



# Target Market Determination (TMD)

This TMD is issued by Westpac Banking Corporation ABN 33 007 457 141

**Product:** This TMD applies to:

- Fixed FX Transaction

**Effective date:** 30 May 2025

## Target market class of consumers.

### Product description and key attributes.

The Fixed FX Transaction product allows consumers, via Westpac Online banking, to exchange Australian dollars (AUD) for another currency at an agreed rate on an agreed future date to facilitate a payment of funds.

The key product attributes (including the key eligibility requirements) to acquire this product:

- The ability for consumers to exchange Australian dollars for another currency at an agreed rate on an agreed future date, the Payment Date.
- Protection against unfavourable foreign exchange rate movements.
- Availability of a range of currencies - US Dollars (USD), Euros (EUR), Great Britain Pounds (GBP), and New Zealand Dollars (NZD).
- The ability for consumers to create and submit a Fixed FX Transaction from Monday 07:00 until Friday 23:59 (Sydney time) only.

Key product risks include:

- **Opportunity loss** – A Fixed FX Transaction fixes the exchange rate as at the date that the consumer enters into the Fixed FX Transaction i.e. on the Trade Date. The consumer will not receive the benefit of any favourable exchange rate movements that may occur between the Trade Date and the Payment Date.
- **Variation/ Early Termination by consumer** - The consumer does not have the ability to vary the terms of the Fixed FX Transaction once it is fully approved. However, the consumer may terminate a Fixed FX Transaction via Westpac Online at any time up to (but excluding) the Payment Date. If the consumer terminates a Fixed FX Transaction at any time up to (but excluding) the Payment Date, the consumer may be liable to pay the cost of unwinding the Fixed FX Transaction. This cost may be significant.
- **Termination of Fixed FX Transactions and Suspension of Access by Westpac** – The Terms and Conditions for Fixed FX Transactions set out the rights to terminate outstanding Fixed FX Transactions or suspend access. This includes where Westpac reasonably suspects misuse, fraud or security issues, or where there are multiple instances of failed payments due to insufficient cleared funds on the Payment Date. When we do this, we will act fairly and reasonably towards the customer.
- **Counterparty and operational risks**– Westpac has performance obligations under a Fixed FX Transaction. The consumer needs to form a judgment of our ability to meet those obligations.
- **Use of Agent and correspondent banks**– Westpac may use agents and correspondent banks to deliver some currencies (other than Australian dollars).
- **Currency restrictions**– Some currencies may be subject to legal and regulatory obligations.

### Eligibility Requirements.

The key eligibility requirements to utilise this product are:

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- The consumer must be registered for Westpac Online banking, with access to an AUD transaction banking account that is eligible for international payments.
- If the consumer is an individual, they are 18 years or over.
- If the consumer is an individual, the consumer must be ordinarily resident in Australia and must not hold US citizenship or be a US tax resident.
- If the consumer is a non-natural person (business entity), the consumer must be incorporated in Australia and must not have a US connection by ownership or control.
- The consumer must not meet the criteria to be onboarded to Westpac Institutional Bank, Corporate and Institutional Division – i.e. the consumer must not be a large corporate customer or institution.
- The consumer must not be suspended from access to Fixed FX Transactions.

### **Class of consumers.**

This product is designed for a class of consumers whose likely needs, objectives and financial situation (as set out below) are aligned with the product and the product's key attributes.

This product is for those who:

- have a genuine and/or commercial need to exchange Australian dollars for another currency in order to facilitate a payment and/or manage a currency risk in the future (up to 1 month) and would like certainty of the exchange rate.

### **Needs, objectives and financial situation.**

This product is designed for consumers who:

- Would like to exchange Australian dollars for another currency at an agreed rate on an agreed future date (up to 1 month) and seek certainty of the payment amount.
- Are seeking to make an international payment in a foreign currency, for instance:
  - to purchase goods or services in a foreign currency.
  - to send money overseas to family or friends.

This product has been designed for a class of consumer with the following financial situation:

- Are seeking to make a fixed rate international payment on a future date in a particular currency up to the AUD equivalent of \$50,000.
- Are seeking to make international payments with a total AUD equivalent cumulative limit up to \$250,000 (across all outstanding Fixed FX Transactions).

