



With effect from 14 June 2019, the Current Terms and Conditions for Business Finance will be amended.

From **14 June 2019**, CBA's Current Terms and Conditions for Business Finance (the current version of which was issued 30 April 2018) (**the Old Terms**) will be amended and replaced with new terms and conditions (**the New Terms**) which cater for product enhancements and industry changes related to the Banking Code of Practice.

Effect on existing Customer Contracts

We've included the changes in a consolidated version of the New Terms which will apply to you from 14 June 2019. A copy of the New Terms is available at commbank.com.au/businessfinancetandc.

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

Key changes in the New Terms

1. The statement on page 2 of the Old Terms about the Code of Banking Practice will be replaced by the following statement "The Code of Banking Practice or, from 1 July 2019, the Banking Code of Practice, applies where relevant to *your Facility* if you are a small business as defined in the Code of Banking Practice or the Banking Code of Practice (as the case may be) or an individual".
2. The definition of "a Large Business Customer" on page 3 of the Old Terms will be replaced by the following definition:
 - a. For a Facility obtained before 1 July 2019, the total Limits of *your Facilities* and those of Group Members have ever been \$3million or more or *your Offer Document* says you are; and
 - b. For a *Facility* obtained on or after 1 July 2019, at the time that you obtain the Facility, the total Limits of all *your Facilities* and the business debts owed to us by Related Entities is \$3million or more (including the *Facility* applied for). In that case, when you obtain that *Facility* you will also become a Large Business Customer for the purposes of all Facilities that you hold (including any Facility previously obtained when you were not a Large Business Customer), and you will be told this in your Offer Document.
3. The New Terms will include the following statement: "We will provide you with a statement of the current standard fees, charges and interest rates applicable to *your Facility*, if you ask us".
4. The New Terms will include the following statement: "We can help you by taking a request to cancel the *Direct Debit Request* and forwarding it to the *Direct Debit User* on your behalf. We can also stop payments to the *Direct Debit User*, which will prevent all debits for that *Direct Debit User* from being paid from your account."
5. The New Terms will include the following qualification on our right to act on a non-monetary event of default: "Unless you are a Large Business Customer, we will only act on a specific event of non-monetary default identified, if the event by its nature is material, or we reasonably consider the event has had, or is likely to have, a material impact on:
 - a. *You and your guarantor's* ability to meet your or their financial obligations to us;
 - b. *Our* credit or security risk (or *our* ability to assess these);
 - c. *Our* legal or reputation risk where:
 - i. we believe on reasonable grounds that *you, your agent* or a guarantor has not complied with the law or any requirement of a statutory authority, or it becomes unlawful for you or us to continue with the loan;
 - ii. *you* or a guarantor gives *us* information or makes a representation or warranty to *us* which is materially incorrect or misleading (including by omission);
 - iii. *you* use the *Facility* for a non-approved purpose.

6. The definition of "interest expense" on page 14 of the Old Terms will be expanded to include commitment, utilisation and non-utilisation fees of a regular and recurring nature calculated as a percentage fee of the limit or balance for any finance or other financial accommodation including any guarantee, indemnity or *Letter of Credit under* any bill of exchange, promissory note or discounting arrangement.
7. The word "ombudsman" in the definition of 'Regulatory Change' on page 19 of the Old Terms will be replaced by "Australian Financial Complaints Authority (AFCA)."

BetterBusiness Loans

8. The clause relating to the provision of statements on page 21 of the Old Terms will be amended to read as follows: "We will send *you* a statement of *your* account every three months or any other agreed period by *us* that does not exceed three months."

Lines of Credit and Overdraft Facilities

9. The clause relating to the provision of statements on page 25 of the Old Terms will be amended to read as follows: "We will send *you* a statement every three months or any other agreed period that does not exceed three months."
10. Detailed information about *your* cheque account and how to use it (if applicable) will be included in the New Terms.

Market Rate Loans

11. The clause relating to the provision of statements on page 27 of the Old Terms will be amended to read as follows: "We will send *you* a statement of account for each Loan Account every three months or any other period agreed by us that does not exceed three months."

Trade Finance

12. Foreign Bills Negotiated Facilities: The New Terms will clarify the rate that is used to calculate the Australian dollar equivalent of the amount you must pay us if a Foreign Bill is not honoured on presentation or we are not paid before the maturity date.
13. Fees: The New Terms will include information about where you can find FX rates that may apply to your transaction.

Master Facility

14. A new clause will be included in the following terms "Where there is more than one *Borrower*, we may provide a *Sub Facility* to either one or a combination of those *Borrowers* under the *Master Facility*. *You* agree all *Borrowers* will be jointly and severally liable for any such *Sub Facility*. *We* may give notices and issue statements only to the subset of *Borrowers* in whose name each *Sub Facility* is provided."

Card Products

15. We will clarify in clause B7.5.2(b) that we may cancel both your *Facility* and your *Card* on 90 days' notice and that we will tell you the reasons for doing so if appropriate.
16. We will include a new sub-clause, B7.5.2(g), which will read as follows "If *we* cancel *your Facility* and it is in credit, *we*; will pay *you* the amount of the credit balance; and may charge you an amount that is *our* reasonable estimate of the costs of cancelling *your Facility*."
17. We will include a new clause explaining *your* right to request copies of *your* documents that are in *our* possession.

We will include a new sub-clause in B7.6.6 explaining your obligation to inform *us* about the loss, theft or misuse of your Card, Pin or Password and the possible consequences of not doing so.