

Important Notice to Commonwealth Bank Customers

We are in the process of improving our banking system to provide you with a faster more responsive service. As a result, the terms and conditions of some accounts are changing progressively.

- This notice sets out those changes and applies to new and existing accounts as they progressively transition to the new system.

To find out if the information in this notice applies to your account, visit our website commbank.com.au, call us or visit any branch.

The Farm Management Deposit Accounts (At Call and Fixed Term) General Information and Terms and Conditions dated 14 July, 2010 are amended as follows:

- Page 2, Features at a glance, the Section Calculation and payment of interest for the At Call FMD Account, has been deleted and replaced with "Interest is calculated daily and paid to a *nominated bank account* quarterly on the first day in March, June, September and December and when the *account* is closed."
- Page 5, Example 1, the last sentence in the first paragraph has been deleted and replaced with "The first interest payment will be 1 June."
- Page 12, Clause 11. Payment of interest on credit balances, the third point has been deleted and replaced with "Interest is calculated on the daily balance of the *account* and is credited to your *nominated bank account* quarterly on the first day in March, June, September and December and when the *account* is closed."
- Page 12, Clause 12. Statements of Account, the third point has been deleted.
- Page 16, Appendix A, Fees and Government taxes, the following two fees are no longer applicable and have been deleted: (1) Issue of photocopy/microfiche copy of statement – At Call FMD Accounts, and (2) Issue of duplicate statement at customer's request, printed and issued simultaneously with the original – At Call FMD Accounts.
- Page 16, Appendix A, Fees and Government taxes the fee description "Issue of past transaction list using 'statement number' or 'date range' – At Call FMD Accounts" – has been deleted and replaced with "Issue of recent statement/transaction list – At Call FMD Accounts".



WHAT YOU NEED TO KNOW

Farm Management Deposit Accounts (At Call and Fixed Term)



General Information and Terms and Conditions

Issue date: 14 July 2010

Issued by:

Commonwealth Bank of Australia ABN 48 123 123 124
AFSL 234945

You should read all sections of this document before making a decision to acquire this financial product.

As the information in this document has been prepared without considering your objectives, financial situation or needs, you should, before acting on the information, consider its appropriateness to your circumstances.

CommonwealthBank



Contents

General Information	2	Terms and Conditions	10
Features at a glance	2	1. About these Terms and Conditions	10
General Information	3	General Terms and Conditions	10
What is the Farm Management Deposit (FMD) scheme?	3	2. Opening of accounts	10
What is an FMD Account?	3	3. Deposits	11
What investment options are available?	3	4. Transfers to other financial institutions	11
Who is an FMD Account suitable for?	4	5. Bank fees	11
How are interest rates determined?	4	6. Government taxes	11
How does an FMD Account work?	4	7. Change of personal details	11
Withdrawals in advance of maturity from a Fixed Term FMD Account	5	8. Closure of account	12
What are the significant benefits of an FMD Account?	6	9. Breach of Laws	12
What are the significant disadvantages of an FMD Account?	7	Special Terms and Conditions - At Call FMD Accounts	12
What are the significant risks of an FMD Account?	7	10. Withdrawals	12
How do you open an FMD Account?	7	11. Payment of interest on credit balances	12
What are the costs involved in an FMD Account?	7	12. Statements of account	12
Are there any tax implications you should be aware of?	8	13. Variation of Terms and Conditions	13
What if you have a complaint?	8	Special Terms and Conditions - Fixed Term FMD Accounts	13
Customer information and privacy	8	14. Acknowledgement of deposit	13
		15. Lodgement terms	13
		16. Payment of interest	13
		17. At maturity	13
		18. Withdrawals in advance of maturity	14
		19. Statements of account	14
		20. Variation of Terms and Conditions	14
		Definitions	15
		Appendix A - Fees and Government taxes	16
		Application for Farm Management Deposit (FMD)	

General Information

Features at a glance

Significant benefits	Provides you with the opportunity to shift pre-tax primary production income from years when it is least needed to years when it is most needed and the flexibility to choose between a fixed <i>term</i> or <i>at call</i> investment option.
Significant risk	Interest rates can be volatile and can move adversely.
Minimum lodgement	
■ At Call FMD Account	\$1,000.00
■ Fixed Term FMD Account	\$1,000.00
Minimum additional deposit	\$1,000.00
Minimum balance	\$1,000.00 in any individual FMD Account at any time.
Maximum balance	Aggregate balance of all FMD Accounts must not exceed \$400,000.00.
Minimum withdrawal	\$1,000.00 except where the balance of the FMD Account is withdrawn.
Terms available	
■ At Call FMD Account	<i>At call</i>
■ Fixed Term FMD Account	3, 6, 9 and 12 to 24 months. <i>Terms</i> are available in whole months only.
Interest rates	Current interest rates are available on request from your relationship manager, from any branch of the Bank, by calling AgriLine on 1300 245 463 or from our web site at commbank.com.au .
Calculation and payment of interest:	
■ At Call FMD Account	Interest is calculated daily and paid to a <i>nominated bank account</i> quarterly on the first <i>business day</i> in March, June, September and December and when the <i>account</i> is closed.
■ Fixed Term FMD Account	Interest is calculated daily and paid into a <i>nominated bank account</i> according to the interest payment option you choose – see page 5 of this brochure.
Fees and charges	No account keeping fees are directly applicable. For further information see Appendix A.
Deposits	Deposits can be made through your relationship manager or any branch of the Bank.
Withdrawals	Withdrawals can be made through your relationship manager or any branch of the Bank. If you withdraw all or part of the deposit within 12 months of making the deposit, it may cease to qualify as an FMD.
Withdrawals in advance of maturity: Fixed Term FMD Account	You may withdraw part or all of your Fixed Term FMD Account prior to the <i>maturity date</i> ; however, a prepayment interest adjustment and prepayment administration fee may apply.

