
Variation to an Undertaking given to the Australian Competition and Consumer Commission

Given under section 87B(2) of the *Competition and Consumer Act 2010* (Cth) by Australian Payments Plus Ltd (ACN 649 744 203)

1 Persons giving this Variation

- 1.1 This Variation is given to the Australian Competition and Consumer Commission (**ACCC**) by Australian Payments Plus Ltd (**AP+**) (ACN 649 744 203).

2 Background

- 2.1 On 8 September 2021, the ACCC accepted an undertaking (the **Undertaking**) under section 87B of the *Competition and Consumer Act 2010* (the **Act**) from AP+ in connection with the proposed amalgamation.
- 2.2 Pursuant to section 87B(2) of the Act, AP+ has sought the ACCC's consent to vary the Undertaking with the purpose of updating the AP+ contact details, including a definition for Approved Terms of Appointment and including the ACCC's section 87B standard Interpretation provisions.

3 Commencement

- 3.1 This Variation comes into effect when:
- (a) this Variation is executed by AP+; and
 - (b) the Commission consents to this Variation so executed.

4 Variations

- 4.1 The variations to this Undertaking are set out in track changes in Schedule 1.
- 4.2 For ease of reference a clean version of the Undertaking as varied is set out in Schedule 2.

5 Defined terms and interpretation

- 5.1 Any term defined in the Undertaking and not defined in this Variation has the meaning given in the Undertaking, unless the contrary intention appears.
- 5.2 **Variation** means this variation to the Undertaking.

Executed by Australian Payments Plus Ltd (ACN 649 744 203) pursuant to section 127(1) of the Corporations Act 2001 by:



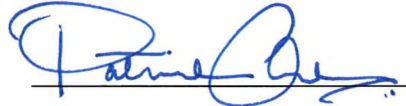
Signature of director

ADRIAN LOVNEY

Name of director (print)

Date:

4 February 2022



Signature of company secretary

PATRICIA CHEN

Name of company secretary (print)

Date:

4 February 2022

Consent provided by the Australian Competition and Consumer Commission pursuant to section 87B of the Competition and Consumer Act 2010 (Cth):



Signature of Chairman

Date: 21 February 2022

Undertaking to the Australian Competition and Consumer Commission

Given under section 87B of the *Competition and Consumer Act 2010* (Cth)

by Australian Payments Plus Ltd (ACN 649 744 203)

1. Person giving the Undertaking

- 1.1. This Undertaking is given to the Australian Competition and Consumer Commission (**ACCC**) by Australian Payments Plus Ltd (ACN 649 744 203) (**AP+**) for the purposes of section 87B of the *Competition and Consumer Act 2010* (Cth) (the **Act**).

2. Background

The amalgamation

- 2.1. On 22 March 2021, the ACCC received an application for merger authorisation under subsection 88(1) of the Act from Industry Committee (an unincorporated association administered by Industry Committee Administration Pty Ltd (**ICA**)).¹
- 2.2. Industry Committee's application was on behalf of its members who are shareholders of BPAY Group Holding Pty Ltd (**BPAY HoldCo**)² and/or members of eftpos Payments Australia Limited (**eftpos**) (who will become shareholders in eftpos) and/or shareholders of New Payments Platform Australia Limited (**NPPA**).
- 2.3. The application seeks authorisation for the amalgamation of the ownership of BPAY HoldCo, eftpos and NPPA by way of 2 related acquisitions of shares:
- (a) the acquisition of shares by the shareholders of BPAY HoldCo, shareholders of eftpos³, and shareholders of NPPA in a new company incorporated solely for the purposes of the conduct for which authorisation is sought, AP+, and
 - (b) the acquisition of shares by AP+ in each of BPAY HoldCo,⁴ eftpos and NPPA
- (together, the **amalgamation**).
- 2.4. The amalgamation will result in:
- (a) BPAY, eftpos and NPPA becoming wholly owned subsidiaries of AP+, and
 - (b) AP+ being owned by the current shareholders and members of BPAY, eftpos and NPPA (other than the Reserve Bank of Australia (**RBA**), which will not become a shareholder of AP+).

¹ The application was initially submitted by Industry Administration Pty Ltd, the administrator of Industry Committee. On 23 August 2021, the application was amended to have been made by Industry Committee.

² BPAY HoldCo and its wholly owned subsidiaries, BPAY Group Pty Ltd and BPAY Pty Ltd, are collectively referred to as **BPAY**.

³ eftpos will convert from a company limited by guarantee to a company limited by shares as part of the amalgamation proposal.

⁴ Industry Committee's 18 June 2021 letter to the ACCC indicates that Syphnt, which is BPAY HoldCo's joint venture project with a third party, will not be included in the amalgamation.

- 2.5. Industry Committee sought in its application the protection of the authorisation for its members and for a group of persons named for the purposes of section 88(2) of the Act.
- 2.6. Industry Committee's members are: Australia and New Zealand Banking Group Limited (**ANZ**), Australian Settlements Limited, Bendigo and Adelaide Bank Limited, Commonwealth Bank of Australia (**CBA**), Coles Group Limited, Cuscal Limited, First Data Network Australia Limited trading as Fiserv, HSBC Bank Australia Limited, Macquarie Bank Limited, National Australia Bank (**NAB**), Tyro Payments Limited, Westpac Banking Corporation (**WBC**) and Woolworths Group Limited.
- 2.7. The persons named for the purposes of section 88(2) of the Act, who are not members of Industry Committee, are:
- (a) eftpos, eftpos Foundation Shareholders,⁵ BPAY Holdco, NPPA and persons who are members of eftpos and/or shareholders of NPPA.⁶
 - (b) the RBA,⁷
 - (c) AP+, and
 - (d) the individuals directly involved in the administration and oversight of Industry Committee, including the Chairperson and the Secretary of Industry Committee.

Parties to the proposed amalgamation

- 2.8. BPAY, eftpos and NPPA, through their respective payment schemes, provide a number of the payment services that are utilised every day by Australian consumers and businesses. Under the amalgamation they will be wholly owned subsidiaries of a new entity called AP+. eftpos, NPPA and BPAY will operate as 3 separate operating companies, with AP+ determining a unified investment roadmap for the 3 payment schemes.
- 2.9. BPAY primarily operates a domestic electronic bill payment service that enables users to make payments through a financial institution's online, mobile or telephone banking facilities to organisations which are registered billers.
- 2.10. eftpos' main business is facilitating electronic payments from customer accounts to merchant accounts at the point of sale. eftpos owns and operates the eftpos debit card scheme and associated infrastructure. eftpos is most commonly associated with the use of plastic debit cards as a payment method for the purchase of goods and services. However, eftpos also facilitates some online debit card payments and debit card withdrawals at automatic teller machines.

⁵ As defined by article 19.1 of AP+'s Constitution as follows: "eftpos Scheme Rules: Each Shareholder who was an "eftpos member" immediately prior to the date on which the Company first issued Preference Shares (other than the Initial Preference Share) (an eftpos Foundation Shareholder) must comply with, and continues to be bound by, the eftpos Scheme Rules applicable to it (as amended from time to time). For the purposes of this article 19 an "eftpos member" means a "Member" pursuant to the eftpos Constitution as it existed prior to the date on which the Company first issued Preference Shares (other than the Initial Preference Share)."

⁶ These persons include Citigroup Pty Limited, ING Bank (Australia) Limited, Indue Limited, EFTEX Pty Limited, Suncorp Metway Ltd, Adyen Australia Pty Limited, Bank of Queensland Limited, Windcave Pty Ltd and Wise Australia Pty Ltd.

⁷ The RBA is currently a shareholder of NPPA but will not acquire shares in AP+.

- 2.11. The New Payments Platform (**NPP**) was launched in February 2018 and is open access infrastructure used to facilitate real-time payments between bank accounts within Australia.

The ACCC's assessment of the amalgamation

- 2.12. The ACCC commenced public consultation on the merger authorisation application on 30 March 2021.
- 2.13. As part of this consultation, the ACCC undertook market inquiries and considered information provided by members of ICA and other persons named in the application, industry participants and other interested parties.
- 2.14. Pursuant to s90(7) of the Act, the ACCC must not make a determination granting an authorisation under s88 of the Act in relation to the proposed amalgamation unless it is satisfied in all the circumstances that:
- (a) The proposed amalgamation would not have the effect or likely effect of substantially lessening competition (effects limb); or
 - (b) The proposed amalgamation would result or be likely to result in a benefit to the public that would outweigh the detriment that would result or be likely to result from the proposed amalgamation (benefits limb).
- 2.15. ICA sought merger authorisation on the basis of both the effects limb and the benefits limb.

The ACCC's competition concerns

- 2.16. The ACCC considers that, without the Undertaking, there is a risk the proposed amalgamation will result in a substantial lessening of competition for the routing of debit card payments. This could occur as a result of a reduction in support for eftpos from the major banks or AP+.
- 2.17. eftpos plays an important role in maintaining competition in the routing of debit card payments. It is the only domestic debit card scheme in Australia. It is an alternative to and is often lower cost for merchants than the 2 larger international debit schemes it competes against: Visa Debit and Debit Mastercard.⁸
- 2.18. A number of interested parties, including small businesses, have raised concerns about the impact of the amalgamation on the independence of eftpos, the provision of eftpos as a low cost debit card service, and the availability of least-cost routing (**LCR**) to merchants.
- 2.19. LCR is a functionality offered by acquirers that allows merchants to choose which debit card scheme will process contactless payments made by consumers using Dual Network Debit Cards (**DNDC**).⁹ Without LCR, DNDC payments would only be processed through the Visa Debit or Debit Mastercard schemes, for which many merchants incur higher fees than payments processed through eftpos.

⁸ RBA, *Review of Retail Payments Regulation Consultation Paper*, May 2021, pp 8 and 9.

⁹ DNDCs are debit cards that have point of sale functionality with 2 debit card schemes. Typically, one of the international debit card schemes (Mastercard or Visa) has first priority (that is, absent a routing instruction at the point of sale, a transaction made using the card will be routed to the card scheme that has first priority), and the domestic debit scheme, eftpos, has second priority (that is, payments are not routed to the scheme by default; the merchant must choose to route payments to this second priority scheme). DNDCs can be used to enable domestic debit payments to be processed via either Mastercard or Visa, or eftpos (provided the least-cost routing (LCR) functionality is available).

- 2.20. The RBA has encouraged competition in debit card payment systems, for example by promoting the issuing of DNDC and the provision of LCR to merchants. Further, the RBA has indicated a willingness to take further steps in the event that eftpos' ability to exert competitive pressure in debit card payment services was to weaken.¹⁰ However, while such steps could be directed to maintaining DNDC and LCR, they would be in response to a diminution of eftpos' ability to exert competitive pressure after it has occurred. The ACCC considered that it was appropriate to accept the Undertaking because it is likely to mitigate the risk of such a diminution occurring. By specifically requiring AP+ to maintain support for eftpos, the Undertaking, together with the role of the RBA, reduces the risk that the major banks as shareholders of AP+ will deprioritise support for eftpos following the amalgamation.
- 2.21. The amalgamation will result in the loss of an independent eftpos board which would be expected to make decisions solely in the interests of the eftpos scheme. eftpos will become a wholly owned subsidiary of AP+ and its Constitution will be amended so that directors acting in good faith in the interests of AP+ will be taken to be acting in the best interests of eftpos.¹¹
- 2.22. Further, as one of 3 operating companies (**OpCos**) wholly owned by AP+, the unified roadmap developed by AP+ will apply to eftpos. With AP+ making decisions on what new functionality is developed or services are invested in, the ACCC considers that the level and timeliness of support for, and investments in, the eftpos scheme may be lower in these circumstances than in the likely future without the amalgamation.
- 2.23. The major banks currently have considerable influence over the decisions made by eftpos because they each hold voting rights on the eftpos Board, proportional to the volume of transactions each bank accounts for. The ACCC does not consider that the change in the proportion of shares and voting rights held by the major banks as a result of the amalgamation will translate into them exercising greater influence or control over AP+ than they would exercise over the individual payment schemes in the counterfactual without the amalgamation.
- 2.24. The major banks (as issuers and acquirers¹²) currently have the ability to dilute the competitive influence of the eftpos network by deciding which payment services they will support; including which eftpos services they offer to their customers and how quickly the services are made available. Following the amalgamation, the major banks will continue to each independently decide whether they will implement the functionalities proposed by AP+, including those related to eftpos.
- 2.25. The major banks have mixed incentives (because of the different roles they have as issuers and acquirers) to support eftpos by issuing DNDCs and making LCR available to their merchant customers. The RBA has observed that the major banks are likely to have a collective incentive to support eftpos and LCR, though

¹⁰ RBA, *Review of Retail Payments Regulation* Consultation Paper, May 2021, pp 13; RBA, Submission to ACCC, 9 July 2021, pp 3-4.

¹¹ As provided for by s 187 of the *Corporations Act 2001*; see ICA, Non-confidential response to ACCC RFI, 18 June 2021, p 4 and 11.

¹² Issuers are the financial institution that issued the debit cards or credit cards being used in a purchase transaction. Acquirers are the merchants' (e.g. retailers') financial institution – they are often but not always banks, and facilitate the processing of a card payment, including collecting payment from the issuers and paying the merchants.

their individual incentive to do so may be relatively weak.¹³ These mixed incentives are likely to persist following the amalgamation.

