



Our ref: AA1000441
Contact officer: Hannah Ransom
Contact phone: (02) 6243 1255

23 Marcus Clarke Street
Canberra ACT 2601
GPO Box 3131
Canberra ACT 2601
tel: (02) 6243 1111

28/05/2019

adjudication@acc.gov.au
www.acc.gov.au

By email

Dear Sir or Madam

Australian Banking Association Inc application for authorisation AA1000441—interested party consultation

The Australian Competition and Consumer Commission (the **ACCC**) has received an application for authorisation from the Australian Banking Association Inc (**ABA**) in respect of certain aspects of the 2019 Banking Code of Practice (**Banking Code**). The ACCC invites you to comment on the application. Attached is a summary of the authorisation process including how to make a submission to the ACCC.

The ABA seeks authorisation to implement, in the Banking Code, recommendations made in the Final Report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry relating to informal overdrafts, dishonour fees, and default interest charged on loans secured by agricultural land. In addition, the ABA seeks authorisation to prescribe certain minimum requirements relating to basic bank accounts. The ABA proposes to bring all of these amendments into effect on 1 March 2020. The ABA requests authorisation for a period of 10 years. The application is made on behalf of ABA member banks, their subsidiary banks and future ABA members (**Member Banks**).

A full copy of the application for authorisation is available on the ACCC's website www.acc.gov.au/AuthorisationsRegister.

Interim authorisation

The ABA also seeks interim authorisation to enable ABA members to agree to amend the Banking Code at the ABA Council meeting on 28 June 2019, and to enable Member Banks to implement the Banking Code, subject to final authorisation being granted, ahead of the 1 March 2020 commencement date.

The ACCC endeavours to deal with requests for interim authorisation quickly. In making an assessment as to whether it is appropriate to grant interim authorisation, the ACCC is not required to undertake a full assessment of the benefit and detriment likely to arise as a result of the proposed conduct.

The ACCC decides whether to grant interim authorisation on a case by case basis. Should an applicant request interim authorisation, the ACCC will usually consider a range of factors, including harm to the applicant and other parties if interim is or is not granted, possible benefit and detriment to the public, the urgency of the matter and whether the market would be able to return to substantially its pre-interim state if the ACCC should later deny authorisation.

Request for submission

The ACCC invites you to make a submission on the likely public benefits and effect on competition, or any other public detriment, from the proposed arrangements.

If you intend to provide a submission in relation to the ABA's application for authorisation, please do so by **25 June 2019**. Submissions in relation to interim authorisation should be provided by **11 June 2019**. Submissions should be emailed to adjudication@acc.gov.au with the subject AA1000441 – Australian Banking Association– submission'.

Alternatively, if you would like to provide comments orally, please contact Hannah Ransom on (02) 6243 1255 to organise a suitable time.

Submissions will be placed on the ACCC's public register subject to any request for exclusion (guidelines are attached).

Timetable

The ACCC will progress its assessment of the application in a timely manner. An indicative timetable is set out below for your information

22 May 2019	Lodgement of application and supporting submission.
28 May 2019	Public consultation process begins.
11 June 2019	Closing date for submissions on interim authorisation.
Late June 2019	ACCC decision regarding interim authorisation.
25 June 2019	Closing date for submissions from interested parties.
July 2019	Applicant responds to issues raised in the public consultation process.
August/September	Draft determination.
September/October	Public consultation on draft determination including any conference if called.
October/November	Final determination.

Please advise if you do not wish to make a submission at this time, but would like to be informed of the progress of the application at the draft and final determination stages. If you are able to please provide a nominated contact email address for future correspondence.

You can also forward this letter to any other party who may wish to make a submission to the ACCC regarding the application.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Hannah Ransom on (02) 6243 1255 or adjudication@acc.gov.au.

Yours sincerely



Susie Black
Director (A/g)
Adjudication

List of interested parties consulted

ACT Treasury

Australian Financial Complaints Authority

Australian Prudential Regulation Authority

Australian Securities and Investments Commission

Australian Unions

CHOICE

Consumer Action Law Centre

Customer Owned Banking Association

Department of Treasury and Finance Victoria

Department of Treasury and Finance, Tasmania

Department of Treasury Western Australia

Financial Counselling Australia

Financial Rights Legal Centre

Indigenous Consumer Assistance Network

Northern Territory Department of Treasury and Finance

NSW Treasury

Queensland Treasury

Reserve Bank of Australia

Rural Financial Counselling Service

South Australian Department of Treasury and Finance

Treasury (Commonwealth)