



Eftpos scheme by year end

Thursday 3rd July 2008 6:50 am EST

Invitations may be extended by the end of 2008 to join the new scheme that banks plan to establish to provide a new framework for the operation of Eftpos.

Commonwealth Bank disclosed the timetable in their submission to the Reserve Bank of Australia in response to the current review of payments regulations.

A common theme to most bank submissions to the RBA on the review is that banks prefer to follow a self-regulatory approach (as the RBA has suggested they might).

However, banks are seeking to persuade the RBA that the proposed basis for working out whether to drop price controls on interchange on credit cards and scheme debit cards – which the regulator defines as increased investment in Eftpos – needs a rethink.

Several banks make the point that they are nervous about the consequences under traders' practices law for collaborating over the development of an Eftpos scheme, which could be read as a request for the RBA to promptly "designate" the scheme to overcome the work of negotiating with the ACCC over authorisation.

Few of the submissions seek to prosecute the well-worn debates over the merit and level of interchange all over again, although the three card schemes (American Express, MasterCard and Visa) all have a crack, as does the Australian Merchant Payments Forum. These four invested in expert opinion from economic consultancies, an expense the banks themselves decided to skip.

All content is protected by © Copyright 2003— 2008 The Sheet