This product is not designed for consumers who:

- Are looking to enter into a Fixed FX Transaction for speculative purposes, such as trading with the primary intention of gaining a financial benefit.
- Have more complex foreign exchange risk management requirements.
- Are seeking to settle in physical cash.
- Are seeking to exchange a currency other than AUD.
- Are seeking to make fixed rate international payments with a cumulative total (across all outstanding Fixed FX Transactions) greater than the AUD equivalent of \$250,000.
- Are seeking to make a fixed rate international payment in a particular currency which is greater than the AUD equivalent of \$50,000 or has a maximum tenor greater than one month.
- Are seeking to make an international payment in a currency that is not available (currently available currencies are USD, EUR, GBP or NZD).

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- Are seeking to create and / or to submit a Fixed FX Transaction on the weekend (from midnight Friday to 06:59 Monday (Sydney time)).
- Are eligible to be onboarded to Westpac Institutional Bank, Corporate and Institutional Division – that is, are large corporate customers or institutions.
- Ordinarily reside outside of Australia (for individuals) or are incorporated in a country outside of Australia (for business consumers).
- Holds US citizenship or is a US tax resident (for individuals) or has a US connection by ownership or control.

### Alignment to target market.

This product is likely to be consistent with the likely objectives, financial situation and needs of the class of consumers in the target market. This is based on an assessment of the key terms, features and attributes of the product and a determination that these are consistent with the identified class of consumers.

### Distribution conditions and restrictions:.

#### Distribution channels.

This product is designed to be sold via the following means:

- Online through Westpac Online banking, International Payments.

This product is not designed to be sold via third parties.

#### Distribution conditions and restrictions.

This product should only be distributed under the following circumstances:

- If a consumer meets the eligibility criteria for this product;
- The consumer has completed all necessary requests for documentation.
- All relevant terms and conditions and product disclosure documents have been provided to the consumer and the consumer has acknowledged that they have read the disclosure documents in full and accepted the terms and conditions.

The distribution conditions applying to this product make it likely that consumers will be in the target market, because the consumer will not be able to opt-in to Fixed FX Transactions unless they have:

- Completed all necessary requests for documentation.
- Met the eligibility requirements to have access to Westpac Online, International Payments.

#### Appropriateness of distribution conditions and restrictions .

We have assessed that the distribution conditions and restrictions will make it likely that consumers who acquire the product is in the target market. We consider that the distribution conditions and restrictions are appropriate and will direct distribution towards the class of consumer for whom the product has been designed.

### TMD reviews.

We will review this TMD in accordance with the below:

Initial review	Within 3 years of the effective date.
Periodic reviews	At least every 3 years from the last review.

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Review triggers	<p>The review triggers (which reasonably suggest the TMD is no longer appropriate) that may result in an earlier review of the TMD include material changes to the design or distribution of the product including related documentation, material changes in law or taxation policy that may affect the operation of the product, or:</p> <ul style="list-style-type: none"><li>• Significant changes in metrics. These include complaints and incidents which relate to the consumer's purchase or use of the product;</li><li>• Findings from regular product reviews where Westpac considers this reasonably suggests that this TMD is no longer appropriate;</li><li>• Material changes to key product attributes, terms and/or conditions where Westpac considers this reasonably suggests that this TMD is no longer appropriate;</li><li>• Any direction from ASIC which requires Westpac to cease distribution of the product;</li><li>• Any other event/ circumstance that Westpac views would materially change a factor taken into account in making this TMD;</li><li>• Distribution conditions found to be inadequate;</li><li>• Occurrence of a significant dealing.</li></ul>
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### Distribution information.

We will collect the following information from our distributors directly or indirectly in relation to this TMD.

Complaints	Distributors will report all complaints in relation to the product covered by this TMD on a monthly basis. This will include written details of the complaints.
Significant dealings	Distributors will report, if they become aware of a significant dealing in relation to this TMD that is inconsistent with this TMD within 10 business days of the date of the distributor becoming aware of the significant dealing.