive free shipping or a discount for purchases made from Participating Merchants through use of the Scheme Provider's Card.

- ii) The promotion of competition among other issuers of similar banking products, for example prompting these competitors to provide value added benefits for holders of their products.

These public benefits outlined above outweigh any potential public detriment which may arise from the conduct.

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

MBL considers that the benefits outlined at 4(a) will increase competition in the markets outlined at 5, as it will encourage providers in these markets to increasingly value add to their products and rewards programs, benefiting the individual consumer.

**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)

The relevant markets are:

- (i) the national market for the provision of credit cards, debit cards, prepaid cards and other non-cash payment facilities (**Payments Market**);
- (ii) the national market for the provision of transaction and savings accounts and other deposit accounts (**Deposit Market**); and
- (iv) the national market for the provision of retail loyalty services and rewards programs (**Loyalty Market**).

Competition in each of these markets is strong and there are numerous other suppliers in all of these markets.

**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)

It is MBL's submission that no likely detriment to the public will result from the proposed conduct and that the proposed conduct will increase competition in the Payments, Deposit and Loyalty Markets.

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

The proposed conduct will not reduce competition or choice in the relevant markets as there are already a wide range of similar products offered in each of the Markets. Such products are prolific in Australia and growth in these markets encourages issuers to continue to develop products that add further value for their customers.

In addition, Eligible customers are free to choose whether or not to apply for an MBL Card Account and if approved, whether or not to make purchases at Participating Merchants. There is also no restriction on non-MBL customers making purchases at Participating Merchants.

**7. Further information**

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

Wayne Lipschitz  
Macquarie Bank Limited  
Level 1, 1 Shelley Street Sydney NSW 2000  
Tel: +61 414 643 488  
Email: Wayne.Lipschitz@macquarie.com

Dated 23.8.16

Signed by/on behalf of the applicant



(Signature)

WAYNE LIPSCHITZ

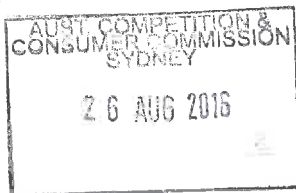
(Full Name)

MACQUARIE BANK LIMITED

(Organisation)

ASSOCIATE DIRECTOR

(Position in Organisation)



## 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 the 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.