- 2.26. The ACCC considers that the mixed incentives of the major banks and AP+ and the ability of the banks to materially affect AP+ investment decisions give rise to some uncertainty with regard to the ongoing support of eftpos and LCR. As a result, the ACCC considers there is a risk that the amalgamation may substantially lessen competition for the routing of debit card payments. Industry Committee does not share the ACCC's concerns. However, to address the ACCC's competition concerns, AP+ has offered this Undertaking pursuant to section 87B of the Act.

The Undertaking remedy

- 2.27. The objective of this Undertaking is to address the ACCC's competition concerns as set out above. The Undertaking aims to achieve this objective by placing obligations on AP+ to:

- (a) procure that eftpos will do all things in its control to make available and promote least cost routing;
- (b) procure that eftpos will maintain eftpos' card-based issuing and acquiring infrastructure, payments scheme and the supply of card-based issuing and acceptance services to customers and end users;
- (c) procure that the OpCos will develop and make available the Prescribed Services, and any relevant APIs;
- (d) procure that the OpCos will maintain and continue to administer their respective Mandate Frameworks;
- (e) procure that the OpCos agree an industry wide standard supporting Pay with a QR Code in coordination with Australian Payments Network Limited;
- (f) procure that the OpCos explore the feasibility of developing certain services, and make them available if it is feasible to develop them;
- (g) appoint one out of the 4 independent directors to its board who has substantial small business experience; and
- (h) provide for the effective oversight of AP+'s compliance with this Undertaking.

The ACCC considers that the Undertaking will work alongside the role of the RBA to maintain eftpos' competitive position in the routing of debit card payments and ensure LCR continues to be available and promoted by eftpos for a period of 4 years, ameliorating the risk of a substantial lessening of competition.

Mandated Frameworks

- 2.28. Each of BPAY, eftpos and NPPA have Mandate Frameworks:

- (a) pursuant to those Mandate Frameworks, each of BPAY, eftpos and NPPA have rights to issue mandates to the members of their respective payments schemes:

¹³ RBA, Discussion with the ACCC, 24 June 2021, record available at ACCC website [here](#).

- i. BPAY's Mandate Framework is in accordance with its scheme rules;
 - ii. eftpos' Mandate Framework is in accordance with its scheme rules and technical, operational and security rules; and
 - iii. NPPA's Mandate Framework is in accordance with its regulations;
- (b) in all instances, each of BPAY, eftpos and NPPA must obtain approval through their respective governance processes to issue a mandate; and
- (c) each of BPAY, eftpos and NPPA have rights to impose fees or charges on members for non-compliance with a mandate they have issued:
- i. for BPAY, the rights are contained in its scheme procedures;
 - ii. for eftpos, the rights are contained in its scheme rules; and
 - iii. for NPPA, the rights are contained in its regulations.

API Assets

- 2.29. An API is a type of software interface, offering a service to other pieces of software. A document or standard that describes such a connection or interface is called an API specification. The term API may refer to the specification or the implementation.
- 2.30. An API sandbox is an environment that developers and testers can use to mimic the characteristics of how an API would work in practice and create simulated responses from all APIs that the application relies upon.
- 2.31. Each of the 3 schemes makes available different API assets, according to their existing technology strategy, to support access by third parties:
- (a) BPAY has made available a number of APIs, enabling end-users to interact directly with BPAY's systems to complete certain functions. This includes functions to retrieve BPAY biller details, validate BPAY payment, generate BPAY batch files, generate BPAY Customer Reference Numbers, submit BPAY payments, biller management activities and, in the future, BPAY payment notifications & investigations.
 - (b) eftpos' API portal and API sandbox give users the opportunity to build eftpos' payments capability into their solutions, for use in CP and CNP use cases.
 - (c) NPPA has developed an API framework to encourage consistency among the APIs that are made available by NPP Participants and Identified Institutions. NPPA has also made available a sandbox for developers which mirrors its API framework.

3. Commencement and terms of the Undertaking

- 3.1. This Undertaking comes into effect when:
- (a) this Undertaking is executed by AP+; and

(b) this Undertaking so executed is accepted by the ACCC,
(the **Commencement Date**).

- 3.2. This Undertaking will expire on the 4 year anniversary of the Control Date (the **Term**).
- 3.3. AP+ acknowledges that the obligations contained in clause 5 of this Undertaking commence on the Control Date.

4. Cessation of Ongoing Obligations

Withdrawal

- 4.1. AP+ may request withdrawal of this Undertaking pursuant to section 87B of the Act at any time. This Undertaking is taken to be withdrawn on the date the ACCC consents in writing to that withdrawal.

Revocation

- 4.2. The ACCC may, at any time, revoke its acceptance of this Undertaking if the ACCC becomes aware that any information provided to it was incorrect, inaccurate or misleading.

Waiver

- 4.3. The ACCC may, at any time, expressly waive in writing any of the obligations contained in this Undertaking or extend the date by which any such obligation is to be satisfied.

5. Obligations

Facilitation of the delivery of Least Cost Routing

- 5.1. AP+ will procure that eftpos will do all things in its control to make available and promote Least Cost Routing.

Maintenance of eftpos' infrastructure, scheme and services

- 5.2. AP+ will procure that eftpos will maintain:
- (a) eftpos' card-based issuing and acquiring infrastructure;
 - (b) eftpos' payments scheme; and
 - (c) the supply of eftpos' card-based issuing and acceptance services to customers and end users, including but not limited to the following services:
 - i. pay for a purchase in-store with eftpos debit card (including via contactless methods);
 - ii. pay for a purchase in-store with eftpos debit using a mobile wallet;
 - iii. pay for a purchase online with eftpos debit (low risk card on file);

- iv. pay for a purchase in-app with eftpos debit (low risk card on file);
- v. process disputes and charge backs for all use cases; and
- vi. improvements to payment control and security through Network Tokenisation.

Development of the Prescribed Services

- 5.3. AP+ will procure that the OpCos will develop and make available the Prescribed Services (including, where applicable, APIs) for participants to adopt in accordance with the timeframes contained in Schedule 1 of this Undertaking.
- 5.4. Where an API asset is relevant to a Prescribed Service, AP+ will procure that each OpCo will continue to evolve and extend their various API assets (API's, API frameworks, and sandboxes) in line with the implementation of their respective Prescribed Services.

Maintenance of mandate frameworks

- 5.5. AP+ will procure that the OpCos will maintain and continue to administer their respective Mandate Frameworks as they are at the Commencement Date.

Industry-wide supporting standard – Pay with a QR Code

- 5.6. AP+ will procure that the OpCos, by the end of June 2022, agree an industry wide standard, with a focus on interoperability and open access, supporting Pay with a QR Code in coordination with Australian Payments Network Limited (ABN 12 055 136 519).

Commitment to explore feasibility of certain services and to develop if feasible

- 5.7. AP+ will procure that the OpCos explore the feasibility of developing certain services and, if it is feasible to develop them, to make them available. Those services are as follows:
 - (a) in BPAY's case, business to business (B2B), business to consumer (B2C) – Pay with a URL;
 - (b) in eftpos' case:
 - i. POS payments – Transit support for debit cards;
 - ii. remote payments – Support Secure Remote Commerce; and
 - (c) in each of the OpCo's case, industry wide supporting capabilities - Pay with a QR Code (in accordance with an agreed standard and in coordination with relevant entities).

Commitment to small business representation

- 5.8. AP+ undertakes that one of the 4 independent directors appointed to its board will have substantial small business experience.

6. Independent Audit

Obligation to appoint an Approved Independent Auditor

- 6.1. AP+ must appoint and maintain an Approved Independent Auditor to audit and report upon AP+'s compliance with this Undertaking.

Process for approving a Proposed Independent Auditor

- 6.2. At least fifteen (15) Business Days before the Control Date, AP+ must provide the ACCC with a notice for a Proposed Independent Auditor in the form prescribed in Schedule 2 to this Undertaking (**Proposed Independent Auditor Notice**), including draft terms of appointment and a draft audit plan.
- 6.3. If clauses 6.17, 6.18, or 6.19 apply, AP+ must provide the ACCC with a Proposed Independent Auditor Notice within 5 Business Days after the relevant event occurs, otherwise clause 6.7 applies.
- 6.4. The ACCC shall have the discretion to approve or reject in writing the Proposed Independent Auditor identified in the Proposed Independent Auditor Notice.
- 6.5. Without limiting the ACCC's discretion, in deciding whether to approve a Proposed Independent Auditor, the factors to which the ACCC may have regard include whether the:
 - (a) person named in the Proposed Independent Auditor Notice or identified by the ACCC has the qualifications and experience necessary to carry out the functions of the Approved Independent Auditor, including knowledge and experience in the payments industry;
 - (b) person named in the Proposed Independent Auditor Notice or identified by the ACCC is sufficiently independent of AP+;
 - (c) draft terms of appointment and the draft audit plan are consistent with this Undertaking; and
 - (d) draft terms of appointment and the draft audit plan are otherwise acceptable to the ACCC.

Appointment of the Approved Independent Auditor

- 6.6. After receiving a written notice from the ACCC of its approval of a Proposed Independent Auditor, the draft terms of appointment and draft audit plan, AP+ must by the Control Date:
 - (a) appoint the person approved by the ACCC as the Approved Independent Auditor on the Approved Terms of Appointment; and
 - (b) forward to the ACCC a copy of the executed Approved Terms of Appointment.

Failure to appoint

6.7. If:

- (a) an Approved Independent Auditor has not been appointed by the Control Date;
- (b) the Approved Independent Auditor has not be appointed within fifteen (15) Business Days after the Approved Independent Auditor resigns or otherwise ceases to act as the Approved Independent Auditor pursuant to clause 6.17, 6.18 or 6.19; or
- (c) the ACCC has not received a Proposed Independent Auditor Notice pursuant to 6.2;

then clause 6.8 applies.

6.8. If clause 6.7 applies, the ACCC at its sole discretion may:

- (a) identify and approve a person as the Approved Independent Auditor, including approving the draft terms of appointment and draft audit plan; and/or
- (b) direct AP+ to appoint a person who the ACCC has deemed is an Approved Independent Auditor.

Obligations and powers of the Approved Independent Auditor

6.9. AP+ must procure that any proposed terms of appointment for the Approved Independent Auditor include obligations on the Approved Independent Auditor to:

- (a) maintain his or her independence from AP+, apart from appointment to the role of Approved Independent Auditor, including not forming any relationship of the types described in paragraph 2(c) of Schedule 2 to this Undertaking with AP+ for the period of his or her appointment;
- (b) conduct compliance auditing according to the Approved Audit Plan;
- (c) provide the following reports directly to the ACCC:
 - i. a scheduled written Audit Report as described in clause 6.11; and
 - ii. an immediate report of any issues that arise in relation to the performance of his or her functions as Approved Independent Auditor or in relation to compliance with this Undertaking by any person named in this Undertaking;
- (d) follow any direction given to him or her by the ACCC in relation to the performance of his or her functions as Approved Independent Auditor under this Undertaking.

6.10. AP+ must procure that any proposed terms of appointment for the Approved Independent Auditor provide the Approved Independent Auditor with the authority to:

- (a) access any information or documents that the Approved Independent Auditor considers necessary for carrying out his or her functions as the Approved Independent Auditor or for reporting to or otherwise advising the ACCC; and
- (b) engage any external expertise, assistance or advice reasonably required by the Approved Independent Auditor to perform his or her functions as the Approved Independent Auditor.

Audit Report

6.11. The Approved Independent Auditor must conduct an audit and prepare a detailed report (**Audit Report**) that includes:

- (a) the Approved Independent Auditor's procedures in conducting the audit, or any change to audit procedures and processes since the previous Audit Report;
- (b) a full audit of AP+'s compliance with this Undertaking.
- (c) identification of any areas of uncertainty or ambiguity in the Approved Independent Auditor's interpretation of any obligations contained in this Undertaking;
- (d) all of the reasons for the conclusions reached in the Audit Report;
- (e) any qualifications made by the Approved Independent Auditor in forming his or her views;
- (f) any recommendations by the Approved Independent Auditor to improve:
 - i. the Approved Audit Plan;
 - ii. the integrity of the auditing process;
 - iii. AP+'s processes or reporting systems in relation to compliance with this Undertaking; and
 - iv. AP+'s compliance with this Undertaking; and
- (g) the implementation and outcome of any prior recommendations by the Approved Independent Auditor.

6.12. AP+ must provide the Approved Independent Auditor and the ACCC with written notice within 3 Business Days if a Prescribed Service fails to meet a Development Date and/or Make Available Date contained in Schedule 1, including:

- (a) the reasons why AP+ did not meet the Development Date and/or Make Available Date;
- (b) the impact on:
 - i. customers including issuers and acquirers; and

- ii. end users, including merchants and consumers of the Development Date and/or Make Available Date not being met;
 - (c) a description of the steps being taken by AP+ to develop and make available the Prescribed Service as soon as possible; and
 - (d) a waiver request pursuant to clause 4.3 of this Undertaking seeking an extension of time for compliance with the Development Date and/or Make Available Date.
- 6.13. The Approved Independent Auditor is to provide Audit Reports to the ACCC and AP+ at the following times:
- (a) within 2 months of the Control Date, at which time the Audit Report is to include the results of the initial audit and any recommended changes to the Approved Audit Plan, including the Approved Auditor's proposed procedures and processes for conducting the audit (**Establishment Audit**);
 - (b) every 6 months from receipt of the Audit Report provided in clause 6.13(a) of this Undertaking; and
 - (c) a final report due 2 months following expiry of the Term that will cover the 4 month period from receipt of the last Audit Report provided in clause 6.13(b) of this Undertaking up to the end of the Term.
- 6.14. AP+ must implement any recommendations made by the Approved Independent Auditor in Audit Reports, and notify the ACCC of the implementation of the recommendations, within 10 Business Days after receiving the Audit Report or such other period as agreed in writing with the ACCC.
- 6.15. AP+ must comply with any direction of the ACCC in relation to matters arising from the Audit Report within 10 Business Days after being so directed (or such other period as agreed in writing with the ACCC).