General Information

This document aims to provide you with enough information to help you decide whether the product will meet your needs. It also helps you to compare the product with others you may be considering.

This document provides general information and the terms and conditions for the **Farm Management Deposit Account** (FMD Account). If you decide to invest in an FMD Account, you should keep this document and all other documentation relating to your FMD Account for future reference.

If you have any questions or wish to contact us you can call AgriLine on **1300 245 463** between 7am and 7pm (Sydney time), Monday to Friday, visit our web site at **commbank.com.au**, call into any branch of the Commonwealth Bank of Australia (the Bank) or contact your relationship manager.

To assist you in understanding the Terms and Conditions, the definitions of some words are provided in the “Definitions” section on page 15. These words usually appear in italics in this document.

What is the Farm Management Deposit (FMD) scheme?

The Farm Management Deposit scheme (FMD scheme) was established by the Federal Government to provide a cash flow management tool that complements other risk management options by allowing *primary producers* to set aside pre-tax primary production income in profitable years to help balance income between good and bad times. The scheme provides tax benefits if deposits in the FMD are kept for a minimum of 12 months. The money deposited can be withdrawn in later years when you need it, often in a lower income, lower tax year.

To be eligible for the scheme and to maintain FMD status, *primary producers* and deposits must meet the criteria specified in the Income Tax Assessment Act 1936 and those outlined in the Terms and Conditions section of this document. For further details on eligibility criteria refer to the *Farm Management Deposits Law* or visit the Department of Agriculture, Fisheries and Forestry web site at **daff.gov.au**.

What is an FMD Account?

An FMD Account is an investment product offered by the Bank that allows *primary producers* to take advantage of the benefits of the FMD scheme. Pre-tax primary production income in profitable years can be set aside in an FMD Account and is available for withdrawal in less profitable years. Funds held in an FMD Account may be deducted from your assessable income in the year in which the deposit is made, and are considered assessable income in the year of withdrawal.

What investment options are available?

- **At Call FMD Account:** Your money is readily available and the interest rate that you earn is determined by the Bank with reference to prevailing market interest rates and the balance of your At Call FMD Account (refer to Clause 11 in the Terms and Conditions). Each deposit made to your At Call FMD Account must be held for a minimum of 12 months. Withdrawals from a deposit may disqualify the deposit from taxation benefits of the FMD scheme if the deposit is held for less than 12 months.
- **Fixed Term FMD Account:** You can earn interest at a fixed rate for a *term* of 3, 6, 9 and 12 to 24 months. Withdrawals at or in advance of maturity may disqualify the deposit from taxation benefits of the FMD scheme if the deposit is held for less than 12 months.

Who is an FMD Account suitable for?

Situations in which an FMD Account may be appropriate are:

- you are a *primary producer* and are eligible under the FMD scheme; and
- you have \$1,000.00 or more to invest.

How are interest rates determined?

The rate of interest is determined by reference to the prevailing market interest rate. The market interest rate is adjusted by a margin that may vary from time to time, and reflects the following factors:

- changed market conditions;
- the amount invested;
- the timing of the transaction;
- an allowance for the Bank's business costs, both fixed and variable; and
- the Bank's profit margin.

Details of interest rates are available on request from your relationship manager, any branch of the Bank, from our web site at commbank.com.au, or by calling AgriLine on **1300 245 463**.

At Call FMD Account interest rate tiers

Interest rates on your At Call FMD Account are tiered according to the balance of the account as follows:

Table 1: Balance tiers

\$1,000.00 to \$29,999.99
\$30,000.00 to \$99,999.99
\$100,000.00 to \$400,000.00

When the balance reaches a different tier, interest is calculated at the new tier rate on the whole of the balance.

No interest will be paid for any period in which the balance of your At Call FMD Account falls below \$1,000.00.

How does an FMD Account work?

FMD Accounts are only available to *primary producers*. You can check with the Australian Taxation Office (ATO) by calling **13 2866** if you are uncertain of your status as a *primary producer*.

The minimum opening deposit for an At Call FMD Account is \$1,000.00.

The minimum lodgement for a Fixed Term FMD Account is \$1,000.00, and *terms* of 3, 6, 9 and 12 to 24 months are available. *Terms* are available in whole months only.

You may hold more than one FMD Account with the Bank, but the aggregate balance of all *accounts* during any year of income must not exceed \$400,000.00. If you hold an FMD Account with the Bank, you must not open or maintain FMD Accounts with any other *financial institution*, at the same time.

Deposits can be made through your relationship manager or any branch of the Bank. Additional deposits may be made to an existing FMD Account, but each deposit must be held for a minimum period of 12 months in order to qualify under the FMD scheme (except under the circumstances outlined in Clause 3 of the Terms and Conditions). Additional deposits must be for a minimum amount of \$1,000.00. You are required by the *Farm Management Deposits Law* to read the mandatory statement contained within the "Application for Farm Management Deposit (FMD)" form, prior to opening an FMD Account. A copy of the form can be found at the back of this document.

