

DOCUMENTARY LETTER OF CREDIT - EXPORT

Target Market Determination

20 October 2023

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



BUSINESS

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 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:

EFFECTIVE DATE
20 October 2023
NEXT REVIEW DUE
Before 30 September 2025
REVIEW
At least every two years from when this TMD was made then at least three years thereafter

Target Market

The Target Market for this product is customers who are selling goods or services within Australia or overseas. 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' objective is to reduce credit risk exposure to their buyer.

Needs

The customers' likely need is a product that provides:

- enhanced confidence and timeliness of payment
- security of payment
- foreign currency payment processing.

Financial situation

This product is suited to customers with a wide range of financial situations. They have a low risk appetite for delayed or non-payment of goods or services provided.

Eligibility criteria for this product

Customers must satisfy the following criteria acquire this product:

- be an Australian citizen, permanent resident, or resident with acceptable residency status, 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), and
- hold a BOQ Australian dollar bank account in the same name to enable transfers of the funds plus any fees for the product.

Product description

Documentary Letter of Credit is a service BOQ provides to customers who are exporters of goods or services. When a customer presents the original Documentary Letter of Credit together with all other relevant documents to BOQ, BOQ will follow the instructions contained within the Documentary Letter of Credit to facilitate payment to the exporter once received by the issuing bank.

Key attributes of this product

- an enhanced level of comfort to exporter (seller) that they are likely to be paid at a future date for the goods or services provided to their buyer
- efficient receipt of payment by using the global banking network
- provides comfort for exporter as banks must follow the internationally-recognised rules and procedures set by the International Chamber of Commerce (ICC).

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 reduce credit risk exposure to their buyer can be met by the features such as security of payment, and enhanced level of comfort around debtor collection.

Distribution conditions

The product can be distributed through BOQ's direct channels including:

- BOQ Financial Markets
- branch network (including owner managers)
- Customer Contact Centre
- Business Bankers
- BOQ Specialist team
- BOQ Finance team
- trade operations.

This product can be distributed to retail customers in accordance with BOQ's customer acceptance requirements and is subject to BOQ's eligibility requirements.

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

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

- customer needs analysis and checklists are applied to align customer needs and financial circumstances with this product
- monitoring and supervision controls to ensure applying customers meet BOQ's suitability and eligibility requirements.

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 & 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:

TYPE OF INFORMATION	DESCRIPTION	REPORTING PERIOD
Customer complaints received about 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 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 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.