AP+'s obligations in relation to the Approved Independent Auditor

- 6.16. Without limiting its obligations in this Undertaking, AP+ must:
- (a) comply with and enforce the Approved Terms of Appointment for the Approved Independent Auditor;
 - (b) maintain and fund the Approved Independent Auditor to carry out his or her functions including:
 - i. indemnifying the Approved Independent Auditor for any expenses, loss, claim or damage arising directly or indirectly from the performance by the Approved Independent Auditor of his or her functions as the Approved Independent Auditor except where such expenses, loss, claim or damage arises out of the gross negligence, fraud, misconduct or breach of duty by the Approved Independent Auditor;
 - ii. providing and paying for any external expertise, assistance or advice required by the Approved Independent Auditor to perform his or her functions as the Approved Independent Auditor; and

- (c) not interfere with, or otherwise hinder, the Approved Independent Auditor's ability to carry out his or her functions as the Approved Independent Auditor, including:
 - i. directing AP+ personnel, including directors, contractors, managers, officers, employees and agents, to act in accordance with this clause 6;
 - ii. providing to the Approved Independent Auditor any information or documents he or she considers necessary for carrying out his or her functions as the Approved Independent Auditor or for reporting to or otherwise advising the ACCC;
 - iii. not requesting any information relating to the compliance audit from the Approved Independent Auditor without such a request having been approved by the ACCC; and
 - iv. not appointing the Approved Independent Auditor, or have any Agreements with the Approved Independent Auditor, to utilise the Approved Independent Auditor's services for anything other than compliance with this Undertaking until at least 12 months after the Approved Independent Auditor ceases to act in the role of the Approved Independent Auditor.

Resignation, revocation or termination of the Approved Independent Auditor

- 6.17. AP+ must immediately notify the ACCC in the event that the Approved Independent Auditor resigns or otherwise stops acting as the Approved Independent Auditor.
- 6.18. The ACCC may revoke an Approved Independent Auditor's status as the Approved Independent Auditor if the ACCC becomes aware that any information provided to it in connection with the appointment of the Approved Independent Auditor was incorrect, inaccurate or misleading.
- 6.19. The ACCC may approve any proposal by, or alternatively may direct, AP+ to terminate the appointment of the Approved Independent Auditor if in the ACCC's view the Approved Independent Auditor acts inconsistently with the provisions of this Undertaking and/or the Approved Terms of Appointment or the Approved Independent Auditor fails to perform their role to an adequate standard.

7. ACCC Enquiries

- 7.1. For the purpose of monitoring compliance with this Undertaking, the ACCC may seek information and documents from AP+, and AP+ must provide that information and those documents (other than information, or documents containing information, which is subject to legal professional privilege) within the timeframe requested or as otherwise agreed with the ACCC.

8. Disclosure of this Undertaking

- 8.1. AP+ acknowledges that the ACCC may:
 - (a) make this Undertaking publicly available;

- (b) publish this Undertaking on its Public Section 87B Undertakings Register and Public Mergers Register; and
- (c) from time to time publicly refer to this Undertaking.

8.2. Nothing in clause 8.1 prevents the ACCC from disclosing such information as is:

- (a) required by law;
- (b) permitted by section 155AAA of the Act; or
- (c) necessary for the purpose of assessing compliance with or enforcement of this Undertaking.

9. Obligation to procure

9.1. Where the performance of an obligation under this Undertaking requires a Related Body Corporate of AP+ to take or refrain from taking some action, AP+ will procure that Related Body Corporate to take or refrain from taking that action.

10. No Derogation

10.1. This Undertaking does not prevent the ACCC from taking enforcement action at any time whether during or after the period of this Undertaking in respect of any breach by AP+ of any term of this Undertaking.

10.2. Nothing in this Undertaking is intended to restrict the right of the ACCC to take action under the Act for penalties or other remedies in the event that AP+ does not fully implement and/or perform its obligations under this Undertaking or in any other event where the ACCC decides to take action under the Act for penalties or other remedies.

11. Change of Control

11.1. In the event that a Change of Control is reasonably expected to occur, AP+ must:

- (a) notify the ACCC of this expectation as soon as practicable; and
- (b) only implement a Change of Control to another person or entity if that person or entity has given a section 87B undertaking to the ACCC that requires it to comply with the same obligations as are imposed on AP+ pursuant to this Undertaking, or on terms that are otherwise acceptable to the ACCC, unless the ACCC has notified AP+ in writing that a section 87B undertaking under this clause is not required.

12. Costs

12.1. AP+ must pay all of its own costs incurred in relation to this Undertaking, including the costs of any independent auditor appointed pursuant to clause 6.1.

13. Notices

Giving Notices

- 13.1. Any notice or communication to the ACCC pursuant to this Undertaking must be sent to:

Email address: mergers@accc.gov.au

Attention: Executive General Manager

Merger, Exemptions & Digital Division

With a copy sent to:

Email address: mergersru@accc.gov.au

Attention: Director, Remedies Unit

Policy, Coordination & Remedies

Merger, Exemptions & Digital Division

- 13.2. Any notice or communication to AP+ pursuant to this Undertaking must be sent to:

Name: [Lynn Kraus, Australian Payments Plus Ltd](#) ~~Sharon Henrick, Partner, King & Wood Mallesons~~

Address: [Level 1, 255 George Street, Sydney, New South Wales](#) ~~Level 61 Governor Phillip Tower, 1 Farrer Place, Sydney, New South Wales, 2000~~

Email Address: lkraus@auspayplus.com.au ~~sharon.henrick@au.kwm.com~~

Fax number: [n/a+612 9296 3999](#)

Attention: [Lynn Kraus](#) ~~Sharon Henrick~~

When a notice is received

- 13.3. If sent by post within Australia, notices are taken to be received 5 Business Days after posting unless proved otherwise.
- 13.4. If sent by email, notices are taken to be received at the time shown in the email as the time the email was sent unless proved otherwise.

Change of contact details

- 13.5. AP+ must promptly notify the ACCC of a change to its contact details.
- 13.6. Any notice or communication will be sent to the most recently advised contact details and subject to clauses 13.3 and 13.4, will be taken to be received.

14. Defined terms

ACCC means Australian Competition and Consumer Commission.

Act means *Competition and Consumer Act 2010* (Cth).

AP+ means Australian Payments Plus Ltd (ACN 649 744 203).

API means an application programming interface.

Approved Independent Auditor means the person approved by the ACCC and appointed under clause 6 of this Undertaking.

Approved Audit Plan means the plan approved by the ACCC in accordance with the terms of this Undertaking, by which the Approved Independent Auditor will audit and report upon compliance with this Undertaking.

Approved Terms of Appointment means [the terms of appointment for the Approved Independent Auditor as approved by the ACCC in accordance with the terms of this Undertaking.](#)

Associated Entity has the meaning given by section 50AAA of the Corporations Act.

Audit Report has the meaning given to it in clause 6.11 of this Undertaking.

BPAY means BPAY Group Pty Ltd (ACN 003 311 644) and BPAY Pty Ltd (ACN 079 137 518).

Business Day means a day other than a Saturday or Sunday on which banks are open for business generally in the Australian Capital Territory.

CNP means card not present.

CP means card present.

Change of Control means:

- (a) the assignment or other transfer of the legal or beneficial ownership of some or all of the share capital of AP+ to any other person or entity that may impact compliance with this Undertaking in its entirety; or
- (b) the sale or transfer of any assets necessary, or which may be necessary, to enable AP+ to continue to comply with this Undertaking in its entirety.

Commencement Date has the meaning given in clause 3(1)(b) of this Undertaking.

Control Date means when completion occurs under the Implementation Agreement.

Development Date means the date upon which infrastructure development at the OpCo level to support a Prescribed Service is completed.

eftpos means eftpos Payments Australia Limited (ABN 37 136 180 366).

Entities Connected has the meaning given by section 64B of the Corporations Act.

Establishment Audit has the meaning given to it in clause 6.13(a) of this Undertaking.

ICS means the international card schemes.

Implementation Agreement means the agreement titled Implementation Agreement dated 10 December 2020 between NPP Australia Limited, eftpos and BPAY Group Holding Pty Ltd (ABN 44 626 481 525), as amended from time to time.

Least Cost Routing (sometimes also referred to as merchant-choice routing) means a merchant being able to choose to process a dual-network debit card transaction over the lowest-cost network. Least-cost routing can apply to dual-network debit card transactions made in-store (for contactless payments) or online (for card not present payments). In the in-store environment, the cardholder can override least-cost routing by inserting their card into the terminal and selecting their preferred network.

Make Available Date means the date upon which a service has been fully tested by an OpCo and is available to be integrated with the systems of a scheme member.

Mandate Framework refers to the provisions of the scheme rules or regulations of the relevant OpCo which specifically enable:

- (a) a requirement to be imposed under the scheme rules on all or some of the participants in that payment service to adopt, implement or otherwise support a new product/service or functionality;
- (b) any such mandate to be varied, revoked or waived; and
- (c) fees or charges to be imposed under the scheme rules on a participant which does not comply with any such mandate.

MNDC means multi network debit card.

Network Tokenisation means provision of infrastructure by an OpCo which enables the replacement of a primary account number by a surrogate value for use within the payment scheme ecosystem.

NPPA means NPP Australia Limited (ABN 68 601 428 737).

OpCo means any of BPAY, eftpos and NPPA, as the case may be.

Prescribed Services means the services listed in **Schedule 1** to this Undertaking.

Proposed Independent Auditor means a person named in a Proposed Independent Auditor Notice.

Proposed Independent Auditor Notice has the meaning given to it in clause 6.2 of this Undertaking.

Related Body Corporate has the meaning given to it by section 50 of the *Corporations Act 2001* (Cth).

Related Entities has the meaning given to it by section 9 of the *Corporations Act 2001* (Cth).

Related Parties has the meaning given to it by section 228 of the *Corporations Act 2001* (Cth).

S2I means Switch to Issuer.

SRC means Secure Remote Commerce.

Undertaking is a reference to all provisions of this document, including its schedules and as varied from time to time under section 87B of the Act.

15. Interpretation

15.1. In the interpretation of this Undertaking, the following provisions apply unless the context otherwise requires:

- (a) a reference to this Undertaking includes all of the provisions of this document including its schedules;
- (b) headings are inserted for convenience only and do not affect the interpretation of this Undertaking;
- (c) if the day on which any act, matter or thing is to be done under this Undertaking is not a Business Day, the act, matter or thing must be done on the next Business Day;
- (d) a reference in this Undertaking to any law, legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision;
- (e) a reference in this Undertaking to any company includes its Related Bodies Corporate;
- (f) a reference in this Undertaking to any agreement or document is to that agreement or document as amended, novated, supplemented or replaced;
- (g) a reference to a clause, part, schedule or attachment is a reference to a clause, part, schedule or attachment of or to this Undertaking;
- (h) an expression importing a natural person includes any company, trust, partnership, joint venture, association, body corporate or governmental agency;
- (i) where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning;

- (i) a word which denotes the singular also denotes the plural, a word which denotes the plural also denotes the singular, and a reference to any gender also denotes the other genders;
- (k) a reference to the words 'such as', 'including', 'particularly' and similar expressions is to be construed without limitation;
- (l) a construction that would promote the purpose - or object - underlying the Undertaking (whether expressly stated or not) will be preferred to a construction that would not promote that purpose or object;
- (m) material not forming part of this Undertaking may be considered to:

 - i. confirm the meaning of a clause is the ordinary meaning conveyed by the text of the clause, taking into account its context in the Undertaking and the competition concerns intended to be addressed by the Undertaking and the clause in question; or
 - ii. determine the meaning of the clause when the ordinary meaning conveyed by the text of the clause, taking into account its context in the Undertaking and the purpose or object underlying the Undertaking, leads to a result that does not promote the purpose or object underlying the Undertaking;
- (n) in determining whether consideration should be given to any material in accordance with paragraph (m), or in considering any weight to be given to any such material, regard must be had, in addition to any other relevant matters, to the:

 - i. effect that reliance on the ordinary meaning conveyed by the text of the clause would, have (taking into account its context in the Undertaking and whether that meaning promotes the purpose or object of the Undertaking); and
 - ii. need to ensure that the result of the Undertaking is to completely address any ACCC competition concerns;
- (o) the ACCC may authorise the ACCC Mergers Review Committee or the ACCC Competition Exemptions Committee, a member of the ACCC or a member of the ACCC staff, to exercise a decision making function under this Undertaking on its behalf and that authorisation may be subject to any conditions which the ACCC may impose;
- (p) in performing its obligations under this Undertaking, AP+ will do everything reasonably within its power to ensure that its performance of those obligations is done in a manner which is consistent with promoting the purpose and object of this Undertaking;
- (q) a reference to:

 - i. a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
 - ii. a party includes its successors and permitted assigns; and

iii. a monetary amount is in Australian dollars.