Withdrawals must be for a minimum of \$1,000.00 (except when closing an FMD Account) and can be made through your relationship manager or at the branch where you opened your FMD Account. You must complete an "Application for Farm Management Deposit (FMD) – Withdrawal/Account Closure" form which is available from your relationship manager or any branch of the Bank. If you need to withdraw some or all of your Fixed Term FMD Account funds prior to maturity, please refer to the "Withdrawals in advance of maturity" section.

Transfer of your FMD Account can be made to and from other *financial institutions* and the Bank, subject to the conditions contained in Clause 4 of the Terms and Conditions. You must complete an "Application to Transfer Farm Management Deposit (FMD) to Other Financial Institution" form (for transfer from the Bank) or "Application to Accept Transferred Farm Management Deposit (FMD)" form (for transfers to the Bank). These forms are available from your relationship manager or any branch of the Bank.

How is interest calculated?

Interest is calculated on your At Call FMD Account and your Fixed Term FMD Account using the simple interest formula:

$$\text{Interest} = \frac{\text{amount invested} \times \text{rate \% per annum} \times \text{number of days}}{365}$$

Interest is paid in accordance with Clauses 11 and 16 of the Terms and Conditions and must be paid to a *nominated bank account* other than your FMD Account.

Example 1*

You open an At Call FMD Account for \$50,000.00 on 1 April. The Bank quotes an interest rate of 4.50% per annum on your At Call FMD Account. The first interest payment will be 1 June (assuming this is a *business day*).

The interest is calculated as follows:

$$\begin{aligned} &\text{Interest earned from 1 April to 31 May (inclusive)} \\ &= \$50,000.00 \times 4.50\% \times \frac{61}{365} \\ &= \$376.03 \end{aligned}$$

Total interest earned on your At Call FMD Account and paid to your *nominated bank account* on 1 June is \$376.03.

* Examples are used for illustrative purposes only. The example assumes that the interest rate applied does not change during the period. Details of current rates are available on request.

Interest Payment Options for Fixed Term FMD Accounts

Interest on your Fixed Term FMD Account is paid to you with the choice of the following frequencies:

Six Monthly: Interest is paid every 6 months and at maturity. For terms of 3 or 6 months, interest is paid at maturity.

Annual: Interest is paid every 12 months and at maturity; available for terms from 12 months up to 24 months.

Fixed Term FMD Accounts at maturity

The Bank will seek your instructions for renewal or redemption approximately one week prior to or on the *maturity date*. You may contact the Bank at any time prior to the *maturity date* of your Fixed Term FMD Account, to request a withdrawal of funds at maturity or to specify how the funds are to be reinvested. Should you wish to reinvest your funds at maturity, you should have a minimum balance of \$1,000.00 on the date of renewal of your Fixed Term FMD Account.

If, on the *maturity date*, we have not received your instructions and provided the minimum balance requirement is met, we will automatically reinvest the funds for you at the prevailing interest rate on that day, for the same *term*, and on the terms and conditions then applying to new Fixed Term FMD Accounts.

Withdrawals in advance of maturity from a Fixed Term FMD Account

When investing in a Fixed Term FMD Account, you agree to invest your funds for a fixed *term* at a fixed interest rate. Should you require all or part of your funds prior to the *maturity date*, a prepayment interest adjustment and prepayment administration fee may apply. The prepayment interest adjustment applied will depend on the percentage of the original *term* elapsed.

Unless you request full repayment of your funds, you are required to keep a minimum balance of \$1,000.00 in the account at all times.

Table 2 details the adjustments to be applied to your interest rate for withdrawals in advance of maturity:

Table 2: Adjustment to be applied

Percentage of <i>term</i> elapsed	Adjustment to be applied as a % of your interest rate
0% to less than 20%	90%
20% to less than 40%	80%
40% to less than 60%	60%
60% to less than 80%	40%
80% to less than 100%	20%

For example, if your funds are invested for 25% of the agreed *term*, the interest to date will be adjusted by 80%.

Example 2**

You lodge a 24 month Fixed Term FMD Account for \$100,000.00 on 1 January, at an interest rate of 5.00% per annum with a Six Monthly interest payment option. On 1 January of the following year you request to withdraw the entire \$100,000.00.

Calculating the interest earned

The interest paid to your *nominated bank account* on 1 July is calculated as follows:

$$\begin{aligned} &\text{Interest earned from 1 January to 30 June (inclusive)} \\ &= \$100,000.00 \times 5.00\% \times \frac{181}{365} \\ &= \mathbf{\$2,479.45} \end{aligned}$$

The interest owing to you (but not yet paid) on the following 1 January, is calculated as follows:

$$\begin{aligned} &\text{Interest earned from 1 July to 31 December (inclusive)} \\ &= \$100,000.00 \times 5.00\% \times \frac{184}{365} \\ &= \mathbf{\$2,520.55} \end{aligned}$$

Calculating the prepayment interest adjustment

The percentage of the *term* elapsed is calculated as follows:

$$\begin{aligned} &\text{Percentage of } \textit{term} \text{ elapsed} \\ &= \frac{\text{number of days deposited}}{\text{number of days in } \textit{term}} \times 100 \\ &= \left(\frac{365 \text{ days}}{730 \text{ days}} \right) \times 100 \\ &= 50\% \end{aligned}$$

As 50% of the original *term* has elapsed, an adjustment of 60% will apply (refer to Table 2).

