



中國銀行

BANK OF CHINA (AUSTRALIA) LIMITED

Target Market Determination - Cheque Account (Non-Individual customers)

This is the target market determination (**TMD**) for the purposes of section 994B of the *Corporations Act 2001* (Cth) (**Corporations Act**) for the Cheque Account (**Product**).

The issuer of the Product is Bank of China (Australia) Limited ABN 28 110 077 622 AFSL 287322 ACL 287 322 (**Bank**). This TMD sets out certain information relevant to the Bank's compliance with the design and distribution (**DDO**) framework in the Corporations Act, including the:

- class of consumers that makes up the target market for the Product;
- conditions that will be imposed on the distribution of the Product;
- requirements for the Bank to review the TMD; and
- requirements for distributors to report certain information to the Bank.

This TMD does not provide a complete list of the features and terms and conditions of the Product. This TMD should be read in conjunction with the *Transactional and At Call Accounts Terms and Conditions*, the *Account Access Methods Conditions of Use and the Schedule of Fees and Charges* and other information available on the Bank's website in relation to the Product. A copy of these documents can be accessed on the Bank's website at www.bankofchina.com/au or from the Bank's retail branches in Australia during business hours (free of charge). If an application for the Product is approved, the particular Product will be governed by the Transactional and At Call Accounts Terms and Conditions.

This TMD has been prepared without taking into account any person's individual needs, objectives, or financial situation. If you are considering a Cheque Account, we encourage you to understand how it may affect your personal circumstances and seek professional advice (such as, independent legal and financial advice).

Capitalised terms have the meaning given to them in the *Transactional and At Call Accounts Terms and Conditions*, unless otherwise defined.

Product	Cheque Account
Issuer	Bank of China Australia Limited ABN 28 110 077 622 AFSL 287 322 ACL 287 322 (Bank)
Date of TMD	5 October 2021

Target Market	Description of target market
	<p data-bbox="427 309 1406 398">Non-Individual customers, who are looking for a transaction account denominated in AUD with a cheque book that is accessible for day to day transactions, and in respect of which the balance is available for withdrawal on demand.</p> <p data-bbox="427 443 1038 477">Description of product, including key attributes</p> <p data-bbox="427 495 1417 584">A Cheque Account is a transaction account that provides a flexible and convenient way to maintain and access AUD funds on demand with a cheque book facility and with the ability to earn interest.</p> <p data-bbox="427 600 1002 633">The key attributes of a Cheque Account include:</p> <ul data-bbox="475 640 1433 1964" style="list-style-type: none"> <li data-bbox="475 640 1433 730">• this account can be opened by eligible Non-Individual customers only (being corporations, sole traders, partnerships with individual partners and trusts with individual trustees, and not customers who are natural persons); <li data-bbox="475 734 1082 768">• this account can be denominated in AUD only; <li data-bbox="475 779 1417 846">• payments to this account in currencies other than AUD will be converted to AUD, with fees and exchange rates applying to currency conversions; <li data-bbox="475 853 1433 1126">• a customer may access their account by using one or more of the following methods: <ul style="list-style-type: none"> <li data-bbox="571 947 882 981">○ using a cheque book; <li data-bbox="571 981 1433 1070">○ over the counter at any retail branch of the Bank in Australia during business hours, by presenting their personal identification that is acceptable to the Bank; ; <li data-bbox="571 1070 1401 1126">○ using internet banking where the customer has registered for the Bank's Business Internet Banking service, including BPAY; <li data-bbox="475 1193 1401 1261">• this account has the ability to be linked to an overdraft facility (subject to approval by the Bank and entry into an overdraft agreement (if required)); <li data-bbox="475 1267 1433 1335">• funds in this account can be received or transferred via telegraphic transfer remittance through SWIFT; <li data-bbox="475 1346 1193 1379">• AUD funds in this account can be transferred via RTGS; <li data-bbox="475 1384 1417 1417">• AUD funds in this account can be transferred using a bank cheque facility; <li data-bbox="475 1424 1114 1458">• a minimum opening balance requirement applies; <li data-bbox="475 1458 1433 1581">• maximum daily and yearly deposit and withdrawal limits apply. From February 2019, a maximum of \$50,000 AUD in physical cash (or its foreign currency equivalent) may be deposited per customer, across all accounts owned in jointly or separately by that customer per financial year; <li data-bbox="475 1581 1417 1648">• interest is payable half-yearly by the Bank if certain requirements are met, including that the specified minimum balance requirement is satisfied; <li data-bbox="475 1648 1433 1715">• no account keeping fee applies if your monthly average balance is equal to or above the minimum balance requirement; <li data-bbox="475 1715 1433 1964">• other fees that are payable in respect of this account depending on the service required by customer (for example remittance fee, cheque issuing fee, additional copy of account statement etc), noting that a cheque book is issued free of charge if the account balance is equal to or above the minimum balance requirement at the time the Bank receives a request for a cheque book; if an overdraft facility is approved, payment of interest will be in accordance with the overdraft agreement; and

- a statement of account is provided to customers at least every 6 months (or more frequently at the request of the customer) where transactions have been made on their account since the last statement.