Executed as an Undertaking

Executed by Australian Payments Plus Ltd (ACN 649 744 203) pursuant to section 127(1) of the *Corporations Act 2001* (Cth) by:

Signature of director	Signature of a director
Robert Milliner	Adrian Lovney
Name of director (print)	Name of director (print)
7 September 2021	7 September 2021
Date	Date

Accepted by the Australian Competition and Consumer Commission pursuant to section 87B of the *Competition and Consumer Act 2010* (Cth) on:

Date

and signed on behalf of the Commission:

Chair

Schedule 1 - Prescribed Services

Service	Description	Responsible OpCo	Relevance to least cost routing	Development Date for the OpCo	Make Available Date for the OpCo	Implementation by Issuers and/or Acquirers under the relevant OpCo's Mandate Framework
Services to be developed and made available by the Control Date						
1. Remote payments	<p>Pay for a purchase online</p> <ul style="list-style-type: none"> Switch to Issuer (S2I) <p>-----</p> <p>S2I processing allows transactions to go directly from a merchant's payments processor to the eftpos Hub and be switched to the issuer for payment authorisation and processing. Acquirers are notified for settlement purposes. This speeds up the delivery and reduces the cost (to acquirers and potentially merchants) of changes to eftpos' products and services as it removes the need to make acquirer host system changes. This solution also adds resilience to the payments system by simplifying payments processing.</p> <p>Initially the service will support processing of online card not present (CNP) transactions. Longer term support for card present (CP) transactions from a physical terminal is contemplated.</p>	eftpos	This will support CNP least cost routing by expediting eftpos' online acceptance and availability of CNP least cost routing.	Service was developed by the end of March 2021.	Service will be made available by the end of August 2021.	Not mandated.

Service	Description	Responsible OpCo	Relevance to least cost routing	Development Date for the OpCo	Make Available Date for the OpCo	Implementation by Issuers and/or Acquirers under the relevant OpCo's Mandate Framework
2. Business to business (B2B), business to consumer (B2C) and peer to peer (P2P) payments	<p>Make real-time payments into customer account via debit card CNP</p> <p>-----</p> <p>This service allows businesses to withdraw/deposit funds in real-time from/into their customers' accounts using the customers' debit card number (for multi network debit cards (MNDC) cards only).</p> <p>This service is live and this iteration is for support of additional use cases beyond P2P in the CNP environment, including support for insurance disbursements, gift card loading and instant payroll for gig economy workers.</p>	eftpos	No application to least cost routing.	Service was developed in 2020.	Service will be made available by the Control Date.	<p>Effective date of mandate: 31 May 2022.</p> <p>Name of mandate: Deposit & Withdrawals – Low-Risk Card Not Present.</p> <p>Scope of mandate: Mandate will be applicable to Issuers.</p> <p>The mandate will be applicable to MNDC only.</p>
3. Industry wide supporting capabilities and standards	<p>Enhance settlement service (for debit cards)</p> <p>-----</p> <p>This replaces the system of interchange fee exchange, where each of eftpos' participants settles individually with each counterparty bilaterally, with multilateral netting of interchange fee settlement obligations via a single debit or credit executed via the Reserve Bank of Australia's Information and Transfer System.</p> <p>This means that both net transaction value exchange (implemented in 2015) and net interchange fee exchange now happen at the same time.</p>	eftpos	No application to least cost routing.	Service was developed by the end of April 2021.	Service will be made available by the Control Date.	<p>Effective date of mandate: 30 June 2021.</p> <p>Name of mandate: eftpos Settlement Services Enhancements and Initiatives Disposition (Member Advice 017-020).</p> <p>Scope of the mandate: The mandate is applicable to Issuers and Acquirers.</p>

Service	Description	Responsible OpCo	Relevance to least cost routing	Development Date for the OpCo	Make Available Date for the OpCo	Implementation by Issuers and/or Acquirers under the relevant OpCo's Mandate Framework
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Services to be developed and made available by 31 December 2021

4. Remote payments

Pay for any purchase online

- **With merchant option for liability shift to issuer**

 This service relates to the ability to pay for a purchase online using a MNDC. This capability supports both card on file (where a debit card is stored with a merchant) and pay as you go (where debit card details are typed in) payment options. This service allows a merchant to choose how an MNDC transaction is processed with no change to consumers' experience.

eftpos Secure (3DS) provides a means for merchants to authenticate transactions and receive liability protection, which they would typically do for only high-risk transactions until authorisation rates improve for 3DS services generally. When invoked by the merchant, the consumer is required to enter a one-time code, sent to them by their bank, into the merchant's online checkout flow to complete a purchase. Support by members for eftpos' Secure (3DS) is a necessary step to enable the safe and secure processing of any online transaction.

eftpos

This service is central to the enablement of least cost routing of online payments beyond low risk card on file routing.

Service will be developed by the end of October 2021.

Service will be made available by the end of October 2021.

Effective date of the mandate:
31 May 2022.

Name of the mandate:
Card-Not-Present (CNP) processing for all Multi-Network Debit (MND) card transactions (02-03/21).

Scope of the mandate:
Mandate applicable to all Issuers and Acquirers.

The scope is for MNDC only.

Service	Description	Responsible OpCo	Relevance to least cost routing	Development Date for the OpCo	Make Available Date for the OpCo	Implementation by Issuers and/or Acquirers under the relevant OpCo's Mandate Framework
5. Remote payments	<p>Pay for a purchase online</p> <ul style="list-style-type: none"> With network token (including life-cycle management) <p>-----</p> <p>This is a technical development not visible to eftpos' cardholders.</p> <p>At a technical level this development means that the eftpos' hub replaces the consumer's sensitive card details (i.e. 16-digit number, CVV) with a replacement number which is used for online (i.e. browser-based) transactions at that merchant. The cardholder sees no difference in the transaction practically, which occurs as it normally would.</p> <p>The benefit of this change is that if a merchant or merchant's service providers systems were hacked, the data that would be exposed would not be the cardholder's sensitive card details, reducing the risk of further transaction fraud, and potentially reducing the need for a card to be reissued.</p> <p>This is a development which brings eftpos into line with similar functionality which has been generally available by the ICS for a number of years.</p>	eftpos	This service is central to the enablement of least cost routing of online payments for card on file services popular with large ecommerce merchants and their service providers.	Service will be developed by the end of October 2021.	Service will be made available by the end of October 2021.	<p>Original mandate date: May 2020.</p> <p>The mandate will not be enforced until May 2022.</p> <p>Name of the mandate: Support for Tokenisation (Member Advice 005-20).</p> <p>Scope of the mandate: The mandate is applicable to Issuers.</p> <p>The scope of the mandate is for MNDC only.</p>

Service	Description	Responsible OpCo	Relevance to least cost routing	Development Date for the OpCo	Make Available Date for the OpCo	Implementation by Issuers and/or Acquirers under the relevant OpCo's Mandate Framework
6. Industry wide supporting capabilities and standards	<p>Monitor and risk score transactions for fraud (debit cards)</p> <p>-----</p> <p>This is a network fraud monitoring and transaction scoring capability, which is critical to enable the safe expansion of eftpos into riskier (i.e. beyond low risk recurring payments) MNDC CNP transactions. The score and reason codes will be provided to members within the transaction record enabling real time data capture and issuer decision-making within their authorisation processes. The information obtained from this process will give issuers more data to feed into their authorisation systems, allowing them to make more accurate decisions to approve or decline.</p> <p>This service will help decrease fraud losses for banks and their customers and help increase the ability for eftpos to enable online card acceptance in riskier merchants, where banks might otherwise decline the transaction.</p>	eftpos	This will support least cost routing because it will support eftpos' online acceptance.	Service will be developed by the end of October 2021.	Service will be made available by the end of December 2021.	Not mandated.

Service	Description	Responsible OpCo	Relevance to least cost routing	Development Date for the OpCo	Make Available Date for the OpCo	Implementation by Issuers and/or Acquirers under the relevant OpCo's Mandate Framework
Services to be developed and made available by 30 June 2022						
7. Remote payments	<p>Pay for a purchase in-app</p> <ul style="list-style-type: none"> With network token (including lifecycle management) <p>-----</p> <p>Mobile applications are increasingly supporting card-based payments within the application (i.e. "in-app") aligned to the Apple iOS and Google Android operating systems and their respective digital wallets. Where supported within a merchants' app, the consumer would select to pay using their mobile wallet (such as Apple Pay) and follow the familiar checkout experience.</p> <p>This service will ensure the ability to process eftpos' network tokens when a consumer has selected eftpos within their mobile wallet (such as Apple Pay).</p>	eftpos	This service is central to the enablement of least cost routing of in-app payments, if merchants are provided the choice.	Service will be developed by the end of October 2021.	Service will be made available by the end of October 2021.	<p>Effective date of the mandate: 31 May 2022.</p> <p>Name of the mandate: eftpos Tokenisation Service for Device (eTS-D) – In-app Payments (Member Advice 03-03/21).</p> <p>Scope of the mandate: The mandate is applicable to Issuers and Acquirers.</p> <p>The scope of the mandate is for MNDC only, when provisioned into digital wallets.</p>
8. B2B, B2C and P2P payments	<p>Make real-time payments into customer account via debit card (resolve for time-bound exceptions for CP)</p> <p>-----</p> <p>This service allows a merchant via the terminal supplied by their payment processor or bank to deposit funds from their merchant account into a customer's bank account via linked eftpos functionality (with funds made available to the cardholder in real-time).</p> <p>This terminal based service is currently used by Medicare to process eligible Medicare claims to a</p>	eftpos	Not applicable to least cost routing.	Service will be developed by the end of April 2022.	Service will be made available by the end of June 2022.	<p>Effective date of the mandate: 31 May 2023.</p> <p>Name of the mandate: Deposit & Withdrawals – Card Present.</p>

Service	Description	Responsible OpCo	Relevance to least cost routing	Development Date for the OpCo	Make Available Date for the OpCo	Implementation by Issuers and/or Acquirers under the relevant OpCo's Mandate Framework
	<p>bank account which has linked eftpos functionality.</p> <p>This service is for CP transactions beyond Medicare payments and replaces current time-based exemptions allowing specific other use cases,, for example where a card is tapped at a newsagent to receive a lottery payout.</p>					<p>Scope of the mandate:</p> <p>The mandate will be applicable to Issuers.</p> <p>The scope of the mandate will be applicable to both eftpos' proprietary debit cards and MNDC.</p>
<p>9. B2B, B2C and P2P payments</p>	<p>Give and manage standing authorisations for payments initiated by third parties (i.e. Mandated Payments Service)</p> <hr/> <p>The "PayTo" service will enable customers to authorise third parties to initiate payments from their bank accounts using the NPP. PayTo enables a more digital and enhanced customer experience, providing customers with more visibility and control over their payment arrangements. The functionality can be used for a range of use cases including an alternative for direct debit, supporting the linking of bank accounts for in-app payments, card-on-file type arrangements (such as Uber), funding for other payment options such as digital wallets and BNPL services and for recurring e-commerce payments.</p> <p>PayTo will also deliver benefits to parties initiating payments which are not available today, such as real-time account validation, confirmation of funds availability and confirmation that the payment has been made.</p>	NPPA	Not applicable to least cost routing.	Service was developed by the end of July 2021.	Service will be made available by the end of May 2022.	<p>Effective date of the mandate:</p> <p>30 June 2022.</p> <p>Name of the mandate:</p> <p>Mandate Management Requirements and Mandate Payment Processing.</p> <p>Scope of the mandate:</p> <p>The mandate will be applicable to all NPP Participants.</p>

Schedule 2 –Independent Auditor Appointment Form

This form sets out the information required by the ACCC in relation to proposed appointment of the Proposed Independent Auditor.

Please note in relation to information given pursuant to this form, giving false or misleading information is a serious offence.

Method of Delivery to the ACCC

This completed form, along with the additional requested information is to be provided to the ACCC with the subject line (Proposed Independent Auditor Notice – AP+ to the below email addresses:

1. mergers@accc.gov.au

Attention: Executive General Manager

Merger, Exemptions & Digital Division

2. With a copy sent to:

mergersru@accc.gov.au

Attention: Director

Remedies Unit

Policy, Coordination & Strategy Branch

Merger, Exemptions & Digital Division

Information Required

The ACCC requires the following information in order to assess a proposed Independent Auditor:

1. Proposed Independent Auditor details:
 - a. the name of the Proposed Independent Auditor; and
 - b. the name of the Proposed Independent Auditor's employer and contact details including:
 - i. address;
 - ii. contact name;
 - iii. telephone number;
 - iv. other contact details.
2. A submission containing the following information:
 - a. details of the Proposed Independent Auditor's qualifications and experience relevant to his or her proposed role pursuant to the Undertaking
 - b. the names of the owner(s) and the directors(s) of the Independent Auditor's employer

- c. details of any of the following types of relationships between AP+ and the Proposed Independent Auditor or the Proposed Independent Auditor's employer or confirmation that no such relationship exists whether within Australia or outside of Australia:
 - i. AP+ and the Proposed Independent Auditor's employer are Associated Entities
 - ii. AP+ is an Entity Connected with the Proposed Independent Auditor's employer
 - iii. the Proposed Independent Auditor's employer is an Entity Connected with AP+
 - iv. AP+ and the Proposed Independent Auditor's employer are Related Entities
 - v. AP+ and the Proposed Independent Auditor's employer are Related Parties
 - vi. any Related Party, Related Entity or Entity Connected with AP+ is a Related Party, Related Entity or Entity Connected with the Proposed Independent Auditor
 - vii. AP+ and the Proposed Independent Auditor or Proposed Independent Auditor's employer have a contractual relationship or had one within the past 3 years, other than those attached to this form
 - viii. the Proposed Independent Auditor's employer is a supplier of AP+ or has been in the past 3 years
 - ix. AP+ is a supplier of the Proposed Independent Auditor's employer or has been in the past 3 years, and
 - x. any other relationship between AP+ and the Proposed Independent Auditor or Proposed Independent Auditor's employer that allows one to affect the business decisions of the other, and
 - d. details of any existing or past contractual relationships between the Proposed Independent Auditor or the Proposed Independent Auditor's employer and the ACCC within the past 3 years.
3. A document outlining the terms of appointment for the Proposed Independent Auditor. This should identify the basis on which fees will be paid, including disclosure of any proposed performance-based fees.
 4. A finalised draft audit plan for AP+, drafted by the Proposed Independent Auditor and outlining (to the extent possible) the Proposed Independent Auditor's plans in regard to the Establishment Audit and the Audit Report.

