

Baptist Financial Services Australia Limited

ABN 56 002 861 789
AFSL 311062



Baptist Financial Services

ASIC RG 87
Identification Statement

Issue Date: 05 November 2019

www.bfs.org.au

1. IDENTITY & ACN OF THE CHARITABLE BODY

- 1.1 Baptist Financial Services Australia Limited ABN 56 002 861 789, ["BFS"] is a registered public company limited by guarantee. As such, it is a corporation under the *Corporations Act 2001* (Cth). BFS is relying on a continuation of relief from the licensing and fundraising provisions of the *Corporations Act 2001* (Cth) pursuant to ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 and Regulatory Guide 87.
- 1.2 BFS holds an Australian Financial Services Licence 311062 which was granted 18 June 2007 (amended 20 November 2017), and authorises the provision of general advice and dealing services regarding securities, basic and non-basic deposit products (arranging only), and non-cash payment facilities, to retail and wholesale clients. BFS has all the necessary authorisations under its AFSL to continue to offer debenture products to retail and wholesale clients.
- 1.3 All debentures offered by BFS include within their terms an undertaking to repay any amount invested as a debt to the holder of the debenture product.
- 1.4 BFS is operated from its registered office at Ministry and Learning Centre, Level 4, 5 Saunders Close, Macquarie Park NSW 2113.
- 1.5 With respect to the issuance of debentures, BFS relies upon the exemption in section 5(1)(b) of ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 (the Instrument).
- 1.6 The documentation and materials to be provided to clients will contain the statement that BFS is required by law to notify investors that:
 - a. the investment is only intended to attract investors whose primary purpose for making their investment is to support BFS's charitable purpose;
 - a. Investors may be unable to get some or all of their money back when the investor expects or at all; and
 - b. the investment is not comparable with investments with banks, finance companies or fund managers.

2. BRIEF DESCRIPTION OF THE CHARITABLE SCHEME

- 2.1 BFS was established to promote the Christian faith by aiding Baptist entities in business and financial matters which include receiving, holding and investing monies to support these charitable purposes. BFS holds an Australian Financial Services Licence 311062.
- 2.2 BFS offers a number of unsecured debenture products, and has a financial year of 1 January-31 December.
- 2.3 The debenture products currently offered are as follows:
- a. Term Investments
 - b. Notice of Withdrawal Account
 - c. Pensioner Deeming Account
 - d. Funeral Investment Account
 - e. Online Savings Account (wholesale clients only)
 - f. Savings Account (wholesale clients only)
 - g. Steer 31 Account (nil interest payable)
 - h. Development Fund Account (investor may elect nil interest payable) or
 - i. BFS Cheq Account (Baptist churches only)
- 2.4 Current interest rates for these debenture products are published on our website www.bfs.org.au.
- 2.5 Debenture products are currently offered to (i) retail, non-associated clients (ii) retail associated clients, including paid church personnel (but excluding any voluntary personnel); and (iii) wholesale clients who are either associated or non-associated with BFS. All products offered to non-associated retail clients have a minimum 31 day term and/or require a minimum of 31 days' notice for withdrawals.
- 2.6 The debenture products offered by BFS cater for persons who wish to promote the charitable purposes, and support the work of churches and Christian organisations, and for whom profit considerations are not of primary relevance in their decision to invest. Our debenture products comprise an investment medium through which an individual or organisation can invest money to generate interest income (products are also offered where the investor may elect to forgo interest). The funds invested are used by BFS to finance and support churches and Christian ministry.
- 2.7 There is no minimum investment, interest is accrued daily and credited as per the terms of the specific product (monthly, at maturity or as otherwise disclosed).

No account-keeping fees are charged but service or transaction fees may be charged in circumstances specified in our Account and Services Fees Schedule published on our website www.bfs.org.au.

The relevant disclosure documentation given to investors prior to investing makes it clear that the products offered are debenture products in accordance with the Corporations Act definition and details the attendant risks and conditions of the product.

- 2.8 BFS is also required to lodge audited financial statements with the ACNC.

3. GUARANTEES OR PROMISES MADE TO INVESTORS

- 3.1 All debenture investments made with BFS are unsecured, and investors are advised that neither the performance of/return on investments, nor repayment of capital is guaranteed. BFS maintain a liquidity reserve of a minimum of 20% of total debenture investments in readily realisable investments.

4. ASSETS TO BE HELD TO SATISFY APPLICABLE LIABILITIES OF INVESTMENT ACCOUNT PRODUCT

- 4.1 Funds may be invested in secured or unsecured loans, securities (government and otherwise), fixed income products, bills of exchange, floating rate notes, fixed rate corporate bonds, listed securities, registered managed investment schemes and real estate.

5. COUNTRIES IN WHICH ASSETS WILL BE LOCATED

- 5.1 Australia.

