



PayPal Australia Pty Ltd
Level 24, 1 York Street
Sydney, NSW, 2000
paypal.com

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The Manager
Banking, Insurance and Capital Markets Unit
Financial System Division
The Treasury
Langton Crescent
PARKES ACT 2600

By email: BEAR@treasury.gov.au

Thank you for the opportunity to provide comments on the Exposure Draft of the Treasury Laws Amendment (Banking Executive Accountability and Related Measures) Bill 2017.

PayPal Australia Pty Ltd (PayPal) is a limited Authorised Deposit-Taking Institution (ADI) with authority to provide purchased payment facilities (PPFs). PayPal is the only PPF authorised by APRA since the introduction of the PPF regime over 10 years ago.

PayPal is not regulated as a bank. It clearly remains the intention of the Government and APRA that PayPal, as it currently functions, should not be considered or permitted to describe itself or operate as a bank. PayPal does not have depositors and as PayPal operates no customer is required to hold or use a product provided by PayPal.

As noted in our earlier submission, the draft of the Treasury Laws Amendment (2017 Measures No 8) Bill 2017 proposed that APRA retain its ability to restrict the use of the term 'bank' in certain circumstances such as where a purchased payment facility is an ADI but does not conduct traditional 'banking business'. The Explanatory Memorandum expressly calls out "purchased payment facilities" as an example of ADI's which "do not have the ordinary characteristics of banks" and should be prohibited from using the terms 'bank', 'banker' or 'banking'.

Consistent with the rules applicable to our business operations, it would be incongruous, unreasonable and constitute regulatory overreach to impose the BEAR legislative requirements on non-deposit taking ADI's. It is PayPal's position that PPF's and other ADI's regulated pursuant to APS 610 should be exempt from the Regime.

PayPal would welcome the opportunity to further discuss the terms of this submission. Please feel free to contact our Director of Government Relations (acting) via email kschulze@paypal.com or Director of Legal mpoblocki@paypal.com.

Yours sincerely





Libby Roy
Managing Director and Vice President
PayPal Australia Pty Ltd