Undertaking to the Australian Competition and Consumer Commission

Given under section 87B of the *Competition and Consumer Act 2010* (Cth)

by Australian Payments Plus Ltd (ACN 649 744 203)

1. Person giving the Undertaking

- 1.1. This Undertaking is given to the Australian Competition and Consumer Commission (**ACCC**) by Australian Payments Plus Ltd (ACN 649 744 203) (**AP+**) for the purposes of section 87B of the *Competition and Consumer Act 2010* (Cth) (the **Act**).

2. Background

The amalgamation

- 2.1. On 22 March 2021, the ACCC received an application for merger authorisation under subsection 88(1) of the Act from Industry Committee (an unincorporated association administered by Industry Committee Administration Pty Ltd (**ICA**)).¹
- 2.2. Industry Committee's application was on behalf of its members who are shareholders of BPAY Group Holding Pty Ltd (**BPAY HoldCo**)² and/or members of eftpos Payments Australia Limited (**eftpos**) (who will become shareholders in eftpos) and/or shareholders of New Payments Platform Australia Limited (**NPPA**).
- 2.3. The application seeks authorisation for the amalgamation of the ownership of BPAY HoldCo, eftpos and NPPA by way of 2 related acquisitions of shares:
- (a) the acquisition of shares by the shareholders of BPAY HoldCo, shareholders of eftpos³, and shareholders of NPPA in a new company incorporated solely for the purposes of the conduct for which authorisation is sought, AP+, and
 - (b) the acquisition of shares by AP+ in each of BPAY HoldCo,⁴ eftpos and NPPA
- (together, the **amalgamation**).
- 2.4. The amalgamation will result in:
- (a) BPAY, eftpos and NPPA becoming wholly owned subsidiaries of AP+, and
 - (b) AP+ being owned by the current shareholders and members of BPAY, eftpos and NPPA (other than the Reserve Bank of Australia (**RBA**), which will not become a shareholder of AP+).

¹ The application was initially submitted by Industry Administration Pty Ltd, the administrator of Industry Committee. On 23 August 2021, the application was amended to have been made by Industry Committee.

² BPAY HoldCo and its wholly owned subsidiaries, BPAY Group Pty Ltd and BPAY Pty Ltd, are collectively referred to as **BPAY**.

³ eftpos will convert from a company limited by guarantee to a company limited by shares as part of the amalgamation proposal.

⁴ Industry Committee's 18 June 2021 letter to the ACCC indicates that Syphnt, which is BPAY HoldCo's joint venture project with a third party, will not be included in the amalgamation.

- 2.5. Industry Committee sought in its application the protection of the authorisation for its members and for a group of persons named for the purposes of section 88(2) of the Act.
- 2.6. Industry Committee's members are: Australia and New Zealand Banking Group Limited (**ANZ**), Australian Settlements Limited, Bendigo and Adelaide Bank Limited, Commonwealth Bank of Australia (**CBA**), Coles Group Limited, Cuscal Limited, First Data Network Australia Limited trading as Fiserv, HSBC Bank Australia Limited, Macquarie Bank Limited, National Australia Bank (**NAB**), Tyro Payments Limited, Westpac Banking Corporation (**WBC**) and Woolworths Group Limited.
- 2.7. The persons named for the purposes of section 88(2) of the Act, who are not members of Industry Committee, are:
- (a) eftpos, eftpos Foundation Shareholders,⁵ BPAY Holdco, NPPA and persons who are members of eftpos and/or shareholders of NPPA.⁶
 - (b) the RBA,⁷
 - (c) AP+, and
 - (d) the individuals directly involved in the administration and oversight of Industry Committee, including the Chairperson and the Secretary of Industry Committee.

Parties to the proposed amalgamation

- 2.8. BPAY, eftpos and NPPA, through their respective payment schemes, provide a number of the payment services that are utilised every day by Australian consumers and businesses. Under the amalgamation they will be wholly owned subsidiaries of a new entity called AP+. eftpos, NPPA and BPAY will operate as 3 separate operating companies, with AP+ determining a unified investment roadmap for the 3 payment schemes.
- 2.9. BPAY primarily operates a domestic electronic bill payment service that enables users to make payments through a financial institution's online, mobile or telephone banking facilities to organisations which are registered billers.
- 2.10. eftpos' main business is facilitating electronic payments from customer accounts to merchant accounts at the point of sale. eftpos owns and operates the eftpos debit card scheme and associated infrastructure. eftpos is most commonly associated with the use of plastic debit cards as a payment method for the purchase of goods and services. However, eftpos also facilitates some online debit card payments and debit card withdrawals at automatic teller machines.

⁵ As defined by article 19.1 of AP+'s Constitution as follows: "eftpos Scheme Rules: Each Shareholder who was an "eftpos member" immediately prior to the date on which the Company first issued Preference Shares (other than the Initial Preference Share) (an eftpos Foundation Shareholder) must comply with, and continues to be bound by, the eftpos Scheme Rules applicable to it (as amended from time to time). For the purposes of this article 19 an "eftpos member" means a "Member" pursuant to the eftpos Constitution as it existed prior to the date on which the Company first issued Preference Shares (other than the Initial Preference Share)."

⁶ These persons include Citigroup Pty Limited, ING Bank (Australia) Limited, Indue Limited, EFTEX Pty Limited, Suncorp Metway Ltd, Adyen Australia Pty Limited, Bank of Queensland Limited, Windcave Pty Ltd and Wise Australia Pty Ltd.

⁷ The RBA is currently a shareholder of NPPA but will not acquire shares in AP+.

- 2.11. The New Payments Platform (**NPP**) was launched in February 2018 and is open access infrastructure used to facilitate real-time payments between bank accounts within Australia.

The ACCC's assessment of the amalgamation

- 2.12. The ACCC commenced public consultation on the merger authorisation application on 30 March 2021.
- 2.13. As part of this consultation, the ACCC undertook market inquiries and considered information provided by members of ICA and other persons named in the application, industry participants and other interested parties.
- 2.14. Pursuant to s90(7) of the Act, the ACCC must not make a determination granting an authorisation under s88 of the Act in relation to the proposed amalgamation unless it is satisfied in all the circumstances that:
- (a) The proposed amalgamation would not have the effect or likely effect of substantially lessening competition (effects limb); or
 - (b) The proposed amalgamation would result or be likely to result in a benefit to the public that would outweigh the detriment that would result or be likely to result from the proposed amalgamation (benefits limb).
- 2.15. ICA sought merger authorisation on the basis of both the effects limb and the benefits limb.

The ACCC's competition concerns

- 2.16. The ACCC considers that, without the Undertaking, there is a risk the proposed amalgamation will result in a substantial lessening of competition for the routing of debit card payments. This could occur as a result of a reduction in support for eftpos from the major banks or AP+.
- 2.17. eftpos plays an important role in maintaining competition in the routing of debit card payments. It is the only domestic debit card scheme in Australia. It is an alternative to and is often lower cost for merchants than the 2 larger international debit schemes it competes against: Visa Debit and Debit Mastercard.⁸
- 2.18. A number of interested parties, including small businesses, have raised concerns about the impact of the amalgamation on the independence of eftpos, the provision of eftpos as a low cost debit card service, and the availability of least-cost routing (**LCR**) to merchants.
- 2.19. LCR is a functionality offered by acquirers that allows merchants to choose which debit card scheme will process contactless payments made by consumers using Dual Network Debit Cards (**DNDC**).⁹ Without LCR, DNDC payments would only be processed through the Visa Debit or Debit Mastercard schemes, for which many merchants incur higher fees than payments processed through eftpos.

⁸ RBA, *Review of Retail Payments Regulation* Consultation Paper, May 2021, pp 8 and 9.

⁹ DNDCs are debit cards that have point of sale functionality with 2 debit card schemes. Typically, one of the international debit card schemes (Mastercard or Visa) has first priority (that is, absent a routing instruction at the point of sale, a transaction made using the card will be routed to the card scheme that has first priority), and the domestic debit scheme, eftpos, has second priority (that is, payments are not routed to the scheme by default; the merchant must choose to route payments to this second priority scheme). DNDCs can be used to enable domestic debit payments to be processed via either Mastercard or Visa, or eftpos (provided the least-cost routing (LCR) functionality is available).

- 2.20. The RBA has encouraged competition in debit card payment systems, for example by promoting the issuing of DNDC and the provision of LCR to merchants. Further, the RBA has indicated a willingness to take further steps in the event that eftpos' ability to exert competitive pressure in debit card payment services was to weaken.¹⁰ However, while such steps could be directed to maintaining DNDC and LCR, they would be in response to a diminution of eftpos' ability to exert competitive pressure after it has occurred. The ACCC considered that it was appropriate to accept the Undertaking because it is likely to mitigate the risk of such a diminution occurring. By specifically requiring AP+ to maintain support for eftpos, the Undertaking, together with the role of the RBA, reduces the risk that the major banks as shareholders of AP+ will deprioritise support for eftpos following the amalgamation.
- 2.21. The amalgamation will result in the loss of an independent eftpos board which would be expected to make decisions solely in the interests of the eftpos scheme. eftpos will become a wholly owned subsidiary of AP+ and its Constitution will be amended so that directors acting in good faith in the interests of AP+ will be taken to be acting in the best interests of eftpos.¹¹
- 2.22. Further, as one of 3 operating companies (**OpCos**) wholly owned by AP+, the unified roadmap developed by AP+ will apply to eftpos. With AP+ making decisions on what new functionality is developed or services are invested in, the ACCC considers that the level and timeliness of support for, and investments in, the eftpos scheme may be lower in these circumstances than in the likely future without the amalgamation.
- 2.23. The major banks currently have considerable influence over the decisions made by eftpos because they each hold voting rights on the eftpos Board, proportional to the volume of transactions each bank accounts for. The ACCC does not consider that the change in the proportion of shares and voting rights held by the major banks as a result of the amalgamation will translate into them exercising greater influence or control over AP+ than they would exercise over the individual payment schemes in the counterfactual without the amalgamation.
- 2.24. The major banks (as issuers and acquirers¹²) currently have the ability to dilute the competitive influence of the eftpos network by deciding which payment services they will support; including which eftpos services they offer to their customers and how quickly the services are made available. Following the amalgamation, the major banks will continue to each independently decide whether they will implement the functionalities proposed by AP+, including those related to eftpos.
- 2.25. The major banks have mixed incentives (because of the different roles they have as issuers and acquirers) to support eftpos by issuing DNDCs and making LCR available to their merchant customers. The RBA has observed that the major banks are likely to have a collective incentive to support eftpos and LCR, though

¹⁰ RBA, *Review of Retail Payments Regulation Consultation Paper*, May 2021, pp 13; RBA, Submission to ACCC, 9 July 2021, pp 3-4.

¹¹ As provided for by s 187 of the *Corporations Act 2001*; see ICA, Non-confidential response to ACCC RFI, 18 June 2021, p 4 and 11.

¹² Issuers are the financial institution that issued the debit cards or credit cards being used in a purchase transaction. Acquirers are the merchants' (e.g. retailers') financial institution – they are often but not always banks, and facilitate the processing of a card payment, including collecting payment from the issuers and paying the merchants.

their individual incentive to do so may be relatively weak.¹³ These mixed incentives are likely to persist following the amalgamation.

- 2.26. The ACCC considers that the mixed incentives of the major banks and AP+ and the ability of the banks to materially affect AP+ investment decisions give rise to some uncertainty with regard to the ongoing support of eftpos and LCR. As a result, the ACCC considers there is a risk that the amalgamation may substantially lessen competition for the routing of debit card payments. Industry Committee does not share the ACCC's concerns. However, to address the ACCC's competition concerns, AP+ has offered this Undertaking pursuant to section 87B of the Act.

The Undertaking remedy

- 2.27. The objective of this Undertaking is to address the ACCC's competition concerns as set out above. The Undertaking aims to achieve this objective by placing obligations on AP+ to:

- (a) procure that eftpos will do all things in its control to make available and promote least cost routing;
- (b) procure that eftpos will maintain eftpos' card-based issuing and acquiring infrastructure, payments scheme and the supply of card-based issuing and acceptance services to customers and end users;
- (c) procure that the OpCos will develop and make available the Prescribed Services, and any relevant APIs;
- (d) procure that the OpCos will maintain and continue to administer their respective Mandate Frameworks;
- (e) procure that the OpCos agree an industry wide standard supporting Pay with a QR Code in coordination with Australian Payments Network Limited;
- (f) procure that the OpCos explore the feasibility of developing certain services, and make them available if it is feasible to develop them;
- (g) appoint one out of the 4 independent directors to its board who has substantial small business experience; and
- (h) provide for the effective oversight of AP+'s compliance with this Undertaking.

