



**With effect from 30 April 2018, the Current Terms and Conditions for Business Finance will be amended.**

From 30 April 2018, CBA's *Current Terms and Conditions for Business Finance* (the current version of which was issued 1 July 2017) (the **Old Terms**) will be replaced with new terms and conditions (the **New Terms**) which are shorter, better organised and simpler to read. Also, a separate version of the New Terms has been prepared specifically for SuperGear. The New Terms reflect CBA's commitment to ensure its customer contracts do not contain terms which are unfair and to implement recommendations of the Small Business Inquiry conducted by the Small Business and Family Enterprise Ombudsman.

**EFFECT ON EXISTING CUSTOMER CONTRACTS**

CBA gives notice that it varies the contracts for facilities governed under the Old Terms to include the changes described below. The variation takes effect on 30 April 2018 and rights and obligations accrued before then are unaffected. However, there is **no change** to the terms of the Commonwealth Portfolio Loan for which an abridged version of the Old Terms is available at [commbank.com.au/ctccpl](http://commbank.com.au/ctccpl). The SuperGear terms and conditions have been renamed *Current Terms and Conditions for SuperGear*.

We've included other changes which are beneficial to our customers in a consolidated version of the New Terms. While we'll give existing customers the benefit of any beneficial changes, they are not described in this notice. Full details of all of the changes and copies of the consolidated New Terms are available at [commbank.com.au/businessfinancetandc](http://commbank.com.au/businessfinancetandc).

You can ask for an electronic or paper copy by contacting your relationship manager, business banker or broker, or by calling 13 1998.

**KEY CHANGES**

- We have changed the circumstances in which we can unilaterally review or cancel your facility limit and the amount of notice we must give for this has in most cases been increased to 90 days. For a contingent liability facility or trade facility, no notice is required if the relevant Offer Document describes it as an uncommitted facility.
- We have limited any indemnity you give so that it does not apply to the extent we or any receiver we appoint contribute to relevant loss through negligence, fraud or wilful misconduct.
- The default interest rate has been changed to the monthly excess drawing rate available at [commbank.com.au/business/rates-fees.html](http://commbank.com.au/business/rates-fees.html).
- The applicable rate for interest on judgement debts is now to be the highest of (a) the rate in the court order; (b) the applicable statutory interest rate; and (c) the rate in the *Contract*.
- We have changed our terms regarding our rights of unilateral change to the Contract.
  - Changes to notice period:**
    - you will receive at least 30 days' notice of any change adverse to you relating to interest rates, fees or repayments, except for changes to variable interest rates applicable to our customers generally (which can be notified on the date of change or, if the rate is linked to market rates, as soon as reasonably practicable afterwards) or to already publicised government fee changes;
    - for other changes which are adverse to you, you will generally receive 90 days' notice except where urgent action is necessary to manage our risk;
    - for changes which are not adverse to you, you will receive notice no later than the day the change takes effect; and
    - for changes which reduce your obligations or extend time for payment, you will receive notice no later than when we give you the next statement of account.
  - Changes to notice method:** Most changes can be made by advertisement in the national or local media – it is only in certain limited circumstances where notice is required in writing (for example, where the change is specific to you, the change relates to the interest methodology or frequency, repayments or repayment frequency or new bank fees) and this is not required if we can't reasonably contact you. 'Writing' includes any notice method currently permissible.
- The time at which our notices to you take effect has been restated and for a notice given by advertisement in the media, this will take effect on the day it appears. Also, these will be effective even if you are unable to receive or view them.
- The definition of 'Group Member' has changed to mean you and each other entity for which we administer a customer service relationship as a group as determined by us and includes co-account holders, related entities, associates, guarantors and Security Providers (note that this will affect any existing financial covenants).
- The definition of 'insolvency' has changed to the following:
 

