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21 March 2023

Dear Interested Party

Proposed merger between Armaguard and Prosegur – consultation on proposed undertaking

On 27 September 2022 the ACCC received an application for authorisation from Linfox Armaguard Pty Ltd (**Armaguard**) and Prosegur Australia Holdings Pty Ltd (**Prosegur**) (together, the **Applicants**) to combine their cash distribution and management, device monitoring and maintenance and ATM businesses in Australia (the **Proposed Merger**).

On 9 March 2023 the Applicants provided their submission in response to the ACCC's Statement of Preliminary Views (**SOPV**), which was released on 21 December 2022. The Applicants' response to the SOPV includes a proposed court enforceable undertaking to the ACCC (the **Proposed Undertaking**).

The Proposed Undertaking is behavioural in nature and would place ongoing obligations on the merged Armaguard and Prosegur (the **Merged Entity**) in relation to price, service offerings, national coverage, ongoing supply of CIT services to independent ATM deployers and third-party access to cash centres. It includes a complaints handling process and a mechanism for independent audit and self-reporting to the ACCC and Reserve Bank of Australia regarding the Merged Entity's compliance with the Proposed Undertaking.

The Proposed Undertaking would remain in place until it is either varied, or withdrawn with the ACCC's approval.

An overview of the Proposed Undertaking is at **Attachment A**.

To view a copy of the undertaking proposed by the Applicants and the Applicants' accompanying submission, please refer to the [ACCC's public register](#).

The Applicants have also agreed to a further extension to the timeframe for the ACCC to make a decision, from 31 March 2023 until 31 May 2023, to allow the ACCC sufficient time to complete its assessment.

Seeking market feedback

The ACCC is seeking views from interested parties on the Proposed Undertaking and in particular whether it would be effective in addressing the concerns identified by the ACCC in the SOPV. Feedback is sought including on whether the Proposed Undertaking:

- provides appropriate price constraints for cash-in-transit (**CIT**) services that reflect efficient costs and reasonable returns over time;
- is sufficient to prevent reductions in service quality or coverage that might arise from any loss of competition between the Applicants;
- removes incentive or ability for the Merged Entity to foreclose on or discriminate against independent ATM providers;
- provides for access to cash centres by third parties on reasonable commercial terms, conditions and for reasonable prices;
- has the potential to distort the market over the life of the Proposed Undertaking; and
- allows for effective operation, oversight and enforcement of the Proposed Undertaking.

If you have not previously provided a submission to the ACCC on this matter, please:

- provide a brief description of your business or organisation; and
- outline the reasons for your interest in the Proposed Merger, including any commercial relationships with Armaguard, Prosegur or any of their subsidiaries. In doing so, please identify any specific service(s) you acquire from or supply to Armaguard and/or Prosegur, if any.

If accepted by the ACCC, the obligations outlined in the Proposed Undertaking would be enforceable pursuant to section 87B of the *Competition and Consumer Act 2010* (Cth).

Making a submission

Due to the statutory timeframe, we request that you provide your submission by no later than **5pm on 4 April 2023**. Submissions received after this date may, but need not, be taken into account.

Submissions should be emailed to Armaguard-Prosegur-Merger@acc.gov.au, with a copy to mergersru@acc.gov.au, with the subject '[your company name]: Armaguard/Prosegur – submission in relation to undertaking'.

Alternatively, if you would like to provide comments orally, please contact Alex Reed on 02 6243 1364 or Louisa Wilson on 03 9290 1474 to organise a suitable time.

Please note the market consultation process should not be taken as an indication that the ACCC will accept the Proposed Undertaking, or any undertaking in relation to the Proposed Merger. The ACCC has not yet formed a concluded view as to the nature and extent of its concerns or whether they are capable of being addressed by the Proposed Undertaking, or any undertaking.

The public register and requesting confidentiality

Authorisation is a public process. The ACCC must keep a public register of documents relating to the application for merger authorisation, including submissions made in relation to the application by other interested parties. The ACCC's public register can be found at the following link: [Merger authorisations register](#).

All submissions (including yours) will be published subject to confidentiality claims. You may request that your submission, or parts of it, be excluded from the public register for confidentiality reasons. For example, if your submission contains commercially sensitive information or if

revealing that you have made a submission could cause you commercial harm. You must make your claim for confidentiality at the time of providing the submission to the ACCC and all claims must be substantiated.

Refer to the ACCC's [Guidelines for excluding information from the public register](#) for any requests for material to be excluded from the public register.

This matter is public and you can forward this letter to anybody who may be interested.

Yours sincerely

A handwritten signature in black ink, appearing to read 'L. Camilleri', is positioned above the typed name.

Lyn Camilleri
General Manager
Competition Exemptions

Attachment A – Overview of the Proposed Undertaking

1. The Proposed Undertaking relates to the ongoing supply of CIT services by the Merged Entity. CIT services are services for the transportation, storage and processing of cash by the Merged Entity for customers, including:
 - a. cash collection and delivery services;
 - b. cash processing services;
 - c. cash administration services; and
 - d. cash storage,but does not include the supply of precious cargo services, security services, the supply of vending and safe products, transaction services, payment solutions or ATM Maintenance Services.
2. The Undertaking remedy places obligations on the Merged Entity with respect to:
 - a. price;
 - b. service offerings;
 - c. national coverage;
 - d. ongoing, non-discriminatory supply of CIT services to independent ATM deployers;
 - e. third party access to cash centres;
 - f. the availability of a complaints handling process; and
 - g. independent audit and self-reporting to the ACCC and the RBA regarding the Merged Entity's compliance with the Undertaking.
3. The Proposed Undertaking would remain in place until it is either varied or withdrawn with the ACCC's approval.

A copy of the Proposed Undertaking and accompanying submission from Armaguard and Prosegur are available on the ACCC [Merger authorisations register](#).