The ACCC considers that the Undertaking will work alongside the role of the RBA to maintain eftpos' competitive position in the routing of debit card payments and ensure LCR continues to be available and promoted by eftpos for a period of 4 years, ameliorating the risk of a substantial lessening of competition.

Mandated Frameworks

- 2.28. Each of BPAY, eftpos and NPPA have Mandate Frameworks:

- (a) pursuant to those Mandate Frameworks, each of BPAY, eftpos and NPPA have rights to issue mandates to the members of their respective payments schemes:

¹³ RBA, Discussion with the ACCC, 24 June 2021, record available at ACCC website [here](#).

- i. BPAY's Mandate Framework is in accordance with its scheme rules;
 - ii. eftpos' Mandate Framework is in accordance with its scheme rules and technical, operational and security rules; and
 - iii. NPPA's Mandate Framework is in accordance with its regulations;
- (b) in all instances, each of BPAY, eftpos and NPPA must obtain approval through their respective governance processes to issue a mandate; and
- (c) each of BPAY, eftpos and NPPA have rights to impose fees or charges on members for non-compliance with a mandate they have issued:
- i. for BPAY, the rights are contained in its scheme procedures;
 - ii. for eftpos, the rights are contained in its scheme rules; and
 - iii. for NPPA, the rights are contained in its regulations.

API Assets

- 2.29. An API is a type of software interface, offering a service to other pieces of software. A document or standard that describes such a connection or interface is called an API specification. The term API may refer to the specification or the implementation.
- 2.30. An API sandbox is an environment that developers and testers can use to mimic the characteristics of how an API would work in practice and create simulated responses from all APIs that the application relies upon.
- 2.31. Each of the 3 schemes makes available different API assets, according to their existing technology strategy, to support access by third parties:
- (a) BPAY has made available a number of APIs, enabling end-users to interact directly with BPAY's systems to complete certain functions. This includes functions to retrieve BPAY biller details, validate BPAY payment, generate BPAY batch files, generate BPAY Customer Reference Numbers, submit BPAY payments, biller management activities and, in the future, BPAY payment notifications & investigations.
 - (b) eftpos' API portal and API sandbox give users the opportunity to build eftpos' payments capability into their solutions, for use in CP and CNP use cases.
 - (c) NPPA has developed an API framework to encourage consistency among the APIs that are made available by NPP Participants and Identified Institutions. NPPA has also made available a sandbox for developers which mirrors its API framework.

3. Commencement and terms of the Undertaking

- 3.1. This Undertaking comes into effect when:
- (a) this Undertaking is executed by AP+; and

(b) this Undertaking so executed is accepted by the ACCC,
(the **Commencement Date**).

- 3.2. This Undertaking will expire on the 4 year anniversary of the Control Date (the **Term**).
- 3.3. AP+ acknowledges that the obligations contained in clause 5 of this Undertaking commence on the Control Date.

4. Cessation of Ongoing Obligations

Withdrawal

- 4.1. AP+ may request withdrawal of this Undertaking pursuant to section 87B of the Act at any time. This Undertaking is taken to be withdrawn on the date the ACCC consents in writing to that withdrawal.

Revocation

- 4.2. The ACCC may, at any time, revoke its acceptance of this Undertaking if the ACCC becomes aware that any information provided to it was incorrect, inaccurate or misleading.

Waiver

- 4.3. The ACCC may, at any time, expressly waive in writing any of the obligations contained in this Undertaking or extend the date by which any such obligation is to be satisfied.

5. Obligations

Facilitation of the delivery of Least Cost Routing

- 5.1. AP+ will procure that eftpos will do all things in its control to make available and promote Least Cost Routing.

Maintenance of eftpos' infrastructure, scheme and services

- 5.2. AP+ will procure that eftpos will maintain:
- (a) eftpos' card-based issuing and acquiring infrastructure;
 - (b) eftpos' payments scheme; and
 - (c) the supply of eftpos' card-based issuing and acceptance services to customers and end users, including but not limited to the following services:
 - i. pay for a purchase in-store with eftpos debit card (including via contactless methods);
 - ii. pay for a purchase in-store with eftpos debit using a mobile wallet;
 - iii. pay for a purchase online with eftpos debit (low risk card on file);

- iv. pay for a purchase in-app with eftpos debit (low risk card on file);
- v. process disputes and charge backs for all use cases; and
- vi. improvements to payment control and security through Network Tokenisation.

Development of the Prescribed Services

- 5.3. AP+ will procure that the OpCos will develop and make available the Prescribed Services (including, where applicable, APIs) for participants to adopt in accordance with the timeframes contained in Schedule 1 of this Undertaking.
- 5.4. Where an API asset is relevant to a Prescribed Service, AP+ will procure that each OpCo will continue to evolve and extend their various API assets (API's, API frameworks, and sandboxes) in line with the implementation of their respective Prescribed Services.

Maintenance of mandate frameworks

- 5.5. AP+ will procure that the OpCos will maintain and continue to administer their respective Mandate Frameworks as they are at the Commencement Date.

Industry-wide supporting standard – Pay with a QR Code

- 5.6. AP+ will procure that the OpCos, by the end of June 2022, agree an industry wide standard, with a focus on interoperability and open access, supporting Pay with a QR Code in coordination with Australian Payments Network Limited (ABN 12 055 136 519).

Commitment to explore feasibility of certain services and to develop if feasible

- 5.7. AP+ will procure that the OpCos explore the feasibility of developing certain services and, if it is feasible to develop them, to make them available. Those services are as follows:
 - (a) in BPAY's case, business to business (B2B), business to consumer (B2C) – Pay with a URL;
 - (b) in eftpos' case:
 - i. POS payments – Transit support for debit cards;
 - ii. remote payments – Support Secure Remote Commerce; and
 - (c) in each of the OpCo's case, industry wide supporting capabilities - Pay with a QR Code (in accordance with an agreed standard and in coordination with relevant entities).

Commitment to small business representation

- 5.8. AP+ undertakes that one of the 4 independent directors appointed to its board will have substantial small business experience.

6. Independent Audit

Obligation to appoint an Approved Independent Auditor

- 6.1. AP+ must appoint and maintain an Approved Independent Auditor to audit and report upon AP+'s compliance with this Undertaking.

Process for approving a Proposed Independent Auditor

- 6.2. At least fifteen (15) Business Days before the Control Date, AP+ must provide the ACCC with a notice for a Proposed Independent Auditor in the form prescribed in Schedule 2 to this Undertaking (**Proposed Independent Auditor Notice**), including draft terms of appointment and a draft audit plan.
- 6.3. If clauses 6.17, 6.18, or 6.19 apply, AP+ must provide the ACCC with a Proposed Independent Auditor Notice within 5 Business Days after the relevant event occurs, otherwise clause 6.7 applies.
- 6.4. The ACCC shall have the discretion to approve or reject in writing the Proposed Independent Auditor identified in the Proposed Independent Auditor Notice.
- 6.5. Without limiting the ACCC's discretion, in deciding whether to approve a Proposed Independent Auditor, the factors to which the ACCC may have regard include whether the:
 - (a) person named in the Proposed Independent Auditor Notice or identified by the ACCC has the qualifications and experience necessary to carry out the functions of the Approved Independent Auditor, including knowledge and experience in the payments industry;
 - (b) person named in the Proposed Independent Auditor Notice or identified by the ACCC is sufficiently independent of AP+;
 - (c) draft terms of appointment and the draft audit plan are consistent with this Undertaking; and
 - (d) draft terms of appointment and the draft audit plan are otherwise acceptable to the ACCC.

Appointment of the Approved Independent Auditor

- 6.6. After receiving a written notice from the ACCC of its approval of a Proposed Independent Auditor, the draft terms of appointment and draft audit plan, AP+ must by the Control Date:
 - (a) appoint the person approved by the ACCC as the Approved Independent Auditor on the Approved Terms of Appointment; and
 - (b) forward to the ACCC a copy of the executed Approved Terms of Appointment.

Failure to appoint

6.7. If:

- (a) an Approved Independent Auditor has not been appointed by the Control Date;
- (b) the Approved Independent Auditor has not be appointed within fifteen (15) Business Days after the Approved Independent Auditor resigns or otherwise ceases to act as the Approved Independent Auditor pursuant to clause 6.17, 6.18 or 6.19; or
- (c) the ACCC has not received a Proposed Independent Auditor Notice pursuant to 6.2;

then clause 6.8 applies.

6.8. If clause 6.7 applies, the ACCC at its sole discretion may:

- (a) identify and approve a person as the Approved Independent Auditor, including approving the draft terms of appointment and draft audit plan; and/or
- (b) direct AP+ to appoint a person who the ACCC has deemed is an Approved Independent Auditor.

Obligations and powers of the Approved Independent Auditor

6.9. AP+ must procure that any proposed terms of appointment for the Approved Independent Auditor include obligations on the Approved Independent Auditor to:

- (a) maintain his or her independence from AP+, apart from appointment to the role of Approved Independent Auditor, including not forming any relationship of the types described in paragraph 2(c) of Schedule 2 to this Undertaking with AP+ for the period of his or her appointment;
- (b) conduct compliance auditing according to the Approved Audit Plan;
- (c) provide the following reports directly to the ACCC:
 - i. a scheduled written Audit Report as described in clause 6.11; and
 - ii. an immediate report of any issues that arise in relation to the performance of his or her functions as Approved Independent Auditor or in relation to compliance with this Undertaking by any person named in this Undertaking;
- (d) follow any direction given to him or her by the ACCC in relation to the performance of his or her functions as Approved Independent Auditor under this Undertaking.

6.10. AP+ must procure that any proposed terms of appointment for the Approved Independent Auditor provide the Approved Independent Auditor with the authority to:

- (a) access any information or documents that the Approved Independent Auditor considers necessary for carrying out his or her functions as the Approved Independent Auditor or for reporting to or otherwise advising the ACCC; and
- (b) engage any external expertise, assistance or advice reasonably required by the Approved Independent Auditor to perform his or her functions as the Approved Independent Auditor.

Audit Report

- 6.11. The Approved Independent Auditor must conduct an audit and prepare a detailed report (**Audit Report**) that includes:
- (a) the Approved Independent Auditor's procedures in conducting the audit, or any change to audit procedures and processes since the previous Audit Report;
 - (b) a full audit of AP+'s compliance with this Undertaking.
 - (c) identification of any areas of uncertainty or ambiguity in the Approved Independent Auditor's interpretation of any obligations contained in this Undertaking;
 - (d) all of the reasons for the conclusions reached in the Audit Report;
 - (e) any qualifications made by the Approved Independent Auditor in forming his or her views;
 - (f) any recommendations by the Approved Independent Auditor to improve:
 - i. the Approved Audit Plan;
 - ii. the integrity of the auditing process;
 - iii. AP+'s processes or reporting systems in relation to compliance with this Undertaking; and
 - iv. AP+'s compliance with this Undertaking; and
 - (g) the implementation and outcome of any prior recommendations by the Approved Independent Auditor.
- 6.12. AP+ must provide the Approved Independent Auditor and the ACCC with written notice within 3 Business Days if a Prescribed Service fails to meet a Development Date and/or Make Available Date contained in Schedule 1, including:
- (a) the reasons why AP+ did not meet the Development Date and/or Make Available Date;
 - (b) the impact on:
 - i. customers including issuers and acquirers; and

- ii. end users, including merchants and consumers of the Development Date and/or Make Available Date not being met;
 - (c) a description of the steps being taken by AP+ to develop and make available the Prescribed Service as soon as possible; and
 - (d) a waiver request pursuant to clause 4.3 of this Undertaking seeking an extension of time for compliance with the Development Date and/or Make Available Date.
- 6.13. The Approved Independent Auditor is to provide Audit Reports to the ACCC and AP+ at the following times:
- (a) within 2 months of the Control Date, at which time the Audit Report is to include the results of the initial audit and any recommended changes to the Approved Audit Plan, including the Approved Auditor's proposed procedures and processes for conducting the audit (**Establishment Audit**);
 - (b) every 6 months from receipt of the Audit Report provided in clause 6.13(a) of this Undertaking; and
 - (c) a final report due 2 months following expiry of the Term that will cover the 4 month period from receipt of the last Audit Report provided in clause 6.13(b) of this Undertaking up to the end of the Term.
- 6.14. AP+ must implement any recommendations made by the Approved Independent Auditor in Audit Reports, and notify the ACCC of the implementation of the recommendations, within 10 Business Days after receiving the Audit Report or such other period as agreed in writing with the ACCC.
- 6.15. AP+ must comply with any direction of the ACCC in relation to matters arising from the Audit Report within 10 Business Days after being so directed (or such other period as agreed in writing with the ACCC).