**Insolvent:** in respect of a person, means the happening of any of these events:

  - the person is, or makes a statement which leads us to reasonably conclude they are, insolvent under administration or insolvent (each as defined in the Corporations Act);
  - the person has had a controller appointed over any property, is in any form of liquidation, is under administration or is wound up;
  - the person is subject to any arrangement, assignment, moratorium or composition, is protected from creditors under any statute, or is dissolved other than on terms we approve ;
  - an application or order has been made (which is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in connection with the person, which is preparatory to or could result in any of the things referred to above;
  - the person is taken under the Corporations Act to have failed to comply with a statutory demand;
  - a court would presume the person to be insolvent or unable to pay the person's debts or the person is otherwise unable to pay the person's debts when they fall due; or
  - something having a substantially similar effect to any of the things referred to above happens to the person.
- The 'mistaken credits' clause has been consolidated with the 'general refunds' clause to make it clear that we may be obliged or may reasonably agree to refund a payment if ordered by a court or if a trustee in bankruptcy, a liquidator or someone else asks us to do so (for example, as a result of a mistaken payment). If that happens, we may return the funds to the relevant party without notice to you and treat the original payment as if it had not been made including by stopping you from withdrawing the amount.
- You may not assign your rights under the contract without our consent. This supplements various specific assignment restrictions carried over from the Old Terms.
- The New Terms distinguish between Large Business Customers and other customers except under the *Current Terms and Conditions for SuperGear*. You are a **Large Business Customer** if your Offer Document says you are or the total Limits of facilities which you and your wider customer group have with us have ever been \$3 million or more.
- The circumstances of default for SuperGear Facilities and for customers who are not Large Business Customers have changed to the following:
  - you miss a scheduled repayment or don't pay us an amount by the due date;
  - you exceed your Limit;
  - you or a guarantor/security provider is insolvent or goes into an insolvency process or arrangement or no longer has legal capacity;
  - material creditor enforcement action is taken against you or a Guarantor or their assets;
  - we reasonably believe it becomes unlawful to continue with the loan or you or any one else associated with the Facility is a Proscribed Person;
  - you or a guarantor/security provider provide us with materially incorrect or misleading information which materially increases our risk in relation to a Facility;
  - you use the Facility for a non-approved purpose which materially increases our risk in relation to a Facility;
  - a Security Provider's assets are dealt with, or attempted to be dealt with in breach of the loan, or any Security or other agreement with us without our consent and such dealing materially increases our risk in relation to a Facility;
  - you or a guarantor/security provider do not provide us financial information as required;
  - you or a guarantor no longer hold a material licence or permit required to conduct business (not applicable to SuperGear Facilities);
  - you or a guarantor/security provider no longer have required insurance for the Security;
  - we decide there has been an unacceptable change of ownership or control of a you or a guarantor/security provider or your/their business without our consent; or

- in relation to a Facility which is a property development loan, foreign currency loan or margin loan, or a SuperGear Facility, you breach a Financial Covenant.
- For overdue amounts, we can debit accounts other than the Nominated Account or open a payment account in your name. The default interest rate applies to amounts debited to the payment account.

**BetterBusiness Loans**

- We may reduce the Limit to the current Loan amount if we have agreed to progressive drawings and 2 years has elapsed from the date of offer.
- We may cancel an undrawn facility if you have not drawn funds within agreed timeframes.

**Bill Facilities**

- If the facility term exceeded the fixed maturity date, the Bill Rate reverts at our discretion to the variable BBSY (Bid) Rate plus a margin set by us.
- The rate of interest on the Bills-matured account has changed and will now be the default interest rate (see paragraph 3).

**Multi-Option Facilities and Trade Finance Facilities**

- We may reduce or cancel the Limit at any time by giving at least 90 days' notice.

**Contingent Liability Facilities**

- Before we issue, endorse or countersign a Letter of Guarantee or indemnity, if we ask, you must arrange for an issuer acceptable to us to deliver to us a backing Letter of Guarantee or indemnity in our favour and in terms acceptable to us.
- You must reimburse us if we are called upon to pay a Beneficiary under a Contingent Liability Instrument as a result of:
  - endorsing, countersigning or issuing letters of guarantee or indemnity;
  - authorising the release of Goods covered by air waybills or customs assessment notices or consignments; or
  - delivering air waybills or customs assessment notices or control of consignments to you.
- You authorise and direct us to debit the Nominated Account or a payment account any amount we are called on to pay or which we decide to pay to fulfil our obligations under a Contingent Liability Instrument, and any associated Default Interest.

**Import Documentary Credits and Export Documentary Credits**

- We may reduce or cancel the Limit at any time by giving at least 90 days' notice (or no notice for an Uncommitted Facility).
- We may use the proceeds from the Export Documentary Credit to repay the Amount Owed.

**Foreign Bills Negotiated**

- We may reduce or cancel the Limit at any time by giving a notice (or no notice for an Uncommitted Facility).
- When we receive them, we can use the proceeds of the Foreign Bill to repay the advance and the interest owed.
- You must repay foreign bills negotiated if not honoured on presentation.

