

**Target Market Determination (TMD)**  
**Australian Capital Financial Services**

**Effective from 5 October 2021**

**A. Purpose and overview**

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1. **This Target Market Determination (TMD) has been developed to:**
  - (a) assist **consumers** (as that term is defined in section 5 of the National Consumer Credit Protection Act 2009) within the Target Class (as defined below), obtain suitable financial Products having regard to their '*likely objectives, financial situation and financial needs*', and
  - (b) assist distributors distribute the Products in a manner consistent with this TMD.
2. The Products include the provision of credit to retail consumers pursuant to Div 2 of Pt 2 of the *Australian Securities Investments Commission Act 2001* (ASIC Act). Australian Capital Financial Service Pty Ltd (the **Issuer**) is therefore a credit provider and is regulated under the *National Consumer Protection Act 2009* (**National Credit Act**).
3. This TMD specifically covers the following Australian Capital Financial Service Pty Ltd products (**Products**):
  - (a) Medium Amount Credit Contract - loans from \$2,001 to \$5,000.
4. This document is not a full summary of the Products' terms and conditions contained in the customer terms issued by Australian Capital Financial Service Pty Ltd (and any supplementary documents), nor is this TMD intended to provide financial product advice.

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| <p align="center"><b>Product</b></p>               | <p align="center"><b>Medium Amount Credit Contract</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p><b>Likely objectives</b></p>                    | <p>This Product is suitable for borrowers with the following <i>likely</i> objectives, financial situation and financial needs:</p> <ul style="list-style-type: none"> <li>• Borrowers looking for fixed fees;</li> <li>• Short to medium term loans not exceeding 24 months;</li> <li>• Amounts from \$2,001 to \$5,000;</li> <li>• Some early repayment flexibility.</li> </ul>                                                                                                                                                                                                                                                                                                                                                    |
| <p><b>Likely financial situation and needs</b></p> | <p>This Product is suitable for a Target Class with the following likely financial situation and needs:</p> <ul style="list-style-type: none"> <li>• Borrowers seeking personal loans;</li> <li>• Borrowers with differing levels of repayment abilities;</li> <li>• Borrowers with differing levels of income;</li> <li>• Borrowers that may not satisfy the lending history requirements of mainstream lenders;</li> <li>• Borrowers with differing levels of financial literacy;</li> <li>• Borrowers with differing levels of income;</li> <li>• Borrowers seeking a face-to-face solution for financing options.</li> </ul>                                                                                                     |
| <p><b>Key Product Attributes</b></p>               | <p>This Product contains the following key attributes:</p> <ul style="list-style-type: none"> <li>• Fixed loan terms up to 24 months;</li> <li>• Fixed fees;</li> <li>• Ability for borrowers to elect weekly/fortnightly/monthly repayment terms;</li> <li>• Ability for borrowers to make early repayments;</li> <li>• Ability to access finance with lending criteria;</li> <li>• Streamlined online loan application process to provide borrowers access to emergency funds conveniently;</li> <li>• Ability to quickly transfer loan funds to the borrower's account (depending on borrower's bank) subject to responsible lending criteria;</li> <li>• Provision of loans to borrowers with bad/low credit history;</li> </ul> |

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|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                               | <ul style="list-style-type: none"> <li>• Fixed credit fee structure;</li> <li>• Upfront and transparent fee structure;</li> <li>• Borrowers with a stream of income (whether through wages or employment benefits);</li> </ul>                                                                                                                             |
| <b>Ineligible/excluded class of consumers</b> | <p>Australian Capital Financial Service Pty Ltd has determined that the Product is not suitable for the following class/type of consumers:</p> <ul style="list-style-type: none"> <li>• Consumers seeking to borrow less than \$2,001;</li> <li>• Consumers under the age of 18;</li> <li>• Consumers not receiving a regular stream of income;</li> </ul> |

## **B. Conditions and restrictions on distribution**

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1. Australian Capital Financial Service Pty Ltd has determined that based on the Product's key attributes, the Product has a fairly broad target market.
2. The Product is distributed through the following channels:
  - (a) Cash Stop Financial Service Pty Ltd Branches.

**C.** If Australian Capital Financial Service Pty Ltd or its distributors becomes aware that the distribution conditions outlined in this TMD are no longer adequate such that consumers outside of the Target Class are able to gain access to the Product, this TMD shall immediately be reviewed.

## **D. Events and circumstances likely to suggest this TMD is no longer appropriate for the Target Class**

Australian Capital Financial Service Pty Ltd has determined that the following events and circumstances will make the Product no longer appropriate to the Target Class:

- (b) Where ineligible consumers or consumers out of the Target Class are overwhelmingly able to gain access to the product;
- (c) In circumstances where the distribution of the Product described in this TMD are no longer applicable=;
- (d) Where Australian Capital Financial Service Pty Ltd overwhelmingly feel the Product is no longer appropriate having regard to the objectives and financial circumstances and needs of the Target Class.

## **E. Review of TMD**

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1. The initial review of this TMD shall commence within 12 months of the effective date (**Initial Review Date**).

2. This TMD shall be reviewed periodically at least every 12 months from the date of the Initial Review Date.
3. Any of the following circumstances shall trigger a review of this TMD:
  - (a) Where the Product is deemed to no longer be consistent with the likely objectives, financial situation and needs of the Target Group;
  - (b) Where the distribution conditions of the Product are found to be inadequate and consumers outside of the Target Group are able to acquire the Product;
  - (c) An external event that would create a material change to the design or distribution of the Product, such as any changes to the legislation;
  - (d) An occurrence of a Significant Dealing;
  - (e) Customer complaints and feedback;
  - (f) Any other reasonable circumstances which Australian Capital Financial Service Pty Ltd reasonably believes will warrant a review of this TMD.

#### **F. Reporting obligations and continuous monitoring of this TMD**

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1. To ensure that the Product meets the reporting obligations set out under the ASIC Regulations Guide 274, Australian Capital Financial Service Pty Ltd requires its distributors to:
  - (a) Provide number of requests for hardship applications;
  - (b) Provide rates of arrears and defaults;
  - (c) Provide rates of early payout;
  - (d) Provide the number of complaints;
  - (e) The substance of any complaints;
  - (f) Reports from distributors of Significant Dealings;
  - (g) Provide any other relevant information which Australian Capital Financial Service Pty Ltd determines is relevant and necessary
  - (h) Provide general feedback as to whether the Product continues to be suitable for the specific target market outlined in this TMD.
  - (i) be suitable for the specific target market outlined in this TMD.
2. **All distributors are required to report to Australian Capital Financial Service Pty Ltd in accordance with the following reporting periods:**
  - (a) 6 months for the purposes of the TMD for non-complaint related reporting; and
  - (b) 2 Business Days in respect of a complaint
3. **The reporting obligations shall apply to the following distributors:**
  - (a) Cash Stop Financial Services Pty Ltd Branches;

4. All complaints received by distributors in relation to this Product (including those in written form) will be reviewed on immediately upon receipt of the complaint.
5. Australian Capital Financial Service Pty Ltd is required to notify ASIC of any Significant Dealings when it is aware that the Product is likely to be no longer consistent with this TMD.