Prepayment interest rate adjustment

$$\begin{aligned} &= \text{adjustment} \times \text{your interest rate} \\ &= 60\% \times 5.00\% \text{ per annum} \\ &= 3.00\% \text{ per annum} \end{aligned}$$

Prepayment interest adjustment

$$\begin{aligned} &= \frac{\text{amount invested}}{\text{number of days deposited}} \times \frac{\text{prepayment interest rate adjustment}}{365} \\ &= \$100,000.00 \times \left(\frac{365}{365} \right) \times 3.00\% \\ &= \mathbf{\$3,000.00} \end{aligned}$$

Calculating the interest paid

On the withdrawal date 1 January, the Bank owes you an interest payment of \$2,520.55 (as \$2,479.45 has already been paid to you). This amount and the \$100,000.00 withdrawn by you will be paid to you. The prepayment interest adjustment amount of \$3,000.00 and the prepayment administration fee will be collected from you separately.

** Examples are used for illustrative purposes only.

Note: The sum of the interest paid to you on the withdrawal date, all previous interest payments and the prepayment interest adjustment, will always be equal to or more than your original investment amount.

What are the significant benefits of an FMD Account?

Benefits include:

- provides you with the opportunity to shift before-tax income from years when it is least needed to years when it is most needed;
- can provide tax benefits if a deposit is held for 12 months or longer;
- there are no account keeping fees directly applicable;
- funds can be held *at call* or for a fixed *term*;
- when you select an At Call FMD Account the interest rate that you receive may rise if market interest rates rise; and
- when you invest in a Fixed Term FMD Account, you are protected from falling interest rates during the *term* of your investment.

What are the significant disadvantages of an FMD Account?

Disadvantages include:

- when you select an At Call FMD Account the interest rate that you receive may fall if market interest rates fall;
- if you hold monies under the FMD scheme, they must all be held at the same *financial institution* at any one time; and
- when investing in a Fixed Term FMD Account you cannot benefit from increases in interest rates that may occur during the *term* of the Fixed Term FMD Account as your interest rate is fixed for the *term*.

What are the significant risks of an FMD Account?

If you do not comply with the *Farm Management Deposits Law*, this may result in part or all of your deposit not being treated as an FMD and the tax benefits will be lost.

Interest rate markets may be volatile. Monitoring of any risks associated with this product is your responsibility.

Market risk

Market risk is the risk that prices including interest rates will move adversely.

As the interest rate that you receive on your At Call FMD Account is determined by reference to a variable interest rate benchmark (in the *short term money market*), you may experience a reduction in your interest income should market interest rates fall.

Investing in a Fixed Term FMD Account provides protection from falling interest rates during the *term* of your investment. However, as the rate of return that you receive and the *term* of the investment are both fixed, you forgo the opportunity to benefit from any rise in the interest rate during the *term*.

You should ensure that you are able to monitor and value any interest rate movements when investing in an FMD Account. The Bank may be dealing on its own account in interest rate markets and such dealings may influence interest rates.

Credit risk

Credit risk is common to all investment products that you may hold with the Bank. In all cases, you are reliant on the ability of the Bank to meet its obligations

to you under the terms of the particular product. This risk is sometimes described as "counterparty risk".

Legal risk

Australia, as a member state of the United Nations, is obliged to implement United Nations Security Council sanctions. Australia also may be required to implement other international sanctions and sometimes imposes unilateral sanctions. Sanctions can cover various subject matters including financial restrictions. Consequently, the Bank may be prohibited from dealing with certain persons or entities.

This means that if the Bank is aware that you are a proscribed person or entity, then the Bank may be required to suspend, cancel or refuse you services or close or terminate any account, facility, transaction, arrangement or agreement with you. We may also be required to freeze assets of yours. You could incur significant costs as a result of these actions.

These risks are the most significant risks. However, there may be other considerations that are relevant to you should you open an FMD Account. You should obtain your own independent professional advice to determine whether the FMD Account is appropriate to your particular circumstances.

How do you open an FMD Account?

To open an FMD Account, please contact your relationship manager or any branch of the Bank. FMD Accounts can only be opened by completing the application form required by the *Farm Management Deposits Law*. A copy of the form can be found at the back of this document.

When opening your FMD Account, the minimum opening deposit for an At Call FMD Account is \$1,000.00 and the minimum lodgement amount for a Fixed Term FMD Account is \$1,000.00.

After you have opened a Fixed Term FMD Account, the Bank will provide you with an acknowledgment of your deposit

What are the costs involved in an FMD Account?

There are no account keeping fees, however, other fees may apply. Refer to Appendix A for more information on Bank fees and Government taxes.

Are there any tax implications you should be aware of?

Investing and dealing with investments has tax and often social security implications. These can be complex and are invariably particular to your circumstances.

The FMD scheme allows for the deduction of any FMD Account holdings from your assessable income for the year in which the deposit is made. However, the amount of the deductions cannot exceed your taxable primary production income for the year.

