

# Foreign Currency Term Deposit

## Target Market Determination

13 October 2023

Prepared by BOQ Specialist, a division of Bank of Queensland Limited (BOQ) ABN 32 009 656 740 Australian Credit Licence and AFSL 244616, the issuer of this product.

## What is a Target Market Determination?

A Target Market Determination (TMD) describes:

- the class of customers that comprise the Target Market for the product
- any conditions or restrictions on how the product is distributed to retail customers
- events or circumstances where we will review the TMD for the product.

## Why does BOQ Specialist need to make this TMD publicly available?

We are required to produce this TMD by law. The law is intended to help customers obtain appropriate financial products by requiring issuers and distributors to have a customer centric approach to the design and distribution of products.

This document is not a substitute for the product's terms and conditions or other disclosure documents. Customers must refer to these documents when making a decision about this product. These documents can be found on our website or you can obtain a copy upon request.

## The TMD will undergo a periodic review as follows:

<b>Effective date</b>
13 October 2023
<b>Next Review Due</b>
Before 13 October 2025
<b>Review</b>
At least two years from when this TMD was made and then every two years thereafter

## Target Market

The Target Market for this product is customers who have surplus foreign currency and are looking for a low-risk, secure place to grow their money without withdrawing it during the term period.

These customers are likely to have the following objectives, needs and financial situation and must meet the eligibility criteria for this product.

## Objectives

The customers' likely objective is a safe place to grow their funds by fixing their deposits for a period of time in a foreign currency term deposit account.

## Needs

The customers' likely need is a product that enables their objective of earning interest on their foreign currency deposit. This may include:

- a secure place to deposit foreign currency funds with term-based access to funds
- a dedicated interest-bearing fixed term deposit account
- basic investment with the customer exposed to foreign currency exchange risk.

This product may not be suitable for customers who are likely to require branch access to make withdrawals.

## Financial situation

This product is suited to customers:

- with a wide range of financial situations
- who have surplus foreign cash
- who don't need this money at call or need immediate access to money
- can tolerate any potential loss of AUD equivalent value of their deposit due to adverse movements in exchange rates.

## Eligibility criteria for this product

Customers must satisfy the following criteria to acquire this product:

- be an Australian citizen, permanent resident, or resident with acceptable residency status
- be 18 years or older, or
- be an Australian registered corporation or association, or
- be a trustee of an Australian family, statutory, superannuation, unit or hybrid trust (the beneficiary and the trustee must meet the eligibility criteria of an individual or a corporation)
- hold a BOQ Specialist Australian dollar bank account in the same name to enable transfers into and out of the foreign currency account.

## Excluded customer class

This product is not designed to be distributed to customers who need a foreign currency deposit product for foreign exchange trading.

## Product description

A foreign currency deposit account that allows customers to earn a fixed interest rate over a specified term on their funds, available in major currencies. Customers can choose a term from 30 days to one year.

## Key attributes of this product

- physical access to BOQ branches to deposit money
- fixed terms ranging from 30 days to one year (or longer on application)
- online banking access to view account balance and provide term deposit instructions
- flexibility to re-invest - funds are automatically reinvested at maturity for the same term as the previous investment, unless otherwise nominated\*\*
- flexible interest payment methods – customers can elect to have interest payments periodically throughout the term or at the end of the term\*
- interest adjustments apply if term deposit is redeemed earlier than the fixed term, unless approved for financial hardship
- 31 days notice required to redeem term deposit early, unless approved for financial hardship.

\*Interest will be paid annually for term deposits greater than 12 months. Interest rate for periodical payments will be different from published term deposit rate.

\*\* Additional deposits and withdrawals to the term deposit can be made during the renewal grace period. See Foreign Currency Deposit Accounts Combined Product Disclosure Statement and Financial Services Guide for further details.

## Why the product is likely to be consistent with the likely objectives, needs and financial situation of the Target Market

The product's attributes are designed to support the Target Market's objectives, needs and financial situation. The customer's need to earn interest on their deposit can be met by the fixed interest rate offered by this account which can help them achieve their objective.

## Distribution conditions

This product can be distributed through:

- staff-assisted channels through BOQ Specialist bankers
- accredited third party financial advisers and platforms.

When this product is distributed to retail customers, it must be distributed in accordance with BOQ Specialist's customer acceptance requirements.

## Why the distribution conditions will make it likely that the customers who acquire the product are in the Target Market

BOQ Specialist considers that the distribution conditions and restrictions support BOQ Specialist's assessment that the product will likely be distributed to the Target Market because of the following key controls:

- appropriate training of staff to ensure adequate understanding of product features and aligning this to the customer's need
- customers satisfying BOQ Specialist's eligibility requirements
- quality assurance to monitor compliance with customer on-boarding and account origination processes
- third-party advisers involved in the distribution of the product must take reasonable steps to ensure requirements are met and adhere to agreement in place with BOQ Specialist.

## Review triggers

We will review this TMD if any of the following trigger events and information being monitored reasonably suggest that the TMD may no longer be appropriate:

- There is an increase in complaints received in relation to the product and its features that exceeds internally set tolerances
- we identify a material adverse customer experience in relation to product appropriateness
- there is a material change to the product attributes, fees, charges, terms and conditions or the manner of distribution
- there is a Significant Dealing in this product which is inconsistent with the Target Market.

## Information reporting requirements

All distributors who distribute this product must provide the following information to BOQ Specialist:

TYPE OF INFORMATION	DESCRIPTION	REPORTING PERIOD
Customer complaints received in relation to this product	Customer complaints (including number of complaints, complaints record verbatim, product name and distributor name) in relation to this product that may indicate the TMD may no longer be appropriate for this product	As well as agreed in writing, quarterly and in any case within 10 business days from the end of the reporting period
Significant Dealings	The date or date range of when the Significant Dealing occurred and a description of why it may not be consistent with this TMD	As soon as practicable, and in any case within 10 business days after becoming aware
Incidents/Issues (including regulatory breaches)	Incidents and breaches that may indicate product is no longer appropriate for the Target Market or is being distributed outside the Target Market	As soon as practicable, and in any case within 10 business days after becoming aware

### Note: Record keeping

BOQ Specialist and its distributors will keep records of the reasonable steps they have taken to ensure that this product is sold in a manner consistent with this TMD.

BOQ Specialist will also keep complete and accurate records of our decisions, and the reasons for those decisions about:

- all Target Market determinations for this product
- identifying and tracking review triggers
- setting review periods, and
- the matters documented in this TMD.