

Target Market Determination

1. Target Market Determination - BFS Visa Prepaid PayCard

The BFS Visa Prepaid PayCard (**Prepaid PayCard**) is a financial product for the purposes of the design and distribution obligations set out in Part 7.8A of the *Corporations Act 2001* (Cth).

The purpose of this Target Market Determination is to provide consumers information about the Prepaid PayCards' key attributes, the target market for the Prepaid PayCard, and the distribution and monitoring arrangements between the issuer, Indue Ltd (**Indue**) and the distributor, Baptist Financial Services Australia Ltd (**BFS**).

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. You should refer to the Product Disclosure Statement for the Prepaid PayCard available at www.bfs.org.au or from the BFS client services team at clients@bfs.org.au when making a decision about this product.

Date from which this Target Market Determination is effective

5 October 2021

2. Target Market

The information below summarises the overall class of consumers that fall within the target market for the Prepaid Card, based on the product key attributes and the objectives, financial situation and needs that it has been designed to meet.

(a) Class of consumers that fall within the target market

The Prepaid PayCard is for those who are resident in Australia or have a right to reside in Australia, who are:

- employed by, or volunteer for, a church or not for profit organisation whose purpose includes the advancement of the Christian religion, and
- is looking for a mechanism to make purchases related to:
 - their work or volunteering for their employer; or
 - that are otherwise FBT exempt; and
- their employer has an existing account with BFS.

(b) Description of the Prepaid Card and its key attributes

The Prepaid PayCard is a reloadable Visa card.

The key attributes of the Prepaid PayCard are that:

- It enables a church or other eligible employer to pay exempt fringe benefits on behalf of a Religious Practitioner or employee of a Public Benevolent Institution onto the Prepaid PayCard.

- Amounts credited and stored on the Prepaid PayCard can be used for exempt fringe benefit purchases, including for living expenses, such as groceries, petrol, travel, utilities, council and water rates, entertainment, and clothing etc.
- Where the card is authorised by the employer to incur expenses that are reimbursable by the employer, the card can be used for reimbursable expenses within the classes of expenses authorised by the employer.
- The maximum amount held on the card can be up to \$10,000.
- The Prepaid PayCard is unable to be used for cash withdrawals from ATMs or EFTPOS transactions.
- Cardholders can access their balance and transaction history online.
- It can be used to make contactless payments.
- There are no re-load fees, no ongoing monthly fees, and no interest charges. The first 10 EFTPOS, online or telephone transactions per month are free. Charges apply thereafter. Please refer to the Product Disclosure Statement Part 2.
- Employers retain full ownership of the funds on the Prepaid PayCard and any unused funds are able to be returned to any other account of the employer. Reporting and transaction details can also be accessed by the employer for their accounting and business record keeping needs.

(c) Excluded class of consumers

Your employer or the organisation you volunteer for must be a BFS client to apply for a Prepaid PayCard. Other applications will not be accepted.

(d) Consistency between target market and Likely objectives, financial situation and needs

The Prepaid Card is likely to be consistent with the likely objectives, financial situation and needs of customers in the target market as it provides a method to make purchases up to \$10,000 as an exempt fringe benefit in lieu of salary or wages or for reimbursable business or ministry expenses and does not permit cash to be withdrawn.

3. Distribution Conditions and Restrictions

(a) Distribution channels

The Prepaid Card is designed to be distributed directly by BFS upon the acceptance of an application form that is available:

- on the BFS website www.bfs.org.au;
- from the BFS client services team at clients@bfs.org.au; or
- from one of the BFS Relationship Managers whose contact details are published on the BFS website.

(b) Distribution conditions and restrictions

The Prepaid PayCard should only be distributed to an existing BFS client, or a person who is employed by or volunteers for an existing BFS client, who:

- is over 16 years of age and is an Australian resident or has rights to reside in Australia; and

- has been provided with a copy of the current Product Disclosure Statement Part 1 and Fees and Charges Part2, the BFS Financial Services Guide and relevant application.

(c) Adequacy of distribution conditions and restrictions

The distribution channels and conditions that define the eligibility of applicants for the Prepaid Card ensure that the recipients of the card fall within the target market.

4. Reviewing this Target Market Determination

We will review this Target Market Determination in accordance with the below:

Initial review	Within the 12 months of the effective date.
Periodic reviews	At least every 12 months from the initial review.
Review triggers or events	Any event or circumstances that arises that would suggest the Target Market Determination is no longer appropriate. This may include (but is not limited to): <ul style="list-style-type: none"> • a material change to the design or distribution of the Prepaid PayCards, including related documentation; • occurrence of a significant dealing; • distribution conditions found to be inadequate; • change in legal or regulatory requirements; • external events such as adverse media coverage or regulatory attention; and • significant changes in metrics, including, but not limited to 20 complaints in any 3 month period.

Where a review trigger has occurred, this target market determination will be reviewed within 10 business days.

5. Reporting and monitoring this Target Market Determination

We will collect the following information from our distributors in relation to this Target Market Determination:

Complaints	BFS will report to Indue all complaints in relation to the product(s) covered by this Target Market Determination on a quarterly basis. This will include written details of the complaints.
Significant dealings	BFS will report to Indue if they become aware of a significant dealing in relation to this Target Market Determination within 10 business days