If you do not adhere to the rules that govern the FMD scheme including if you withdraw a deposit within 12 months of deposit (except in the circumstances outlined in Clause 3 of the Terms and Conditions), you may not qualify for tax benefits associated with holding an FMD. You may have to seek an amended tax assessment for the relevant period in which a deduction was claimed.

Investment income in the form of interest earned on an FMD Account is generally taxable income.

If you do not provide us with a Tax File Number (TFN) or Australian Business Number (ABN), the Bank is obliged by law to deduct withholding tax at the appropriate rate from the interest you have earned, and any withdrawals made from your FMD Account.

All fees directly applicable to this product (refer to Appendix A) are input taxed which means that the Bank does not charge GST on these fees.

You should discuss the timing and derivation of income and any other tax issues with your independent professional tax adviser.

What if you have a complaint?

Please contact your relationship manager or the manager of the department that handled the matter and explain the problem.

Our staff will review the situation and, if possible, resolve it immediately. If the matter has not been resolved to your satisfaction, please contact our Customer Relations team via:

- our web site at: commbank.com.au/contactus/comment.asp;
- telephone **1800 805 605**;
- facsimile **1800 028 542**; or

- writing to:

Customer Relations
Commonwealth Bank
Reply Paid 41
Sydney NSW 2001

If after giving us the opportunity to resolve your complaint, you feel we have not resolved it satisfactorily, you may also lodge a written complaint with the Financial Ombudsman Service Limited at:

Financial Ombudsman Service Limited
GPO Box 3
Melbourne Victoria 3001

telephone **1300 78 08 08**

facsimile **03 9613 6399**

web site **www.fos.org.au**

Customer information and privacy

Collection and verification of customer information

“Customer information” is information about a customer. It includes personal information.

The law requires us to identify our customers. We do this by collecting and verifying information about you. We may also collect and verify information about persons who act on your behalf. The collection and verification of information helps to protect against identity theft, money-laundering and other illegal activities.

We use your customer information to manage our relationship with you, provide you with the products and services you request and also tell you about the products and services offered by the Commonwealth Bank Group (“Group”), affiliated providers and external providers for whom we act as agent. If you have given us your electronic contact details, we may provide marketing information to you electronically.

The collection and verification of customer information may be carried out in different ways and we will advise you of the most acceptable methods of doing this. We may disclose your customer information in carrying out verification – e.g. we may refer to public records to verify information and documentation, or we may verify with an employer that the information you have given us is accurate.

Depending on whether you are an individual or an organisation, the information we collect will vary. For instance, if you are an individual, the type of information we may collect and verify includes your full name, date of birth and residential address. If you are commonly

known by 2 or more different names, you must give us full details of your other name or names.

For instance, if you are a company, we may collect and verify information, including company incorporation and registration details, as well as details of the company’s officers and its major shareholders.

If you are acting as a trustee, we may ask you for, amongst other things, information on the beneficiaries of the trust and evidence of the existence of the trust.

If you are a partnership, we may require information including evidence of the fact that the partnership exists, as well as the full name of the partnership, the names of the partners and any business name owned by the partnership.

For other organisations, the kind of information we collect and verify will depend on the type of organisation you are.

In addition, during your relationship with us, we may also ask for and collect further information about you and about your dealings with us.

You must provide us with accurate and complete information. If you do not, you may be in breach of the law and also we may not be able to provide you with products and services that best suit your needs.

Protecting customer information

We comply with the National Privacy Principles as incorporated into the Privacy Act 1988 (Cth).

We disclose customer information to other members of the Group (including overseas members), so that the Group may have an integrated view of its customers and to facilitate the integrated treatment of its customers. It also enables other members of the Group to provide you with information on their products and services.

Other disclosures

At common law, banks are permitted to disclose customer information in the following circumstances:-

- (a) where disclosure is compelled by law; or
- (b) where there is a duty to the public to disclose; or
- (c) where our interests require disclosure; or
- (d) where disclosure is made with your express or implied consent.

So that we can manage our relationships, customer information may be disclosed to:

- brokers and agents who refer your business to us;
- any person acting on your behalf, including your financial adviser, solicitor, settlement agent, accountant, executor, administrator, trustee, guardian or attorney;

- financial institutions who request information from us if you seek credit from them;

- if you have borrowed from the Bank to purchase property valuers and insurers (so that the Bank can obtain a valuation of your property, and confirm that it is insured);

- if you have insurance: medical practitioners (to verify or clarify, if necessary, any health information you may provide), claims investigators and reinsurers (so that any claim you make can be assessed and managed), insurance reference agencies (where the Bank is considering whether to accept a proposal of insurance from you and, if so, on what terms); and

- organisations to whom we may outsource certain functions.

In all circumstances where our contractors, agents and outsourced service providers become aware of customer information, confidentiality arrangements apply. Customer information may only be used by our agents, contractors and outsourced service providers for our purposes.

We may be required to disclose customer information by law, e.g. under Court Orders or Statutory Notices pursuant to taxation or social security laws or under laws relating to sanctions, anti-money laundering or counter terrorism financing.

We may send customer information overseas if:

- that is necessary to complete a transaction, or
- we outsource certain functions overseas.

We may also be permitted, as distinct from required, to disclose information in other circumstances. For more information, please refer to our Privacy Policy.

Access to your personal information

The law allows you (subject to permitted exceptions) to access your personal information. You can do this by contacting:

Customer Relations
Commonwealth Bank
Reply Paid 41
Sydney NSW 2001

We may charge you for providing access.

