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PREFACE

This submission has been prepared by National Mutual Holdings Limited for the Financial System Inquiry 1996, the "the Wallis Inquiry". Copies of this submission are available on request to Mr Andrew Penn, Manager Group Strategy - Finance Industry Review, National Mutual Holdings Limited (03 9618 4840).

All queries in relation to this submission should be directed to:

- Mr Geoff Tomlinson, Managing Director, National Mutual Holdings Ltd. Tel: 03 9618 4947; or
- Mr Andrew Penn, details as above.

SECTION 1
EXECUTIVE SUMMARY

ABBREVIATIONS

AASB	Australian Accounting Standards Board
ABA	Australian Bankers Association
ACCC	Australian Competition and Consumer Commission
ADF	Approval Deposit Fund
AFIC	Australian Financial Institutions Commission
AFIC/SSAs	Australian Financial Institutions Commission together with State Supervisory Authorities
ANZ	Australia and New Zealand Banking Group
APSC	Australian Payments System Council
ASC	Australian Securities Commission
ASFA	Australian Superannuation Funds Association
ASX	Australian Stock Exchange
AT&T	American Telephone and Telegraph Company
ATM	Automatic Teller Machine
ATO	Australian Taxation Office
AUSTRAC	Australian Transaction Report and Analysis Centre
BIO	Banking Industry Ombudsman
CAGR	Compound annual growth rate
CBA	Commonwealth Bank of Australia
CFS	Council of Financial Supervisors
CUSCAL	Credit Union Corporation Services (Australia) Limited
E Cash	Electronic Cash
EDI	Electronic Data Interchange
EFT	Electronic Funds Transfer
EFTPOS	Electronic Funds Transfer at Point of Sale
FBCA	Federal Bureau of Consumer Affairs
FIRB	Foreign Investment Review Board
FPA	Financial Planners Association
FTE	Full time equivalents
GE	General Electric Group
GIECS	General Insurance Enquires and Complaints Service
IAIS	International Association of Insurance Supervisors
IOSCO	International Organisation of Securities Commissions
ISC	Insurance and Superannuation Commission
LIASB	Life Insurance Actuarial Standards Board
LICS	Life Insurance Complaints Service
LISA	Life Investment and Superannuation Association
NAB	National Australia Bank

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PC	Personal Computer
PHIAC	Private Health Insurance Administration Council
PIN	Personal Identification Number
PSA	Price Surveillance Authority
RBA	Reserve Bank of Australia
RTA	Retail Transaction Account
SCT	Superannuation Complaints Tribunal
SEC	Securities Exchange Commission, USA
SFE	Sydney Futures Exchange
SIS	Superannuation Industry (Supervision) Act
SSA	State Supervisory Authorities
SVC	Stored Value Card
TPA	Trade Practices Act
TPC	Trade Practices Commission
UCITS	Undertakings for Collective Investments in Transferable Securities

GLOSSARY OF TERMS

Internet: an inter-connection of multiple computer networks, hence the name, or more correctly, a “network of networks” which utilises common standards to maximise connectivity.

World Wide Web: the common commercial interface to the Internet which provides access to integrated text documents, multi media, graphics, voice and video clips.

Smart Cards: extension of magnetic-strip credit and debit cards in which embedded silicon chip processors allow much greater functionality

Electronic Commerce : the process of conducting commercial transactions electronically via networks; Electronic Data Interchange (EDI) , electronic mail, electronic forms and electronic funds transfer are all examples of electronic commerce.

Electronic Cash , e-cash or digital money is the electronic replacement of cash with secure digital numbers which can be stored and transferred. Like cash, electronic cash has a “store of value” and is potentially an ideal medium of exchange, two fundamentals of any cash substitute.

Electronic Payments Systems (EPSs): systems in which payment methods(credit, debit, cash etc) and settlement are conducted electronically. Three EPS companies are mentioned

CyberCash Inc. : provides an Internet-based EPS service in which it acts as a secure gatekeeper between the banking companies and the Internet consumers and merchants.

Redi-Check : acts as a cheque handling intermediary for transactions by cheque over the Internet.

Digicash : EPS which works with banks, consumers and merchants in managing e-cash with a high level of security; currently trialling e-cash on the Internet in a joint venture with Deutsche Bank.

Open Systems

Systems which conform to international standards for interconnectivity, and for portability and interoperability of computer applications regardless of technical platforms.

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