

# Target Market Determination

Commonwealth Direct  
Investment Account

**Start date:** 3<sup>rd</sup> June 2023

**Next review due:** 1<sup>st</sup> June 2024

**Review period:** At least every 24 months from the start date of this Target Market Determination

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## What is a Target Market Determination?

A Target Market Determination (TMD) describes the cohort of customers that the product is targeted at (the Target Market) and any conditions around how the product is distributed to customers (the Distribution Conditions).

It also describes the events or circumstances where we are required to review the Target Market Determination for a financial product (the Review Triggers).

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## Why does CommBank need to have Target Market Determinations?

We're required to have Target Market Determinations under law. The purpose of the law is to make sure customers are at the centre of our approach when designing and distributing our financial products. This document is not a substitute for the product's terms and conditions or other disclosure documents.

When making a decision about this product, customers must refer to the relevant Product Disclosure Statement (PDS), Terms and Conditions or other disclosure documents.

# Product Description

Commonwealth Direct Investment Account is a cash account for investors to settle trades, and investment transactions.

## Target Market and Key Product Attributes

CBA and CommSec has assessed that the Product, including its Key Product Attributes, is likely to be consistent with the Objectives, Needs and Financial Situation of the Target Market.

The table below matches the Key Product Attributes to the Objectives, Needs and Financial Situation of the Target Market for this Product.

Objectives, Needs and Financial Situation	Key Product Attributes
<p>Requires a cash account for share trading or investment purposes; and/or</p> <p>Requires a cash account that can be linked to a CommSec Share Trading Account for settlement of trades</p> <p>Share investors seeking to maintain one cash account to manage investment cash flows, whilst gaining access to discounted brokerage.</p>	<ul style="list-style-type: none"> <li>• Settle trades automatically by linking the cash account to a CommSec Share Trading account.</li> <li>• Eligible for discounted brokerage on CommSec Share Trading account (required to trade online, be CHESSE sponsored and have your Commonwealth Direct Investment Account linked for settlement)</li> <li>• Customers can deposit, withdraw or transact on the account via a broad range of channels including:             <ul style="list-style-type: none"> <li>○ Online banking including NetBank and CommBank App (for electronic transfers including BPAY);</li> <li>○ Direct debit;</li> <li>○ PayTo;</li> <li>○ Periodical payment;</li> <li>○ Staff assisted channels –including Commonwealth Bank of Australia (CBA) Branch and Contact Centre.</li> </ul> </li> <li>• Interest is calculated daily on account (credit) balance and paid monthly (tiered interest rate applies to entire balance of the account).</li> <li>• No monthly account keeping fee.</li> <li>• Other fees may apply for using certain features.</li> </ul>



# Customers outside of the Target Market

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## Eligibility Criteria

To hold this product, customers will need to satisfy certain eligibility criteria, including that customers must:

- Be individuals aged 18 years or older; and
- For personal/joint accounts, have an Australian residential and postal address (limited exceptions apply); or
- Be an Australian registered or incorporated company; or
- Be an Australian trust or self-managed super fund (SMSF).

## Distribution Conditions

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CBA and CommSec views that these distribution conditions are appropriate and are of a nature that it is likely that the product will be distributed to the Target Market.

CBA and CommSec will have oversight over how the product is promoted and issued.

CBA may provide general advice about this product through public marketing channels such as print, television, online (including social media), physical signage (such as billboards) and in-branch signage.

These channels are likely to make marketing material available to people who are not eligible to obtain this product. We do this to provide information about the Commonwealth Direct Investment Account to prospective customers and understand that not all people will be eligible for a Commonwealth Direct Investment Account.

However, the distribution channels used to establish this product for customers are designed to prevent ineligible or unsuitable customers from obtaining this product.

### Proprietary:

Distribution Channels	Conditions that make product distribution through the channel appropriate	Why do we do this?
Staff assisted channels (e.g. in branch, with a relationship manager or Commonwealth Private Banker)	CBA staff who distribute this product: <ul style="list-style-type: none"><li>• must take reasonable steps ensure that the product is distributed to eligible customers within the Target Market;</li></ul>	We do this so staff distributing this product are knowledgeable about the product and are taking reasonable steps to distribute the Commonwealth Direct Investment Account to



Distribution Channels	Conditions that make product distribution through the channel appropriate	Why do we do this?
	<ul style="list-style-type: none"> <li>• must follow procedures that outline application eligibility and processes;</li> <li>• are provided training and resources to understand and discuss the features, benefits, interest rates and fees of the product and the key differences between deposit products;</li> <li>• have access to product resources such as internal product information pages; and</li> <li>• are monitored through quality assurance or sales conduct incidents to ensure proprietary distribution adheres to procedures.</li> </ul>	customers in the Target Market.
CommSec (online or paper application), in conjunction with a CommSec Share Trading Account	CommSec's online channels provide customers with access to information about the product's key features and benefits, interest rates and fees.	We do this so customers are provided with information about the Commonwealth Direct Investment Account, to assist them with determining whether the product meets their objectives, needs and financial situation.

**Third Party:**

Distribution Channels	Conditions that make product distribution through the channel appropriate
Not applicable. This product is only available through CBA's and CommSec's proprietary channels.	



# Review Triggers

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If any of the below review triggers occur, or if an event or circumstance has occurred that would reasonably suggest that the TMD may no longer be appropriate, CBA will undertake a review of this TMD:

Information Type	Description
Customer Outcomes	Unexpected trends in customer outcomes which are significantly inconsistent with the intended product performance, including the following: <ul style="list-style-type: none"><li>• A significant change in the number of customers that have opened an account and closed their account within a set period of time from origination.</li><li>• Customers are not using their account as a linked settlement account for trading or investment purposes.</li></ul>
Complaints	Unexpected trends in complaints received from customers who acquired the product, which show that the TMD may no longer be appropriate, for example: <ul style="list-style-type: none"><li>• distribution (e.g. misrepresentation or mis-selling from staff);</li><li>• product suitability; and</li><li>• product attributes.</li></ul>
Incident Data	A material incident or significant number of incidents in relation to the product's design or distribution that identify potential breaches of our legal or regulatory obligations.
Changes to the Product	The material alteration of the product or product terms and conditions (e.g. adding to, removing or changing a key product attribute; significant change to distribution channel and distribution strategy).
Significant Dealings	A significant dealing of this product to customers who are outside the Target Market.
Notification from ASIC	The receipt of a product intervention power order from ASIC requiring CBA to immediately cease retail product distribution conduct in respect of the product.

## Review Trigger Information Reporting Requirements

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The following information must be provided to CBA by all parties responsible for the retail product distribution conduct of this product in accordance with this TMD, within the required timeframes:



Information Type	Description	Time Frame for Reporting
Product complaints data	Information relating to complaints received including number of complaints, third party name, product name and complaint verbatim.	Quarterly and in any case no later than 10 business days from the end of the quarter.

**Product Issuer:** Commonwealth Bank of Australia ABN 48 123 123 124 AFSL and Australian credit license 234945

