

NOTICE OF VARIATION

BOQB FOREIGN CURRENCY FACILITIES PDS

Notice of changes to Foreign Currency Facilities Product Disclosure Statement

Changes are being made to your Foreign Currency Facility

We have a strong commitment to supporting our customers. We are writing to notify you of important changes to our Foreign Currency Facilities Product Disclosure Statement dated August 2021, as supplemented by the Foreign Currency Facilities Supplementary Terms and Conditions dated August 2021 (together, the *terms and conditions* or *PDS*). The terms and conditions will be amended and replaced with a new set of terms and conditions which are available at <https://www.boq.com.au/content/dam/boq/files/business/financial-markets-and-international-services/foreign-currency-facilities-product-disclosure-statement.pdf>.

Why is this happening?

Our reasons for making these changes are threefold.

Firstly, changes to unfair contract terms laws, which come into effect on 9 November 2023 (through amendments to the *Competition and Consumer Act 2010* (Cth) and the *Australian Securities and Investments Commission Act 2001* (Cth)), are prompting lenders to review their terms and conditions.

Secondly, we have taken the opportunity to update the terms and conditions with a view to making them more transparent and easier to understand. This will help you better understand the difference between, and make informed choices about, BOQ's Foreign Currency Facilities including Foreign Currency Accounts, Foreign Exchange Contracts and the SmartFX platform by outlining the risks, benefits and significant characteristics of these products as well as any fees payable in respect of each product.

Thirdly, we are no longer offering Foreign Currency Term Deposits to retail customers. As a result, this PDS does not include information on Foreign Currency Term Deposits.

When is this happening?

Some of the changes will apply from 9 November 2023, while other changes will apply from 27 November 2023. The dates upon which the relevant changes will apply are set out further below in Attachment 1.

What is changing?

Included with this notice is important information on how the operation of the terms and conditions which apply to your foreign currency facility will change. These changes are material, and we encourage you to read this information and contact us if you have any questions. It is important that you read this notice carefully and keep a copy of it for your records.

You can also find a copy of the new terms and conditions that will apply to your foreign currency facility from 9 November 2023 and 27 November 2023 at <https://www.boq.com.au/content/dam/boq/files/business/financial-markets-and-international-services/foreign-currency-facilities-product-disclosure-statement.pdf>

How you can contact us

If you have any questions or general queries, please do not hesitate to contact us on 1800 343 939 Monday to Friday between 8.00 am and 5.30 pm AEST.

Attachment 1: Changes to our Foreign Currency Facilities PDS

We set out in this Attachment 1 a high-level summary of the key changes to the terms and conditions. All changes other than those set out in paragraph 1 below will take effect from 9 November 2023.

1. Changes which apply from 27 November 2023

Closing your facility

To ensure that we can comply with our anti-money laundering and counter-terrorism financing (*AML CTF*) obligations, we have included additional rights which allow us to close your facility. This is set out in Section 6.10.

As a result of these changes, we may close your facility without reason by giving you 30 days' notice and we may also close your facility at any time without giving you notice if:

- we are required to do so by law or in order to comply with our legal or other regulatory obligations;
- you don't provide us with information we reasonably require to verify your identity or the source of any funds deposited into the facility or to otherwise comply with our legal obligations;
- you don't provide us with accurate and up to date foreign tax residency status information;
- you are no longer an Australian resident; or
- we reasonably believe that:
 - doing so is necessary to prevent loss to you or us;
 - your facility is being used in a manner that may result in loss to you or us;
 - there is fraudulent activity occurring in relation to your facility;
 - your facility is being operated in breach of these terms and conditions in a way that increases risk to you or us;
 - your use of the facility or activities you undertake in connection with the facility are at high risk of involving fraudulent or other unlawful behaviour or loss to us or other persons (for example, activities that are at high risk of being involved in scams);
 - you provided us with false or misleading information when you opened your facility which materially increases the risks we are exposed to in relation to you or your facility and we would not have opened your facility had the correct information been provided to us; or
 - your facility is being used to defame, harass or threaten any person, or to promote or encourage physical or mental harm of any person or to promote violence against any person (including in the use of the payment descriptions and/or references).