Further information

For further information on our privacy and information handling practices, please refer to the Group’s Privacy Policy, which is available at commbank.com.au or upon request from any branch of the Bank.

Terms and Conditions

1. About these Terms and Conditions

These Terms and Conditions govern the Bank's At Call and Fixed Term FMD Accounts. They do not include terms and conditions that may apply by operation of law including but not limited to the *Farm Management Deposits Law*. Unless otherwise stated, Clauses 2 – 9 relate to both accounts; Clauses 10 – 20 relate specifically to the *account* named.

You should read these Terms and Conditions carefully and keep a copy for your future reference. In addition, you should read the Bank's information booklet "The Better Banking Book" copies of which may be obtained by telephoning the Bank's AgriLine on **1300 245 463** (between 7am and 7pm (Sydney Time), Monday to Friday), visiting our web site at **commbank.com.au**, from your relationship manager or from any branch of the Bank.

The Better Banking Book contains useful information on a range of banking matters. These include the rights and obligations that arise out of the banker and customer relationship, account opening procedures, the Bank's obligations regarding confidentiality of your information, complaint handling procedures, bank cheques, the advisability of you informing the Bank promptly when you are in financial difficulty, and the advisability of you reading the terms and conditions applying to any banking service provided to you or in which you are interested.

The relevant provisions of the Code of Banking Practice apply to an FMD Account if that *account* is held by an individual or by a small business customer. A copy of the Code of Banking Practice is available at **commbank.com.au** or upon request from your relationship manager or any branch of the Bank.

In the event of any inconsistency between the *Farm Management Deposits Law*, these Terms and Conditions, the Code of Banking Practice and the Better Banking Book, the *Farm Management Deposits Law* will prevail to the extent of that inconsistency.

General Terms and Conditions

2. Opening of accounts

- In opening an *account*, you agree to these Terms and Conditions.
- The *account* is available only if you are a *primary producer*. The *account* must be conducted in one name only. You cannot transfer your rights under the *account* to another person.
- The minimum opening deposit for an At Call FMD Account is \$1,000.00.
- The minimum lodgement for a Fixed Term FMD Account is \$1,000.00.
- A person may own more than one *account* but the aggregate balance of all *accounts* at any time must not exceed \$400,000.00.
- If you hold an FMD Account with the Bank, you must not open or maintain an account that qualifies as an FMD Account (refer to Clause 3 following) with any other *financial institution*, at the same time.
- The *account* cannot be used as loan security or as a mortgage or other interest offset.

3. Deposits

- The Bank is an authorised deposit taking institution, for the purposes of the Banking Act 1959.
- You may make deposits through your relationship manager or at any branch of the Bank.
- Additional deposits can be made to an At Call FMD Account at any time after the *account* has been opened. Additional deposits to Fixed Term FMD Accounts can only be made at the time of renewal of a maturing Fixed Term FMD Account.
- Additional deposits must be for a minimum of \$1,000.00
- Deposits to the *account* are governed by special legal requirements applying under the *Farm Management Deposits Law*. In accordance with the *Farm Management Deposits Law* your deposits must meet the following requirements:
 - i) You must be a *primary producer* when you make a deposit.
 - ii) You may only make deposits of \$1,000.00 or more, subject to a maximum of \$400,000.00 in any year of income and an aggregate balance in all *accounts* at any time not exceeding \$400,000.00.
 - iii) Each deposit to the *account* must be held in the *account* for at least twelve (12) months to qualify as an eligible deposit in terms of the *Farm Management Deposits Law*, unless the withdrawal is made:
 - (a) in Exceptional Circumstances; or
 - (b) because the holder:
 - dies; or
 - becomes bankrupt; or
 - ceases to be a *primary producer* for 120 days or more; or
 - has requested the deposit to be transferred to another *financial institution*.
 - iv) In the preceding paragraph, Exceptional Circumstances refers to *primary producers* in "Exceptional Circumstances" (EC) declared areas under the relevant *Farm Management Deposits Law* and who are subject to criteria as set out under that law.

- v) Initial deposits can only be made by completing the application form required by the *Farm Management Deposits Law*.

If any of the preceding conditions are not met the deposit will not be considered an eligible deposit under the *Farm Management Deposits Law*.

4. Transfers to other financial institutions

- At your written request, the Bank will electronically transfer the balance of an *account* to another *financial institution* (providing all proceeds are cleared). Details of the receiving *financial institution* account must be included in the written request.
- Any interest owing to you will be paid to you separately to your *nominated bank account*, as it cannot be included in the principal amount transferred to the *financial institution*.

5. Bank fees

- You are liable to pay for and the Bank may debit your *nominated bank account* with any charges made by the Bank for services that are ancillary to the operation of your *account* such as a bank cheque fee. A schedule of charges for common Bank services is available on request.
- For details of the Bank's current fees applicable to FMD Accounts please refer to Appendix A.

6. Government taxes

Government taxes and charges, where applicable, are charged. Refer to Appendix A for details of Government taxes.

7. Change of personal details

You are required to notify the Bank promptly in writing of a change to your personal details, such as your name, address, or *nominated bank account*.

8. Closure of account

- The Bank is entitled to close an At Call FMD Account on reasonable notice.