AP+'s obligations in relation to the Approved Independent Auditor

- 6.16. Without limiting its obligations in this Undertaking, AP+ must:
- (a) comply with and enforce the Approved Terms of Appointment for the Approved Independent Auditor;
 - (b) maintain and fund the Approved Independent Auditor to carry out his or her functions including:
 - i. indemnifying the Approved Independent Auditor for any expenses, loss, claim or damage arising directly or indirectly from the performance by the Approved Independent Auditor of his or her functions as the Approved Independent Auditor except where such expenses, loss, claim or damage arises out of the gross negligence, fraud, misconduct or breach of duty by the Approved Independent Auditor;
 - ii. providing and paying for any external expertise, assistance or advice required by the Approved Independent Auditor to perform his or her functions as the Approved Independent Auditor; and

- (c) not interfere with, or otherwise hinder, the Approved Independent Auditor's ability to carry out his or her functions as the Approved Independent Auditor, including:
 - i. directing AP+ personnel, including directors, contractors, managers, officers, employees and agents, to act in accordance with this clause 6;
 - ii. providing to the Approved Independent Auditor any information or documents he or she considers necessary for carrying out his or her functions as the Approved Independent Auditor or for reporting to or otherwise advising the ACCC;
 - iii. not requesting any information relating to the compliance audit from the Approved Independent Auditor without such a request having been approved by the ACCC; and
 - iv. not appointing the Approved Independent Auditor, or have any Agreements with the Approved Independent Auditor, to utilise the Approved Independent Auditor's services for anything other than compliance with this Undertaking until at least 12 months after the Approved Independent Auditor ceases to act in the role of the Approved Independent Auditor.

Resignation, revocation or termination of the Approved Independent Auditor

- 6.17. AP+ must immediately notify the ACCC in the event that the Approved Independent Auditor resigns or otherwise stops acting as the Approved Independent Auditor.
- 6.18. The ACCC may revoke an Approved Independent Auditor's status as the Approved Independent Auditor if the ACCC becomes aware that any information provided to it in connection with the appointment of the Approved Independent Auditor was incorrect, inaccurate or misleading.
- 6.19. The ACCC may approve any proposal by, or alternatively may direct, AP+ to terminate the appointment of the Approved Independent Auditor if in the ACCC's view the Approved Independent Auditor acts inconsistently with the provisions of this Undertaking and/or the Approved Terms of Appointment or the Approved Independent Auditor fails to perform their role to an adequate standard.

7. ACCC Enquiries

- 7.1. For the purpose of monitoring compliance with this Undertaking, the ACCC may seek information and documents from AP+, and AP+ must provide that information and those documents (other than information, or documents containing information, which is subject to legal professional privilege) within the timeframe requested or as otherwise agreed with the ACCC.

8. Disclosure of this Undertaking

- 8.1. AP+ acknowledges that the ACCC may:
 - (a) make this Undertaking publicly available;

- (b) publish this Undertaking on its Public Section 87B Undertakings Register and Public Mergers Register; and
- (c) from time to time publicly refer to this Undertaking.

8.2. Nothing in clause 8.1 prevents the ACCC from disclosing such information as is:

- (a) required by law;
- (b) permitted by section 155AAA of the Act; or
- (c) necessary for the purpose of assessing compliance with or enforcement of this Undertaking.

9. Obligation to procure

9.1. Where the performance of an obligation under this Undertaking requires a Related Body Corporate of AP+ to take or refrain from taking some action, AP+ will procure that Related Body Corporate to take or refrain from taking that action.

10. No Derogation

10.1. This Undertaking does not prevent the ACCC from taking enforcement action at any time whether during or after the period of this Undertaking in respect of any breach by AP+ of any term of this Undertaking.

10.2. Nothing in this Undertaking is intended to restrict the right of the ACCC to take action under the Act for penalties or other remedies in the event that AP+ does not fully implement and/or perform its obligations under this Undertaking or in any other event where the ACCC decides to take action under the Act for penalties or other remedies.

11. Change of Control

11.1. In the event that a Change of Control is reasonably expected to occur, AP+ must:

- (a) notify the ACCC of this expectation as soon as practicable; and
- (b) only implement a Change of Control to another person or entity if that person or entity has given a section 87B undertaking to the ACCC that requires it to comply with the same obligations as are imposed on AP+ pursuant to this Undertaking, or on terms that are otherwise acceptable to the ACCC, unless the ACCC has notified AP+ in writing that a section 87B undertaking under this clause is not required.

12. Costs

12.1. AP+ must pay all of its own costs incurred in relation to this Undertaking, including the costs of any independent auditor appointed pursuant to clause 6.1.

13. Notices

Giving Notices

- 13.1. Any notice or communication to the ACCC pursuant to this Undertaking must be sent to:

Email address: mergers@accc.gov.au

Attention: Executive General Manager

Merger, Exemptions & Digital Division

With a copy sent to:

Email address: mergersru@accc.gov.au

Attention: Director, Remedies Unit

Policy, Coordination & Remedies

Merger, Exemptions & Digital Division

- 13.2. Any notice or communication to AP+ pursuant to this Undertaking must be sent to:

Name: Lynn Kraus, Australian Payments Plus Ltd

Address: Level 1, 255 George Street, Sydney, New South Wales

Email Address: lkraus@auspayplus.com.au

Fax number: n/a

Attention: Lynn Kraus

When a notice is received

- 13.3. If sent by post within Australia, notices are taken to be received 5 Business Days after posting unless proved otherwise.
- 13.4. If sent by email, notices are taken to be received at the time shown in the email as the time the email was sent unless proved otherwise.

Change of contact details

- 13.5. AP+ must promptly notify the ACCC of a change to its contact details.
- 13.6. Any notice or communication will be sent to the most recently advised contact details and subject to clauses 13.3 and 13.4, will be taken to be received.

14. Defined terms

ACCC means Australian Competition and Consumer Commission.

Act means *Competition and Consumer Act 2010 (Cth)*.

AP+ means Australian Payments Plus Ltd (ACN 649 744 203).

API means an application programming interface.

Approved Independent Auditor means the person approved by the ACCC and appointed under clause 6 of this Undertaking.

Approved Audit Plan means the plan approved by the ACCC in accordance with the terms of this Undertaking, by which the Approved Independent Auditor will audit and report upon compliance with this Undertaking.

Approved Terms of Appointment means the terms of appointment for the Approved Independent Auditor as approved by the ACCC in accordance with the terms of this Undertaking.

Associated Entity has the meaning given by section 50AAA of the Corporations Act.

Audit Report has the meaning given to it in clause 6.11 of this Undertaking.

BPAY means BPAY Group Pty Ltd (ACN 003 311 644) and BPAY Pty Ltd (ACN 079 137 518).

Business Day means a day other than a Saturday or Sunday on which banks are open for business generally in the Australian Capital Territory.

CNP means card not present.

CP means card present.

Change of Control means:

- (a) the assignment or other transfer of the legal or beneficial ownership of some or all of the share capital of AP+ to any other person or entity that may impact compliance with this Undertaking in its entirety; or
- (b) the sale or transfer of any assets necessary, or which may be necessary, to enable AP+ to continue to comply with this Undertaking in its entirety.

Commencement Date has the meaning given in clause 3(1)(b) of this Undertaking.

Control Date means when completion occurs under the Implementation Agreement.

Development Date means the date upon which infrastructure development at the OpCo level to support a Prescribed Service is completed.

eftpos means eftpos Payments Australia Limited (ABN 37 136 180 366).

Entities Connected has the meaning given by section 64B of the Corporations Act.

Establishment Audit has the meaning given to it in clause 6.13(a) of this Undertaking.

ICS means the international card schemes.

Implementation Agreement means the agreement titled Implementation Agreement dated 10 December 2020 between NPP Australia Limited, eftpos and BPAY Group Holding Pty Ltd (ABN 44 626 481 525), as amended from time to time.

Least Cost Routing (sometimes also referred to as merchant-choice routing) means a merchant being able to choose to process a dual-network debit card transaction over the lowest-cost network. Least-cost routing can apply to dual-network debit card transactions made in-store (for contactless payments) or online (for card not present payments). In the in-store environment, the cardholder can override least-cost routing by inserting their card into the terminal and selecting their preferred network.

Make Available Date means the date upon which a service has been fully tested by an OpCo and is available to be integrated with the systems of a scheme member.

Mandate Framework refers to the provisions of the scheme rules or regulations of the relevant OpCo which specifically enable:

- (a) a requirement to be imposed under the scheme rules on all or some of the participants in that payment service to adopt, implement or otherwise support a new product/service or functionality;
- (b) any such mandate to be varied, revoked or waived; and
- (c) fees or charges to be imposed under the scheme rules on a participant which does not comply with any such mandate.

MNDC means multi network debit card.

Network Tokenisation means provision of infrastructure by an OpCo which enables the replacement of a primary account number by a surrogate value for use within the payment scheme ecosystem.

NPPA means NPP Australia Limited (ABN 68 601 428 737).

OpCo means any of BPAY, eftpos and NPPA, as the case may be.

Prescribed Services means the services listed in **Schedule 1** to this Undertaking.

Proposed Independent Auditor means a person named in a Proposed Independent Auditor Notice.

Proposed Independent Auditor Notice has the meaning given to it in clause 6.2 of this Undertaking.

Related Body Corporate has the meaning given to it by section 50 of the *Corporations Act 2001* (Cth).

Related Entities has the meaning given to it by section 9 of the *Corporations Act 2001* (Cth).

Related Parties has the meaning given to it by section 228 of the Corporations Act 2001 (Cth).

S2I means Switch to Issuer.

SRC means Secure Remote Commerce.

Undertaking is a reference to all provisions of this document, including its schedules and as varied from time to time under section 87B of the Act.

15. Interpretation

15.1. In the interpretation of this Undertaking, the following provisions apply unless the context otherwise requires:

- (a) a reference to this Undertaking includes all of the provisions of this document including its schedules;
- (b) headings are inserted for convenience only and do not affect the interpretation of this Undertaking;
- (c) if the day on which any act, matter or thing is to be done under this Undertaking is not a Business Day, the act, matter or thing must be done on the next Business Day;
- (d) a reference in this Undertaking to any law, legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision;
- (e) a reference in this Undertaking to any company includes its Related Bodies Corporate;
- (f) a reference in this Undertaking to any agreement or document is to that agreement or document as amended, novated, supplemented or replaced;
- (g) a reference to a clause, part, schedule or attachment is a reference to a clause, part, schedule or attachment of or to this Undertaking;
- (h) an expression importing a natural person includes any company, trust, partnership, joint venture, association, body corporate or governmental agency;
- (i) where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning;
- (j) a word which denotes the singular also denotes the plural, a word which denotes the plural also denotes the singular, and a reference to any gender also denotes the other genders;
- (k) a reference to the words 'such as', 'including', 'particularly' and similar expressions is to be construed without limitation;

- (l) a construction that would promote the purpose - or object - underlying the Undertaking (whether expressly stated or not) will be preferred to a construction that would not promote that purpose or object;
- (m) material not forming part of this Undertaking may be considered to:
 - i. confirm the meaning of a clause is the ordinary meaning conveyed by the text of the clause, taking into account its context in the Undertaking and the competition concerns intended to be addressed by the Undertaking and the clause in question; or
 - ii. determine the meaning of the clause when the ordinary meaning conveyed by the text of the clause, taking into account its context in the Undertaking and the purpose or object underlying the Undertaking, leads to a result that does not promote the purpose or object underlying the Undertaking;
- (n) in determining whether consideration should be given to any material in accordance with paragraph (m), or in considering any weight to be given to any such material, regard must be had, in addition to any other relevant matters, to the:
 - i. effect that reliance on the ordinary meaning conveyed by the text of the clause would, have (taking into account its context in the Undertaking and whether that meaning promotes the purpose or object of the Undertaking); and
 - ii. need to ensure that the result of the Undertaking is to completely address any ACCC competition concerns;
- (o) the ACCC may authorise the ACCC Mergers Review Committee or the ACCC Competition Exemptions Committee, a member of the ACCC or a member of the ACCC staff, to exercise a decision making function under this Undertaking on its behalf and that authorisation may be subject to any conditions which the ACCC may impose;
- (p) in performing its obligations under this Undertaking, AP+ will do everything reasonably within its power to ensure that its performance of those obligations is done in a manner which is consistent with promoting the purpose and object of this Undertaking;
- (q) a reference to:
 - i. a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
 - ii. a party includes its successors and permitted assigns; and
 - iii. a monetary amount is in Australian dollars.

Executed as an Undertaking

Executed by Australian Payments Plus Ltd (ACN 649 744 203) pursuant to section 127(1) of the *Corporations Act 2001* (Cth) by:

Signature of director	Signature of a director
Robert Milliner	Adrian Lovney
Name of director (print)	Name of director (print)
7 September 2021	7 September 2021
Date	Date

Accepted by the Australian Competition and Consumer Commission pursuant to section 87B of the *Competition and Consumer Act 2010* (Cth) on:

Date

and signed on behalf of the Commission:

Chair

Schedule 1 - Prescribed Services

Service	Description	Responsible OpCo	Relevance to least cost routing	Development Date for the OpCo	Make Available Date for the OpCo	Implementation by Issuers and/or Acquirers under the relevant OpCo's Mandate Framework
Services to be developed and made available by the Control Date						
1. Remote payments	<p>Pay for a purchase online</p> <ul style="list-style-type: none"> Switch to Issuer (S2I) <p>-----</p> <p>S2I processing allows transactions to go directly from a merchant's payments processor to the eftpos Hub and be switched to the issuer for payment authorisation and processing. Acquirers are notified for settlement purposes. This speeds up the delivery and reduces the cost (to acquirers and potentially merchants) of changes to eftpos' products and services as it removes the need to make acquirer host system changes. This solution also adds resilience to the payments system by simplifying payments processing.</p> <p>Initially the service will support processing of online card not present (CNP) transactions. Longer term support for card present (CP) transactions from a physical terminal is contemplated.</p>	eftpos	This will support CNP least cost routing by expediting eftpos' online acceptance and availability of CNP least cost routing.	Service was developed by the end of March 2021.	Service will be made available by the end of August 2021.	Not mandated.