Restricting your facility

To ensure that we can comply with our AML CTF obligations, we have also included additional rights which allow us to restrict your facility in order to prevent all or certain types of transactions occurring. This is set out in Section 6.11. We can do this at any time, and without notice to you, if:

- we are required to do so by law or in order to comply with our legal or other regulatory obligations;
- you don't provide us with information we reasonably require to verify your identity or the source of any funds deposited into the facility or to otherwise comply with our legal obligations;
- you don't provide us with accurate and up to date foreign tax residency status information;
- you are no longer an Australian resident; or
- we reasonably believe that:
 - doing so is necessary to prevent loss to you or us;
 - your facility is being used in a manner that may result in loss to you or us;
 - there is fraudulent activity occurring in relation to your facility;
 - your facility is being operated in breach of these terms and conditions in a way that increases risk to you or us;
 - your use of the facility or activities you undertake in connection with the facility are at high risk of involving fraudulent or other unlawful behaviour or loss to us or other persons (for example, activities that are at high risk of being involved in scams);
 - you provided us with false or misleading information when you opened your facility which materially increases the risks we are exposed to in relation to you or your facility and we would not have opened your facility had the correct information been provided to us; or
 - your facility is being used to defame, harass or threaten any person, or to promote or encourage physical or mental harm of any person or to promote violence against any person (including in the use of the payment descriptions and/or references).

However, we will act reasonably when restricting your facility, and we will not do more than is reasonably necessary considering the reasons why we have taken such action. We will tell you if we restrict your facility and, where possible, we will tell you what you need to do for us to remove the restriction or suspension.

Delaying, blocking or refusing your payments

In order to comply with our AML CTF obligations, and any obligations arising under any economic and trade sanctions, we may delay, block or refuse to make a payment or act on your instructions. This is set out in Section 6.17.

Foreign Currency Term Deposits

We are not offering Foreign Currency Term Deposits to retail customers from 27 November 2023. All references to the Foreign Currency Term Deposit have been removed from this PDS. Retail customers with an existing Foreign Currency Term Deposit set to mature before 27 November 2023 may have their facility rolled for one further instance, however there will be no further rollovers beyond this final maturity date.



BUSINESS

2. Changes which apply from 9 November 2023

Key information

We have inserted a new Section 2 (*Foreign Exchange Facilities – Key Information*) to clearly set out a summary of the purpose, suitability, cost, significant risks and benefits and other relevant features of foreign exchange contracts, foreign currency accounts and the BOQ SmartFX online international payments platform.

We have also inserted Section 3 (*Foreign Exchange Contracts*), Section 4 (*Foreign Currency Accounts*) and Section 5 (*BOQ SmartFX – Third Party Payments and Foreign Exchange*), each of which sets out in more detail the key features of foreign exchange contracts, foreign currency accounts and the BOQ SmartFX online international payments platform.

Changes to the terms and conditions

We have particularised in more detail the types of changes that we can make to your facility. The types of changes that we can make are set out in detail in Section 6.10. We will tell you of any such changes as required by the law and any applicable code to which we subscribe. Otherwise, the manner in which we will tell you of changes has not changed.

Correspondent banking fees

We have included a new Section 6.2 (*Correspondent Banking Fees*) to clarify that the fees set out in the schedule of fees and charges with respect to correspondent banking are to be used as a guide only, and that any additional fees will generally be deducted from the value of the telegraphic transfer.

Access to foreign currency facilities

We have clarified that you must be over 18 years of age to access foreign exchange facilities.

Information we may need from your authorised signatories or authorised dealers

You and any of your authorised signatories and/or authorised dealers must provide us with any further identification and other details which we, or the law, may require from time to time.

Indemnifying us for our losses

You will not be required to indemnify us for any loss, claim, demand or damage caused by our (or our employees' or agents') negligence, wilful misconduct or fraud.

Break costs and early withdrawal

We have removed any references to break costs in respect of early withdrawals.