9. Breach of Laws

If it appears to us that you may:

- be a proscribed person or entity under the Charter of the United Nations Act 1945 (Cth);
- be in breach of the laws of any jurisdiction relating to money laundering or counter-terrorism; or
- appear in a list of persons with whom dealings are proscribed by the government or a regulatory authority of any jurisdiction;

the Bank may immediately:

- refuse to process any transaction of yours;
- suspend the provision of a product or service to you;
- freeze the account; or
- close the account.

The Bank will be under no liability to you if it does any or all of these things. The Bank's rights under this clause are in addition to all other rights it may have.

Special Terms and Conditions – At Call FMD Accounts

10. Withdrawals

- Proceeds of cheques and other payment instruments, whilst credited to the *account*, are subject to clearance. If the Bank allows you to access the proceeds before clearance is effected, you must repay that money if the cheque or payment instrument is dishonoured. Otherwise the money in your *account* is available *at call*.
- Withdrawals must be for a minimum of \$1,000.00 (except when closing an *account*).
- If you do not provide us with a Tax File Number (TFN) or Australian Business Number (ABN), the Bank is obliged by law to deduct withholding tax at the appropriate rate from any withdrawals made from your *account*.

11. Payment of interest on credit balances

- Interest is calculated on the entire balance of your *account* provided the balance is \$1,000.00 or more.
- No interest is paid for the period that your *account* balance is less than \$1,000.00.
- Interest is calculated on the daily balance of the *account* and is credited to your *nominated bank account* quarterly on the first *business day* in March, June, September and December and when the *account* is closed.
- Interest rates are tiered according to the *account* balance. When the balance in the *account* reaches a different tier, interest is calculated at the new tier rate on the whole of the balance for so long as it remains above the tier.

Balance tiers

\$1,000.00 to \$29,999.99

\$30,000.00 to \$99,999.99

\$100,000.00 to \$400,000.00

- Details of the current interest rates (which are variable at the Bank's discretion at any time) applicable to each tier may be obtained from your relationship manager, any branch of the Bank or by telephoning the Bank's AgriLine on **1300 245 463** between 7am and 7pm (Sydney time), Monday to Friday.

12. Statements of account

- The Bank sends you a statement of account for your At Call FMD Account every six months (standard cycle) or after each withdrawal.
- You may request a statement to be issued at any time by telephoning the Bank's AgriLine on **1300 245 463**, from your relationship manager or from any branch of the Bank.
- The Bank may charge a fee for the issue of a photocopy or microfiche copy of a statement (refer to Appendix A). A schedule of charges for common Bank services is available on request from your relationship manager or any branch of the Bank.

13. Variation of Terms and Conditions

- The Bank reserves the right to vary these Terms and Conditions.
- At least 30 days' written notice is given to you if the Bank intends to:
 - introduce or vary a Bank fee or charge in relation to the operation and maintenance of your *account*; or
 - vary the method by which interest is determined or the frequency with which the interest is credited to your *nominated bank account*; or
 - vary the balance ranges within which interest rates apply to the *account*, except where the Bank cannot locate you.
- If the Bank otherwise varies these Terms and Conditions, or the interest rate payable on your *account*, the Bank notifies you either in writing or by advertisement in the national media or local media, no later than the day on which the variation takes effect.
- The Bank will notify you of the introduction or variation of any Government tax or charge either in writing or by advertisement in the national media or local media, unless the Government, Government agency or representative body has already publicised the introduction or variation.
- Any variation required by the *Farm Management Deposits Law* will apply immediately if so required, without notice.

Special Terms and Conditions – Fixed Term FMD Accounts

14. Acknowledgment of deposit

- The Bank provides you with an acknowledgment after you have opened an account.
- The acknowledgment is valueless for the purpose of transfer or negotiation.
- The Bank may require you to surrender the acknowledgment at maturity or in the event of withdrawal in advance of maturity.

15. Lodgement terms

- You may nominate a *term* of 3, 6 or 9 months or a *term* between 12 to 24 months (inclusive).
- *Terms* are available in whole months only.

16. Payment of interest

- The Bank may vary the interest rates on offer for new deposits at any time without notice. Rates for amounts of \$100,000.00 and over are subject to individual quotation at the time of lodgement.
- The interest rate applying to your deposit is fixed at the time of lodgement for the whole of the *nominated term*.
- Interest is calculated daily on the balance of the deposit.
- You may choose one of the following interest payment options:
 - Interest credited to a *nominated bank account* every 6 months and at maturity. If you nominate a *term* of 3 or 6 months, interest is credited to a *nominated bank account* at maturity.
 - Interest credited to a *nominated bank account* every 12 months and at maturity (for terms from 12 months up to 24 months).
- If interest is due on a day that is not a business day and is being credited to a Commonwealth Bank statement account it will be available for withdrawal from that account on the due date but will not appear on your statement or in a transaction listing until the next business day or the following business day.

17. At maturity

- The Bank will seek your instructions for renewal or redemption of your deposit approximately one week prior to the *maturity date*, or on the day of maturity for amounts of \$100,000.00 or more.
- If your instructions are not received prior to the *maturity date*, the Bank renews the deposit for the same *term* as before at the interest rate then applicable to that *term* and on the terms and conditions then applying to new deposits.
- Should you wish to reinvest your funds at maturity, you are required to have a minimum balance of \$1,000.00 on the date of renewal of your Fixed Term FMD Account.