6. PROCEDURES FOR COMPLIANCE WITH CLASS ORDER 02/184 and ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813

- 6.1 The procedures for facilitating compliance with, as per s911A(2)(l) of the Corporations Act 2001 (Cth) and ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 comprise the following:

- A current Identification Statement (reflecting the requirements of ASIC RG 87. 35-36) is lodged with ASIC at all times, in respect of all relevant products, and is available to the public via our website;
- All relevant offer documents are reviewed and signed off by external legal adviser to ensure they detail (as applicable) (i) the identity of the charitable body (ii) the terms and conditions of the offer (iii) the material benefits obtained by the charitable body or its associates in connection with the offer (iv) a statement advising investors that BFS is required by law to advise them that the product is not subject to the normal Corporations Act requirements in respect of documentation and registration with ASIC (v) that the product has not been examined or approved by ASIC (vi) how the investment monies will be used to promote the charitable purposes of BFS (vii) that the investment is only intended to attract investors whose primary purpose for making the investment is to support the charitable purposes of BFS and for whom considerations of profit are not of primary relevance in the investment decision (viii) that investors may be unable to get some or all of their money back when they expect or at all; and (ix) that the investment is not comparable to investments with banks, finance companies or fund managers.
- Investor Acknowledgements will be obtained from all retail non-associated clients which confirm they have read, understood and accepted BFS's product offering and the terms and conditions applicable to our products.
- A separate Investor Acknowledgement will be obtained from all retail non-associated clients which contain disclosures in relation to (a) the fact that client funds are used to

support the charitable purpose of Baptist churches and associated Christian ministries (b) the lodgement of an Identification Statement with ASIC and its availability on our website (c) the fact that BFS debenture products are not subject to the usual protections for investors under the Corporations Act 2001 (Cth) and are not regulated by ASIC (d) the fact that BFS investments are only intended for investors whose primary investment purpose is to support BFS' charitable purpose (e) the fact that investors may be unable to get some or all of their money back when they expect to, or at all; and (f) that BFS products are not comparable to investments issued by banks, finance companies or fund managers.

- Promotional material and offer documentation is reviewed and signed off by external legal adviser to ensure it meets applicable requirements, and does not state or infer that ASIC has approved or examined such material;
- BFS will ensure that no retail non-associated client will hold a debenture product with a term under 31 days;
- All debentures issued by BFS include terms that they may only be repaid or redeemed:
 - a. if BFS has reasonable grounds to believe that if:
 - i. all repayments and redemptions that it may be required to pay on that day were made; and
 - ii. all repayments and redemptions that may reasonably be expected to be due on each future day were made on that future day;

all holders of debentures and interests would be repaid or redeemed on that day and on each future day in accordance with the holders' entitlements; or
 - b. in the case of a holder of a debenture or an interest that is an individual – if BFS is satisfied that the repayment or redemption would alleviate financial hardship that the holder is suffering or would suffer; or
 - c. on the winding up of BFS.
- Any false or misleading material statements relating to this Identification Statement shall be rectified as soon as practicable, via the issue of a supplementary or replacement Identification Statement;
- Audited financial statements, which comply with accounting standards, and a registered auditor's report, shall be obtained annually, within 6 months of the end of BFS's financial year, and lodged with ASIC within six months after the end of each financial year. Such statements/report shall be made available to the public via our website for a minimum period of 3 years from date of issue; and
- BFS will notify ASIC as soon as it becomes aware of any matter which gives BFS reason to believe it has failed or is likely to fail to comply with any application exemption condition. Notification will occur within 15 business days as per the requirement (although generally within 10 business days, as per the AFSL requirements).

7. CONSENT

- 7.1 As per ASIC RG 87.49, we herewith provide consent to allow any persons who so request, to examine this Identification Statement.

8. STATUTORY DECLARATION

- 8.1 As per ASIC RG 87.50, we provide the following Statutory Declaration that we are a charity as defined therein.
- 8.2 I, David Campbell Slinn of Ministry and Learning Centre, Level 4, 5 Saunders Close, Macquarie Park NSW in the Commonwealth of Australia, being the Company Secretary of Baptist Financial Services Australia Limited, do solemnly and sincerely declare that Baptist Financial Services Australia Limited, is a charity as defined in ASIC Regulatory Guide 87, and I make this solemn declaration by virtue of the Statutory Declarations Act 1959 and subject to the penalties provided by the Act for the making of false statements in statutory declaration, consciously believing the statements contained in this declaration to be true in every particular.

Signature of Declarant: 

Taken and declared before me at Sydney, New South Wales in the Commonwealth of Australia this 5th day of November 2019.


Signature of Witness: Justice of the Peace
Debra Margaret Anne Allchorn Reg No 214393