

# Summary of Changes to the Terms and Conditions for Business Finance – (facilities other than SuperGear or Commonwealth Portfolio Loan)

## 1. General

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.

If there is any inconsistency between this document, the tombstone published 14 June 2019 and the New Terms, the New Terms prevail.

Clauses references in square brackets like this “[ ]” are to the **Old Terms**. Clauses references in round brackets like this “( )” are to the **New Terms**.

Find out more:

- The New Terms are available at [commbank.com.au/ctcbf](http://commbank.com.au/ctcbf).
- Details of changes and a copy of the New Terms as they apply to SuperGear and Commonwealth Portfolio Loan facilities 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.

## 2. Large Business Customer

The definition of “a Large Business Customer” on page 3 of the Old Terms will be replaced by the following definition:

- 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
- 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. Current Terms and Conditions for Business Finance

Below are the changes made to Part A of the New Terms (which applies to all Facilities):

General	
Changed	Reference to the Code of Banking Practice updated to include the Banking Code of Practice from 1 July 2019:  The Code of Banking Practice or, from 1 July 2019, the Banking Code of Practice, applies where relevant to <i>your Facility</i> if <i>you</i> 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. [Page 02] (Page 02)
<b>Removed</b>	<p>The Better Banking Book</p> <p>'The Better Banking Book', published by <i>us</i>, contains useful information about:</p> <ul style="list-style-type: none"> <li>• <i>your</i> rights and obligations</li> <li>• our rights and obligations</li> <li>• account-opening procedures</li> <li>• our duty to keep <i>your</i> personal and financial information safe and secure</li> <li>• how <i>we</i> handle complaints, and</li> <li>• using bank cheques.</li> </ul> <p>You can get a copy of 'The Better Banking Book':</p> <ul style="list-style-type: none"> <li>• at any Commonwealth Bank branch</li> <li>• by calling 13 2221 (24 hours a day, 7 days a week)</li> <li>• asking your relationship manager for a copy, or</li> <li>• by visiting our website <a href="http://www.commbank.com.au">www.commbank.com.au</a></li> </ul> <p>[Page 02]</p>
<b>Cost and Payments</b>	
<b>Added</b>	<p>The New Terms will include the following statement: "<i>We will provide you with a statement of the current standard fees, charges and interest rates applicable to your Facility, if you ask us</i>".</p> <p>(A3.1.4)</p>
	<p>The New Terms will include the following statement: "<i>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.</i>"</p> <p>(A3.3.2)</p>
<b>Defaulting on your Contract</b>	
<b>Added</b>	<p>The New Terms will include the following qualification on our right to act on a non-monetary event of default: "<i>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:</i></p> <ul style="list-style-type: none"> <li>(a) <i>You and your guarantor's ability to meet your or their financial obligations to us;</i></li> <li>(b) <i>Our credit or security risk (or our ability to assess these);</i></li> <li>(c) <i>Our legal or reputation risk where:</i> <ul style="list-style-type: none"> <li>(i) <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;</i></li> <li>(ii) <i>you or a guarantor gives us information or makes a representation or warranty to us which is materially incorrect or misleading (including by omission);</i></li> </ul> </li> </ul>

	(iii) <i>you</i> use the <i>Facility</i> for a non-approved purpose. “ (A7.4.4)
<b>Notices</b>	
<b>Changed</b>	Reference to the Code of Banking Practice updated to include the Banking Code of Practice (as the case may be) [A9.2.1] (A9.2.1)
<b>Meanings of Words</b>	
<b>Changed</b>	Definition of Interest Expenses 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 <i>Letter of Credit</i> under any bill of exchange, promissory note or discounting arrangement [Page 14] (Page 14)
	The Financial Ombudsman Service has changed to reflect the Australian Financial Complaints Authority Service [Page 19] (Page 19)
<b>Added</b>	Definition of Related Entity: As defined in section 9 of the Corporations Act 2001 (Cth) (Page 19)

#### 4. Part B.1 – BetterBusiness Loans

<b>Managing your Account</b>	
<b>Changed</b>	Provision of statements Frequency changed to:  <i>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.</i> [B1.4.1] (B1.4.1)

#### 5. Part B.3 Lines of Credit and Overdraft Facilities

<b>Managing your Account</b>	
<b>Changed</b>	Provision of statements Frequency changed to:  <i>We will send you a statement every three months or any other agreed period that does not exceed three months.</i> [B3.4.1] (B3.4.1)
<b>Added</b>	Detailed information about <i>your</i> cheque account and how to use it (if applicable) will be included in the New Terms (B3.5)

#### 6. Part B.4 Market Rate Loans

<b>Managing your Account</b>	
<b>Changed</b>	Reference of Break Cost changed to IRRM Break Cost [B4.2.3] [B4.2.4] [B4.2.5] [B4.5] (B4.2.3) (B4.2.4) (B4.2.4) (B4.5)
	Provision of statements Frequency changed to:  <i>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.</i>

	[B4.4.1] (B4.4.1)
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## 7. Part B.5 Contingent Liability & Trade Finance

Foreign Bills Negotiated Facilities	
<b>Changed</b>	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. [B5.6.3] (B5.6.3)
Trade Finance Fees	
<b>Added</b>	Fees: The New Terms will include information about where you can find FX rates that may apply to your transaction. (Page 40)

## 8. Part B.6 Master Facilities

Changes to your Facility	
<b>Added</b>	Multi Borrower Clause Where there is more than one <i>Borrower</i> , we may provide a <i>Sub Facility</i> to either one or a combination of those <i>Borrowers</i> under the <i>Master Facility</i> . You agree all <i>Borrowers</i> will be jointly and severally liable for any such <i>Sub Facility</i> . We may give notices and issue statements only to the subset of <i>Borrowers</i> in whose name each <i>Sub Facility</i> is provided. (B6.2.3)

## 9. Part B.7 Card Products

Me	
<b>Changed</b>	We will clarify that we may cancel both your <i>Facility</i> and your <i>Card</i> on 90 days' notice and that we will tell you the reasons for doing so if appropriate. [B7.5.2] (B7.5.2)
<b>Added</b>	We will include a new sub-clause which will read as follows If we cancel your <i>Facility</i> 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 <i>Facility</i> . (B7.5.2)
	We will include a new clause explaining your right to request copies of your documents that are in our possession. (B7.6.3)
	We will include a new sub-clause 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. (B7.6.6)

**Things you should know:** This notice and existing version of the 'Current Terms & Conditions for Business Finance' issued 30 April 2018 can be accessed from [commbank.com.au/businessfinancetandc](http://commbank.com.au/businessfinancetandc). Commonwealth Bank of Australia ABN 48 123 123 124.