18. Withdrawals in advance of maturity

- Requests may be made at the branch where the deposit was lodged to withdraw all or part of your deposit in advance of maturity.
- When you invest in a Fixed Term FMD Account you agree to invest your funds for a fixed *term* at a fixed rate. Should you require all or part of your funds prior to the *maturity date*, a prepayment interest rate adjustment may apply. The prepayment interest rate adjustment applied will depend on the percentage of the original *term* elapsed. A prepayment administration fee may also apply. These fees cannot be debited to the FMD Account and may be debited to your *nominated bank account* or paid separately at the time of withdrawal.
- The deposit may cease to qualify as an FMD if you make a withdrawal within the 12 month deposit qualifying period (refer to Clause 3).
- The amount of the prepayment interest adjustment is calculated by the Bank taking into account the amount withdrawn, the length of time since the deposit was lodged as a percentage of the original *term*, and the application of an adjusted rate of interest.
- If you request a withdrawal, payment is effected on the next *business day*.
- A minimum balance of \$1,000.00 must be maintained in each deposit at all times.

19. Statements of account

The Bank does not provide you with a statement of account for your Fixed Term FMD Account.

20. Variation of Terms and Conditions

- The Bank notifies you of the introduction or variation of any Government tax or charge either in writing or by advertisement in national or local media, unless the Government, Government agency or representative body has already publicised the introduction or variation.
- Any variation required by the *Farm Management Deposits Law* will apply immediately if so required without notice.

Definitions



“account”

Means:

- in the case of the General Terms and Conditions, both the At Call FMD Account and the Fixed Term FMD Account;
- in the case of the Special Terms and Conditions – At Call FMD Accounts, the At Call FMD Account; and
- in the case of the Special Terms and Conditions – Fixed Term FMD Accounts, the Fixed Term FMD Account.

“at call”

Your money is readily available to you.

the “Bank”; “our”; “us”; “we”

Commonwealth Bank of Australia
ABN 48 123 123 124.

“business day”

A day that is not: a Saturday or Sunday; or a public holiday, special holiday or bank holiday in the place in which any relevant act is to be done or may be done.

“Exceptional Circumstances declared areas”

Areas covered by an Exceptional Circumstances (EC) declaration made by the Minister for Agriculture, Fisheries and Forestry. A list of areas declared as being in EC can be found on the Department of Agriculture, Fisheries and Forestry web site at

daff.gov.au/droughtassist

“Farm Management Deposits Law”

Means:

- the Income Tax Assessment Act 1936 (Cth) and the Income Tax (Farm Management Deposits) Regulations 1998; and
- any other present or future law of the Commonwealth of Australia or any State or Territory of Australia that applies to the *account* or the Bank, to the extent that the Bank must comply with that law in order to secure a concession or relief in respect of tax or avoid a penalty, detriment or disadvantage in connection with the *account* or ensure that as far as

possible these Terms and Conditions are enforceable in accordance with their terms.

“financial institution”

Means a financial institution as defined in the *Farm Management Deposits Law*.

“lodgement date”

The date on which you deposit funds into a Fixed Term FMD Account with the Bank.

“maturity date”

The date on which the balance in your Fixed Term FMD Account becomes available to you.

“nominated bank account”

A bank account nominated by you that is not an FMD Account.

“primary producer”

Means:

- an individual who carries on in Australia a *primary production business* otherwise than as trustee of a trust estate; or
- a partner (not being a company) in a partnership that carries on in Australia a *primary production business*; or
- a beneficiary (not being a company) who is presently entitled to a share of the income of a trust estate where the trustee carries on in Australia a *primary production business*.

“primary production business”

Those areas of production recognised as “primary production” by the Australian Taxation Office. It includes production in the farming, fishing and forestry sectors.

“short term money market”

The term given to that sector of the financial markets which caters for the borrowing and lending of money overnight, *at call* or fixed for short periods (being 1 year or less).

“term”

The period from the *lodgement date* to the *maturity date*.

“you”; “your”

A *primary producer* who is the person in whose name the FMD Account is held.

APPENDIX A

Fees and Government taxes

Bank fees

Except as specified below, there are no transaction or account keeping fees as the interest rate has been adjusted by a margin that reflects the costs incurred.

Applicable fees:

Description	Amount	When payable
Issue of photocopy/ microfiche copy of statement - At call FMD Accounts	\$7.00 per statement	On the date of request
Issue of past transaction list using 'statement number' or 'date range' - At Call FMD Accounts	\$2.50 per list	On the date of request
Issue of duplicate statement at customer's request, printed and issued simultaneously with the original - At Call FMD Accounts	\$2.50 per duplicate	On the date of request
Prepayment administration - Fixed Term FMD Accounts	\$30.00	When a withdrawal in advance of maturity is requested.

Some related products and services, such as bank cheques and telegraphic transfers, will incur a separate fee. These fees are set out in the Product Disclosure Statements, terms and conditions or fees and charges brochures for these other products and services.

Fees charged cannot be deducted from your FMD Account and will be collected from you separately.

Government taxes

If you do not provide us with a Tax File Number (TFN) or Australian Business Number (ABN), the Bank is obliged by law to deduct withholding tax at the appropriate rate from interest you have earned or any withdrawals you have made from your FMD Account.