Description of likely objectives, financial situation and needs of consumers in the target market

This Product is designed for customers whose:

- Likely objectives include:
 - seeking a day to day transaction account with a cheque book and in respect of which the balance is available for withdrawal on demand;
 - seeking a transaction account denominated in AUD only;
 - seeking a transaction account with the ability to earn interest;
 - seeking an overdraft facility for business purposes; and
 - seeking a transaction account that is protected by the Financial Claims Scheme.
- Likely financial situation includes:
 - meeting the Bank's eligibility requirements including customers having a wide range of business revenue income and business cash and saving levels.;
- Likely needs include:
 - seeking the ability to withdraw funds easily and immediately;
 - seeking security of funds;
 - seeking a cheque book facility; and
 - seeking a transaction account to be used for business purposes;
 - seeking an overdraft facility.

Classes of consumers for whom the product is unsuitable

This Product is not suitable for customers who:

- are individual customers or do not meet the other eligibility criteria;
- are looking for a transaction account that is denominated in currencies other than AUD;
- are seeking a transaction account with additional features including access to mobile banking or the ability to link a debit card;
- are seeking a low or no fee transaction account;
- are seeking to invest money for a fixed term;
- are seeking a product with a higher interest rate; or
- wish to deposit cash in excess of AUD 50,000 a year (including for example customers who operate a cash based business).

Explanation of why the product is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market

The Bank considers that the Product is likely to be consistent with the likely objectives, financial situation and needs of customers in the target market because:

- this Product provides customers with the ability to easily access their funds for day to day transactions and withdraw the balance on demand;

	<ul style="list-style-type: none"> • this Product enables customers to easily manage, access and transact on their account including through the use of interest banking; • this Product has a cheque book facility and the ability to link to an overdraft facility; • the Product enables customers to earn interest; and • as a transaction account, this Product is low risk in nature;
Distribution Conditions	<p><i>Distribution conditions</i></p> <p>This Product can only be distributed in branch (through one of the Bank's branches in Australia) by an employee of the Bank who is authorised to distribute this Product.</p> <p><i>Why the distribution conditions and restrictions will make it more likely that the consumers who acquire the product are in the target market</i></p> <p>The Bank considers that the distribution conditions mean that it is likely that customers who acquire the Product will be in the target market because:</p> <ul style="list-style-type: none"> • the Bank's distribution channel for this Product is restricted to its branch network and is only able to be distributed by the Bank's employees who are authorised to distribute the Product; • authorised employees must be authorised by the Bank to distribute this Product and are required to complete relevant training in relation to the Product and the distribution of the Product; and • the Product is only made available to customers using consistent approval processes that allow the opportunity to check all applications before they are approved for consistency with the Bank's eligibility criteria for the Product.
Review Triggers	<p>The review triggers that would reasonably suggest that the TMD is no longer appropriate include:</p> <ul style="list-style-type: none"> • there are significant changes to the key attributes of the Product as described in this document that make it reasonable to conclude that it would no longer be consistent with the TMD; • there are significant changes to the methods of distribution of the Product that make it reasonable to conclude that the TMD does not reflect the actual distribution methods used by the Bank; • there are unexpectedly high rates of account closures or customers switching to other accounts offered by the Bank within a 12 month period

	<p>(except where explainable by external factors unrelated to product attributes or distribution arrangements);</p> <ul style="list-style-type: none"> • the Bank identifies a significant dealing of the Product outside the target market that it is required to report to ASIC; • a significant number of complaints are received from customers in relation to their purchase or use of the Product that reasonably suggests that the TMD for the Product is no longer appropriate; • ASIC has utilised its product intervention power in Part 7.9A of the Corporations Act to intervene in relation to this product. 									
Review Periods	<p>First review date: Within 1 year from 5 October 2021.</p> <p>Periodic reviews: Within 3 years after the initial review date and each subsequent review date after that.</p>									
Distribution Reporting Requirements	<p>The following information must be provided to Bank of China (Australia) Limited by distributors who engage in retail product distribution conduct in relation to this Product:</p> <table border="1"> <thead> <tr> <th>Type of information</th> <th>Description</th> <th>Reporting period</th> </tr> </thead> <tbody> <tr> <td>Complaints</td> <td>Number of complaints, nature and substance of the complaint</td> <td>Every 3 months within 10 business days from the end of the period.</td> </tr> <tr> <td>Significant dealing(s) ¹</td> <td>Date or date range of the significant dealing(s) and description of the significant dealing (eg, why it is not consistent with the TMD)</td> <td>As soon as practicable, and in any case within 10 business days after becoming aware</td> </tr> </tbody> </table>	Type of information	Description	Reporting period	Complaints	Number of complaints, nature and substance of the complaint	Every 3 months within 10 business days from the end of the period.	Significant dealing(s) ¹	Date or date range of the significant dealing(s) and description of the significant dealing (eg, why it is not consistent with the TMD)	As soon as practicable, and in any case within 10 business days after becoming aware
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¹ For example, a distributor may consider a dealing outside the TMD to be significant because (i) they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the Product, or (ii) they constitute an individual transaction which has resulted in, or will or is likely to result in, significant detriment to the customer (or class of customers), or (iii) the issuer has reasonably identified the this type of dealing as significant or a regulator, court or AFCA identifies this type of dealing as significant.