**Trade Advance Facilities – including Insured Export Finance**

- We may reduce or cancel the Limit at any time by giving at least 90 days' notice (or no notice for an Uncommitted Facility).
- For insured export finance, a limit on the amount of the Trade Advance is determined by reference to the percentage of the invoiced amount specified in the Offer Document, the security provided, any claim limits under the eligible trade credit insurance policy and other factors, such as the relevant countries of trade and credit risk.
- The obligations in relation to goods in possession that previously applied only to Import Trade Advances now also apply to insured export finance facilities, which include:
  - to hold the goods exclusively for an approved purpose;
  - to pay us proceeds of sale (which we may use as we think fit);
  - to hold documents and goods on trust for us;
  - until the goods are sold or delivered, to hold them in our name and provide us access, insure the goods, and not grant any security interest over them,
  - to acknowledge that the goods are our property and that you have no claim to them until we have been paid;
  - to the acknowledge that the risk in the goods remains with you; and
  - to comply with any other reasonable conditions we may make.

**Card Products**

- We may reduce or cancel the Limit at any time by giving at least 90 days' notice.
- You must cancel direct debits and periodical payment authorities linked to a card which is cancelled.
- To provisionally authorise transactions, we may reduce the amount of available credit for the relevant transaction amount for up to 31 Business Days.
- Statements of account will be sent monthly to you (not to each cardholder) and will not be sent if:
  - there has been no account activity since the previous statement and the balance is less than \$2.00;
  - we have written off any amount owed and no other entries have been made since the closing date for the previous statement; or
  - you have been in default over three consecutive statement periods, including the most recent, and we have not given credit during the most recent statement period.
- The description of liability for unauthorised transactions has been updated as follows:

When you'll get a refund	When you won't get a refund
<p>You will get a refund for an unauthorised transaction if it's clear you or any other User didn't contribute to the loss, or the loss is because:</p> <ol style="list-style-type: none"> <li>a <i>Cardholder</i> can't report a lost <i>Card</i> or <i>PIN</i> or register a suspicion of misuse because our hotline facilities are unavailable</li> <li>someone uses a <i>Card</i>, <i>PIN</i> or <i>Password</i> after you tell us the <i>Card</i> was lost, stolen or misused or that someone else may know the <i>PIN</i> or <i>Password</i></li> <li>a bank employee or anyone involved in processing your transaction contributed to a loss by acting fraudulently or negligently</li> <li>the transaction involved faulty equipment, a forged or faulty <i>Card</i> or device or an expired or cancelled <i>Card</i>, <i>PIN</i> or <i>Password</i></li> <li>someone uses a <i>Card</i>, <i>PIN</i> or <i>Password</i> before the <i>Cardholder</i> receives it, or</li> <li>the same transaction is debited more than once.</li> </ol> <p>You might get a partial refund for any unauthorised transaction:</p> <ol style="list-style-type: none"> <li>conducted on any one day if the applicable daily transaction limit is exceeded before or as a result of the transaction</li> <li>on any <i>Card Account</i> where the available limit of that <i>Card Account</i> is exceeded before or as a result of the transaction</li> <li>on any account to which we had not agreed with you to give a <i>Cardholder</i> access using the <i>Access Method</i>.</li> </ol>	<p>You will not get a refund for an unauthorised transaction if you or any other Cardholder has contributed to the loss:</p> <ol style="list-style-type: none"> <li>committing fraud</li> <li>telling someone the <i>PIN</i> or <i>Password</i>, keeping an undisguised record of them, creating a <i>PIN</i> or <i>Password</i> that is easily guessed (like their name or date of birth) or otherwise contributing to the loss by not protecting the <i>PIN</i> or <i>Password</i></li> <li>not promptly telling us that their <i>Card</i> was lost or stolen, or that someone else may know the <i>PIN</i> or <i>Password</i> (you'll be liable for transactions after you or the User should have told us); or</li> <li>forgetting to collect the <i>Card</i> after using an ATM.</li> </ol> <p>In any in other circumstance not covered in the left hand column, we may hold you responsible for the transaction unless we are able to obtain a refund for you under the Mastercard scheme rules.</p>

- We may suspend or cancel a Card, or suspend your Facility, without prior notice if you are in Default, to protect you, or us, from fraud or other losses or to manage regulatory risk.