



Access regime

The access regime provides that any authorised deposit-taking institution in Australia, including the new class of specialist credit card institutions, is eligible to apply to participate in the designated credit card schemes in Australia. However, in response to comments received, the Reserve Bank has made some changes to the drafting to clarify the rights and obligations of the schemes and their members, and to simplify the application of the access regime.

The access regime now makes explicit that a designated credit card scheme is free to impose its own business and operational criteria in assessing applications to participate in its scheme. However, it must not discriminate between specialist credit card institutions as a class and other authorised deposit-taking institutions as a class in relation to any of these criteria, or to the rights and obligations of participants in the scheme. Each scheme must also publish the criteria it imposes in assessing applications for participation in Australia. This replaces the requirement in the draft access regime that the schemes publish their rules governing eligibility for participation and the terms of participation. The requirement that the schemes give prior notice to the Reserve Bank of any changes to the rules governing eligibility for participation has been removed.

The access regime prohibits the imposition of any restrictions or form of penalties on participants seeking to specialise in acquiring.

APRA has released its draft prudential standards on risk management of credit card activities that will apply to authorised deposit-taking institutions, including the new class of specialist credit card institutions. The draft prudential standards and authorisation guidelines for specialist credit card institutions are given in [Attachment 6](#).

8. IMPLEMENTATION AND REVIEW

The standard on interchange fees applies to all three designated credit card schemes. To allow the schemes and their participants time to make any necessary adjustments to their costing systems, the standard will not come into force until 1 July 2003. The cost-based benchmark for each scheme must be calculated by 1 October 2003 on the basis of eligible costs for the 2002/03 financial year; if appropriate costing systems are not in place for the full year, eligible costs may be calculated for the six-month period ending 30 June 2003. The average of interchange fees for each scheme as at 31 October 2003 must not exceed the cost-based benchmark for that scheme.



The standard on merchant pricing applies to the MasterCard and Visa credit card schemes; the Bankcard scheme does not impose restrictions on merchant pricing. To allow scheme participants and merchants to make any necessary preparations, the standard will come into force on 1 January 2003. At that time, the undertakings provided by American Express and Diners Club to remove merchant restrictions in their respective schemes will also come into force.

Australian fair trading laws require the disclosure of any additional fees or charges to cardholders prior to undertaking a transaction. Merchants who fail to adequately disclose such fees or charges may be in breach of their fair trading responsibilities.

The access regime applies to all three designated credit card schemes. The Reserve Bank acknowledges that credit card schemes and their members will want to consider, and comment as necessary on, APRA's draft prudential standards on risk management of credit card activities. Hence, it will not gazette the access regime until APRA's consultation processes are complete. The access regime will come into force from the date of gazettal.

The Payments System Board will monitor the impact of the reform measures on an on-going basis and report to Parliament, in the usual way, through its Annual Reports. The Board will also undertake a major review of credit and debit card schemes in Australia after five years, updating the findings of the Joint Study. On the basis of that review, it will consider whether the standards and access regime for the designated credit card schemes remain appropriate.