Service	Description	Responsible OpCo	Relevance to least cost routing	Development Date for the OpCo	Make Available Date for the OpCo	Implementation by Issuers and/or Acquirers under the relevant OpCo's Mandate Framework
2. Business to business (B2B), business to consumer (B2C) and peer to peer (P2P) payments	<p>Make real-time payments into customer account via debit card CNP</p> <hr/> <p>This service allows businesses to withdraw/deposit funds in real-time from/into their customers' accounts using the customers' debit card number (for multi network debit cards (MNDC) cards only).</p> <p>This service is live and this iteration is for support of additional use cases beyond P2P in the CNP environment, including support for insurance disbursements, gift card loading and instant payroll for gig economy workers.</p>	eftpos	No application to least cost routing.	Service was developed in 2020.	Service will be made available by the Control Date.	<p>Effective date of mandate: 31 May 2022.</p> <p>Name of mandate: Deposit & Withdrawals – Low-Risk Card Not Present.</p> <p>Scope of mandate: Mandate will be applicable to Issuers.</p> <p>The mandate will be applicable to MNDC only.</p>
3. Industry wide supporting capabilities and standards	<p>Enhance settlement service (for debit cards)</p> <hr/> <p>This replaces the system of interchange fee exchange, where each of eftpos' participants settles individually with each counterparty bilaterally, with multilateral netting of interchange fee settlement obligations via a single debit or credit executed via the Reserve Bank of Australia's Information and Transfer System.</p> <p>This means that both net transaction value exchange (implemented in 2015) and net interchange fee exchange now happen at the same time.</p>	eftpos	No application to least cost routing.	Service was developed by the end of April 2021.	Service will be made available by the Control Date.	<p>Effective date of mandate: 30 June 2021.</p> <p>Name of mandate: eftpos Settlement Services Enhancements and Initiatives Disposition (Member Advice 017-020).</p> <p>Scope of the mandate: The mandate is applicable to Issuers and Acquirers.</p>

Service	Description	Responsible OpCo	Relevance to least cost routing	Development Date for the OpCo	Make Available Date for the OpCo	Implementation by Issuers and/or Acquirers under the relevant OpCo's Mandate Framework
Services to be developed and made available by 31 December 2021						
4. Remote payments	<p>Pay for any purchase online</p> <ul style="list-style-type: none"> With merchant option for liability shift to issuer <p>-----</p> <p>This service relates to the ability to pay for a purchase online using a MNDC. This capability supports both card on file (where a debit card is stored with a merchant) and pay as you go (where debit card details are typed in) payment options. This service allows a merchant to choose how an MNDC transaction is processed with no change to consumers' experience.</p> <p>eftpos Secure (3DS) provides a means for merchants to authenticate transactions and receive liability protection, which they would typically do for only high-risk transactions until authorisation rates improve for 3DS services generally. When invoked by the merchant, the consumer is required to enter a one-time code, sent to them by their bank, into the merchant's online checkout flow to complete a purchase. Support by members for eftpos' Secure (3DS) is a necessary step to enable the safe and secure processing of any online transaction.</p>	eftpos	This service is central to the enablement of least cost routing of online payments beyond low risk card on file routing.	Service will be developed by the end of October 2021.	Service will be made available by the end of October 2021.	<p>Effective date of the mandate: 31 May 2022.</p> <p>Name of the mandate: Card-Not-Present (CNP) processing for all Multi-Network Debit (MND) card transactions (02-03/21).</p> <p>Scope of the mandate: Mandate applicable to all Issuers and Acquirers.</p> <p>The scope is for MNDC only.</p>

Service	Description	Responsible OpCo	Relevance to least cost routing	Development Date for the OpCo	Make Available Date for the OpCo	Implementation by Issuers and/or Acquirers under the relevant OpCo's Mandate Framework
5. Remote payments	<p>Pay for a purchase online</p> <ul style="list-style-type: none"> With network token (including life-cycle management) <p>-----</p> <p>This is a technical development not visible to eftpos' cardholders.</p> <p>At a technical level this development means that the eftpos' hub replaces the consumer's sensitive card details (i.e. 16-digit number, CVV) with a replacement number which is used for online (i.e. browser-based) transactions at that merchant. The cardholder sees no difference in the transaction practically, which occurs as it normally would.</p> <p>The benefit of this change is that if a merchant or merchant's service providers systems were hacked, the data that would be exposed would not be the cardholder's sensitive card details, reducing the risk of further transaction fraud, and potentially reducing the need for a card to be reissued.</p> <p>This is a development which brings eftpos into line with similar functionality which has been generally available by the ICS for a number of years.</p>	eftpos	This service is central to the enablement of least cost routing of online payments for card on file services popular with large ecommerce merchants and their service providers.	Service will be developed by the end of October 2021.	Service will be made available by the end of October 2021.	<p>Original mandate date: May 2020. The mandate will not be enforced until May 2022.</p> <p>Name of the mandate: Support for Tokenisation (Member Advice 005-20).</p> <p>Scope of the mandate: The mandate is applicable to Issuers.</p> <p>The scope of the mandate is for MNDC only.</p>

Service	Description	Responsible OpCo	Relevance to least cost routing	Development Date for the OpCo	Make Available Date for the OpCo	Implementation by Issuers and/or Acquirers under the relevant OpCo's Mandate Framework
6. Industry wide supporting capabilities and standards	<p>Monitor and risk score transactions for fraud (debit cards)</p> <hr/> <p>This is a network fraud monitoring and transaction scoring capability, which is critical to enable the safe expansion of eftpos into riskier (i.e. beyond low risk recurring payments) MNDC CNP transactions. The score and reason codes will be provided to members within the transaction record enabling real time data capture and issuer decision-making within their authorisation processes. The information obtained from this process will give issuers more data to feed into their authorisation systems, allowing them to make more accurate decisions to approve or decline.</p> <p>This service will help decrease fraud losses for banks and their customers and help increase the ability for eftpos to enable online card acceptance in riskier merchants, where banks might otherwise decline the transaction.</p>	eftpos	<p>This will support least cost routing because it will support eftpos' online acceptance.</p>	<p>Service will be developed by the end of October 2021.</p>	<p>Service will be made available by the end of December 2021.</p>	<p>Not mandated.</p>

Service	Description	Responsible OpCo	Relevance to least cost routing	Development Date for the OpCo	Make Available Date for the OpCo	Implementation by Issuers and/or Acquirers under the relevant OpCo's Mandate Framework
Services to be developed and made available by 30 June 2022						
7. Remote payments	<p>Pay for a purchase in-app</p> <ul style="list-style-type: none"> With network token (including lifecycle management) <hr/> <p>Mobile applications are increasingly supporting card-based payments within the application (i.e. "in-app") aligned to the Apple iOS and Google Android operating systems and their respective digital wallets. Where supported within a merchants' app, the consumer would select to pay using their mobile wallet (such as Apple Pay) and follow the familiar checkout experience.</p> <p>This service will ensure the ability to process eftpos' network tokens when a consumer has selected eftpos within their mobile wallet (such as Apple Pay).</p>	eftpos	This service is central to the enablement of least cost routing of in-app payments, if merchants are provided the choice.	Service will be developed by the end of October 2021.	Service will be made available by the end of October 2021.	<p>Effective date of the mandate: 31 May 2022.</p> <p>Name of the mandate: eftpos Tokenisation Service for Device (eTS-D) – In-app Payments (Member Advice 03-03/21).</p> <p>Scope of the mandate: The mandate is applicable to Issuers and Acquirers.</p> <p>The scope of the mandate is for MNDC only, when provisioned into digital wallets.</p>
8. B2B, B2C and P2P payments	<p>Make real-time payments into customer account via debit card (resolve for time-bound exceptions for CP)</p> <hr/> <p>This service allows a merchant via the terminal supplied by their payment processor or bank to deposit funds from their merchant account into a customer's bank account via linked eftpos functionality (with funds made available to the cardholder in real-time).</p> <p>This terminal based service is currently used by Medicare to process eligible Medicare claims to a</p>	eftpos	Not applicable to least cost routing.	Service will be developed by the end of April 2022.	Service will be made available by the end of June 2022.	<p>Effective date of the mandate: 31 May 2023.</p> <p>Name of the mandate: Deposit & Withdrawals – Card Present.</p>

Service	Description	Responsible OpCo	Relevance to least cost routing	Development Date for the OpCo	Make Available Date for the OpCo	Implementation by Issuers and/or Acquirers under the relevant OpCo's Mandate Framework
	<p>bank account which has linked eftpos functionality.</p> <p>This service is for CP transactions beyond Medicare payments and replaces current time-based exemptions allowing specific other use cases,, for example where a card is tapped at a newsagent to receive a lottery payout.</p>					<p>Scope of the mandate:</p> <p>The mandate will be applicable to Issuers.</p> <p>The scope of the mandate will be applicable to both eftpos' proprietary debit cards and MNDC.</p>
9. B2B, B2C and P2P payments	<p>Give and manage standing authorisations for payments initiated by third parties (i.e. Mandated Payments Service)</p> <hr/> <p>The "PayTo" service will enable customers to authorise third parties to initiate payments from their bank accounts using the NPP. PayTo enables a more digital and enhanced customer experience, providing customers with more visibility and control over their payment arrangements. The functionality can be used for a range of use cases including an alternative for direct debit, supporting the linking of bank accounts for in-app payments, card-on-file type arrangements (such as Uber), funding for other payment options such as digital wallets and BNPL services and for recurring e-commerce payments.</p> <p>PayTo will also deliver benefits to parties initiating payments which are not available today, such as real-time account validation, confirmation of funds availability and confirmation that the payment has been made.</p>	NPPA	Not applicable to least cost routing.	Service was developed by the end of July 2021.	Service will be made available by the end of May 2022.	<p>Effective date of the mandate:</p> <p>30 June 2022.</p> <p>Name of the mandate:</p> <p>Mandate Management Requirements and Mandate Payment Processing.</p> <p>Scope of the mandate:</p> <p>The mandate will be applicable to all NPP Participants.</p>

Schedule 2 –Independent Auditor Appointment Form

This form sets out the information required by the ACCC in relation to proposed appointment of the Proposed Independent Auditor.

Please note in relation to information given pursuant to this form, giving false or misleading information is a serious offence.

Method of Delivery to the ACCC

This completed form, along with the additional requested information is to be provided to the ACCC with the subject line (Proposed Independent Auditor Notice – AP+ to the below email addresses:

1. mergers@accc.gov.au

Attention: Executive General Manager

Merger, Exemptions & Digital Division

2. With a copy sent to:

mergersru@accc.gov.au

Attention: Director

Remedies Unit

Policy, Coordination & Strategy Branch

Merger, Exemptions & Digital Division

Information Required

The ACCC requires the following information in order to assess a proposed Independent Auditor:

1. Proposed Independent Auditor details:
 - a. the name of the Proposed Independent Auditor; and
 - b. the name of the Proposed Independent Auditor's employer and contact details including:
 - i. address;
 - ii. contact name;
 - iii. telephone number;
 - iv. other contact details.
2. A submission containing the following information:
 - a. details of the Proposed Independent Auditor's qualifications and experience relevant to his or her proposed role pursuant to the Undertaking
 - b. the names of the owner(s) and the directors(s) of the Independent Auditor's employer

- c. details of any of the following types of relationships between AP+ and the Proposed Independent Auditor or the Proposed Independent Auditor's employer or confirmation that no such relationship exists whether within Australia or outside of Australia:
 - i. AP+ and the Proposed Independent Auditor's employer are Associated Entities
 - ii. AP+ is an Entity Connected with the Proposed Independent Auditor's employer
 - iii. the Proposed Independent Auditor's employer is an Entity Connected with AP+
 - iv. AP+ and the Proposed Independent Auditor's employer are Related Entities
 - v. AP+ and the Proposed Independent Auditor's employer are Related Parties
 - vi. any Related Party, Related Entity or Entity Connected with AP+ is a Related Party, Related Entity or Entity Connected with the Proposed Independent Auditor
 - vii. AP+ and the Proposed Independent Auditor or Proposed Independent Auditor's employer have a contractual relationship or had one within the past 3 years, other than those attached to this form
 - viii. the Proposed Independent Auditor's employer is a supplier of AP+ or has been in the past 3 years
 - ix. AP+ is a supplier of the Proposed Independent Auditor's employer or has been in the past 3 years, and
 - x. any other relationship between AP+ and the Proposed Independent Auditor or Proposed Independent Auditor's employer that allows one to affect the business decisions of the other, and
 - d. details of any existing or past contractual relationships between the Proposed Independent Auditor or the Proposed Independent Auditor's employer and the ACCC within the past 3 years.
3. A document outlining the terms of appointment for the Proposed Independent Auditor. This should identify the basis on which fees will be paid, including disclosure of any proposed performance-based fees.
 4. A finalised draft audit plan for AP+, drafted by the Proposed Independent Auditor and outlining (to the extent possible) the Proposed Independent Auditor's plans in regard to the Establishment Audit and the Audit Report.