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Our ref: RPN10000453 Contact officer: Luke Griffin Contact phone: 02 6243 1114

10/10/2019

By email

Dear Madam or Sir

Resale Price Maintenance notification RPN10000453 submitted by HP PPS Australia Pty Limited – Statement of Reasons

The Australian Competition and Consumer Commission (the ACCC) has decided not to take further action at this time in respect of the resale price maintenance (RPM) notification lodged by HP PPS Australia Pty Limited (HP) on 16 July 2019 in relation to the HP Online Store.

HP currently directly manages all aspects of its online store. Under the new model for the HP online store, HP is proposing to supply HP products to a third party that will on-sell direct to customers and will receive payments from customers through a new eCommerce platform. The third party will also be responsible for the physical supply of HP products to customers. The RPM conduct HP proposes to engage in involves HP controlling product and marketing strategies and, in particular, specifying the prices for which the third party will sell the HP products to customers (the RPM conduct). The proposed RPM conduct will only apply to products sold through the HP online store.

Once a notification has been validly lodged with the ACCC, immunity from legal action in respect of the notified conduct commences automatically 14 days after the notification was lodged, unless the ACCC issues a draft objection notice proposing to prevent the immunity coming into effect.

In this case, immunity from legal action commenced on 30 July 2019. However, HP's notification states that the proposed conduct will commence if and when the ACCC allows the notification to stand and will thereafter be ongoing. That is, HP will not engage in the proposed RPM conduct until the ACCC makes a decision about the notification.

A full copy of the RPM notification is available on the ACCC's public register.

Decision

The ACCC can revoke an RPM notification if it is satisfied that the likely benefit to the public from the notified conduct will not outweigh the likely public detriment from the conduct.

Based on the information before it, on balance, the ACCC is not satisfied that the legal test to revoke the notification is met at this time.

A Statement of Reasons explaining the ACCC's decision is enclosed.

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 Luke Griffin on 02 6243 1114.

Yours sincerely

Gavin Jones

Director

Adjudication