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15/12/2016

By email

Dear Sir or Madam

British American Tobacco Australia Limited & Ors application for authorisation A91550 - draft determination

The Australian Competition and Consumer Commission (the ACCC) has issued a draft determination in respect of the application for authorisation lodged by British American Tobacco Australia Limited, Imperial Tobacco Australia Limited and Philip Morris Limited (the Applicants) on 25 August 2016.

Please see the ACCC's publication <u>Authorisation process - the basics</u> for a summary of the authorisation process and how to make a submission to the ACCC.

The Applicants seek authorisation for an arrangement between them whereby they intend to work together to identify, issue warning notices and, if warning notices are not heeded, suspend or cease supply of their tobacco products to retailers and wholesalers who sell illicit tobacco products.

Draft determination

A copy of the ACCC's draft determination and summary of its reasons is attached.

For the reasons set out in its draft determination, the ACCC proposes to deny authorisation to the proposed arrangements.

Next steps

Once the ACCC issues a draft determination, the Applicant or any interested party may make a written submission and/or request that the ACCC convene a 'pre-decision conference'.

If you wish to make a submission in response to the ACCC's draft determination, please lodge your submission by **20 January 2017**. Submissions should be emailed to <u>adjudication@accc.gov.au</u> with the subject "A91550 – British American Tobacco – submission".

A pre-decision conference provides the opportunity for interested parties to make oral submissions in relation to the draft determination. Conferences are conducted informally and while legal or professional advisers are able to attend they are not entitled to participate in the discussion.

If you wish the ACCC to hold a pre-decision conference in relation to the draft determination you must notify the ACCC in writing by **20 January 2017**.

The ACCC will consider any submissions it receives, including any oral submissions made should a pre-decision conference be called, and will then release a final determination in relation to these applications.

Submissions will be placed on the ACCC's public register subject to any request for exclusion. Please see the ACCC's publication <u>Guidelines for excluding information from the public register</u>.

Timetable

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

Indicative date	Stage in assessment process
25 August 2016	Lodgement of application and supporting submission.
31 August 2016	Public consultation process begins.
15 December 2016	Draft determination.
December 2016/ January 2017	Public consultation on draft determination including any conference if called.
February 2017	Final determination.

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@accc.gov.au.

Yours sincerely

David Jones General Manager Adjudication